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## CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Amount to be Registered	Amount of Registration Fee
Fixed Rate Notes due 2014	\$1,000,000,000	\$116,100
Floating Rate Notes due 2014	\$600,000,000	\$69,660

Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-167820

PROSPECTUS SUPPLEMENT DATED MAY 11, 2011  
(To Prospectus dated June 28, 2010)



**BBVA U.S. Senior, S.A. Unipersonal**  
(a wholly-owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.)  
**\$1,000,000,000 FIXED RATE SENIOR NOTES DUE 2014**  
**\$600,000,000 FLOATING RATE SENIOR NOTES DUE 2014**  
**unconditionally and irrevocably guaranteed, as described in the prospectus, by**  
**Banco Bilbao Vizcaya Argentaria, S.A.**

The \$1,000,000,000 fixed rate senior notes due 2014 (the “**Fixed Rate Notes**”) will bear interest at 3.250% per year. The \$600,000,000 floating rate senior notes due 2014 (the “**Floating Rate Notes**” and, together with the Fixed Rate Notes, the “**Notes**”) will bear interest at the then-applicable U.S. dollar three-month LIBOR rate plus 2.125% per year. Interest on the Fixed Rate Notes will be payable on each November 16 and May 16 of each year, beginning on November 16, 2011, up to, and including, May 16, 2014 (the “**Fixed Rate Note Maturity Date**”). Interest on the Floating Rate Notes will be payable on each August 16, November 16, February 16 and May 16 of each year, beginning on August 16, 2011, up to, and including, May 16, 2014 (the “**Floating Rate Note Maturity Date**” and the Fixed Rate Note Maturity Date, each a “**Maturity Date**”). The Fixed Rate Notes will mature at 100% of their principal amount on the Fixed Rate Note Maturity Date. The Floating Rate Notes will mature at 100% of their principal amount on the Floating Rate Note Maturity Date. The Fixed Rate Notes and the Floating Rate Notes constitute separate series of securities issued under the Indenture (as defined herein).

Subject to applicable law, the Notes of each series will be unsecured and will rank equally in right of payment with other unsecured unsubordinated indebtedness of BBVA U.S. Senior, S.A. Unipersonal (the “**Issuer**”). The senior guarantee (as defined herein) as to the payment of principal, interest and additional amounts (as defined herein) will be a direct, unconditional, unsecured and unsubordinated obligation of Banco Bilbao Vizcaya Argentaria, S.A. (the “**Guarantor**”) and, subject to applicable law, will rank equally in right of payment with its other unsecured unsubordinated indebtedness.

Neither the U.S. Securities and Exchange Commission (the “**SEC**”) nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement and of the accompanying prospectus. Any representation to the contrary is a criminal offense.

**Investing in the Notes involves risks. See “Risk Factors” beginning on page S-12 of this prospectus supplement and page 2 of the accompanying prospectus as well as in the documents incorporated by reference.**

	Issue Price	Underwriting Discounts and Commissions(1)	Proceeds, before Expenses to the Issuer
Per Fixed Rate Note	99.89%	0.20%	99.69%
Total for Fixed Rate Notes	\$ 998,900,000	\$2,000,000	\$ 996,900,000
Per Floating Rate Note	100.00%	0.20%	99.80%
Total for Floating Rate Notes	\$ 600,000,000	\$1,200,000	\$ 598,800,000
Total	\$1,598,900,000	\$3,200,000	\$1,595,700,000

(1) The underwriters have agreed to reimburse the issuer for up to \$800,000 of its out-of-pocket expenses, costs and fees. See “Underwriting”.

**The Notes are not deposits or savings accounts and are not insured by the Federal Deposit Insurance**

**Corporation or any other governmental agency of the Kingdom of Spain, the United States or any other jurisdiction.**

We will apply to list the Notes on the New York Stock Exchange and, if approved, trading is expected to commence within 30 days after the initial delivery of the Notes.

The underwriters expect to deliver the Notes in registered book-entry form through the facilities of The Depository Trust Company (“**DTC**”) and Euroclear Bank S.A./N.V. (an indirect participant in DTC), as operator of the Euroclear System (“**Euroclear**”) on or about May 18, 2011, which will be the fifth New York business day following the date of pricing of the Notes (such settlement period being referred to as “T+5”). Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants.

*Joint Bookrunners*

**BBVA Securities**

**Citi**

**Deutsche Bank Securities**

**Goldman, Sachs & Co.**

The date of this prospectus supplement is May 11, 2011.

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*References in this prospectus supplement to “we”, “our”, “us”, “Guarantor” and “Bank” refer to Banco Bilbao Vizcaya Argentaria, S.A. (including, as the context may require, acting through one of its branches), unless the context otherwise requires, and references to “BBVA”, and “BBVA Group” refer to Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated subsidiaries (including us), unless otherwise indicated or the context otherwise requires.*

*References in this prospectus supplement to “BBVA U.S. Senior” or the “Issuer” refer to BBVA U.S. Senior, S.A. Unipersonal, unless the context otherwise requires.*

*References in this prospectus supplement to “you” mean those who invest in the Notes, whether they are the direct holders or owners of beneficial interests in those securities. References to “holders” mean those who own securities registered in their own names on the books that we maintain for this purpose, and not those who own beneficial interests in securities issued in book-entry form through DTC or another depositary or in securities registered in street name.*

*References in this prospectus supplement to “Spain” refer to the Kingdom of Spain.*

*References in this prospectus supplement to “\$”, “US\$”, “U.S. dollars” and “dollars” refer to United States dollars and “€” and “euro” refer to euro.*

**You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We and the Issuer have not, and the underwriters have not, authorized anyone to provide you with different information.**

BBVA U.S. Senior is offering the Notes for sale in those jurisdictions in the United States and elsewhere where it is lawful to make such offers. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Notes in some jurisdictions may be restricted by law. If you possess this prospectus supplement and the accompanying prospectus, you should find out about and observe these restrictions. This prospectus supplement and the accompanying prospectus are not an offer to sell the Notes and neither we, BBVA U.S. Senior nor the underwriters are soliciting an offer to buy the Notes in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or from any person to whom it is not permitted to make such offer or sale. We refer you to the information under “Underwriting” in this prospectus supplement. The delivery of this prospectus supplement, at any time, does not create any implication that there has been no change in our affairs since the date of this prospectus supplement or that the information contained in this prospectus supplement is correct as of any time subsequent to that date.

**FORWARD-LOOKING STATEMENTS**

Some of the statements included in this prospectus supplement are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We also may make forward-looking statements in our other documents filed with, or furnished to, the SEC that are incorporated by reference into this prospectus supplement. Forward-looking statements can be identified by the use of forward-looking terminology such as “believe”, “expect”, “estimate”, “project”, “anticipate”, “should”, “intend”, “probability”, “risk”, “VaR”, “target”, “goal”, “objective”, or by the use of similar expressions or variations on such expressions, or by the discussion of strategy or objectives. Forward-looking statements are based on current plans, estimates and projections, and are subject to inherent risks, uncertainties and other factors that could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements.

In particular, this prospectus supplement and certain documents incorporated by reference into this prospectus supplement include forward-looking statements relating but not limited to management objectives, the implementation of our strategic initiatives, trends in results of operations, margins, costs, return on equity and risk management, including our potential exposure to various types of risk such as market risk, interest rate risk, currency risk and equity risk. For example, certain of the market risk disclosures are dependent on choices about key model characteristics, assumptions and estimates, and are subject to various limitations. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future.

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We have identified some of the risks inherent in forward-looking statements in “Item 3. Key Information — Risk Factors”, “Item 4. Information on the Company”, “Item 5. Operating and Financial Review and Prospects” and “Item 11. Quantitative and Qualitative Disclosures About Market Risk” in our annual report on Form 20-F for the fiscal year ended December 31, 2010, which we refer to as our 2010 Form 20-F, filed with the SEC on April 1, 2011 and incorporated by reference into this prospectus supplement. Other factors could also adversely affect our and the Issuer’s results or the accuracy of forward-looking statements in this prospectus supplement and the accompanying prospectus, and you should not consider the factors discussed here or in the Items in our 2010 Form 20-F listed above to be a complete set of all potential risks or uncertainties. Other important factors that could cause actual results to differ materially from those in forward-looking statements include, among others:

- general political, economic and business conditions in Spain, the European Union (“EU”), Latin America, the United States and other regions, countries or territories in which we operate;
- changes in applicable laws and regulations, including taxes;
- the monetary, interest rate and other policies of central banks in Spain, the EU, the United States, Mexico and elsewhere;
- changes or volatility in interest rates, foreign exchange rates (including the euro to U.S. dollar exchange rate), asset prices, equity markets, commodity prices, inflation or deflation;
- ongoing market adjustments in the real estate sectors in Spain, Mexico and the United States;
- the effects of competition in the markets in which we operate, which may be influenced by regulation or deregulation;
- changes in consumer spending and savings habits, including changes in government policies which may influence investment decisions;
- our ability to hedge certain risks economically;
- the success of our acquisitions (including acquisition of a shareholding in Türkiye Garanti Bankası A.Ş.), divestitures, mergers and strategic alliances;
- our success in managing the risks involved in the foregoing, which depends, among other things, on our ability to anticipate events that cannot be captured by the statistical models we use; and
- *force majeure* and other events beyond our control.

The forward-looking statements made in this prospectus supplement speak only as of the date of this prospectus supplement. Neither we nor BBVA U.S. Senior intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this prospectus supplement, including, without limitation, changes in our business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events, and we and BBVA U.S. Senior do not assume any responsibility to do so. You should, however, consult any further disclosures of a forward-looking nature we may make in our other documents filed with, or furnished to, the SEC that are incorporated by reference into this prospectus supplement.

### **SPANISH WITHHOLDING TAX REQUIREMENTS**

Potential investors should note the statements under “Spanish Tax Considerations” regarding the tax treatment in Spain of interest payments received in respect of the Notes and the disclosure requirements imposed by Law 13/1985 of May 25, as amended, on the Issuer and the Guarantor relating to the identity and country of tax residence of owners of a beneficial interest in the Notes (each, a “**Beneficial Owner**”). In particular, interest payments in respect of the Notes will be subject to Spanish withholding tax if certain information regarding Beneficial Owners is not received by us and the Guarantor in a timely manner.

Therefore, under Spanish law, interest payments in respect of the Notes will be subject to withholding tax in Spain, currently at the rate of 19%, in the case of (i) individual Beneficial Owners who are resident for tax purposes in Spain and (ii) Beneficial Owners who fail to comply with certain information reporting obligations established by the Spanish legislation. Each of the Issuer and the Guarantor is required pursuant to Spanish law and certain binding rulings interpreting that law to submit to the Spanish tax authorities certain information relating to Beneficial Owners who receive



interest payments on the Notes. Neither the Issuer nor the Guarantor will pay additional

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amounts in respect of any such withholding tax in any of the above cases. See “Spanish Tax Considerations — Evidencing of Beneficial Owner Residency in Connection with Interest Payments”.

The Issuer, the Guarantor and The Bank of New York Mellon (in its capacity as paying agent and for other limited purposes, the “**paying agent**”) have arranged certain procedures with Acupay System LLC (“**Acupay**”), DTC and Euroclear that are designed to facilitate the collection of the required Beneficial Owner information through direct and indirect participants of DTC, including Euroclear. These procedures are intended to facilitate the collection of information regarding the identity and residence of Beneficial Owners who (i) are exempt from Spanish withholding tax requirements and therefore entitled to receive payments in respect of the Notes free and clear of Spanish withholding taxes and (ii) (a) are direct participants in DTC, (b) hold their interest through securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a direct or indirect custodial relationship with a direct participant in DTC, including Euroclear (each such entity an “**indirect DTC participant**”), or (c) hold their interests through direct DTC participants. These procedures are set forth in Annexes A and B to this prospectus supplement.

If Acupay, DTC or Euroclear or the participants in DTC or Euroclear are unable to facilitate the collection of such information, the Issuer may attempt to remove the Notes from DTC or Euroclear, and this may affect the liquidity of the Notes. Provision has been made for the Notes to be represented by certificated Notes in the event that the Notes cease to be held through DTC. See “Description of the Notes and the Notes Guarantees — Global Certificates” in the accompanying prospectus.

The tax certification procedures may be amended to comply with Spanish laws and regulations and the operational requirements of DTC and Euroclear. Beneficial Owners must seek their own tax advice to ensure that they comply with all procedures with respect to providing Beneficial Owner information. None of the Issuer, the Guarantor, the underwriters, the paying agent, Acupay, DTC or Euroclear assume any responsibility therefor.

**Neither DTC nor Euroclear is under any obligation to continue to perform the tax certification procedures described in Annexes A and B to this prospectus supplement and such procedures may be modified or discontinued at any time. In addition, DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Issuer or paying agent.**

The tax certification procedures provide that payments of interest through any direct DTC participants that fail or for any reason are unable to comply with the procedures herein for the provision of the required Beneficial Owner information in respect of Beneficial Owners who are otherwise entitled to an exemption from Spanish withholding tax and who hold their beneficial interests in the Notes through such participants, will be paid net of Spanish withholding tax in respect of such beneficial interests in the Notes. In particular, should the required Beneficial Owner information submitted by a direct DTC participant to Acupay be inconsistent with its election via the DTC Elective Dividend Service (“**EDS/Tax Relief Election**”) and DTC holdings in the Notes on any Interest Payment Date (as defined herein), then such direct DTC participant will be paid net of Spanish withholding tax with respect to such direct DTC’s participant’s entire holding in the Notes. If this were to occur, affected Beneficial Owners who hold their beneficial interests in the Notes through such direct DTC participant (other than Beneficial Owners who hold their beneficial interests in the Notes through Euroclear or participants in Euroclear) would have to follow the Quick Refund Procedures set forth in Annex A to this prospectus supplement, and affected Beneficial Owners who hold their beneficial interests in the Notes through Euroclear or participants in Euroclear would have to follow the Quick Refund Procedures set forth in Annex B to this prospectus supplement, or apply directly to the Spanish tax authorities for any refund to which they may be entitled pursuant to the procedures set forth in Annex C to this prospectus supplement.

**The Issuer and the Guarantor, as applicable, may, in the future, withhold amounts from payments for the benefit of Beneficial Owners who are subject to corporate income tax in Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements specified in the Reply to a Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated July 27, 2004 or otherwise require such withholding to be made. If this were to occur, neither the Issuer nor the Guarantor will pay additional amounts in respect of such withholding. See “Spanish Tax Considerations” in this prospectus supplement and “Spanish Tax Considerations” in the accompanying prospectus.**

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*The following summary of certain general features of the offering does not purport to be complete and is taken from and qualified in its entirety by the detailed information appearing elsewhere, or incorporated by reference in this prospectus supplement and the accompanying prospectus.*

**BBVA U.S. Senior, S.A. Unipersonal**

BBVA U.S. Senior is a limited liability company (*sociedad anónima*) organized under the laws of Spain, and is a direct wholly-owned subsidiary of the Bank. BBVA U.S. Senior has no subsidiaries.

The registered office of BBVA U.S. Senior is Gran Vía, 1, 48001 Bilbao, Spain, and its principal executive offices are located at Paseo de la Castellana, 81, 28046 Madrid, Spain (telephone number: 011-34-91-537-7000).

**The BBVA Group**

BBVA is a highly diversified financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. It also has a portfolio of investments in some of Spain's leading companies. BBVA, which operates in over 32 countries, is based in Spain and has substantial banking interests in Latin America, the United States, Europe and Asia. The BBVA group had consolidated assets of €562 billion at March 31, 2011 and net income attributed to parent company of €1,150 million for the three months ended March 31, 2011.

Additional information about BBVA and its subsidiaries is included in the 2010 Form 20-F, which is incorporated by reference in this document.

BBVA's principal executive offices are located at Paseo de la Castellana, 81, 28046 Madrid, Spain, and its telephone number at that location is 011-34-91-537-7000.

**Recent Developments**

On March 22, 2011, BBVA completed the acquisition of 24.8902% of the total issued share capital of Türkiye Garanti Bankası A.Ş.

On May 9, 2011, BBVA announced its results of operations for the three months ended March 31, 2011. BBVA's net interest income decreased 6.2% to €3,175 million for the three months ended March 31, 2011 from €3,386 million for the three months ended March 31, 2010, and BBVA's net income attributed to parent company decreased 7.3% to €1,150 million for the three months ended March 31, 2011 from €1,240 million for the three months ended March 31, 2010. The Group's total assets as of March 31, 2011 were €562,174 million compared to €552,738 million as of December 31, 2010 and €553,922 million as of March 31, 2010. Total non-performing assets (which include substandard loans to customers and other non-performing assets) amounted to €15,528 million as of March 31, 2011, a 1.0% decrease compared to €15,685 million as of December 31, 2010 (€15,870 million as of March 31, 2010). The non-performing asset ratio was 4.1% as of March 31, 2011, 4.1% as of December 31, 2010 and 4.3% as of March 31, 2010. The coverage ratio was 61% as of March 31, 2011, 62% as of December 31, 2010 and 59% as of March 31, 2010. BBVA's result of operations for the three months ended March 31, 2011 are further described in the May 9, 2011 Form 6-K incorporated by reference herein.

**The Offering Summary**

<b>Issuer</b>	BBVA U.S. Senior, S.A. Unipersonal
<b>Guarantor</b>	Banco Bilbao Vizcaya Argentaria, S.A.
<b>Trustee, Paying Agent and Calculation Agent</b>	The Bank of New York Mellon will be acting as the trustee and paying agent with respect to the Notes under, and as such terms are defined in, the Indenture (as defined herein). The Bank of New York Mellon will

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	be acting as Calculation Agent (as defined herein) with respect to the Floating Rate Notes under the Calculation Agency Agreement (as defined herein).
<b>Notes Offered</b>	<p>\$1,000,000,000 aggregate principal amount of fixed rate senior notes due 2014. The Fixed Rate Notes will bear the following CUSIP: 055299AJ0 and the following ISIN: US055299AJ03.</p> <p>\$600,000,000 aggregate principal amount of floating rate senior notes due 2014. The Floating Rate Notes will bear the following CUSIP: 055299AK7 and the following ISIN: US055299AK75.</p> <p>The Fixed Rate Notes and the Floating Rate Notes constitute separate series of securities issued under the Indenture (as defined herein).</p>
<b>Issue Price</b>	<p>99.89% (Fixed Rate Notes).</p> <p>100.00% (Floating Rate Notes).</p>
<b>Issue Date</b>	<p>May 18, 2011 (Fixed Rate Notes).</p> <p>May 18, 2011 (Floating Rate Notes).</p>
<b>Maturity</b>	<p>May 16, 2014 (Fixed Rate Notes).</p> <p>May 16, 2014 (Floating Rate Notes).</p>
<b>Interest Payable on the Notes</b>	<p>The Fixed Rate Notes will bear interest at 3.250% per year, payable on each November 16 and May 16 of each year, beginning on November 16, 2011, up to, and including, the Fixed Rate Maturity Date.</p> <p>The Floating Rate Notes will bear interest at the then-applicable U.S. dollar three-month LIBOR rate plus 2.125% per year, payable on each August 16, November 16, February 16 and May 16 of each year, beginning on August 16, 2011, up to, and including, the Floating Rate Note Maturity Date.</p>
<b>Minimum Initial Purchase Amount</b>	\$100,000.
<b>Form and Denominations; Clearing and Settlement</b>	The denomination of the Notes is a minimum of \$1,000 and increments of \$1,000 thereafter and all payments on or in respect of the Notes will be made in U.S. dollars. The Notes of each series will be initially represented by one or more global security certificates (each, a “ <b>Global Certificate</b> ”) which will be deposited with a custodian for DTC and Notes represented thereby will be registered in the name of Cede & Co., as nominee for DTC. Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its participants. You will not receive certificated notes (as defined in the accompanying prospectus) unless one of the events described under the heading “Description of the Notes and the Notes Guarantees — Global Certificates” occurs.
<b>Status of the Notes</b>	The Notes will constitute direct, unconditional and unsecured indebtedness of the Issuer and will rank <i>pari passu</i> with all other unsubordinated and unsecured

**Early Redemption for Taxation  
or Listing Reasons**

indebtedness of the Issuer, but in the case of insolvency, only to the extent permitted by creditor's rights.

In the event of various tax law changes that would require the Issuer or the Guarantor, as the case may be, to pay additional amounts and other limited circumstances as described under "Certain Terms of the Notes

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	<p>and the Notes Guarantees — Early Redemption for Taxation or Listing Reasons” in this prospectus supplement and “Description of the Notes and the Notes Guarantees — Optional Tax Redemption” in the accompanying prospectus the Issuer may redeem all, but not less than all, of the Notes of any series prior to maturity.</p> <p>In addition, if any series of the Notes is not listed on an organized market in an OECD country no later than 45 days prior to the initial Interest Payment Date on such series of Notes, the Issuer or the Guarantor, as the case may be, may, at its election and having given not less than 15 days’ notice to the holders of such series of Notes in accordance with the terms described under the heading “Certain Terms of the Notes and the Notes Guarantees — Notices”, redeem all of the outstanding Notes of such series.</p>
<b>Optional Redemption of the Notes</b>	<p>The Issuer may, at its election and having given not less than 30 nor more than 60 days’ notice to the holders of the Fixed Rate Notes in accordance with the terms described under the heading “Certain Terms of the Notes and the Notes Guarantees — Notices”, redeem from time to time all or a portion of the outstanding Fixed Rate Notes at a redemption price determined in the manner set forth in this prospectus supplement. See “Certain Terms of the Notes and the Notes Guarantees — Optional Redemption of the Notes”.</p>
<b>Purchases of the Notes</b>	<p>The Issuer and the Guarantor and any of their respective subsidiaries may at any time purchase the Notes in the open market or otherwise and at any price.</p>
<b>Guarantees</b>	<p>The payment of any principal of and interest on the Notes and additional amounts or any other amounts of whatever nature which may become payable under the Notes or the Indenture (as defined herein) are irrevocably and unconditionally guaranteed by the Guarantor as explained under “Description of the Notes and Notes Guarantees — Senior Notes and Senior Guarantees” in the accompanying prospectus.</p> <p>The Guarantees constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and will at all times rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsubordinated and unsecured indebtedness of the Guarantor, but in the case of insolvency, only to the extent permitted by creditor’s rights.</p> <p>For a full description of the Guarantees, see “Description of the Notes and the Notes Guarantees” in the accompanying prospectus.</p> <p>As of March 31, 2011, the Guarantor had an aggregate of €46.1 billion of outstanding secured indebtedness and €60 billion of outstanding unsecured indebtedness. For additional information about the Guarantor’s principal transactions since March 31, 2011, see “Consolidated Capitalization and Indebtedness of the BBVA Group”.</p>
<b>Use of Proceeds</b>	<p>We expect that the net proceeds from this offering, after</p>



deducting the underwriters' discounts but before expenses, will be approximately \$1,595,700,000. The proceeds of the issue of the Notes, after deducting the underwriters' discounts and paying any issue expenses, will be, in accordance with Spanish law, deposited on a permanent basis with

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<p><b>Syndicate of Holders</b></p>	<p>us and will be used for the BBVA Group's general corporate purposes. See "Use of Proceeds".</p> <p>The Spanish Capital Companies Act (<i>Ley de Sociedades de Capital</i>) requires that a representative (<i>comisario</i> or "<b>Commissioner</b>") of the holders of Notes of such series of each series is appointed and that a Syndicate (as defined in the accompanying prospectus) of holders of Notes of each series is established in relation to each series of Notes issued under the Indenture (as defined herein). By purchasing a Note of any series, you will be deemed to have agreed (i) to membership in the Syndicate in respect of the Notes of such series and (ii) if you purchased such Note prior to the record date for the first meeting of the Syndicate, to have granted full power and authority to The Bank of New York Mellon with respect to Notes of such series to act as your proxy to vote at the first meeting of the Syndicate of holders of Notes of such series in favor of the ratification of the Regulations in respect of such Syndicate, the ratification of the designation and appointment of The Bank of New York Mellon as Commissioner of such Syndicate and the ratification of the actions of the Commissioner performed prior to such first meeting of the Syndicate.</p> <p>For more information on the Regulations and duties and responsibilities of the Commissioner and Syndicate and additional timing and other requirements under Spanish law, see "Description of the Notes and the Notes Guarantees — Syndicate of Holders, Meetings, Modifications and Waivers" in the accompanying prospectus.</p>
<p><b>Substitution</b></p>	<p>The Notes contain provisions allowing for the substitution of the Issuer as principal debtor of the obligations of the relevant Issuer under the Notes, as more fully described in the accompanying prospectus under "Description of the Notes and the Notes Guarantee — Substitution of the Issuer".</p>
<p><b>Beneficial Owner Identification Requirements under Spanish Tax Laws</b></p>	<p>Under Spanish Law 13/1985 of May 25, as amended, Royal Decree 1065/2007 of July 27 and certain binding rulings interpreting that law and regulations, the Issuer and the Guarantor are required to provide to the Spanish tax authorities certain information relating to Beneficial Owners of the Notes who receive interest payments free of Spanish withholding tax.</p> <p>This information includes the identity and country of tax residence of Beneficial Owners and the amount of interest received by such Beneficial Owners, and must be obtained with respect to each date on which interest will be paid by 8:00 p.m. (New York time) on the fourth New York Business Day (as defined herein), before such date on which interest will be paid or, under certain circumstances, by 9:45 a.m. (New York time) on such date on which interest will be paid and filed by the Issuer and the Guarantor with the Spanish tax authorities on an annual basis.</p> <p>The Issuer, the Guarantor and the paying agent have arranged certain procedures with Acupay, DTC and</p>

Euroclear that are designed to facilitate the collection of the required Beneficial Owner information through direct and indirect participants of DTC, including Euroclear. The procedures arranged by Acupay are intended to facilitate the collection of information regarding the identity and residence of

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	<p>Beneficial Owners who (i) are exempt from Spanish withholding tax requirements and therefore entitled to receive payments in respect of the Notes free and clear of Spanish withholding taxes and (ii) (a) are direct participants in DTC, (b) hold their interest through indirect DTC participants, including Euroclear, or (c) hold their interests through direct DTC participants.</p> <p>See “Spanish Tax Considerations — Evidencing of Beneficial Owner Residency in Connection with Interest Payments” and Annexes A, B and C to this prospectus supplement.</p> <p>No additional amounts will be payable in respect of present or future withholding taxes.</p>
<b>Listing</b>	<p>We will apply to list the Notes on the New York Stock Exchange and, if approved, trading is expected to commence within 30 days after the initial delivery of the Notes.</p>
<b>Governing Law</b>	<p>The Notes and the Indenture (as defined herein) will be governed by and construed under the laws of the State of New York applicable to agreements made or instruments entered into and, in each case, performed in said state, except that the authorization and execution by the Issuer and the Guarantor of the Indenture (as defined herein) and the Notes, the issuance of the Notes, certain provisions of the Notes and the Indenture (as defined herein) related to the establishment of a Syndicate (as defined in the accompanying prospectus) and the appointment of a Commissioner and certain provisions of the Indenture (as defined herein) related to the execution and delivery of the Guarantees shall be governed by and construed in accordance with Spanish law. The Guarantees will be governed by and construed in accordance with Spanish law. The Regulations (as defined in the accompanying prospectus) of each Syndicate and the duties of and all matters relating to the Commissioner shall be governed by and construed in accordance with Spanish law.</p>
<b>Settlement</b>	<p>The underwriters expect to deliver the Notes to purchasers in registered form through DTC and Euroclear (an indirect participant in DTC) on or about May 18, 2011 which will be the fifth New York business day following the date of pricing of the Notes (such settlement period being referred to as “T+5”).</p>
<b>Conflict of Interest</b>	<p>BBVA Securities Inc. is a subsidiary of the Guarantor and an affiliate of the Issuer. BBVA Securities Inc. will conduct this offering in compliance with the requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc., which is commonly referred to as FINRA, regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. Neither BBVA Securities Inc. nor any of our other affiliates may make sales in this offering to any discretionary account without the specific written approval of the accountholder.</p>

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[Table of Contents](#)**Risk Factors**

Investing in the Notes involves risks. In addition to the information contained in or incorporated by reference into this prospectus supplement, you should carefully consider the risk factors detailed under “Item 3. Key Information — Risk Factors” in the 2010 Form 20-F, on page 2 of the accompanying prospectus and on page S-11 of this prospectus supplement.

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[Table of Contents](#)**RISK FACTORS**

*You should carefully consider the risk factors contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement, including, but not limited to, those risk factors in “Item 3. Key Information — Risk Factors”, in our 2010 Form 20-F, in deciding whether to invest in the Notes. In addition, investing in the Notes involves risks. Any of the risks described below, in the accompanying prospectus or in our 2010 Form 20-F, if they actually occur, could materially and adversely affect our and the Issuer’s business, results of operations, prospects and financial condition and the value of your investments.*

**Risk Relating to BBVA and the Issuer**

For a description of risks associated with BBVA and the Issuer, see the section entitled “Risk Factors” of our 2010 Form 20-F, which is incorporated by reference herein.

**Risks Relating to the Notes*****An active trading market may not develop for the Notes.***

Prior to the offering, there was no existing trading market for the Notes. We intend to apply for listing of the Notes on the New York Stock Exchange. If, however, an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. In that case, holders of the Notes may not be able to sell Notes at a particular time or may not be able to sell Notes at a favorable price. The liquidity of any market for the Notes will depend on a number of factors including:

- the number of holders of the Notes;
- our ratings published by major credit rating agencies;
- our financial performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We cannot assure you that an active market for the Notes will develop or, if developed, that it will continue.

***Your right to receive payments of interest and principal on the Notes and the Guarantees is effectively junior to certain other obligations of the Issuer and the Guarantor.***

The Notes of each series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and (subject to any applicable statutory exceptions) the payment obligations of the Issuer under the Notes of such series will rank at least *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer, except as the obligations of the Issuer may be limited by Spanish bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors’ rights generally in the Kingdom of Spain. Pursuant to the Guarantees, the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes of each series on an unsubordinated and unconditional basis. The obligations of the Guarantor under the Guarantees in respect of the Notes of a series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor under the Guarantees and will rank *pari passu* without any preference among such obligations of the Guarantor under the Guarantees in respect of the Notes of such series and at least *pari passu* with all other unsubordinated and unsecured indebtedness and monetary obligations involving or otherwise related to borrowed money of the Guarantor, present and future; *provided* that the obligations of the Guarantor under the Guarantees in respect of the Notes will be effectively subordinated to those obligations that are preferred under Law 22/2003 (*Ley Concursal*) dated July 9, 2003, as amended, regulating insolvency proceedings in Spain. However, the Notes and the Guarantees will be effectively subordinated to all of, respectively, the Issuer’s and the Guarantor’s secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other obligations that rank senior under Spanish law. At March 31, 2011, the Guarantor had €46.1 billion of secured indebtedness outstanding and €60 billion of unsecured indebtedness outstanding.

***Our credit ratings may not reflect all risks of an investment in the Notes.***

Our credit ratings may not reflect the potential impact of all risks related to the market values of



the Notes. However, real or anticipated changes in our credit ratings will generally affect the market values of the Notes. A

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credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***We may redeem the Notes at any time for certain tax reasons.***

We may redeem the Notes at any time in whole (but not in part) upon the occurrence of certain tax changes as described in this prospectus supplement and accompanying prospectus.

***If the Notes of a series are not listed on an organized market in an OECD country no later than 45 days prior to the initial Interest Payment Date for the Notes of such series, the Issuer or the Guarantor, as the case may be, may, at its election, redeem such series of Notes without penalty or premium.***

If any series of Notes is not listed on an organized market in an OECD country no later than 45 days prior to the initial Interest Payment Date on such series of Notes, the Issuer or the Guarantor, as the case may be, may, at its election and having given no less than 15 days' notice to the holders of such series of Notes in accordance with the terms described under the heading "Certain Terms of the Notes and the Notes Guarantees — Notices", redeem all of the outstanding Notes of such series at their principal amount without any penalty or premium in respect thereof, together with accrued interest, if any, thereon to but not including the redemption date. The Issuer will apply to list the Notes on the New York Stock Exchange; however, no such listing can be assured. See "Certain Terms of the Notes and the Notes Guarantees — Early Redemption for Taxation or Listing Reasons". For a description of the Spanish tax treatment applicable to the accrued interest, if any, on the Notes upon an early redemption of such Notes as a result of such Notes not being listed on an organized market in an OECD country, see "Spanish Tax Considerations — Senior Notes and Subordinated Notes — 2. Tax Rules for Senior Notes and Subordinated Notes not Listed on an Organized Market in an OECD Country" in the accompanying prospectus.

***The Issuer and the Guarantor, as the case may be, will withhold Spanish withholding tax from any interest payment in respect of the Notes as to which the required Beneficial Owner information is not provided on a timely basis or at all.***

Under Spanish Law 13/1985 of May 25, as amended, Royal Decree 1065/2007 of July 27 and certain binding rulings interpreting that law and regulations, the Issuer and the Guarantor are required to provide certain information relating to Beneficial Owners to the Spanish tax authorities. This information includes the identity and country of tax residence of each Beneficial Owner that receives an interest payment on the Notes and the amount of interest received by such Beneficial Owner, and must be obtained with respect to each Interest Payment Date by 8:00 p.m. (New York time) on the fourth New York Business Day prior to such date on which interest will be paid or, in certain circumstances, by 9:45 a.m. (New York time) on such Interest Payment Date and filed by the Issuer and the Guarantor with the Spanish tax authorities on an annual basis. "New York Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions or trust companies in the City of New York are required or authorized by law, regulation or executive order to close.

The delivery of the information related to Beneficial Owner identity and country of residence must be made through the relevant direct or indirect participants in DTC, including Euroclear, in accordance with the procedures set forth under "Acupay System LLC Certification Procedures". Each such DTC participant will be required to provide information in respect of all of the Beneficial Owners holding interests through such participant as of each Interest Payment Date. If DTC or the direct or indirect participants in DTC, including Euroclear, fail for any reason to provide the Issuer or the Guarantor (through Acupay) with the required information as described under "Acupay System LLC Certification Procedures" in respect of the Beneficial Owner of any of the Notes, the Issuer or the Guarantor, as the case may be, will be required to withhold tax and will pay interest and other amounts in respect of such Notes net of the withholding tax applicable to such payments (currently 19%). If withholding occurs due to failure to provide the required tax information through Acupay, affected Beneficial Owners would be required to either follow Quick Refund Procedures set forth in Annex A and Annex B to this prospectus supplement or apply directly to the Spanish tax authorities for any refund to which they may be entitled, as explained in "Acupay System LLC Certification Procedures", and neither the Issuer nor the Guarantor will be responsible for any damage or loss incurred by Beneficial Owners in connection with such procedures. In addition, neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding.

***The Issuer and the Guarantor have agreed to provide certain procedures arranged by Acupay,***

*DTC and Euroclear to facilitate the collection of information concerning the identity and residence of Beneficial*

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***Owners through the relevant direct or indirect participants in DTC, including Euroclear. If the agreed procedures prove ineffective or if the relevant participants in DTC or Euroclear fail to provide and verify the required information as of each Interest Payment Date, the Issuer or the Guarantor, as the case may be, will withhold tax at the then-applicable rate (currently 19%) from any interest payment in respect of the Notes as to which the agreed procedures prove ineffective or have not been followed, and neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding.***

The delivery of the Beneficial Owner identity and country of residence information required by the Spanish tax authorities must be made through the relevant direct or indirect participants in DTC (including Euroclear) in accordance with the procedures set forth under “Acupay System LLC Certification Procedures”. Each such DTC participant must provide the required information in respect of all of the Beneficial Owners holding interests through such participant as of each Interest Payment Date, and neither the Issuer nor the Guarantor shall be responsible for any DTC participant’s failure to do so. Such failure may arise as a result of the failure of an indirect DTC participant (including Euroclear) holding through a direct DTC participant to provide the necessary information in a timely manner. In the event of any error in a direct DTC participant’s compliance with these procedures, Acupay will seek to notify such direct DTC participant of any deficiencies in the information provided by such direct DTC participant, but in the event such direct DTC participant fails to correct such deficiencies in a timely manner, the Issuer or the Guarantor, as the case may be, will withhold tax at the then-applicable rate from any interest payment in respect of the entire outstanding principal amount of the Notes held through such DTC participant. Neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding. In order to obtain a refund of any amounts withheld, affected Beneficial Owners will have to either follow the Quick Refund Procedure set forth in Annex A and Annex B to this prospectus supplement or apply directly to the Spanish tax authorities for any refund to which they may be entitled, as set forth in Annex A and Annex B to this prospectus supplement, and neither the Issuer nor the Guarantor shall be responsible for any damage or loss incurred by Beneficial Owners in connection with such procedures.

***You may be unable to enforce judgments obtained in U.S. courts against the Issuer or the Guarantor.***

All of the Issuer’s directors and substantially all the directors and executive officers of the Guarantor are not residents of the United States, and substantially all the assets of these companies are located outside of the United States. As a consequence, you may not be able to effect service of process on these non-U.S. resident directors and executive officers in the United States or to enforce judgments against them outside of the United States. Spanish counsel has advised that there is doubt as to whether a Spanish court would enforce a judgment of liability obtained in the United States against the Issuer or the Guarantor predicated solely upon the securities laws of the United States.

***There is a risk of conflict between U.S. and Spanish law as they apply to the Notes.***

The Spanish Companies Act (*Ley de Sociedades de Capital*) requires that a representative (*comisario* or “**Commissioner**”) of the holders of Notes of each series is appointed and that a Syndicate (as defined in the accompanying prospectus) of holders of Notes of each series is established in relation to each series of Notes issued under the Indenture (as defined herein). In addition, the Indenture (as defined herein) pursuant to which the Notes will be issued is qualified under the U.S. Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), and includes mandatory provisions related to the appointment of a trustee whose duties overlap in part with those of the *comisario* under Spanish law. We believe that none of the provisions of the Indenture conflict with Spanish law. Moreover, the Indenture provides that if any provision of the Indenture (as defined herein) or the Regulations (as defined in the accompanying prospectus) conflicts with a mandatory provision of the Trust Indenture Act, the provision of the Trust Indenture Act shall control. However, we cannot assure you that Spanish law will remain unchanged or that a Spanish court would not find that the obligations of the Issuer or the trustee under the Indenture and the Trust Indenture Act are inconsistent with the obligations of the Issuer or the Commissioner (as defined herein) under Spanish law, and would not seek to prevent the trustee under the Indenture or the Issuer from taking actions required to be taken under the Indenture or the Trust Indenture Act. Any such finding would not, however, affect the enforceability in Spain of a judgment on any guarantees granted by the guarantor in respect of Notes of each series. In addition, there may be delays involved in complying with certain Spanish law requirements. For example, the Regulations provide for notice periods of as long as 60 days.

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[Table of Contents](#)**CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth BBVA's consolidated ratio of earnings to fixed charges, using financial information compiled in accordance with International Financial Reporting Standards adopted by the EU ("**EU-IFRS**") required to be applied under the Bank of Spain's Circular 4/2004 ("**Circular 4/2004**"), for the three months ended March 31, 2011 and the years ended December 31, 2010, 2009, 2008, 2007 and 2006:

	<b>Three Months Ended March 31, 2011(1)</b>	<b>Year Ended December 31</b>				
		<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>EU-IFRS(2)</b>						
Ratio of earnings to fixed charges:						
Including interest on deposits	1.69	1.77	1.57	1.40	1.54	1.64
Excluding interest on deposits	2.23	2.37	2.04	1.82	2.06	2.27

(1) Unaudited.

(2) EU-IFRS required to be applied under Circular 4/2004.

**USE OF PROCEEDS**

BBVA U.S. Senior expects the net proceeds from this offering, after deducting the underwriters' discounts but before expenses, will be approximately \$1,595,700,000. The proceeds of the issue of the Notes, after deducting the underwriters' discounts and paying any issue expenses, will be, in accordance with Spanish law, deposited on a permanent basis with us and will be used for the BBVA Group's general corporate purposes.

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**CONSOLIDATED CAPITALIZATION AND INDEBTEDNESS OF THE BBVA GROUP**

The following table sets forth the capitalization and indebtedness of the BBVA Group on an unaudited consolidated basis in accordance with EU-IFRS required to be applied under Circular 4/2004 as of March 31, 2011 and on an as adjusted basis as of such date to reflect this offering and the use of proceeds therefrom.

	<u>As of March 31, 2011</u>	<u>As of March 31, 2011 As Adjusted(1)</u>
	<u>(euro in millions)</u>	
<b>Outstanding indebtedness(2)</b>		
Short-term indebtedness(3)	29,581	29,581
Long-term indebtedness	76,591	77,717
Of which: Preferred securities(4)	5,188	5,188
<b>Total Indebtedness(5)</b>	<u>106,172</u>	<u>107,298</u>
<b>Stockholders' equity</b>		
Ordinary shares, nominal value €0.49 each	2,201	2,201
Ordinary shares held by consolidated companies	(310)	(310)
Reserves	36,216	36,216
Dividends	—	—
Valuation adjustments	(1,803)	(1,803)
<b>Total stockholders' equity</b>	<u>36,304</u>	<u>36,304</u>
Preferred shares	—	—
Non-controlling interest	<u>1,577</u>	<u>1,577</u>
<b>Total capitalization and indebtedness</b>	<u><u>144,053</u></u>	<u><u>145,179</u></u>

- (1) As adjusted to reflect this offering and the use of net proceeds therefrom.
- (2) No third party has guaranteed any of the debt of the BBVA Group.
- (3) Includes all outstanding promissory notes and bonds, debentures and subordinated debt (including preferred securities) with a remaining maturity of up to one year as of March 31, 2011.
- (4) Under EU-IFRS required to be applied under Circular 4/2004, preferred securities are accounted for as subordinated debt. Nonetheless, for Bank of Spain regulatory capital purposes, such preferred securities are treated as Tier 1 capital instruments.
- (5) Approximately 43% of the BBVA Group's indebtedness was secured as of March 31, 2011.

The following are the principal transactions affecting the capitalization of the BBVA Group after March 31, 2011:

- On April 5, 2011, BBVA Senior Finance, S.A. Unipersonal issued €500,000,000 Floating Rate Notes due January 2013 and guaranteed by us.
- On April 15, 2011 BBVA Senior Finance, S.A. Unipersonal issued €500,000,000 Floating Rate Notes due April 2016 and guaranteed by us.

**BBVA U.S. SENIOR, S.A. UNIPERSONAL**

BBVA U.S. Senior was incorporated by a public deed executed on February 22, 2006 and registered in the Mercantile Registry of Vizcaya on February 28, 2006 as a company with unlimited duration and with limited liability under the laws of Spain (*sociedad anónima*). The registered office of BBVA U.S. Senior is located at Gran Vía, 1, 48005 Bilbao, Spain, and its principal office is located at Paseo de la Castellana, 81, 28046 Madrid, Spain, and its telephone number is 011-34-91-537-7000 or 011-34-91-374-6000.

BBVA U.S. Senior is a 100% owned finance subsidiary of the Guarantor, who fully and unconditionally guarantees the securities offered hereunder. No other subsidiary of the Guarantor guarantees such securities. We and

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BBVA U.S. Senior are not aware of any legal or economic restrictions on the ability of this subsidiary to transfer funds to the Guarantor in the form of cash dividends, loans or advances, capital repatriation or otherwise. There is no assurance that in the future such restrictions will not be adopted.

As of the date of this prospectus supplement, BBVA U.S. Senior has issued and outstanding:

<u>Description</u>	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Outstanding Amount</u>
Floating Rate Notes due 2013	November 12, 2009	\$ 200,000,000	\$ 200,000,000
Floating Rate Notes due 2011	November 24, 2009	\$1,000,000,000	\$1,000,000,000

All of the ordinary shares of BBVA U.S. Senior are owned, directly or indirectly, by us. BBVA U.S. Senior exists for the purpose of issuing debt securities, the proceeds of which, in accordance with Spanish law, will be deposited with us. BBVA U.S. Senior does not have any subsidiaries.

The name and other position in the BBVA Group of each of the directors of BBVA U.S. Senior are set out below:

<u>Name</u>	<u>Position</u>	<u>Other position in the BBVA Group</u>
Pedro Maria Urresti Laca	Director/President	Deputy Chief Financial Officer of BBVA
Juan Isusi Garteiz Gogearcoa	Director	Institutional Funding Manager of BBVA
Ana Fernández Manrique	Director	Corporate Development Manager of BBVA
Raúl Moreno Carnero	Director	Institutional Funding Manager of BBVA
Juan Carlos García Pérez	Director	Manager of BBVA
Tomás Sanchez Zabala	Director	Manager of BBVA

The business address of each of the directors of BBVA U.S. Senior is Paseo de la Castellana, 81, 28046 Madrid, Spain.

There exist no potential conflicts of interest between (i) any duties owed to BBVA U.S. Senior by any director of BBVA U.S. Senior and (ii) the private interests and/or other duties of such directors.

The directors of BBVA U.S. Senior do not have any significant functions outside the BBVA Group.

The auditors of BBVA U.S. Senior are Deloitte, S.L.

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## CERTAIN TERMS OF THE NOTES AND THE NOTES GUARANTEES

The following is a summary of certain terms of the Fixed Rate Notes and the Floating Rate Notes. Each series of Notes will be issued under the indenture (the “**Indenture**”), dated June 28, 2010 among the Issuer, BBVA and The Bank of New York Mellon, a New York banking corporation, as trustee (the “**Trustee**”). Each series of Notes will be issued pursuant to the resolution adopted by the sole shareholder of the Issuer on June 21, 2010 and the resolutions of the board of directors of the Issuer adopted on June 21, 2010 and reflected in a public deed of issuance executed and registered with the Mercantile Registry of Vizcaya (the “**Public Deed of Issuance**”) on or prior to the date of settlement of the offering, which is currently expected to be on or around May 18, 2011. The giving of the Guarantees has been duly authorized by a resolution of the board of directors of the Guarantor dated May 25, 2010. The Fixed Rate Notes and the Floating Rate Notes shall be designated Senior Bonds May 2011-SEC 1 and Senior Bonds May 2011-SEC 2 of the Issuer, respectively, in the Public Deed of Issuance.

The following summary of certain provisions of each series of Notes, the Guarantee and the Indenture does not purport to be complete and is subject, and is qualified in its entirety by reference, to all of the provisions of the Notes, the Guarantee and the Indenture, including the definitions of the terms provided therein. Upon request, you may obtain a copy of the Public Deed of Issuance after its registration before the Mercantile Registry of Vizcaya and the Indenture from the Trustee.

A description of the general terms and provisions of the Indenture is included under “Description of the Notes and the Notes Guarantees” in the accompanying prospectus. All terms and provisions described in the accompanying prospectus as applying to the “senior indenture”, the “notes”, the “senior notes” and the “senior guarantee” apply to the Indenture, and the Notes and Guarantees being offered pursuant to this prospectus supplement, except as described in this prospectus supplement.

References in the accompanying prospectus to the “Spanish Corporation Law” will be deemed to have been made to the Spanish Companies Act (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of July 2. In particular, the following references shall be replaced:

(a) In the definition of “Commissioner” (*comisario*) in the Indenture and in “Description of the Notes and the Notes Guarantees” in the accompanying prospectus, references to Section 303 of the Spanish Corporation Law, shall be deemed to have been made to Section 427 of the Spanish Companies Act.

(b) In the definition of “Syndicate” (*sindicato*) in the Indenture and in “Description of the Notes and the Notes Guarantees” in the accompanying prospectus, references to Chapter X, Section 4 of the Spanish Corporation Law, shall be deemed to have been made to Title XI, Chapter IV of the Spanish Companies Act.

(c) In the unofficial English translation of the Syndicate regulations, attached as Annex A to the Indenture, references to Chapter VI and Article 300 of the Spanish Corporation Law, shall be deemed to have been made to Title XI and Section 424 of the Spanish Companies Act.

### General

The Fixed Rate Notes will be issued in \$1,000,000,000 aggregate principal amount and will mature at 100% of their principal amount on May 16, 2014 (the “**Fixed Rate Note Maturity Date**”). The Floating Rate Notes will be issued in \$600,000,000 aggregate principal amount and will mature at 100% of their principal amount on May 16, 2014 (the “**Floating Rate Note Maturity Date**” and, together with the Fixed Rate Note Maturity Date, each a “**Maturity Date**”). The Notes may be offered and sold in multiple series with different maturities, interest rates and other terms. The Notes will be initially offered and sold in a minimum initial purchase amount of \$100,000. The Notes of each series will be issued only in registered form in a minimum denomination of \$1,000 and increments of \$1,000 thereafter. No series of Notes will be entitled to the benefit of any sinking fund or similar custodial arrangement.

The Fixed Rate Notes and the Floating Rate Notes constitute separate series of securities issued under the Indenture. The Indenture provides that, in addition to the Fixed Rate Notes and the Floating

Rate Notes, notes, bonds and other evidences of indebtedness of other series may in the future be issued thereunder without limitation as to aggregate principal amount. The Issuer may from time to time, without the consent of the holders of Notes of

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such series, create and issue further Notes having the same terms and conditions as the previously issued Notes of such series in all respects (or in all respects except for the issue date, the first payment of interest thereon and/or issue price), so that such further issue may be consolidated and form a single series with the outstanding Notes of such series; *provided, however*, that any such further issuance will only be made if either such additional Notes are issued with no more than *de minimis* original issue discount for U.S. federal income tax purposes or such further issuance is a “qualified reopening” as such term is defined under U.S. Treasury Regulations Section 1.1275-2(k)(3) promulgated under the U.S. Internal Revenue Code of 1986, as amended (the “Code”).

### **Payment of Interest**

#### ***Fixed Rate Notes***

The Fixed Rate Notes will bear interest from May 18, 2011 at an annual rate of 3.250%. Subject to and in accordance with the tax certification procedures set forth in Annex A and Annex B to this prospectus supplement, the Issuer or the Guarantor, as the case may be, will pay interest in arrears on the Fixed Rate Notes semi-annually on each November 16 and May 16 of each year, beginning on November 16, 2011, up to, and including, the Fixed Rate Note Maturity Date or any date of earlier redemption. Each of the dates on which interest on the Fixed Rate Notes is payable is referred to as a “**Fixed Interest Payment Date**”. Interest on the Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months. Except as described below for the first Fixed Interest Payment Date for the Fixed Rate Notes, on each Fixed Interest Payment Date for such Fixed Rate Notes, the Issuer or the Guarantor, as the case may be, will pay interest on the Fixed Rate Notes for the period commencing on and including the immediately preceding Fixed Interest Payment Date for such Fixed Rate Notes and ending on and including the day immediately preceding that Fixed Interest Payment Date. On the first Fixed Interest Payment Date, the Issuer or the Guarantor, as the case may be, will pay interest for the period beginning on and including May 18, 2011 and ending on and including November 15, 2011.

If any Fixed Interest Payment Date falls on a day that is not a Fixed Rate Business Day (as defined below), the related interest or principal payment shall be postponed to the next day that is a Fixed Rate Business Day, and no interest on such payment shall accrue for the period from and after such Fixed Interest Payment Date. For the purposes of this prospectus supplement, a “**Fixed Rate Business Day**” is a day (other than a Saturday or a Sunday) on which foreign exchange markets are open for business in New York City that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York City and on which the TARGET2 system is open.

#### ***Floating Rate Notes***

The interest rate per annum for the Floating Rate Notes will be reset on the first day of each Interest Period (as defined below) and will be equal to, in the case of the Floating Rate Notes, LIBOR (as defined below) plus 2.125% as determined by the Calculation Agent. The Bank of New York Mellon will act as calculation agent (the “**Calculation Agent**”) pursuant to a Calculation Agency Agreement to be entered into among The Bank of New York Mellon, the Issuer and BBVA on or prior to the settlement date of the offering. The amount of interest for the Floating Rate Notes for each day such Floating Rate Notes are outstanding, which is referred to as the “**Daily Interest Amount**”, will be calculated by dividing the applicable interest rate in effect for that day by 360 and multiplying the result by the aggregate outstanding principal amount of Floating Rate Notes on that day. The amount of interest to be paid on the Floating Rate Notes for each Interest Period will be calculated by adding the applicable Daily Interest Amounts for each day in the Interest Period.

Subject to and in accordance with the tax certification procedures set forth in Annex A and Annex B to this prospectus supplement, the Issuer or the Guarantor, as the case may be, will pay interest in arrears on the Floating Rate Notes quarterly on each August 16, November 16, February 16 and May 16 of each year beginning on August 16, 2011, up to, and including, the Floating Rate Note Maturity Date or any date of earlier redemption. Each of the dates on which interest on the Floating Rate Notes is payable is referred to as a “**Floating Interest Payment Date**”. If any Floating Interest Payment Date would fall on a day that is not a Floating Rate Business Day (as defined below) that Floating Interest Payment Date will be postponed to the following day that is a Floating Rate Business

Day, except that if such next Floating Rate Business Day is in a different month, then that Floating Interest Payment

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Date will be the immediately preceding day that is a Floating Rate Business Day. If the Floating Rate Note Maturity Date or date of earlier redemption falls on a day that is not a Floating Rate Business Day, payment of principal and interest on the Floating Rate Notes will be made on the next day that is a Floating Rate Business Day, and no interest on such Floating Rate Notes will accrue for the period from and after the Floating Rate Note Maturity Date or date of earlier redemption. For the purposes of this prospectus supplement, a “**Floating Rate Business Day**” is a day (other than a Saturday or a Sunday) on which foreign exchange markets are open for business in New York City that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York City and on which the TARGET2 System is open.

Except as described below for the first Interest Period (as defined herein), on each Floating Interest Payment Date, the Issuer or the Guarantor, as the case may be, will pay interest on the Floating Rate Notes for the period commencing on and including the immediately preceding Floating Interest Payment Date and ending on and including the day immediately preceding that Floating Interest Payment Date. The first Interest Period will begin on and include May 18, 2011 and, subject to the immediately preceding paragraph, will end on and include August 15, 2011. Each period for which interest is payable on the Floating Rate Notes is referred to as an “**Interest Period**”.

“**LIBOR**” with respect to each Interest Period shall be the rate (expressed as a percentage per annum) for deposits of U.S. dollars having a maturity of three months that appears on Reuters LIBOR01 Page (as defined below) as of 11:00 a.m., London time, on such Determination Date (as defined below). If the Reuters LIBOR01 Page as of 11:00 a.m., London time, does not include the applicable rate or is unavailable on the Determination Date, the Calculation Agent will request the principal London office of each of four major reference banks in the London interbank market (which may include affiliates of the underwriters), as selected by the Calculation Agent (after consultation with the Issuer), to provide that bank’s offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., London time, on such Determination Date to prime banks in the London interbank market for deposits in U.S. dollars for a term of three months and in a principal amount equal to an amount that in the Calculation Agent’s judgment is representative for a single transaction in U.S. dollars in such market at such time (a “**Representative Amount**”). If at least two offered quotations are so provided, LIBOR on such Determination Date will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of those quotations. If fewer than two quotations are so provided, the Calculation Agent (after consultation with the Issuer) will request each of three major banks in New York City, as selected by the Calculation Agent, to provide that bank’s rate (expressed as a percentage per annum), as of approximately 11:00 a.m., New York City time, on the Determination Date for loans in a Representative Amount to leading European banks for a three-month period beginning on the first day of that Interest Period. If at least three rates are so provided, LIBOR for the Interest Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of those rates. If fewer than three rates are so provided, then LIBOR for the Interest Period will be LIBOR in effect with respect to the immediately preceding Interest Period.

“**Determination Date**” with respect to any Interest Period will be the second London Banking Day preceding the first day of that Interest Period.

“**London Banking Day**” is any day on which dealings in United States dollars are transacted or, with respect to any future date, are expected to be transacted in the London interbank market.

“**Reuters LIBOR01 Page**” means the display designated on page LIBOR01 on the Reuters Page (or such other successive page as may replace the LIBOR01 page on the Reuters Page or any successive service or such other service of major banks for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

“**Reuters Page**” means the display on Reuters 3000 Xtra Service, or any successor service.

The interest rate on the Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

The Calculation Agent will, upon the request of any holder, provide the interest rate on the Floating Rate Notes then in effect.

The Calculation Agent may at any time resign as Calculation Agent by giving written notice to the

Issuer and the Guarantor of such intention on its part, specifying the date on which its desired resignation shall become

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effective; *provided, however*, that such date shall not be earlier than 60 days after the receipt of such notice by the Issuer and the Guarantor, unless the Issuer and the Guarantor agree in writing to accept less notice. The Calculation Agent may be removed (with or without cause) at any time by the filing with it of any instrument in writing signed on behalf of the Issuer and the Guarantor by any proper officer or an authorized person thereof and specifying such removal and the date when it is intended to become effective, subject to (if such Calculation Agent is not the Trustee) the written consent of the Trustee, which consent shall not be unreasonably withheld. Such resignation or removal shall take effect only upon the date of the appointment by the Issuer and the Guarantor, as hereinafter provided, of a successor Calculation Agent. If within 60 days after notice of resignation or removal has been given, a successor Calculation Agent has not been appointed, the Calculation Agent may petition a court of competent jurisdiction to appoint a successor Calculation Agent. A successor Calculation Agent shall be appointed by the Issuer and the Guarantor by an instrument in writing signed on behalf of the Issuer and the Guarantor, as the case may be, by any proper officer or an authorized person thereof and the successor Calculation Agent. Upon the appointment of a successor Calculation Agent and acceptance by it of such appointment, the Calculation Agent so superseded shall cease to be such Calculation Agent under the Indenture. Upon its resignation or removal, the Calculation Agent shall be entitled to the payment by the Issuer and the Guarantor of its compensation, if any is owed to it, for services rendered under the Indenture and to the reimbursement of all reasonable out-of-pocket expenses incurred in connection with the services rendered by it under the Indenture.

Any successor Calculation Agent appointed under the Indenture shall execute and deliver to its predecessor and to the Issuer and the Guarantor an instrument accepting such appointment under the Indenture, and thereupon such successor Calculation Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as such Calculation Agent under the Indenture, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obliged to transfer and deliver, and such successor Calculation Agent shall be entitled to receive, copies of any relevant records maintained by such predecessor Calculation Agent.

Any person into which the Calculation Agent may be merged or converted or with which the Calculation Agent may be consolidated, or any person resulting from any merger, conversion or consolidation to which the Calculation Agent shall be a party, or any person succeeding to all or substantially all of the assets and business of the Calculation Agent, or all or substantially all of the corporate trust business of the Calculation Agent shall, to the extent permitted by applicable law and provided that it shall have an established place of business in The City of New York, be the successor Calculation Agent under the Indenture without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notice of any such merger, conversion, consolidation or sale shall forthwith be given to the Issuer and the Guarantor within 30 days of such merger, conversion, consolidation or sale.

All calculations of the Calculation Agent, in the absence of manifest error, shall be conclusive for all purposes and binding on the Issuer, the Guarantor and the holders of Floating Rate Notes. The Issuer and the Guarantor may appoint a successor Calculation Agent with the written consent of the Trustee, which consent shall not be unreasonably withheld.

### ***Common Terms***

Interest on each Note will be paid only to the person in whose name such Note was registered at the close of business on the 15th calendar day prior to the applicable Interest Payment Date (each such date, a “**Regular Record Date**”). Notwithstanding the Regular Record Dates established in the terms of the Notes, the Issuer has been advised by DTC that through their accounting and payment procedures they will, in accordance with their customary procedures, credit interest payments received by DTC on any Interest Payment Date based on DTC participant holdings of the Notes of the applicable series on the close of business on the New York Business Day immediately preceding each such Interest Payment Date.

### **Optional Redemption of the Notes**

The Issuer may redeem all or a portion of the Fixed Rate Notes at its election at any time or from time to time as set forth below. Notice of redemption shall be given by first-class mail postage prepaid, mailed not less than 30 nor



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more than 60 days prior to the redemption date to each holder of Fixed Rate Notes to be redeemed at his or her address appearing in the register kept by the Trustee, with a copy being sent to the Trustee. The Issuer may redeem such Fixed Rate Notes at a redemption price equal to the greater of:

- 100% of the principal amount of such Fixed Rate Notes to be redeemed plus accrued and unpaid interest thereon to, but excluding, the redemption date of such Fixed Rate Notes; and
- as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal thereof and interest thereon (exclusive of interest accrued thereon to the redemption date) discounted to the redemption date of the Fixed Rate Notes being redeemed on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points for the Fixed Rate Notes being redeemed, plus accrued and unpaid interest on the principal amount of such Fixed Rate Notes (or any portion thereof) being redeemed to, but excluding, the redemption date of the Fixed Rate Notes (or any portion thereof) being redeemed.

**“Comparable Treasury Issue”** means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (**“Remaining Life”**) of the Fixed Rate Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Fixed Rate Notes being redeemed.

**“Comparable Treasury Price”** means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations or, if only one such quotation is obtained, such quotation.

**“Independent Investment Banker”** means an independent investment banking institution of national standing appointed by the Issuer and the Guarantor and may include an underwriter or its affiliate.

**“Reference Treasury Dealer”** means (1) each of Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Goldman, Sachs & Co. and their affiliates or their respective successors, provided that if any of the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a **“Primary Treasury Dealer”**), the Issuer and the Guarantor will substitute therefor another Primary Treasury Dealer and (2) any other Primary Treasury Dealer selected by the Issuer and the Guarantor.

**“Reference Treasury Dealer Quotations”** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m. on the third New York Business Day preceding such redemption date.

**“Treasury Rate”** means, with respect to any redemption date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities”, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month), (2) if the period from the redemption date to the maturity date of such Fixed Rate Notes to be redeemed is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year, or (3) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such

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redemption date. The Treasury Rate shall be calculated by the Independent Investment Banker on the third New York Business Day preceding the redemption date.

Except as set forth below under “Early Redemption for Taxation or Listing Reasons”, the Floating Rate Notes may not be redeemed prior to maturity.

### **Early Redemption for Taxation or Listing Reasons**

The Issuer may redeem the Notes of any series in whole but not in part in the event of certain changes or amendments to the laws or regulations of Spain (including any treaty to which Spain is a party) or any political subdivision or any authority thereof or therein having power to tax, or changes in the application or official interpretation of such laws or regulations. In the event of such a redemption, the redemption price of the Notes will be 100% of their principal amount together with any accrued but unpaid payments of interest to the date of redemption.

If the Issuer elects to redeem the Notes of any series, they will cease to accrue interest from the redemption date, unless the Issuer fail to pay the redemption price on the payment date. The circumstances in which the Issuer may redeem the Notes and the applicable procedures are described further in the accompanying prospectus under “Description of the Notes and the Notes Guarantees — Optional Tax Redemption” and below under “— Notices”.

In addition, if any series of Notes is not listed on an organized market in an OECD country no later than 45 days prior to the initial Interest Payment Date on such series of Notes, the Issuer or the Guarantor, as the case may be, may, at its election and having given no less than 15 days’ notice to the holders of such series of Notes in accordance with the terms described below under “— Notices”, redeem all of the outstanding Notes of such series at their principal amount, together with accrued interest, if any, thereon to but not including the redemption date; *provided* that from and including the issue date of the Notes of such series to and including such Interest Payment Date, the Issuer will use its reasonable efforts to obtain or maintain such listing, as applicable.

In the event of an early redemption of the Notes for the reasons set forth in the preceding paragraph, the Issuer or the Guarantor, as the case may be, may be required to withhold tax and will pay interest in respect of the principal amount of the Notes redeemed net of the Spanish withholding tax applicable to such payments (currently 19%). If this were to occur, Beneficial Owners would have to either follow the Quick Refund Procedures set forth in Article II of Annex A to this prospectus supplement (other than Beneficial Owners holding their interests through Euroclear or participants in Euroclear, who would have to follow the Quick Refund Procedures set forth in Article II of Annex B to this prospectus supplement) or apply directly to the Spanish tax authorities for any refund to which they may be entitled pursuant to the direct refund procedure set forth in Article II of Annex C to this prospectus supplement. See “Spanish Tax Considerations — Evidencing of Beneficial Owner Residency in Connection with Interest Payments”.

For a description of the Spanish tax treatment applicable to the accrued interest, if any, on the Notes upon an early redemption of such Notes as a result of such Notes not being listed on an organized market in an OECD country, see “Spanish Tax Considerations — Senior Notes and Subordinated Notes — 2. Tax Rules for Senior Notes and Subordinated Notes not Listed on an Organized Market in an OECD Country” in the accompanying prospectus.

### **Events of Default**

See “Description of the Notes and the Notes Guarantees — Senior Notes and Senior Guarantees — Events of Default” in the accompanying prospectus for a discussion of events of default with respect to the Notes.

### **Purchases of the Notes**

The Issuer and the Guarantor and any of their respective subsidiaries may at any time purchase the Notes in the open market or otherwise and at any price.

### **Listing**

We will apply to list the Notes on the New York Stock Exchange and, if approved, trading is expected to commence within 30 days after the initial delivery of the Notes.

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The Notes will be guaranteed by the Guarantor as explained in the accompanying prospectus under “Description of the Notes and the Notes Guarantees — Senior Notes and Senior Guarantees”.

**Notices**

All notices to holders of Notes shall be validly given if mailed to them at their respective addresses in the register maintained by the Trustee, with copies of such notices being sent to the Trustee. In addition, notice of any meeting of a Syndicate of holders of Notes of a particular series shall be validly given if done in accordance with the Regulations of the Syndicate of holders of Notes of such series (which generally provide for notice periods of between 10 and 60 days), with a copy of such notice being sent to the Trustee. The Trustee’s address for purposes of the foregoing is The Bank of New York Mellon, One Canada Square, London E14 5AL, United Kingdom.

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## SPANISH TAX CONSIDERATIONS

*The following is a general description of certain Spanish tax considerations relating to the Notes. The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of Notes. The summary set out below is based upon Spanish law as in effect on the date of this prospectus supplement and is subject to any change in such law that may take effect after such date. References in this section to holders of Notes include the Beneficial Owners of the Notes. The statements regarding Spanish law and practice set forth below assume that the Notes will be issued, and transfers thereof will be made, in accordance with the Spanish law.*

### Evidencing of Beneficial Owner Residency in Connection with Interest Payments

As described in the accompanying prospectus under “Spanish Tax Considerations — Senior Notes and Subordinated Notes — 3. Evidencing of Beneficial Owner Residency in connection with Interest Payments — Individuals and Legal Entities without tax residency in Spain”, interest and other financial income paid with respect to the Notes for the benefit of non-Spanish resident investors not acting, with respect to the Notes, through a permanent establishment in Spain, will be exempt from Spanish withholding tax unless such non-Spanish tax resident investor (including any custodial intermediaries or agents acting on its behalf) fails to comply with the relevant information procedures, as described below.

Both the Issuer and the Guarantor, as the case may be, will thus withhold tax from any payments of interest or income from the redemption or repayment of the Notes with regard to which required information has not been provided or the required information procedures have not been followed. The information reporting obligations to be complied with in order to apply the exemption are those set forth in Section 44 of the Spanish Royal Decree 1065/2007 (“**Section 44**”), being the following:

In accordance with sub-section 1 of Section 44, an annual return must be filed with the Spanish tax authorities, by the Guarantor, specifying the following information with respect to the Notes:

- (A) the identity and country of residence of the recipient of the income on the Notes (when the income is received on behalf of a third party (i.e., a Beneficial Owner), the identity and country of residence of that third party);
- (B) the amount of income received; and
- (C) details identifying the Notes.

In accordance with sub-section 2 of Section 44, for the purpose of preparing the annual return referred to in sub-section 1 of Section 44, certain documentation regarding the identity and tax residence of the Beneficial Owners receiving each payment must be submitted to the Issuer and the Guarantor at the time of each such payment, as specified in more detail in Annexes A and B to this prospectus supplement.

In particular, Beneficial Owners who are (i) not resident in Spain for tax purposes, (ii) act for their own account and (iii) are a central bank, other public institution or international organization, a bank or credit institution or a financial entity, including collective investment institutions, pension funds and insurance entities, resident in an OECD country (including the United States) or in a country with which Spain has entered into a treaty for the avoidance of double taxation, and subject to a specific administrative registration or supervision scheme (each a “**Qualified Institution**”), must certify their name and tax residency by means of a certificate which is included as Exhibit I to Annex C of this prospectus supplement.

In the case of payments received by a Qualified Institution, as a holder of Notes acting as an intermediary, the entity in question must, in accordance with the information contained in its own records, certify the name and tax residency of each Beneficial Owner not resident in Spain for tax purposes as of the Interest Payment Date by means of a certificate substantially in the form of which is included as Exhibit II of Annex C to this prospectus supplement.

In the case of payments which are channeled through a securities clearing and deposit entity

recognized for these purposes by Spanish law or by the law of another OECD member country (such as DTC), the entity in question (i.e., the clearing system participant) must, in accordance with the information contained in its own records, certify the name and tax residency of each Beneficial Owner not resident in Spain for tax purposes as of the Interest

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Payment Date by means of a certificate substantially in the form of which is included as Exhibit II to Annex C of this prospectus supplement.

In any other case, the Beneficial Owner must submit annually proof of beneficial ownership and a certificate of tax residency issued by the tax authorities of the country of residency of such Beneficial Owner (a “**Government Tax Residency Certificate**”).

In addition to the above, as described in the accompanying prospectus under “Spanish Tax Considerations — Senior Notes and Subordinated Notes — 1. Tax Rules for Senior Notes and Subordinated Notes Listed on an Organized Market in an OECD Country — 1(b) Legal Entities with Residency in Spain — Legal Entities with Tax Residency in Spain — Corporate Income Tax (*Impuesto sobre Sociedades*)”, Spanish corporate taxpayers will not be subject to withholding tax on income derived from the Notes, provided that such Spanish corporate taxpayers provide relevant information to qualify as such at the time of each such interest payment. For these purposes, the relevant Qualified Institution, with respect to each Beneficial Owner who is a legal entity subject to Spanish Corporate Income Tax, must submit a certification, substantially in the form as set forth in Exhibit III to Annex C to this prospectus supplement, specifying such Beneficial Owner’s name, address and Tax Identification Number, the ISIN code of the Notes, the Beneficial Owner’s beneficial interest in the principal amount of Notes held at each Interest Payment Date, the amount of gross income and amount of tax withheld. The same rules apply in case the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes.

In light of the above, the Issuer, the Guarantor, DTC, Euroclear and Acupay have arranged certain procedures to facilitate the collection of information concerning the identity and tax residence of Beneficial Owners of the Global Notes through and including the close of business on the New York Business Day prior to each relevant Interest Payment Date. Beneficial Owners whose identity and tax residence may be delivered through the Acupay system are those who are (i) either non-Spanish tax residents or CIT taxpayers (ii) who hold Global Certificates and (iii) are direct participants in DTC or hold their interests through direct participants in DTC or an indirect DTC participant (such as Euroclear), provided that the relevant DTC or Euroclear participant is a Qualified Institution. The delivery of such information will be made through the relevant direct participants in DTC or indirect DTC participant (including Euroclear). The Issuer will withhold at the then-applicable rate (currently 19%) from any payment of interest or income from the redemption or repayment of the Notes as to which the required information has not been provided or the required procedures have not been followed.

The procedures set forth in Article I of Annex A and Article I of Annex B to this section (together, the “**Immediate Refund Procedures**”) are intended to facilitate the identification of Beneficial Owners who are either (i) corporations resident in Spain for tax purposes or (ii) individuals or entities not resident in Spain for tax purposes (and therefore in each case entitled to receive payments in respect of the Notes free and clear of Spanish withholding taxes) and who are direct participants in DTC or hold their interests through direct participants in DTC or indirect DTC participants (such as Euroclear), provided in each case that the relevant DTC or Euroclear participant is a Qualified Institution.

A detailed description of the Immediate Refund Procedures to be followed by DTC participants (other than Euroclear) is set forth under Annex A to this prospectus supplement. A detailed description of the Immediate Refund Procedures to be followed by participants in Euroclear is set forth under Annex B to this prospectus supplement.

**Investors are cautioned that no arrangements have been made by the Issuer or the Guarantor with respect to any direct participants in DTC or indirect DTC participants, other than Euroclear.**

Beneficial Owners who are entitled to receive payments of interest or income from the redemption or repayment of the Notes paid by the Issuer or the Guarantor free of any Spanish withholding taxes may nonetheless receive such payments net of Spanish withholding tax in certain circumstances, such as where (i) there is a failure to comply with the applicable Immediate Refund Procedures, (ii) such Beneficial Owners do not hold their Notes through a Qualified Institution or (iii) holders (other than Cede & Co. as nominee of DTC) hold Notes in definitive form. To have such withheld amounts

refunded, Beneficial Owners who do not hold their Notes through a Qualified Institution can follow the Quick Refund Procedures set forth in Article II of Annex A to this prospectus supplement (other than Beneficial Owners holding their interests through Euroclear or participants of Euroclear, who would have to follow the Quick Refund Procedures set forth in Article II of Annex B to this prospectus supplement). Noteholders holding certificated Notes or Notes in definitive form can follow the Direct Refund from Spanish Tax Authorities Procedure set forth in Article II of Annex C to this prospectus supplement in order to have such withheld amounts refunded.

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**Investors should note that neither the Issuer nor the Guarantor accepts any responsibility relating to the procedures established for the collection of information concerning the identity and tax residence of Beneficial Owners in connection with any exemption from Spanish withholding tax. Accordingly, neither the Issuer nor the Guarantor will be liable for any damage or loss suffered by any Beneficial Owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose payments of interest or income from the redemption or repayment of the Notes paid by the Issuer or the Guarantor are nonetheless paid net of Spanish withholding tax either because these procedures prove ineffective or because the relevant direct participants in DTC or indirect DTC participants, including Euroclear, as applicable, fail to correctly follow such procedures. Moreover, neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding.**

Participants in DTC who are Qualified Institutions who have been paid net of Spanish withholding tax because of a failure to comply with the Immediate Refund Procedures set forth under Article I of Annex A to this prospectus supplement will be entitled to a refund of the amount withheld pursuant to the Quick Refund Procedures set forth in Article II of Annex A to this prospectus supplement.

Participants in Euroclear who are Qualified Institutions and have been paid net of Spanish withholding tax because of a failure to comply with the Immediate Refund Procedures set forth under Article I of Annex B to this prospectus supplement will be entitled to a refund of the amount withheld pursuant to the Quick Refund Procedures set forth in Article II of Annex B to this prospectus supplement.

Beneficial Owners entitled to receive payments of interest or income from the redemption or repayment of the Notes paid by the Issuer or the Guarantor free of any Spanish withholding taxes but in respect of whom relevant documentation is not timely received by the Issuer and/or Acupay under the Immediate Refund Procedures or the Quick Refund Procedures may seek a full refund of withholding tax directly from the Spanish tax authorities by following the direct refund procedure established by Spanish tax law set forth in Article II of Annex C to this prospectus supplement.

Beneficial Owners, their custodians, or DTC participants with questions about these Spanish tax information reporting and withholding procedures, including the submission of tax certification information, may contact Acupay at one of the following locations. Please mention the CUSIP and/or the ISIN for the Notes when contacting Acupay. There is no cost for this assistance.

Via email:  
info@acupay.com

**By post, telephone or fax:**

In New York:

Acupay System LLC  
Attention: Rosa Lopez  
30 Broad Street — 46th Floor  
New York, New York 10004  
United States

Telephone: +1-212-422-1222  
Fax: +1-212-422-0790

In London:

Acupay System LLC  
Attention: Maria Mercedes  
28 Throgmorton Street — First Floor  
London EC2N 2AN  
United Kingdom

Telephone: +44 (0) 207-382-0340  
Fax: +44 (0) 207-256-7571

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For a discussion of certain U.S. federal income tax considerations, please see “U.S. Tax Considerations — BBVA U.S. Senior Notes or BBVA Subordinated Capital Subordinated Notes” in the accompanying prospectus.

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## UNDERWRITING

BBVA Securities Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Goldman, Sachs & Co. are acting as underwriters as named below. Subject to the terms and conditions set forth in a firm commitment underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Goldman, Sachs & Co. has agreed, severally and not jointly, to purchase from us, the principal amount of Notes set forth opposite its name below. BBVA Securities Inc. has agreed to act as a best efforts underwriter in connection with this offering. All of the Notes were purchased by Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Goldman, Sachs & Co.

<u>Underwriter</u>	<u>Principal Amount of Fixed Rate Notes</u>	<u>Principal Amount of Floating Rate Notes</u>
Citigroup Global Markets Inc.	\$ 333,334,000	\$ 200,000,000
Deutsche Bank Securities Inc.	\$ 333,333,000	\$ 200,000,000
Goldman, Sachs & Co.	\$ 333,333,000	\$ 200,000,000
Total	<u>\$1,000,000,000</u>	<u>\$ 600,000,000</u>

Subject to the terms and conditions set forth in the underwriting agreement, Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Goldman, Sachs & Co. have agreed, severally and not jointly, to purchase all of the Notes sold under the underwriting agreement if any of these Notes are purchased.

We have agreed to indemnify the several underwriters and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

### Commissions and Discounts

The underwriters have advised us that they propose initially to offer the Notes to the public at the public offering price set forth on the cover page of this prospectus supplement. After the initial offering, the public offering price or any other term of the offering may be changed.

The expenses of the offering, not including the commissions payable to the underwriters, are estimated at \$825,000. The underwriters have agreed to reimburse us for certain out-of-pocket expenses up to \$800,000 in connection with this offering.

### New Issue of Notes

The Notes are a new issue of securities with no established trading market. We have been advised by the underwriters that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the Notes or that an active public market for the Notes will develop. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

### Settlement

We expect that delivery of the Notes will be made to investors on or about May 18, 2011, which will be the fifth business day following the date of this prospectus supplement (such settlement being

referred to as “T+5”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially settle in

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T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

### **No Sales of Similar Securities**

We have agreed that we will not, during the period beginning from the date of this prospectus supplement and continuing and including the later of (i) the completion of the sale of the Notes by the underwriters, but not later than 30 days following the settlement date, and (ii) the settlement date, without the prior written consent of BBVA Securities Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Goldman, Sachs & Co. directly or indirectly, offer, sell, contract to sell or otherwise dispose of, any securities issued or guaranteed by the Issuer or the Guarantor which mature more than one year after such settlement date and which are substantially similar to the Notes, except for the Notes sold to the underwriters pursuant to the underwriting agreement.

### **Short Positions**

In connection with the offering, the underwriters may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater principal amount of Notes than they are required to purchase in the offering. The underwriters must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

### **Other Relationships**

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and their affiliates have engaged in, and may in the future engage in, commercial and investment banking services, hedging services and other commercial dealings in the ordinary course of business with us. They have received customary fees and commissions for these transactions and may do so in the future.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Conflict of Interest**



BBVA Securities Inc. is a subsidiary of the Guarantor and an affiliate of the Issuer. BBVA Securities Inc. will conduct this offering in compliance with the requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc., which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of the securities of an affiliate and related conflicts of interest. BBVA Securities Inc. or any of our other affiliates may not make sales in this offering to any discretionary account without the specific written approval of the accountholder.

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### **Selling Restrictions**

#### ***The Kingdom of Spain***

The Notes may not be offered or sold in Spain.

#### ***European Economic Area***

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), including each Relevant Member State that has implemented the 2010 PD Amending Directive with regard to persons to whom an offer of securities is addressed and the denomination per unit of the offer of securities (each, an “**Early Implementing Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), no offer of securities will be made to the public in that Relevant Member State (other than offers (the “**Permitted Public Offers**”) where a prospectus will be published in relation to the securities that has been approved by the competent authority in a Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive), except that with effect from and including that Relevant Implementation Date, offers of securities may be made to the public in that Relevant Member State at any time:

A. to “qualified investors” as defined in the Prospectus Directive, including:

(a) (in the case of Relevant Member States other than Early Implementing Member States), legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, or any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43.0 million and (iii) an annual turnover of more than €50.0 million as shown in its last annual or consolidated accounts; or

(b) (in the case of Early Implementing Member States), persons or entities that are described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC, and those who are treated on request as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or

B. to fewer than 100 (or, in the case of Early Implementing Member States, 150) natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive), as permitted in the Prospectus Directive, subject to obtaining the prior consent of the underwriters for any such offer; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State (other than a Relevant Member State where there is a Permitted Public Offer) who initially acquires any securities or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a “qualified investor”, and (B) in the case of any securities acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (x) the securities acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than “qualified investors” as defined in the Prospectus Directive, or in circumstances in which the prior consent of the Subscribers has been given to the offer or resale, or (y) where securities have been acquired by it on behalf of persons in any Relevant Member State other than “qualified investors” as defined in the Prospectus Directive, the offer of those securities to it is not treated under the Prospectus Directive as having been made to such persons.

For the purpose of the above provisions, the expression “**an offer to the public**” in relation to any securities in any Relevant Member State means the communication in any form and by any means of

sufficient information on the terms of the offer of any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71 EC (including the 2010 PD Amending

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Directive, in the case of Early Implementing Member States) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

### ***United Kingdom***

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of the Notes or the Guarantee in circumstances in which Section 21(1) of the FSMA does not apply to us or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes or the Guarantee in, from or otherwise involving the United Kingdom.

### ***Hong Kong***

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### ***Singapore***

This Prospectus Supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus Supplement and the accompanying Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it

will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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This prospectus supplement is part of a registration statement on Form F-3 (File No. 333-167820) we and BBVA U.S. Senior have filed with the SEC under the Securities Act. This prospectus supplement omits some information contained in the registration statement in accordance with SEC rules and regulations. You should review the information in and exhibits to the registration statement for further information on us and BBVA U.S. Senior and the securities we and BBVA U.S. Senior are offering. Statements in this prospectus supplement concerning any document we or BBVA U.S. Senior filed or will file as an exhibit to the registration statement or that we or BBVA U.S. Senior otherwise filed with the SEC are not intended to be comprehensive and are qualified in their entirety by reference to these filings. You should review the complete document to evaluate these statements.

The SEC allows us to “incorporate by reference” much of the information we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus supplement is an important part of this prospectus supplement. We and BBVA U.S. Senior incorporate by reference into this prospectus supplement (i) our 2010 Form 20-F, (ii) our report on Form 6-K furnished to the SEC on May 9, 2011 and (iii) our report on Form 6-K furnished to the SEC on May 11, 2011. For information on the other documents we incorporate by reference in this prospectus supplement and the accompanying prospectus, we refer you to “Where You Can Find More Information” on page v of the accompanying prospectus.

In addition to these documents, we and BBVA U.S. Senior incorporate by reference in this prospectus supplement and the accompanying prospectus any future documents we or BBVA U.S. Senior file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until this offering is completed. Reports on Form 6-K we or BBVA U.S. Senior furnish to the SEC after the date of this prospectus supplement (or portions thereof) are incorporated by reference in this prospectus supplement only to the extent that the report expressly states that it (or such portions) is incorporated by reference in this prospectus supplement.

You may request, at no cost to you, a copy of these documents (other than exhibits not specifically incorporated by reference) by writing or telephoning us at: Banco Bilbao Vizcaya Argentaria, S.A., New York Branch, 1345 Avenue of the Americas, 45th Floor, New York, New York 10105, Attention: Investor Relations (at telephone number +1-212-728-1660).

**VALIDITY OF THE SECURITIES**

The validity of the Notes and the Guarantees will be passed upon as to matters of Spanish law for us by J&A Garrigues, S.L.P. Certain matters of U.S. federal and New York law will be passed on for us by Davis Polk & Wardwell LLP and for the underwriters by Sidley Austin LLP.

**EXPERTS**

The consolidated financial statements incorporated by reference in this prospectus supplement from BBVA’s 2010 Form 20-F and the effectiveness of internal control over financial reporting have been audited by Deloitte S.L., an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference (which reports (1) express an unqualified opinion on the consolidated financial statements of the BBVA Group and include an explanatory paragraph stating that International Financial Reporting Standards adopted by the EU required to be applied under the Bank of Spain’s Circular 4/2004 vary in certain significant respects from U.S. GAAP, that the information relating to the nature and effect of such differences is presented in Note 60 to the consolidated financial statements of the BBVA Group and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.



[Table of Contents](#)**ACUPAY SYSTEM LLC CERTIFICATION PROCEDURES**

*The following procedures apply to the Notes in order to permit the Issuer and the Guarantor to comply with their withholding and reporting obligations pursuant to applicable Spanish tax legislation as described below and in order for holders of the Notes to qualify to receive payments under the Notes gross of withholding on account of Spanish taxes pursuant to the immediate refund (“**relief at source**”) procedure (See Annex A — Article I below) or to qualify for a quick refund (See Annex A — Article II below). Holders of the Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes. None of the Issuer, the Guarantor, the underwriters, the paying agent, Acupay, DTC or Euroclear assume any responsibility therefor.*

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**ANNEX A**

**SPANISH WITHHOLDING TAX DOCUMENTATION PROCEDURES FOR NOTES HELD THROUGH AN ACCOUNT AT DTC**

*Capitalized terms used but not otherwise defined in this Annex A shall have the meaning ascribed to them elsewhere in this prospectus supplement.*

**Article I**

**Immediate Refund (aka “Relief at Source”) Procedure (procedure that complies with Spanish Law 13/1985 (as amended by Laws 19/2003, 23/2005 and 4/2008), Royal Decree 1065/2007 and Section 59.s) of the Corporate Income Tax Regulation approved by Royal Decree 1777/2004 of July 30, 2004**

**A. DTC Participant Submission and Maintenance of Beneficial Owner Information**

1. At least five New York Business Days prior to each Regular Record Date preceding an Interest Payment Date, the Issuer shall provide an issuer announcement to the Paying Agent, and the Paying Agent shall, (a) provide The Depository Trust Company (“**DTC**”) with such issuer announcement that will form the basis for a DTC important notice (the “**Important Notice**”) regarding the relevant interest payment and tax relief entitlement information for the Notes, (b) request DTC to post such Important Notice on its website as a means of notifying direct participants of DTC (“**DTC Participants**”) of the requirements described in this Annex, and (c) with respect to each series of Notes confirm to Acupay the interest rate and the number of days in the relevant Notes Interest Period.

2. Beginning on the New York Business Day following each Regular Record Date and continuing until 8:00 p.m. New York time on the fourth New York Business Day prior to each date on which interest will be paid (each such date, a “**Payment Date**”, and such deadline, the “**Standard Deadline**”), each DTC Participant that is a Qualified Institution must (i) enter directly into the designated system established and maintained by Acupay (the “**Acupay System**”) the Beneficial Owner identity and country of tax residence information required by Spanish tax law (as set forth in Article I of Annex C) in respect of the portion of such DTC Participant’s position in the Notes that is exempt from Spanish withholding tax (the “**Beneficial Owner Information**”) and (ii) make an election via the DTC Elective Dividend Service and the DTC Tax Relief Service (collectively, “**EDS/Tax Relief Service**”) certifying that such portion of Notes for which it submitted such Beneficial Owner Information is exempt from Spanish withholding tax (the “**EDS/Tax Relief Election**”).

3. Each DTC Participant must ensure the continuing accuracy of the Beneficial Owner Information and EDS/Tax Relief Election, irrespective of any changes in, or in beneficial ownership of, such DTC Participant’s position in the Notes through 8:00 p.m. New York time on the New York Business Day immediately preceding each Payment Date by making adjustments through the Acupay System and EDS/Tax Relief Service. All changes must be reflected, including those changes (via Acupay) which do not impact the DTC Participant’s overall position at DTC or the portion of that position at DTC as to which no Spanish withholding tax is being assessed.

**B. Tax Certificate Production and Execution**

After entry of Beneficial Owner Information into the Acupay System by a DTC Participant, the Acupay System will produce completed forms of Exhibit I, Exhibit II or Exhibit III to Annex C (as required by Spanish law) (the “**Interest Payment Tax Certificates**”), which shall summarize the Beneficial Owner Information introduced and maintained by such DTC Participant into the Acupay System. When any Payment Date is also a Maturity Date or a redemption date for any series of Notes, and if the Notes of such series were initially issued below par with an original issue discount (“**OID**”), a separate set of Tax Certificates (the “**OID Tax Certificates**”) and, together with the Interest Payment Tax Certificates, the “**Tax Certificates**”) will be generated by the Acupay System reporting income

resulting from the payment of OID at the Maturity Date or such earlier redemption date. Such DTC Participant will then be required to (i) print out, (ii) review, (iii) sign and (iv) fax or send by email a PDF copy of the duly signed Tax Certificates directly to Acupay for receipt by the close of business on the Standard Deadline. The original of each Tax Certificate must be sent to Acupay for receipt no later than the 15th calendar day of the month immediately following the Payment Date. All Tax Certificates will be dated as of the relevant Payment Date.

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**NOTE: A DTC Participant that obtains favorable tax treatment through the Immediate Refund (aka “Relief at Source”) Procedure and fails to submit to Acupay the original Tax Certificates as described above may be prohibited by the Issuer from using the procedure to obtain favorable tax treatment with respect to future payments. In such event, the DTC Participant will receive the interest payment on its entire position net of the applicable withholding tax (currently 19%), and relief will need to be obtained directly from the Spanish tax authorities by following the direct refund procedure established by Spanish tax law.**

### **C. Additional Acupay and DTC Procedures**

1. In addition to its other duties and obligations set forth herein, Acupay will be responsible for the following tasks (collectively, the “**Acupay Verification Procedures**”):

- (a) comparing the Beneficial Owner Information and Tax Certificates provided in respect of each DTC Participant’s position with the EDS/Tax Relief Elections provided by that DTC Participant in order to determine whether any discrepancies exist between such information, the corresponding EDS/Tax Relief Elections and the DTC Participant’s position in the Notes at DTC;
- (b) collecting and collating all Tax Certificates received from DTC Participants;
- (c) reviewing the Beneficial Owner Information and the Tax Certificates using appropriate methodology in order to determine whether the requisite fields of Beneficial Owner Information have been supplied and that such fields of information are responsive to the requirements of such Tax Certificates in order to receive payments without Spanish withholding tax being assessed; and
- (d) liaising with the DTC Participants in order to request that such DTC Participants:
  - (i) complete any missing, or correct any erroneous, Beneficial Owner Information identified pursuant to the procedures set forth in (a) and (c) above;
  - (ii) correct any erroneous EDS/Tax Relief Election identified pursuant to the procedures set forth in (a) and (c) above; and
  - (iii) revise any Tax Certificates identified pursuant to the procedures set forth in (a) and (c) above as containing incomplete or inaccurate information.

### **D. Updating and Verification of Beneficial Owner Information**

1. By 9:30 a.m. New York time on the New York Business Day following the Standard Deadline, DTC will transmit to Acupay an “**EDS Standard Cut-off Report**” confirming DTC Participant positions and EDS/Tax Relief Elections as of the Standard Deadline. By 12:00 p.m. New York time on the New York Business Day following the Standard Deadline, Acupay will transmit to DTC a provisional summary report of all Beneficial Owner Information which has been submitted through the Acupay System as of the Standard Deadline, provisionally confirmed, to the extent possible, against the information set forth in the EDS Standard Cut-off Report. The provisional summary report shall set forth (i) the position in the Notes held by each DTC Participant as of the Standard Deadline and (ii) the portion of each DTC Participant’s position in the Notes in respect of which Tax Certificates have been provided to support the payment of interest without Spanish withholding tax being assessed.

2. DTC Participants will be required to ensure that Beneficial Owner Information entered into the Acupay System and the EDS/Tax Relief Elections are updated to reflect any changes in beneficial ownership or in such DTC Participants’ positions in the Notes occurring between the Standard Deadline and 8:00 p.m. New York time on the New York Business Day immediately preceding the Payment Date. For this purpose, EDS/Tax Relief Service will remain accessible to DTC Participants until 8:00 p.m. New York time on the New York Business Day immediately preceding the Payment Date. In addition, Acupay will accept new or amended Beneficial Owner Information before 9:45 a.m. New York time, and DTC will accept requests for changes to EDS/Tax Relief Elections at the request of DTC Participants until 9:45 a.m. New York time, on each Payment Date.

3. Beginning at 7:45 a.m. New York time on the Payment Date, Acupay will through the Acupay Verification Procedures (as defined above) perform the final review of each DTC Participant’s

Beneficial Owner Information, EDS/Tax Relief Elections and changes in DTC position since the Standard Deadline. Based on these Acupay Verification Procedures, Acupay will (i) seek to notify any affected DTC Participant until 9:45 a.m. New York time on such Payment Date of any inconsistencies among these data, or erroneous or incomplete information provided by such

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DTC Participant and (ii) use its best efforts to obtain revised Beneficial Owner Information, Tax Certificates (as defined above) and/or EDS/Tax Relief Elections from any such DTC Participant as necessary to correct any inconsistencies or erroneous or incomplete information. The failure to correct any such inconsistencies, (including the failure to fax or send PDF copies of new or amended Tax Certificates) by 9:45 a.m. New York time on the Payment Date (or if Acupay, despite its best efforts to do so, does not confirm receipt of such correction by 9:45 a.m. New York time on the Payment Date) will result in the payments in respect of the entirety of such DTC Participant's position being made net of Spanish withholding tax. Upon receipt of a report of EDS/Tax Relief Elections as of 9:45 a.m. New York time on the Payment Date from DTC, Acupay will then notify DTC of the final determination of which portion of each DTC Participant's position in the Notes should be paid gross of Spanish withholding tax and which portion of such position should be paid net of such tax. Based on such Acupay determination, DTC will make adjustments to EDS/Tax Relief Service in order to reduce to zero the EDS/Tax Relief Elections received by DTC from DTC Participants as of 9:45 a.m. New York time on the relevant Payment Date, where as a result of any inconsistencies between such DTC Participant's Beneficial Owner Information, EDS/Tax Relief Election and DTC position, the entirety of such DTC Participant position will be paid net of Spanish withholding taxes.

The adjustments described in the preceding paragraph will be made by DTC exclusively for the purposes of making payments, when applicable, net of Spanish withholding taxes and will have no impact on the EDS/Tax Relief Election made by the relevant DTC Participants as of 9:45 a.m. New York time on the relevant Payment Date.

4. DTC will transmit a final **"Report to Paying Agent"** to Acupay by 10:30 a.m. New York time on each Payment Date setting forth each DTC Participant's position in the Notes as of 8:00 p.m. New York time on the New York Business Day immediately preceding each Payment Date and the portion of each such DTC Participant's position in the Notes on which interest payments should be made net of Spanish withholding tax and the portion on which interest payments should be made without Spanish withholding tax being assessed, as applicable, based on the status of the EDS/Tax Relief Elections received by DTC for each DTC Participant as of 9:45 a.m. New York time on the Payment Date and reflecting the adjustments, if any, to be made by DTC to EDS/Tax Relief Service described in paragraph D.3 above of this Article I of Annex A.

5. Acupay shall immediately, but no later than 11:00 a.m. New York time on each Payment Date, release (through a secure data upload/download facility) PDF copies of the final Report to Paying Agent to the Paying Agent and the Issuer, along with PDF copies of the related signed Tax Certificates to the Issuer.

6. Acupay will forward original paper Tax Certificates it receives for receipt by the Issuer no later than the 18th calendar day of the month immediately following each Payment Date. Acupay shall maintain records of all Tax Certificates (and other information received through the Acupay System) for the longer of (x) five years from the date of delivery thereof or (y) five years following the final maturity or redemption of the Notes, and shall, during such period, make copies of such records available to the Issuer at all reasonable times upon request. In the event that the Issuer notifies Acupay in writing that it is the subject of a tax audit, Acupay shall maintain such duplicate backup copies until the relevant statute of limitations applicable to any tax year subject to audit expires.

## **E. Interest Payments**

1. On or prior to each Payment Date, the Issuer will transmit to the Paying Agent an amount of funds sufficient to make interest payments on the outstanding principal amount of the Notes without Spanish withholding tax being assessed.

2. By 1:00 p.m. New York time on each Payment Date, the Paying Agent will, subject to receipt of funds, (i) pay the relevant DTC Participants (through DTC) for the benefit of the relevant Beneficial Owners the interest payment gross or net of Spanish withholding tax, as set forth in the final Report to Paying Agent and (ii) promptly return the remainder of the funds to the Issuer. The transmission of such amounts shall be contemporaneously confirmed by the Paying Agent to Acupay. The Issuer has authorized the Paying Agent to rely on the final Report to Paying Agent in order to make the specified payments on each Payment Date. Notwithstanding anything herein to the contrary, the Issuer may direct the Paying Agent to make interest payments on the Notes in a manner different from that set forth in the final Report to Paying Agent if the Issuer (i) determines that there are any inconsistencies

with the Tax Certificates provided or any information set forth therein is, to the Issuer's knowledge, inaccurate, and (ii) provides notice of such determination in writing to DTC, Acupay and the Paying Agent prior to 11:30 a.m. New York time on the relevant Payment Date along with a list of the affected DTC Participants showing the amounts to be paid to each such DTC Participant.

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[Table of Contents](#)**Article II****Quick Refund Procedures****A. Documentation Procedures*****1. Beneficial Owners Holding Through a Qualified Institution That Is a DTC Participant***

a. Beginning at 9:00 a.m. New York time on the New York Business Day following each Payment Date until 5:00 p.m. New York time on the tenth calendar day of the month following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day) (the “**Quick Refund Deadline**”), a DTC Participant (i) which is a Qualified Institution (ii) holds Notes on behalf of Beneficial Owners entitled to exemption from Spanish withholding tax and (iii) which was paid net of Spanish withholding taxes due to a failure to comply with the Immediate Refund (aka “**Relief at Source**”) Procedure set forth above in Article I of this Annex A, may submit through the Acupay System new or amended Beneficial Owner Information with respect to such Beneficial Owners’ holdings.

b. After entry of Beneficial Owner Information into the Acupay System by such DTC Participant, the Acupay System will produce completed Tax Certificates. Such DTC Participant will then be required to (i) print out, (ii) review, (iii) sign and (iv) fax or send by email a PDF copy of the duly signed Tax Certificate directly to Acupay for receipt by Acupay no later than the Quick Refund Deadline. Any such Tax Certificates will be dated as of the relevant Payment Date. The original Tax Certificates must be sent to Acupay for receipt no later than the 15th calendar day of the month immediately following the relevant Payment Date.

c. Acupay will then conduct the Acupay Verification Procedures with respect to the Beneficial Owner Information submitted by the DTC Participants pursuant to paragraph A.1.a above of this Article II of Annex A by comparing such Beneficial Owner Information with the amount of Notes entitled to the receipt of income on the Payment Date as reported to Acupay by (i) the Paying Agent, (ii) DTC, as having been held in such DTC Participant’s account, and (iii) as established by DTC EDS/Tax Relief Elections. Until the Quick Refund Deadline, DTC Participants may revise or resubmit Beneficial Owner Information in order to cure any inconsistency identified.

d. Acupay will collect payment instructions from DTC Participants or their designees and, no later than 12:00 p.m. New York time on the third calendar day following the Quick Refund Deadline (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day), will forward PDF copies of the verified Tax Certificates to the Issuer and the payment instructions to the Issuer and the Paying Agent.

***2. Beneficial Owners Holding Through a DTC Participant That Is Not a Qualified Institution***

a. Beneficial Owners entitled to receive interest payments or OID income in respect of any Notes gross of any Spanish withholding taxes but who have been paid net of Spanish withholding taxes as a result of holding interests in such Notes through DTC Participants who are not Qualified Institutions will be entitled to utilize the Quick Refund Procedures set forth below.

b. Such Beneficial Owners may request from the Issuer the reimbursement of the amount withheld by providing Acupay, as an agent of the Issuer, with (i) documentation to confirm their securities entitlement in respect of the Notes on the relevant Payment Date (which documentation must include statements from (A) DTC and (B) the relevant DTC Participant setting forth such DTC Participant’s aggregate DTC position on the Payment Date as well as the portion of such position that was paid net and gross of Spanish withholding taxes, together with an accounting record of the amounts of such position and payments which were attributable to the Beneficial Owner) and (ii) a Government Tax Residency Certificate. Such Government Tax Residency Certificate (which will be generally valid for a period of one year after its date of issuance) together with the information regarding the securities entitlement in respect of the Notes must be submitted to Acupay, acting on the behalf of the Issuer, no later than the Quick Refund Deadline. Acupay will collect payment instructions from DTC Participants or their designees, as the case may be, and, no later than 12:00 p.m. New York time on the third calendar day following the Quick Refund Deadline (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day), will forward to the Issuer

PDF copies and originals of the Government Tax Residency Certificates, and to the Issuer and the Paying Agent (x) the related payment instructions and (y) a reconciliation of such payment instructions to (1) the outstanding principal amount of Notes owned through each

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DTC Participant as of the relevant Payment Date and (2) the outstanding principal amount of such Notes on which interest was paid net of Spanish withholding tax on the relevant Payment Date.

**3. Early Redemption of the Notes**

In the case of early redemption, Quick Refund Procedures substantially similar to those procedures set forth in this Article II of Annex A will be made available to Beneficial Owners. Detailed descriptions of such Quick Refund Procedures will be available upon request from Acupay in the event of such early redemption.

**B. Payment Procedures**

1. Upon receipt of the relevant Tax Certificates and Government Tax Residency Certificates together with related documentation (if any) from Acupay pursuant to the procedures in paragraph A. of this Article II, the Issuer will review such Government Tax Residency Certificates together with related documentation (if any) and confirm the related payments no later than the 18th calendar day of the month following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day).

2. On the 19th calendar day of the month following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day), the Issuer will make payments equal to the amounts initially withheld from DTC Participants complying with the Quick Refund Procedure to the Paying Agent and the Paying Agent shall, within one New York Business Day of such date, transfer such payments to DTC Participants directly for the benefit of Beneficial Owners.

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**ANNEX B**

**SPANISH WITHHOLDING TAX DOCUMENTATION PROCEDURES FOR NOTES HELD THROUGH AN ACCOUNT AT EUROCLEAR**

*Capitalized terms used but not otherwise defined in this Annex B shall have the meaning ascribed to them elsewhere in this Prospectus Supplement.*

**ARTICLE I**

**Immediate Refund (aka “Relief at Source”) Procedure (procedure that complies with Spanish Law 13/1985 (as amended by Laws 19/2003, 23/2005 and 4/2008), Royal Decree 1065/2007 and Section 59.s) of the Corporate Income Tax Regulation approved by Royal Decree 1777/2004 of July 30, 2004**

**A. Euroclear participant Submission and Maintenance of Beneficial Owner Information**

1. Twenty-three Business Days prior to each Interest Payment Date the Issuer shall instruct the Paying Agent and the Paying Agent shall (a) provide Euroclear and JP Morgan Chase Bank, N.A., its specialized depository (“**Specialized Depository**”), with an announcement which will form the basis for a Euroclear “**DACE Notice**” regarding the related interest payment and tax relief entitlement information and (b) request Euroclear to send such DACE Notice to its participants, notifying them of the requirements described below in this Article I of this Annex B.

2. At least 20 calendar days prior to each Interest Payment Date, Euroclear will release a DACE Notice to its participants with positions in the Notes notifying them of the requirements described below in this Article I of this Annex B.

3. Beginning at 6:00 a.m. CDET/CET time as of the first New York Business Day following the issuance of the DACE Notice and until 6:45 p.m. CDET/CET time on the New York Business Day preceding each date on which interest will be paid (each such date, a “**Payment Date**”) (the “**Routine Certification Deadline**”), each Euroclear participant that is a Qualified Institution must enter the Beneficial Owner identity and country of tax residence information required by the Spanish tax law and set forth in Article I of Annex C in respect of the portion of its position in the Notes that is exempt from Spanish withholding tax (the “**Beneficial Owner Information**”) directly into the system established and maintained for that purpose (the “**Acupay System**”) by Acupay System LLC (“**Acupay**”). Each Euroclear participant must ensure that Beneficial Owner Information is accurate and that it is maintained in line with its income entitlement determined based on its holdings at the close of business in New York on the New York Business Day preceding the Payment Date. All changes in beneficial ownership must be reflected, including those changes (via Acupay), which do not impact the Euroclear participant’s overall position at Euroclear or the portion of that position at Euroclear as to which no Spanish withholding tax is required. Beginning on the 20th New York Business Day prior to the Payment Date Euroclear will provide to Acupay via the Acupay System confirmations of securities entitlements for Euroclear participants. Such confirmations will be kept up to date and reflective of any changes in such securities entitlements that occur through 3:45 p.m. CDET/CET time on the Payment Date.

**B. Tax Certification Production and Execution**

1. After entry of Beneficial Owner Information into the Acupay System by a Euroclear participant, the Acupay System will produce completed forms of Exhibit I, Exhibit II or Exhibit III to Annex C (as required by the Spanish law) (the “**Interest Payment Tax Certificates**”), which shall summarize the Beneficial Owner Information introduced by such Euroclear participant into the Acupay System. When any Interest Payment Date is also the Maturity Date or a redemption date for the Notes, and if the Notes were initially issued below par with an Original Issue Discount (“**OID**”), a separate set of Tax Certificates (the “**OID Tax Certificates**”) and together with the Interest Payment Tax Certificates, the “**Tax Certificates**”) will be generated by the Acupay System reporting income resulting from the

payment of OID at maturity or such earlier redemption date. Such Euroclear participant will then be required to (i) print out, (ii) review, (iii) sign and (iv) fax or send by email a PDF copy of the duly signed Tax Certificates to Acupay and Euroclear for receipt by the Routine Certification Deadline. The Euroclear participants must also send the original signed Tax Certificates to Acupay for receipt no later than the 15th calendar

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day of the first month following the relevant Payment Date. All Tax Certificates will be dated as of the Payment Date.

**NOTE: A Euroclear participant that obtains favorable tax treatment through the Immediate Refund (aka “Relief at Source”) Procedure and fails to submit to Acupay the original Tax Certificates as described above may be prohibited by the Issuer from using the procedure to obtain favorable tax treatment for future payments. In such event, the Euroclear participant will receive the interest payments on its entire position net of the applicable withholding tax (currently 19%) and relief will need to be obtained directly from the Spanish tax authorities by following the direct refund procedure established by Spanish tax law.**

### **C. Additional Acupay and Euroclear Procedures**

1. In addition to its other duties and obligations set forth herein, Acupay will be responsible for the following tasks (collectively, the “**Acupay Verification Procedures**”):

- (a) comparing the Beneficial Owner Information and Tax Certificates provided in respect of each Euroclear participant’s position, as confirmed by Euroclear to Acupay, with the EDS/Tax Relief Elections provided by Euroclear’s Specialized Depositary in order to determine whether any discrepancies exist between such information, the corresponding EDS/Tax Relief Elections and the Euroclear participant’s position in the Notes at Euroclear;
- (b) collecting and collating all Tax Certificates received from the Euroclear participants;
- (c) reviewing the Beneficial Owner Information and the Tax Certificates using appropriate methodology in order to determine whether the requisite fields of Beneficial Owner Information have been supplied and that such fields of information are responsive to the requirements of such Tax Certificates in order to receive payments without Spanish withholding tax being assessed;
- (d) liaising with the relevant Euroclear participants in order to request that such Euroclear participants:
  - (i) complete any missing or correct any erroneous Beneficial Owner Information or Tax Certificates identified pursuant to the procedures set forth in (a), (c) and (d) above;
  - (ii) correct any erroneous EDS/Tax Relief Election identified pursuant to the procedures set forth in (a) and (c) above; and
  - (iii) revise any Tax Certificates identified pursuant to the procedures set forth in (a) and (c) above as containing incomplete or inaccurate information.

### **D. Updating and Verification of Beneficial Owner Information**

1. Euroclear will direct its Specialized Depositary to (a) transmit to Acupay via the Acupay System periodic position confirmations (of Euroclear’s aggregate settled position of the Notes held through the Specialized Depositary’s account at DTC). Therefore, the Specialized Depositary will transmit such reports by (i) 7:00 p.m. CDET/CET time on the tenth New York Business Day prior to the Payment Date (reporting Euroclear’s aggregate settled position as of 6:00 p.m. on such date); (ii) 7:00 p.m. CDET/CET time on the second New York Business Day prior to the Payment Date (reporting Euroclear’s aggregate settled position as of 6:00 p.m. CDET/CET time on such date) and (iii) 6:30 p.m. CDET/CET time on the New York Business Day preceding the Payment Date (reporting Euroclear’s aggregate settled position as of 6:00 p.m. CDET/CET time on such date), and (b) make elections via EDS/Tax Relief Service (as defined in Annex A) relaying the aggregate position of Euroclear participants for which tax relief has been requested through the Acupay System. Such EDS/Tax Relief Elections must be made prior to 3:45 p.m. CDET/CET time on the Payment Date with respect to Beneficial Owner Information received prior to the Routine Certification Deadline or as agreed in accordance with paragraphs D.3 and D.4 of this Article I of this Annex B below.

2. Beginning on the first New York Business Day following the issuance of the DACE Notice and continuing through to the Routine Certification Deadline, Acupay will utilize the Acupay Verification Procedures to attempt to identify any problems that may exist with Tax Certificates that have been

received via the Acupay System and will seek to notify Euroclear and any affected Euroclear participants of any inconsistencies among these data, or erroneous or incomplete information provided with respect to such Euroclear participant's position. In case inconsistencies (including the failure to fax or send PDF copies of new or amended Tax Certificates) are not

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corrected by the Routine Certification Deadline, the entire coupon payment for any affected position will be made net of Spanish withholding tax. Should, at that moment, the situation arise whereby the sum of the positions certified through the Acupay System by a Euroclear participant exceeds the total relevant positions held in that participant's account at Euroclear, the entirety of such participant's position held at Euroclear will be paid net of Spanish withholding taxes.

3. At the Routine Certification Deadline, the Acupay System will be closed to Euroclear participants, unless the Specialized Depositary, Euroclear and Acupay jointly agree to allow Euroclear participants access to the Acupay System for exceptional late cancellations or late submissions of Tax Certificates. At 7:00 p.m. CDET/CET on the New York Business Day preceding the Payment Date, Acupay will deliver to Euroclear the **"Prior Night Coupon Planning Report"**. This report will indicate for each Note position held by Euroclear participants, the portion of such position which is planned for payment gross of Spanish withholding tax and the portion of such position which is planned for payment net of Spanish withholding tax. The Prior Night Coupon Planning Report will also contain the calculated interest payment which would (based on the above conditions) be credited on the Payment Date (i) to each Euroclear participant, and (ii) to Euroclear in aggregate.

4. Beginning at 9:00 a.m. New York time on the relevant Payment Date Acupay will perform a final review of each Euroclear participant's Beneficial Owner Information, Euroclear positions and changes in Euroclear's aggregate position since the Routine Certification Deadline, using the Acupay Verification Procedures. Based on this final review, Acupay will seek to notify any affected Euroclear participant and Euroclear of any inconsistencies among these data, or erroneous or incomplete information provided with respect to such Euroclear participant's position and may (but only as described above in paragraph D.3 of this Article I of this Annex B) accept revised Tax Certificates from Euroclear participants as necessary to correct such inconsistencies. No changes to Beneficial Owner Information or Tax Certificates should occur. However, in case of incomplete Beneficial Owner Information, errors in Tax Certificates, or the need to input new certificates after the Routine Certification Deadline the Specialized Depositary, Euroclear and Acupay may jointly agree to allow Euroclear participants with access to the Acupay System on a Payment Date for exceptional late (i) cancellations of previously submitted Tax Certificates and/or (ii) submissions of new Tax Certificates. Such exceptional operations must be completed prior to 2:45 p.m. CDET/CET time on the relevant Payment Date and must be accompanied, as necessary, by appropriate (x) position confirmations by the Specialized Depositary, (y) elections by the Specialized Depositary in EDS/Tax Relief Service as instructed by Euroclear, and (z) position confirmations by Euroclear. In case inconsistencies (including the failure to fax or send PDF copies of new or amended Tax Certificates) are not corrected by 3:45 p.m. CDET/CET time on the relevant Payment Date, the entire coupon payment for any affected position will be made net of Spanish withholding tax. Should, at that moment, the situation arise whereby the sum of the positions certified through the Acupay System by a Euroclear participant exceeds the total relevant positions held in that participant's account at Euroclear, the entirety of such participant's position held at Euroclear will be paid net of Spanish withholding taxes. Should any additional tax relief be necessary at that moment in addition to tax relief granted during this Immediate Refund (aka **"Relief at Source"**) Procedure, requests for such additional relief may be made during the Quick Refund Procedures, as described below in Article II of this Annex B.

5. At 4:15 p.m. CDET/CET time on a Payment Date, Acupay will deliver to Euroclear a Final Coupon Payment Report. This report will contain, for the Note positions held by Euroclear participants (which are entitled to receive payment on the Payment Date), the portion of each such position which should be paid gross of Spanish withholding tax and the portion of each such position which should be paid net of Spanish withholding tax. The Final Coupon Payment Report also contains the calculated interest payments which should (based on the above conditions) be credited on the Payment Date (i) to each such Euroclear participant, and (ii) to Euroclear in aggregate (from its Specialized Depositary).

## **E. Interest Payments**

1. By 5:00 p.m. CDET/CET time on a Payment Date, Acupay will release to the Issuer PDF copies of all Tax Certificates which have been properly verified and to the Issuer and the Paying Agent the final Report to the Paying Agent (which will include the results of a calculation of the portion of the positions held via Euroclear which should be paid gross of Spanish withholding tax in

accordance with the Tax Certifications received by Acupay and submitted to the Issuer). The Issuer has authorized the Paying Agent to rely on the final Report to the Paying Agent in order to make the specified payments on each Payment Date. However, the Issuer may direct the Paying Agent to

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make interest payments on the Notes in a manner different from that set forth in the final Report to the Paying Agent if the Issuer determines that there are any inconsistencies with the Tax Certificates provided or any information set forth therein that is, to the Issuer's knowledge, inaccurate and provides notice of such determination in writing to the Paying Agent prior to 5:30 p.m. CDET/CET time on the relevant Payment Date.

2. Acupay will forward original paper Tax Certificates it receives for receipt by the Issuer no later than the 18th calendar day of the month immediately following each Payment Date. Acupay shall maintain records of all Tax Certificates (and other information received through the Acupay System) for the longer of (x) five years from the date of delivery thereof or (y) five years following the final maturity or redemption of the Notes, and shall, during such period, make copies of such records available to the Issuer at all reasonable times upon request. In the event that the Issuer notifies Acupay in writing that it is the subject of a tax audit, Acupay shall maintain such duplicate backup copies until the relevant statute of limitations applicable to any tax year subject to audit expires.

3. By 7:00 p.m. CDET/CET time on each Payment Date the Paying Agent will pay DTC the aggregate interest to be distributed on the Notes on the Payment Date. Such amount will include all amounts referred to in the final Report to the Paying Agent (which shall include all amounts embraced in the Final Coupon Payment Report).

4. On each relevant Payment Date, Euroclear will credit interest payments to its participants in accordance with the Final Coupon Payment Report.

## ARTICLE II

### Quick Refund Procedure

#### A. Documentation Procedures

##### *1. Beneficial Owners Holding Through a Qualified Institution That Is a Euroclear Participant*

(a) Beginning at 6:00 a.m. CDET/CET time on the Business Day following each Payment Date until 5:00 p.m. CDET/CET time on the tenth calendar day of the month following the relevant Payment Date (or if such day is not a Business Day, the first Business Day immediately preceding such day) (the "**Quick Refund Deadline**"), a Euroclear participant which (i) is a Qualified Institution, (ii) held Notes entitled to the receipt of income on the Payment Date on behalf of Beneficial Owners entitled to exemption from Spanish withholding tax and (iii) which was paid net of Spanish withholding tax on any portion of such exempt holdings during the procedures set forth in Article I of this Annex B above, may submit through the Acupay System new or amended Beneficial Owner Information with respect to such Beneficial Owners' holdings.

(b) After entry of Beneficial Owner Information into the Acupay System by such Euroclear participant, the Acupay System will produce completed Tax Certificates. Such Euroclear participant will then be required to (i) print out, (ii) review, (iii) sign and (iv) fax or send by email a PDF copy of the duly signed Tax Certificates directly to Euroclear/Acupay for receipt no later than the Quick Refund Deadline. Such Tax Certificates will be dated as of the relevant Payment Date. The Euroclear participants must also send the original Tax Certificates to Acupay for receipt no later than the 15th calendar day of the month following the relevant Payment Date.

(c) Acupay will then conduct the Acupay Verification Procedures with respect to the Beneficial Owner Information submitted by the Euroclear participants pursuant to this Article II by comparing such Beneficial Owner Information with the amount of Notes entitled to the receipt of income on the Payment Date as reported to Acupay by (i) Euroclear, as having been held in such Euroclear participant's account, (ii) the Specialized Depositary as having been held on behalf of Euroclear, and (iii) DTC as having been held on behalf of the Specialized Depositary. Until the Quick Refund Deadline, Euroclear participants may revise or resubmit Beneficial Owner Information in order to cure any inconsistency detected.

##### *2. Beneficial Owners Holding Through a Euroclear Participant That Is Not a Qualified Institution*

(a) Beneficial Owners entitled to receive interest payments or OID income in respect of the Notes



gross of any Spanish withholding taxes but who have been paid net of Spanish withholding taxes as a result of holding interests in the Notes through Euroclear participants who are not Qualified Institutions will be entitled to utilize the following Quick Refund Procedure.

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(b) Such Beneficial Owners may request from the Issuer the reimbursement of the amount withheld by providing Acupay, as an agent of the Issuer, with documentation to confirm their securities entitlement in respect of the Notes. Such documentation must include statements from the relevant Euroclear participant setting forth (x) such Euroclear participant's aggregate Note entitlement held through Euroclear; (y) the portion of such entitlement that was paid net and gross of Spanish withholding taxes; together with (z) an accounting record of the portion of such entitlement and payments that were attributable to the Beneficial Owner. Such Beneficial Owners must also procure a Government Tax Residence Certificate (which will be generally valid for a period of one year after its date of issuance) which together with the above-referenced information regarding the Note entitlements must be submitted to Acupay on behalf of the Issuer no later than the Quick Refund Deadline. The Euroclear participants must also send the original Government Tax Residence Certificates to Acupay for receipt no later than the 15th calendar day of the month following the relevant Payment Date.

### ***3. Early Redemption of the Notes***

In the case of early redemption, Quick Refund Procedures substantially similar to those procedures set forth in this Article II of Annex B will be made available to Beneficial Owners. Detailed descriptions of such Quick Refund Procedures will be available upon request from Acupay in the event of such early redemption.

## **B. Payment Procedures**

1. Upon receipt of the relevant Tax Certificates and Government Tax Residence Certificates together with related documentation (if any) from Acupay pursuant to the procedures in paragraph A of this Article II, the Issuer will review such certificates together with related documentation (if any) and confirm the approved certification requests and related payment instructions no later than the 18th calendar day of the month following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day). Acupay will forward original paper tax certificates it receives for receipt by the Issuer no later than the 18th calendar day of the first month following each Payment Date.

2. On the 19th calendar day of the month following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day), the Issuer will instruct the Paying Agent to make payments of the amounts arising out of these Quick Refund Procedures, and within one New York Business Day of such date the Paying Agent will transfer such payments to Euroclear for further credit to the respective Euroclear participants for the benefit of the relevant Beneficial Owners.

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[Table of Contents](#)**ANNEX C****FORMS OF REQUIRED SPANISH WITHHOLDING TAX DOCUMENTATION AND PROCEDURES FOR DIRECT REFUNDS FROM SPANISH TAX AUTHORITIES**

*Capitalized terms used but not otherwise defined in this Annex C shall have the meaning ascribed to them elsewhere in this Prospectus Supplement.*

**ARTICLE I****Documentation Required by Spanish Tax Law Pursuant to the Relief at Source Procedure**

1. If the holder of a Note is not resident in Spain for tax purposes and acts for its own account and is a Qualified Institution, the entity in question must certify its name and tax residency substantially in the manner provided in Exhibit I to this Annex C.

2. In the case of transactions in which a Qualified Institution which is a holder of Notes acts as intermediary, the entity in question must, in accordance with the information contained in its own records, certify the name and country of tax residency of each Beneficial Owner not resident in Spain for tax purposes as of the date on which interest will be paid (each such date, a “**Payment Date**”) substantially in the form provided in Exhibit II to this Annex C.

3. In the case of transactions which are channeled through a securities clearing and deposit entity recognized for these purposes by Spanish law or by the law of another OECD member country, the entity in question (i.e., the clearing system participant) must, in accordance with the information contained in its own records, certify the name and country of tax residency of each Beneficial Owner not resident in Spain for tax purposes as of the Payment Date substantially in the form provided in Exhibit II to this Annex C.

4. If the Beneficial Owner is resident in Spain for tax purposes and is subject to the Spanish Corporate Income Tax, the entities listed in paragraphs 2 or 3 above (such as DTC participants or Euroclear participants which are Qualified Institutions) must submit a certification specifying the name, address, Tax Identification Number, the CUSIP or ISIN code of the Notes, the beneficial interest in the principal amount of Notes held at each Payment Date, gross income and amount withheld, substantially in the form set out in Exhibit III to this Annex C.

5. In the case of Beneficial Owners who do not hold their interests in the Notes through Qualified Institutions or whose holdings are not channeled through a securities clearing and deposit entity recognized for these purposes by Spanish law or by the law of another OECD member country, the Beneficial Owner must submit (i) proof of beneficial ownership and (ii) a Government Tax Residency Certificate.

**ARTICLE II****Direct Refund from Spanish Tax Authorities Procedure**

1. Beneficial Owners entitled to exemption from Spanish withholding tax who have not timely followed either the Immediate Refund (aka “**Relief at Source**”) Procedure set forth in Article I of Annex A or Article I of Annex B to this Prospectus Supplement or the “Quick Refund Procedures” set forth in Article II of Annex A or Article II of Annex B to this Prospectus Supplement, and therefore have been subject to Spanish withholding tax, may request a full refund of the amount that has been withheld directly from the Spanish tax authorities.

2. Beneficial Owners have up to the time period allowed pursuant to Spanish law (currently, a maximum of four years as of the day when the term for the file and pay in the corresponding withholding tax return ends) to claim the amount withheld from the Spanish Treasury by filing with the Spanish tax authorities, among other documents (i) the relevant Spanish tax form, (ii) proof of beneficial ownership and (iii) a Government Tax Residency Certificate (from the IRS in the case of U.S. resident Beneficial Owners).

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[Table of Contents](#)**EXHIBIT I**

[English translation provided for informational purposes only]

**Modelo de certificación en inversiones por cuenta propia**  
**Form of Certificate for Own Account Investments**

(nombre) (name)

(domicilio) (address)

(NIF) (tax identification number)

(en calidad de), en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2.a) del Real Decreto 1065/2007,

(function), in the name and on behalf of the Entity indicated below, for the purposes of article 44.2.a) of Royal Decree 1065/2007,

**CERTIFICO:**

I CERTIFY:

**1. Que el nombre o razón social de la Entidad que represento es:**

that the name of the Entity I represent is:

**2. Que su residencia fiscal es la siguiente:**

that its residence for tax purposes is:

**3. Que la Entidad que represento está inscrita en el Registro de**

that the institution I represent is recorded in the Register of

(país, estado, ciudad), con el número

(country, state, city), under number

**4. Que la Entidad que represento está sometida a la supervisión de (Órgano supervisor)**

that the institution I represent is supervised by (Supervision body)

en virtud de (normativa que lo regula)

under (governing rules).

**Todo ello en relación con:**

All the above in relation to:

**Identificación de los valores poseídos por cuenta propia**

Identification of securities held on own account:

**Importe de los rendimientos**

Amount of income

**Lo que certifico en a de de 20**

I certify the above in [location] on the [day] of [month] of [year]

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**EXHIBIT II**

[English translation provided for informational purposes only]

**Modelo de certificación en inversiones por cuenta ajena**  
***Form of Certificate for Third Party Investments***

(nombre) (name)

(domicilio) (address)

(NIF) (tax identification number)

**(en calidad de), en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2.b) y c) del Real Decreto 1065/2007,**

(function), in the name and on behalf of the Entity indicated below, for the purposes of article 44.2.b) and c) of Royal Decree 1065/2007,

**CERTIFICO:**

I CERTIFY:

**1. Que el nombre o razón social de la Entidad que represento es:**

that the name of the Entity I represent is:

**2. Que su residencia fiscal es la siguiente:**

that its residence for tax purposes is:

**3. Que la Entidad que represento está inscrita en el Registro de**

that the institution I represent is recorded in the Register of

(país, estado, ciudad), con el número

(country, state, city), under number

**4. Que la Entidad que represento está sometida a la supervisión de (Órgano supervisor)**

that the institution I represent is supervised by (Supervision body)

**en virtud de (normativa que lo regula)**

under (governing rules).

**5. Que, de acuerdo con los Registros de la Entidad que represento, la relación de titulares adjunta a la presente certificación, comprensiva del nombre de cada uno de los titulares no residentes, su país de residencia y el importe de los correspondientes rendimientos, es exacta, y no incluye personas o entidades residentes en España o en los países o territorios que tienen en España la consideración de paraíso fiscal de acuerdo con las normas reglamentarias en vigor.<sup>1</sup>**

That, according to the records of the Entity I represent, the list of Beneficial Owners attached hereto, including the names of all the non-Spanish resident Beneficial Owners, their country of residence and the relevant income is accurate, and does not include person(s) or institution(s) resident either in Spain or in tax haven countries or territories as defined under Spanish applicable regulations.<sup>2</sup>

<sup>1</sup> Derogado en virtud de lo previsto en el artículo 4 y la Disposición Derogatoria Única del Real Decreto — ley 2/2008, de 21 de abril, de medidas de impulso a la actividad económica.

<sup>2</sup> Abolished by virtue of article 4 and Repealing Disposition of Royal Decree Law 2/2008 of April 21 on measures to promote economic activity.



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**Lo que certifico en a de de 20**

I certify the above in [location] on the [day] of [month] of [year]

**RELACIÓN ADJUNTA A CUMPLIMENTAR:**

TO BE ATTACHED:

**Identificación de los valores:**

Identification of the securities

**Listado de titulares:**

List of Beneficial Owners:

**Nombre/País de residencia/Importe de los rendimientos**

Name/Country of residence/Amount of income

S-E-II-2

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[Table of Contents](#)**EXHIBIT III**

[English translation provided for informational purposes only]

**Modelo de certificación para hacer efectiva la exclusión de retención a los sujetos pasivos del Impuesto sobre Sociedades y a los establecimientos permanentes sujetos pasivos del Impuesto sobre la Renta de no Residentes**

*Form of Certificate for application of the exemption from withholding to Spanish Corporate Income Tax taxpayers and to permanent establishments of Non-Resident Income Tax taxpayers*

(nombre) (name)

(domicilio) (address)

(NIF) (tax identification number)

**(en calidad de), en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 59.s) del Real Decreto 1777/2004,**

(function), in the name and on behalf of the Entity indicated below, for the purposes of article 59.s) of Royal Decree 1777/2004,

**CERTIFICO:**

I CERTIFY:

**1. Que el nombre o razón social de la Entidad que represento es:**  
that the name of the Entity I represent is:

**2. Que su residencia fiscal es la siguiente:**  
that its residence for tax purposes is:

**3. Que la Entidad que represento está inscrita en el Registro de**  
that the institution I represent is recorded in the Register of

**(país, estado, ciudad), con el número**  
(country, state, city), under number

**4. Que la Entidad que represento está sometida a la supervisión de (Órgano supervisor)**  
that the institution I represent is supervised by (Supervision body)

**en virtud de (normativa que lo regula)**  
under (governing rules).

**5. Que, a través de la Entidad que represento, los titulares incluidos en la relación adjunta, sujetos pasivos del Impuesto sobre Sociedades y establecimientos permanentes en España de sujetos pasivos del Impuesto sobre la Renta de no Residentes, son perceptores de los rendimientos indicados.**

That, through the Entity I represent, the list of Beneficial Owners hereby attached, are Spanish Corporate Income Tax taxpayers and permanent establishments in Spain of Non-Resident Income Tax taxpayers, and are recipients of the referred income.

**6. Que la Entidad que represento conserva, a disposición del emisor, fotocopia de la tarjeta acreditativa del número de identificación fiscal de los titulares incluidos en la relación.**  
That the Entity I represent keeps, at the disposal of the Issuer, a photocopy of the card evidencing the Fiscal Identification Number of the Beneficial Owners included in the attached list.

S-E-III-1

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**Lo que certifico en        a        de        de 20**

I certify the above in [location] on the [day] of [month] of [year]

**RELACIÓN ADJUNTA:**

TO BE ATTACHED:

**Identificación de los valores:**

Identification of the securities

**Razón social/Domicilio/Número de identificación fiscal/Número de valores/Rendimientos brutos/  
Retención al 19%**

*Name/Domicile/Fiscal Identification Number/Number of securities/Gross income/Amount withheld  
at 19%.*

S-E-III-2

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## PROSPECTUS

**Banco Bilbao Vizcaya Argentaria, S.A.****Ordinary Shares**

**American Depositary Shares, each representing one Ordinary Share  
Rights to Subscribe for Ordinary Shares**

**BBVA International Preferred, S.A. Unipersonal****Preferred Securities**

**Fully, irrevocably and unconditionally guaranteed, on a subordinated basis,  
as described in this prospectus, by Banco Bilbao Vizcaya Argentaria, S.A.**

**BBVA U.S. Senior, S.A. Unipersonal****Senior Debt Securities**

**Fully, irrevocably and unconditionally guaranteed, on a senior basis,  
as described in this prospectus, by Banco Bilbao Vizcaya Argentaria, S.A.**

**BBVA Subordinated Capital, S.A. Unipersonal****Subordinated Debt Securities**

**Fully, irrevocably and unconditionally guaranteed, on a subordinated basis,  
as described in this prospectus, by Banco Bilbao Vizcaya Argentaria, S.A.**

Banco Bilbao Vizcaya Argentaria, S.A. may offer from time to time ordinary shares, American Depositary Shares (each representing one ordinary share, commonly referred to as ADSs) or rights to subscribe for ordinary shares (including in the form of ADSs), in one or more offerings.

BBVA International Preferred, S.A. Unipersonal may offer from time to time preferred securities in one or more offerings. The preferred securities will be fully, irrevocably and unconditionally guaranteed on a subordinated basis, as described in this prospectus, by Banco Bilbao Vizcaya Argentaria, S.A.

BBVA U.S. Senior, S.A. Unipersonal may offer from time to time senior debt securities in one or more offerings. The senior debt securities will be fully, irrevocably and unconditionally guaranteed on a senior basis, as described in this prospectus, by Banco Bilbao Vizcaya Argentaria, S.A.

BBVA Subordinated Capital, S.A. Unipersonal may offer from time to time subordinated debt securities in one or more offerings. The subordinated debt securities will be fully, irrevocably and unconditionally guaranteed on a subordinated basis, as described in this prospectus, by Banco Bilbao Vizcaya Argentaria, S.A.

This prospectus describes the general terms of these securities and the general manner in which we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal and BBVA Subordinated Capital, S.A. Unipersonal will offer these securities. The specific terms of any securities we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal or BBVA Subordinated Capital, S.A. Unipersonal offer will be included in a supplement to this prospectus. The applicable prospectus supplement will also describe the specific manner in which we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal or BBVA Subordinated Capital, S.A. Unipersonal will offer the securities. Such supplements may also add to, update, supplement or clarify information contained in the prospectus. We will not use this prospectus to issue any securities unless it is attached to a prospectus supplement.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a delayed or continuous basis. We will indicate the names of any underwriters in the applicable prospectus supplement.

Our ordinary shares are listed on each of the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the "Spanish Stock Exchanges") and quoted on the Automated Quotation System of the Spanish Stock Exchanges (the "Automated Quotation System") as well as quoted on SEAQ International in London. Our ordinary shares are also listed on the London and Mexico stock exchanges. Our ordinary shares in the form of ADSs are listed on the New York Stock Exchange and are also traded on the Lima (Peru) Stock Exchange by virtue of an exchange agreement entered into between these two exchanges. If we, BBVA

International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal or BBVA Subordinated Capital, S.A. Unipersonal decide to list any of the other securities on a national securities exchange upon issuance, the applicable prospectus supplement to this prospectus will identify the exchange and the date when we expect trading to begin.

**Investing in our, BBVA International Preferred, S.A. Unipersonal's, BBVA U.S. Senior, S.A. Unipersonal's and BBVA Subordinated Capital, S.A. Unipersonal's securities involves risks. See "Risk Factors" beginning on page 2.**

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The securities are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the Kingdom of Spain, the United States or any other jurisdiction.

The date of this prospectus is June 28, 2010.

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You should rely only on the information contained in or incorporated by reference in this prospectus. Neither we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal, nor BBVA Subordinated Capital, S.A. Unipersonal, nor any underwriter has authorized anyone to provide you with different information. Neither we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal, BBVA Subordinated Capital, S.A. Unipersonal, nor any underwriter is making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

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This prospectus is part of registration statements that we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal and BBVA Subordinated Capital, S.A. Unipersonal filed with the Securities and Exchange Commission (the “SEC”), utilizing a “shelf” registration process. Under this shelf registration process, we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal and/or BBVA Subordinated Capital, S.A. Unipersonal may sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal, and BBVA Subordinated Capital, S.A. Unipersonal, may offer. Each time we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal, or BBVA Subordinated Capital, S.A. Unipersonal, sell securities, we, BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal, and/or BBVA Subordinated Capital, S.A. Unipersonal, as the case may be, will provide a prospectus supplement containing specific information about the terms of that offering. *The prospectus supplement may also add, update or change information contained in this prospectus. If a prospectus supplement is inconsistent with this prospectus, the terms of the prospectus supplement will control. Therefore, the statements made in this prospectus may not be the terms that apply to the securities you purchase.* You should read both this prospectus and any applicable prospectus supplement together with additional information described under the heading “Incorporation of Documents by Reference.”

In this prospectus, the terms “we”, “us”, “our”, “Bank”, “BBVA”, and “Guarantor” refer to Banco Bilbao Vizcaya Argentaria, S.A., unless otherwise indicated or the context otherwise requires. “BBVA Group” refers to Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated subsidiaries, unless otherwise indicated or the context otherwise requires.

The terms “subsidiary issuer”, “subsidiary issuers”, “issuer” and “issuers” refer to BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal and BBVA Subordinated Capital, S.A. Unipersonal or to any one of them. Banco Bilbao Vizcaya Argentaria, S.A. has guaranteed securities previously issued by BBVA International Preferred, S.A. Unipersonal, BBVA U.S. Senior, S.A. Unipersonal and BBVA Subordinated Capital, S.A. Unipersonal and will fully, irrevocably and unconditionally guarantee any securities issued by them pursuant to this prospectus.

The term “BBVA International Preferred” refers to BBVA International Preferred, S.A. Unipersonal; the term “BBVA U.S. Senior” refers to BBVA U.S. Senior, S.A. Unipersonal; and the term “BBVA Subordinated Capital” refers to BBVA Subordinated Capital, S.A. Unipersonal. Each of BBVA International Preferred, BBVA U.S. Senior and BBVA Subordinated Capital is also referred to as a “subsidiary issuer” and they are collectively referred to as “subsidiary issuers”.

All references to the “shares” are to the ordinary shares of BBVA, par value €0.49 per share; all references to the “ADSs” are to the American Depositary Shares of BBVA, each representing one share; all references to the “ADRs” are to the American Depositary Receipts of BBVA, each representing one ADS; all references to the “rights” are to the rights to subscribe for our ordinary shares (including in the form of ADSs); all references to the “preferred securities” are to the preferred securities of BBVA International Preferred; all references to the “senior notes” are to the senior debt securities of BBVA U.S. Senior; and all reference to the “subordinated notes” are to the subordinated debt securities of BBVA Subordinated Capital. References to the “notes” are to the senior notes and the subordinated notes, collectively. All references to a “preferred security guarantee” are to a guarantee by the Guarantor of a preferred security; all references to a “senior guarantee” are to a guarantee by the Guarantor of a senior note; all references to a “subordinated guarantee” are to a guarantee by the Guarantor of a subordinated note; and all references to the “notes guarantees” are to the senior guarantees and the subordinated guarantees, collectively. All references to the “securities” are to the shares, rights, ADSs, the preferred securities, the notes, the preferred securities guarantee and the notes guarantees, collectively.

All references to “Spain” refer to the Kingdom of Spain.

In this prospectus and any prospectus supplement, “\$”, “US\$”, “U.S. dollars” and “dollars” refer to United States dollars; “€” and “euro” refer to euro; “£” refers to pounds sterling and “¥” refers to Japanese yen.

[Table of Contents](#)**WHERE YOU CAN FIND MORE INFORMATION****Ongoing Reporting**

We file annual reports on Form 20-F with, and furnish other reports and information on Form 6-K to, the SEC. You may read and copy any document we file with, or furnish to, the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at +1-800-SEC-0330 for more information about the SEC's Public Reference Room. The SEC also maintains an Internet site at <http://www.sec.gov> that contains in electronic form the reports and other information that we have electronically filed with, or furnished to, the SEC. You may also read this material at the offices of the New York Stock Exchange, Inc. at 20 Broad Street, New York, New York 10005. In addition, the securities may specify that certain documents are available for inspection at the office of the trustee, a paying agent or the ADR depository, as the case may be.

**INCORPORATION OF DOCUMENTS BY REFERENCE**

The rules of the SEC allow us and the subsidiary issuers to "incorporate by reference" the information we file with, or furnish to, the SEC, which means:

- incorporated documents are considered part of this prospectus;
- we and the subsidiary issuers can disclose important information to you by referring you to those documents; and
- information that we file with, or furnish to, the SEC in the future and incorporate by reference in this prospectus will automatically update and supersede information in this prospectus and information previously incorporated by reference in this prospectus.

We and the subsidiary issuers incorporate by reference the following documents:

- our annual report on Form 20-F for the fiscal year ended December 31, 2009 (the "2009 Form 20-F") filed with the SEC on March 26, 2010;
- our report on Form 6-K as furnished to the SEC on June 24, 2010 (the "March 31, 2010 Form 6-K"); and
- any filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, as well as any report on Form 6-K furnished to the SEC to the extent the Form 6-K expressly states that it is being incorporated by reference herein, on or after the date of this prospectus and prior to the termination of the relevant offering under this prospectus.

You may request, at no cost to you, a copy of these documents (other than exhibits not specifically incorporated by reference) by writing or telephoning us at the following address or telephone number:

Banco Bilbao Vizcaya Argentaria, S.A.  
New York Branch  
1345 Avenue of the Americas, 45th Floor  
New York, New York 10105  
Attention: Investor Relations  
+1-212-728-1660



[Table of Contents](#)**FORWARD-LOOKING STATEMENTS**

Some of the statements included in this prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We also may make forward-looking statements in our other documents filed with, or furnished to, the SEC that are incorporated by reference into this prospectus. Forward-looking statements can be identified by the use of forward-looking terminology such as “believe”, “expect”, “estimate”, “project”, “anticipate”, “should”, “intend”, “probability”, “risk”, “VaR”, “target”, “goal”, “objective”, or by the use of similar expressions or variations on such expressions, or by the discussion of strategy or objectives. Forward-looking statements are based on current plans, estimates and projections, and are subject to inherent risks, uncertainties and other factors that could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements.

In particular, this prospectus and certain documents incorporated by reference into this prospectus include forward-looking statements relating but not limited to management objectives, the implementation of our strategic initiatives, trends in results of operations, margins, costs, return on equity and risk management, including our potential exposure to various types of risk such as market risk, interest rate risk, currency risk and equity risk. For example, certain of the market risk disclosures are dependent on choices about key model characteristics, assumptions and estimates, and are subject to various limitations. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future.

We have identified some of the risks inherent in forward-looking statements in “Item 3. Key Information — Risk Factors”, “Item 4. Information on the Company”, “Item 5. Operating and Financial Review and Prospects” and “Item 11. Quantitative and Qualitative Disclosures About Market Risk” in our 2009 Form 20-F. Other factors could also adversely affect our and the subsidiary issuers’ results or the accuracy of forward-looking statements in this prospectus, and you should not consider the factors discussed here or in the Items in our 2009 Form 20-F listed above to be a complete set of all potential risks or uncertainties. Other important factors that could cause actual results to differ materially from those in forward-looking statements include, among others:

- general political, economic and business conditions in Spain, the European Union (“EU”), Latin America, the United States and other regions, countries or territories in which we operate;
- changes in applicable laws and regulations, including taxes;
- the monetary, interest rate and other policies of central banks in Spain, the EU, the United States, Mexico and elsewhere;
- changes or volatility in interest rates, foreign exchange rates (including the euro to U.S. dollar exchange rate), asset prices, equity markets, commodity prices, inflation or deflation;
- ongoing market adjustments in the real estate sectors in Spain, the United States and Mexico;
- the effects of competition in the markets in which we operate, which may be influenced by regulation or deregulation;
- changes in consumer spending and savings habits, including changes in government policies which may influence investment decisions;
- our ability to hedge certain risks economically;
- our success in managing the risks involved in the foregoing, which depends, among other things, on our ability to anticipate events that cannot be captured by the statistical models we use; and
- *force majeure* and other events beyond our control.

The forward-looking statements made in this prospectus speak only as of the date of this prospectus. Neither we nor any of the subsidiary issuers intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this prospectus, including, without limitation, changes in our business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events, and neither we nor any of the subsidiary issuers assume any responsibility to do so. You should, however, consult any further disclosures of a forward-looking nature we may make in our other documents filed with, or furnished to, the SEC that are incorporated by reference into this prospectus.



[Table of Contents](#)**RISK FACTORS**

*You should carefully consider the risk factors contained in the applicable prospectus supplement and the documents incorporated by reference into this prospectus, including, but not limited to, those risks factors in “Item 3. Key Information — Risk Factors” in our 2009 Form 20-F when deciding whether to invest in the securities being offered pursuant to this prospectus. In addition, investing in the securities involves risks. Any of the risks described in the applicable prospectus supplement or in our 2009 Form 20-F, if they actually occur, could materially and adversely affect our and/or any of the subsidiary issuers’ business, results of operations, prospects and financial condition and the value of your investments.*

**THE BBVA GROUP**

BBVA is a highly diversified financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. BBVA’s predecessor bank, Banco Bilbao Vizcaya, referred to as “BBV”, was incorporated in Spain on October 1, 1988. BBVA was formed as the result of a merger by absorption of Argentaria, Caja Postal y Banco Hipotecario, S.A. into BBV that was approved by the shareholders of each institution on December 18, 1999 and registered on January 28, 2000. Additionally, BBVA maintains business activity in other sectors, such as the insurance, real estate and operational leasing sectors as well as other business activities. It also has a portfolio of investments in some of Spain’s leading companies. BBVA, which operates in over 30 countries, is based in Spain and has substantial banking interests in Latin America, the United States, Europe and Asia. The BBVA group had consolidated assets of €553,922 million at March 31, 2010 and net income attributed to parent company of €1,240 million for the three months ended March 31, 2010.

Additional information about BBVA and its subsidiaries is included in the 2009 Form 20-F and the March 31, 2010 Form 6-K, which are incorporated by reference in this document.

BBVA’s principal executive offices are located at Paseo de la Castellana, 81, 28046 Madrid, Spain, and its telephone number at that location is +34-91-537-7000.

**THE SUBSIDIARY ISSUERS****BBVA International Preferred**

BBVA International Preferred was incorporated by a public deed executed on June 30, 2005, and registered in the Mercantile Registry of Vizcaya on July 8, 2005 as a company with unlimited duration and with limited liability under the laws of Spain (*sociedad anónima*). The registered office of BBVA International Preferred is located at Gran Vía, 1, 48001 Bilbao, Spain, and its principal office is located at Paseo de la Castellana, 81, 28046 Madrid, Spain, with telephone number +34-91-537-7000 or +34-91-374-6000.

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As of the date of this prospectus, BBVA International Preferred has issued the following:

<u>Series</u>	<u>Description</u>	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Outstanding Amount</u>
A	Step-Up Fixed/Floating Rate Non-Cumulative Perpetual Guaranteed Preferred Securities of €50,000 liquidation preference	September 22, 2005	€550,000,000	€ 85,550,000
B	Step-Up Fixed/Floating Rate Non-Cumulative Perpetual Guaranteed Preferred Securities of €50,000 liquidation preference	September 20, 2006	€500,000,000	€164,350,000
C	Fixed/Floating Rate Non-Cumulative Perpetual Guaranteed Preferred Securities of \$1,000 liquidation preference	April 18, 2007	\$600,000,000	\$600,000,000
D	Non-Step-Up Fixed/Floating Rate Non-Cumulative Perpetual Guaranteed Preferred Securities of £50,000 liquidation preference	July 19, 2007	£400,000,000	£ 31,200,000
E	Non-Step-Up Fixed/Floating Non-Cumulative Perpetual Guaranteed Preferred Securities of €50,000 liquidation preference	October 21, 2009	€644,650,000	€644,650,000
F	Non-Step-Up Fixed/Floating Perpetual Guaranteed Preferred Securities of £50,000 liquidation preference	October 21, 2009	£251,050,000	£251,050,000

The authorized share capital of BBVA International Preferred is €60,102 divided into 10,017 ordinary shares, each with a par value of €6. The subscribed and fully paid up share capital is €60,102.

All of the ordinary shares of BBVA International Preferred are owned, directly or indirectly, by us. BBVA International Preferred has no subsidiaries. BBVA International Preferred exists for the purpose of issuing preferred securities, the proceeds of which, in accordance with Spanish law, will be deposited with us.

### **BBVA U.S. Senior**

BBVA U.S. Senior was incorporated by a public deed executed on February 22, 2006 and registered in the Mercantile Registry of Vizcaya on February 28, 2006 as a company with unlimited duration and with limited liability under the laws of Spain (*sociedad anónima*). The registered office of BBVA U.S. Senior is located at Gran Vía, 1, 48001 Bilbao, Spain, and its principal office is located at Paseo de la Castellana, 81, 28046 Madrid, Spain, and its telephone number is +34-91-537-7000 or +34-91-374-6000.

As of the date of this prospectus, BBVA U.S. Senior has issued the following:

<u>Description</u>	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Outstanding Amount</u>
Floating Rate Notes due 2013	November 12, 2009	\$200,000,000	\$ 200,000,000
Floating Rate Notes due 2011	November 24, 2009	€1,000,000,000	€ 1,000,000,000

The authorized share capital of BBVA U.S. Senior is €60,102 divided into 10,017 ordinary shares, each with a par value of €6. The subscribed and fully paid up share capital is €60,102.

All of the ordinary shares of BBVA U.S. Senior are owned, directly or indirectly, by us. BBVA U.S. Senior exists for the purpose of issuing debt securities, the proceeds of which, in accordance with Spanish law, will be deposited with us. BBVA U.S. Senior does not have any subsidiaries.



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**BBVA Subordinated Capital**

BBVA Subordinated Capital was incorporated by a public deed executed on October 29, 2004 and registered in the Mercantile Registry of Vizcaya on November 3, 2004 as a company with unlimited duration and with limited liability under the laws of Spain (*sociedad anónima*). The registered office of BBVA Subordinated Capital is located at Gran Vía, 1, 48001 Bilbao, Spain, and its principal office is located at Paseo de la Castellana, 81, 28046 Madrid, Spain, and its telephone number is +34-91-537-7000 or +34-91-374-6000.

As of the date of this prospectus, BBVA Subordinated Capital has issued the following:

<u>Description</u>	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Outstanding Amount</u>
Floating Rate Subordinated Callable Step-Up Notes due 2017	May 23, 2005	€ 500,000,000	€ 458,600,000
Floating Rate Subordinated Callable Step-Up Notes due 2020	October 13, 2005	€ 150,000,000	€ 129,700,000
Floating Rate Subordinated Callable Step-Up Notes due 2017	October 20, 2005	€ 250,000,000	€ 231,150,000
Fixed Rate Subordinated Notes due 2035	October 21, 2005	¥20,000,000,000	¥20,000,000,000
Floating Rate Subordinated Callable Step-Up Notes due 2015	October 21, 2005	£ 300,000,000	£ 245,700,000
Floating Rate Subordinated Callable Step-Up Notes due 2016	March 31, 2006	£ 300,000,000	£ 288,650,000
Floating Rate Subordinated Callable Step-Up Notes due 2016	October 23, 2006	€ 1,000,000,000	€ 900,000,000
Floating Rate Subordinated Callable Step-Up Notes due 2018	March 9, 2007	£ 250,000,000	£ 250,000,000
Floating Rate Subordinated Callable Step-Up Notes due 2017	April 3, 2007	€ 750,000,000	€ 699,500,000
Subordinated Linked Notes due 2022	April 4, 2007	€ 100,000,000	€ 100,000,000
Fixed Rate to Inflation Linked Subordinated Notes due 2023	May 19, 2008	€ 50,000,000	€ 50,000,000
Fixed Rate Subordinated Notes due 2018	July 22, 2008	€ 20,000,000	€ 20,000,000

The authorized share capital of BBVA Subordinated Capital is €60,102 divided into 10,017 ordinary shares, each with a par value of €6. The subscribed and fully paid up share capital is €60,102.

All of the ordinary shares of BBVA Subordinated Capital are owned, directly or indirectly, by us. BBVA Subordinated Capital exists for the purpose of issuing debt securities, the proceeds of which, in accordance with Spanish law, will be deposited with us. BBVA Subordinated Capital does not have any subsidiaries.

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### CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND PREFERENCE DIVIDENDS

The following table sets forth BBVA's consolidated ratio of earnings to fixed charges and preference dividends, using financial information compiled in accordance with International Financial Reporting Standards adopted by the EU ("EU-IFRS") required to be applied under the Bank of Spain's Circular 4/2004 ("Circular 4/2004"), for the three months ended March 31, 2010 and the years ended December 31, 2009, 2008, 2007, 2006 and 2005:

	Three Months Ended	Year Ended December 31,				
	March 31, 2010	2009	2008	2007	2006	2005
<b>EU-IFRS(1)</b>						
Ratio of earnings to fixed charges and preference dividends						
Including interest on deposits	2.00	1.57	1.40	1.54	1.64	1.64
Excluding interest on deposits	2.62	2.04	1.82	2.06	2.27	2.27

(1) EU-IFRS required to be applied under Circular 4/2004.

### USE OF PROCEEDS

The net proceeds from each issue of securities will, in accordance with Law 13/1985 of May 25, 1985, be deposited on a permanent basis with the Guarantor and will be used for the Group's general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable prospectus supplement.

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### CONSOLIDATED CAPITALIZATION AND INDEBTEDNESS OF THE BBVA GROUP

The following table sets forth the capitalization and indebtedness of the BBVA Group on an unaudited consolidated basis in accordance with EU-IFRS required to be applied under Circular 4/2004 as of April 30, 2010.

	As of <u>April 30, 2010</u> (Millions of euros) (Unaudited)
<b>Outstanding indebtedness(1)</b>	
Short-term indebtedness(2)	44,085
Long-term indebtedness	75,599
Of which: Preferred securities(3)	<u>5,255</u>
<b>Total indebtedness(4)</b>	<u>119,684</u>
<b>Stockholders' equity</b>	
Ordinary shares, nominal value €0.49 each	1,837
Ordinary shares held by consolidated companies	447
Reserves	27,134
Dividends	—
Valuation adjustments	528
Net income attributed to the BBVA Group(5)	1,730
<b>Total shareholders' equity</b>	31,675
Minority interest	<u>1,279</u>
<b>Total capitalization and indebtedness</b>	<u><u>152,638</u></u>

- (1) No third party has guaranteed any of the debt of the BBVA Group.
- (2) Includes all outstanding promissory notes and bonds, debentures and subordinated debt (including preferred securities) with a remaining maturity of up to one year as of April 30, 2010.
- (3) Under EU-IFRS required to be applied under Circular 4/2004, preferred securities, such as the preferred securities described in this prospectus, are accounted for as subordinated debt. Nonetheless, for Bank of Spain regulatory capital purposes, such preferred securities are treated as Tier 1 capital instruments.
- (4) 35% of the BBVA Group's indebtedness was secured as of April 30, 2010.
- (5) For the period from January 1, 2010 to April 30, 2010.

### DESCRIPTION OF BBVA ORDINARY SHARES

The following summary describes all material considerations concerning the capital stock of BBVA and briefly describes all material provisions of BBVA's bylaws (*estatutos*) and relevant Spanish law. A copy of BBVA's bylaws is incorporated by reference and will be furnished to investors upon request.

#### General

As of March 31, 2010, BBVA's paid in share capital was €1,836,504,869.29, represented by a single class of 3,747,969,121 BBVA ordinary shares with a nominal value of €0.49 each.

Non-residents of Spain may hold and vote ordinary shares subject to the general restrictions set forth below.

#### Attendance and Voting at Shareholders' Meetings

Each BBVA ordinary share entitles the shareholder to one vote. Any BBVA ordinary share may be voted by written proxy. Proxies may be given only to another shareholder. Proxies are valid for



ordinary and extraordinary

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general shareholders' meetings. A single shareholder may not be represented at a general shareholders' meeting by more than one shareholder.

### ***Shareholders' meetings***

Pursuant to BBVA's bylaws and to the Spanish Corporation Law (*Ley de Sociedades Anónimas*), general meetings of shareholders of BBVA may be ordinary or extraordinary.

Pursuant to the Spanish Corporation Law, ordinary general shareholders' meetings shall necessarily be held within the first six months of each financial year, at which shareholders are requested to approve the annual accounts of the previous fiscal year, the management by BBVA Board of Directors of BBVA for the previous fiscal year and the application of BBVA's net income or loss. Other matters may also be voted on by shareholders during the ordinary general shareholders' meetings if such items are included on the agenda. Any other meetings of shareholders are considered to be extraordinary general shareholders' meetings. Extraordinary general shareholders' meetings may be called from time to time by the BBVA Board of Directors at its discretion. The BBVA Board of Directors must call extraordinary general shareholders' meetings if so requested by shareholders representing at least five percent of BBVA's share capital.

At ordinary general shareholders' meetings, shareholders are requested to approve the BBVA Board of Directors' management of BBVA for the previous fiscal year, the annual accounts of the previous fiscal year and the application of the company's net income or loss. All other matters may be addressed at extraordinary general shareholders' meetings called for such purpose. Such other matters can also be voted in ordinary general shareholders' meetings if such items are included on the agenda.

A universal shareholders' meeting, at which 100% of the share capital is present or duly represented, is considered valid even if no notice of such meeting was given, and, with unanimous agreement, shareholders may consider any matter at such a meeting.

### ***Convening notice***

Notices of all BBVA general shareholders' meetings must be published in the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) and in a widely circulated newspaper in Vizcaya, the Spanish province where the registered office of BBVA is located, at least one month prior to the date of the meeting. The notice must indicate the date of the meeting on the first convening and all the matters to be considered at the meeting, along with other information required by the Spanish Corporation Law. The notice may also include the date on which the meeting should be held on the second convening. At least twenty-four hours should be allowed to elapse between the first and the second meeting.

### ***Place of meeting***

General meetings must be held in Bilbao, Spain, where BBVA has its registered office, on the date indicated in the convening notice.

### ***Right of attendance***

The owners of five hundred or more BBVA ordinary shares which are duly registered in the book-entry record for BBVA ordinary shares at least five days prior to the general shareholders' meeting are entitled to attend. The holders of fewer than five hundred BBVA ordinary shares may aggregate their shares by proxy to represent at least five hundred BBVA ordinary shares and appoint a member of the group as their representative at the meeting.

### ***Quorums***

Under BBVA's bylaws and the Spanish Corporation Law, general shareholders' meetings will be duly constituted on the first convening if BBVA shareholders holding at least 25% of the share capital are present or represented by proxy. On the second convening of a general shareholders' meeting, there is no quorum requirement.



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Notwithstanding the above, certain special events require a quorum of shareholders, present or represented by proxy, holding at least 50% of the share capital on first convening of the general shareholders' meeting and no less than 25% of the share capital on the second convening of the general shareholders' meeting. Those special events include: (i) increases or decreases in capital; (ii) in general, any modification of the bylaws; (iii) issuances of bonds; (iv) limitations of the preemptive rights to subscribe for new shares; (v) transformations, mergers, spin-offs and assignments of assets and liabilities; and (iv) the transfer of the registered office abroad. If at the second convening of the general shareholders' meeting the shareholders present or represented by proxy constitute less than 50% of the share capital, resolutions regarding such matters will be adopted with the approval of two-thirds of the share capital present or represented by proxy at such meeting.

BBVA's bylaws also require the presence, in person or represented by proxy, of two-thirds of the share capital on first convening or 60% of the share capital on the second convening, at general shareholders' meetings in order to adopt resolutions that concern: (i) amendment of the corporate purpose; (ii) transformation of BBVA's legal status; (iii) a full spin-off; (iv) dissolution of BBVA; or (v) amendment of the second paragraph of article 25 of BBVA's bylaws, which establishes this stricter quorum requirement.

### ***Adoption of resolutions***

Subject to the higher vote requirements described in the previous paragraphs, the adoption of resolutions requires a majority vote at the general shareholders' meeting.

Validly adopted resolutions are binding on all the shareholders, including those who were absent, dissented or abstained from voting.

Any resolution adopted at the general shareholders' meeting that is contrary to Spanish law can be contested by any shareholder. Resolutions adopted at the general shareholders' meeting that are contrary to BBVA's bylaws, or that are harmful to BBVA's interests and to the benefit of one or more shareholders or third parties, can be contested by the shareholders who attend the meeting and record their opposition to the resolution in the minutes of the meeting, by shareholders who were absent or by shareholders unlawfully prevented from voting at the meeting.

Under the Spanish Corporation Law, in the event of a vacancy on the BBVA Board of Directors, a shareholder or group of shareholders that owns an aggregate number of BBVA ordinary shares equal to or greater than the result of dividing the total capital stock by the number of directors on the BBVA Board of Directors, has the right to appoint a corresponding proportion of the directors (rounded downward to the nearest whole number) to the Board of Directors. Shareholders who exercise this right may not vote on the appointment of other directors to the BBVA Board of Directors.

### **Preemptive Rights**

Pursuant to the Spanish Corporation Law, shareholders have preemptive rights to subscribe for any new BBVA ordinary shares (except where the new BBVA ordinary shares are issued pursuant to the conversion of convertible bonds, the absorption of another company, or the acquisition of part of the net assets of another company by means of a spin-off) and for bonds issued which are convertible into BBVA ordinary shares. These preemptive rights may be abolished in certain circumstances by shareholder vote in accordance with Article 159 of the Spanish Corporation Law.

### **Form and Transfer**

BBVA ordinary shares are in book-entry form and are indivisible. Joint holders must nominate one person to exercise their rights as shareholders, though joint holders are jointly and severally liable for all obligations arising from their status as shareholders. Iberclear, which manages the clearance and settlement system of the Spanish Stock Exchanges, maintains the central registry of BBVA ordinary shares reflecting the number of BBVA ordinary shares held by each of its participant entities (*entidades participantes*) as well as the number of such shares held by beneficial owners. Each participant entity in turn maintains a register of the owners of such shares.

Transfers of BBVA ordinary shares quoted on the Spanish Stock Exchanges must be made by book-entry registry or delivery of evidence of title to the buyer, through or with the participation of a

member of the Spanish

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Stock Exchanges that is an authorized broker or dealer. Transfers of BBVA ordinary shares may also be subject to certain fees and expenses.

### **Reporting Requirements**

As BBVA ordinary shares are listed on the Spanish Stock Exchanges, the acquisition or disposition of BBVA ordinary shares must be reported within four business days of the acquisition or disposition to BBVA, the Comisión Nacional del Mercado de Valores (“CNMV”), the relevant Spanish Stock Exchanges and, where the person or group effecting the transaction is a non-Spanish resident, the Spanish Registry of Foreign Investment, where:

- in the case of an acquisition, the acquisition results in that person or group holding 3% (or 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% or 90%) of BBVA’s share capital; or
- in the case of a disposal, the disposition reduces shares held by a person or group below a threshold of 3% (or 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% or 90%) of BBVA’s share capital.

Each member of the BBVA Board of Directors must report to BBVA, the CNMV and the relevant Spanish Stock Exchanges, shares and stock options held at the time such director joined the Board of Directors. Furthermore, each member of the BBVA Board of Directors must similarly report any acquisition or disposition, regardless of size, of BBVA shares or stock options within five business days of such acquisition or disposition.

Additional disclosure obligations apply to voting agreements and to purchasers in jurisdictions designated as tax havens or lacking adequate supervision, where the threshold for such disclosure obligation is reduced to 1% (or successive multiples of 1%).

### **Change of Control Provisions**

Certain antitrust regulations may also delay, defer or prevent a change of control of BBVA or any of its subsidiaries in the event of a merger, acquisition or corporate restructuring. In Spain, the application of both Spanish and European antitrust regulations requires that prior notice of domestic or crossborder merger transactions be given in order to obtain a “non-opposition” ruling from antitrust authorities.

Spanish regulation of takeover bids may also delay, defer or prevent a change of control of BBVA or any of its subsidiaries in the event of a merger, acquisition or corporate restructuring. Spanish regulation of takeover bids set forth in Law 6/2007 and Royal Decree 1066/2007 introduces significant amendments to the Spanish rules governing takeover bids. In particular:

- a bidder must make a tender offer in respect of 100% of the issued share capital of a target company if:
  - it acquires an interest in shares which (taken together with shares in which persons acting in concert with it are interested) carry 30% or more of the voting rights of the target company;
  - it acquires an interest in shares which (taken together with shares in which persons acting in concert with it are interested) carry less than 30% of the voting rights but enable the bidder to appoint a majority of the members of the target company’s board of directors;
  - it held 30% or more but less than 50% of the voting rights of the target company on the date the law came into force, and subsequently;
    - acquires, within 12 months, an additional interest in shares which carries 5% or more of such voting rights;
    - acquires an additional interest in shares so that the bidder’s aggregate interest carries 50% or more of such voting rights; or
    - acquires an additional interest in shares which enables the bidder to appoint a majority of the members of the target company’s board of directors;



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- if a bidder's actions do not fall into the categories described above, such acquisition may qualify as an "a priori" or partial tender offer (i.e., in respect of less than 100% of the issued share capital of a target company), in which case such bidder would not be required to make a tender offer in respect of 100% of the issued share capital of a target company;
- the board of directors of a target company is exempt from the rule prohibiting certain board interference with a tender offer (the "passivity rule"), provided that (i) it has been authorized by the general shareholders' meeting to take action or enter into a transaction which could disrupt the offer, or (ii) it has been released from the passivity rule by the general shareholders' meeting vis-à-vis bidders whose boards of directors are not subject to an equivalent passivity rule;
- defensive measures included in a listed company's bylaws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer unless the general shareholders' meeting resolves otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected may be entitled to compensation); and
- if, as a result of a tender offer in respect of 100% of the issued share capital of a target company, the bidder acquires an interest in shares representing at least 90% of the voting rights of the target company or the offer has been accepted by investors representing at least 90% of the voting rights of the target company (provided such voting rights are distinct from those already held by the bidder), the bidder may force the holders of the remaining share capital of the company to sell their shares. The minority holders shall also have the right to force the bidder to acquire their shares under these same circumstances.

As further described below in "— Restrictions on Acquisitions of BBVA Ordinary Shares", since BBVA is a credit entity, it is necessary to obtain approval from the Bank of Spain in order to acquire a number of shares considered to be a significant participation by Law 26/1988, of July 29, 1998 as amended by Act 5/2009 of June 29. Also, any agreement that contemplates BBVA's merger with another credit entity will require the authorization of the Spanish Ministry of Economy and the Treasury. This could also delay, defer or prevent a change of control of BBVA or any of its subsidiaries that are credit entities in the event of a merger.

### **Exchange Controls**

In 1991, Spain adopted the EU standards for free movement of capital and services. As a result, exchange controls and restrictions on foreign investments have generally been abolished and foreign investors may transfer invested capital, capital gains and dividends out of Spain without limitation as to amount, subject to applicable taxes.

Pursuant to Spanish Law 18/1992 on Foreign Investments (*Ley 18/1992, de 1 de julio*) and Royal Decree 664/1999 (*Real Decreto 664/1999, de 23 de abril*), foreign investors may freely invest in shares of Spanish companies, except in the case of certain strategic industries.

Shares in Spanish companies held by foreign investors must be reported to the Spanish Registry of Foreign Investments by the depositary bank or relevant Iberclear member. In addition, when a foreign investor acquires shares in a company that is subject to the reporting requirements of the CNMV, such foreign investor must also give notice directly to the CNMV and the applicable Spanish Stock Exchanges if such acquisition results in such foreign investor exceeding certain ownership thresholds.

Investment by foreigners domiciled in enumerated tax haven jurisdictions is subject to special reporting requirements under Royal Decree 1080/1991 (*Real Decreto 1080/1991, de 5 de julio*).

### **Restrictions on Acquisitions of BBVA Ordinary Shares**

BBVA's bylaws do not provide any restrictions on the ownership of BBVA ordinary shares. Because BBVA is a Spanish bank, however, the acquisition or disposition of a significant participation of BBVA shares is subject to certain restrictions. Such restrictions may impede a potential acquirer's ability to acquire BBVA shares and gain control of BBVA.





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Law 26/1988 on discipline and oversight of financial institutions, amended by Act 5/2009, provides that any individual or corporation, acting alone or in concert with others, intending to directly or indirectly acquire a significant holding in a Spanish financial institution (as defined in article 56 of Law 26/1998) or to directly or indirectly increase its holding such that the percentage of voting rights or of capital owned were equal to or more than any of the thresholds of 20%, 30% or 50% (or by virtue of the acquisition, might take control over the financial institution) must first notify the Bank of Spain. The Bank of Spain will have 60 working days after the date on which the notification was received to evaluate the transaction and, where applicable, challenge the proposed acquisition on the grounds established by law.

A significant participation is considered to be 10% of the outstanding share capital of a bank or a lower percentage if such holding allows for the exercise of a significant influence.

Any acquisition made without such prior notification, or conducted before 60 working days have elapsed since the date of such notification, or made in circumstances where the Bank of Spain has objected, will produce the following results:

- the acquired shares will have no voting rights; and
- if considered appropriate, the target bank may be taken over, its directors replaced and a sanction imposed.

The Bank of Spain has 60 working days after the date on which the notification was received to object to a proposed transaction. Such objection may be based on the fact that the Bank of Spain does not consider the acquiring person suitable to guarantee the prudent operation of the target bank.

Any individual or institution that intends to sell its significant participation in a bank or reduce its participation below the above-mentioned percentages, or which, because of such sale, loses control of the entity, must give prior notice to the Bank of Spain, indicating the amount to be sold and the period in which the transaction is to be executed. Non-compliance with this requirement will result in sanctions.

Spain's Ministry of Economy and the Treasury, following a proposal by the Bank of Spain, may, whenever the control of a bank by a person with a significant participation may jeopardize the sound and prudent management of such bank, adopt any of the following measures as deemed appropriate:

- suspend the voting rights corresponding to such shares for up to three years;
- take control of the bank or replace the directors; or
- revoke the bank's license.

## **Payment of Taxes**

Holders of BBVA ordinary shares will be responsible for any taxes or other governmental charges payable on their BBVA ordinary shares, including any taxes payable on transfer. The paying agent or the transfer agent, as the case may be, may, and upon instruction from BBVA, will:

- refuse to effect any registration of transfer of such ordinary shares or any split-up or combination thereof until such payment is made; or
- withhold or deduct from any distributions on such ordinary shares or sell for the account of the holder thereof any part or all of such ordinary shares (after attempting by reasonable means to notify such holder prior to such sale), and apply, after deduction for its reasonable expenses incurred in connection therewith, the net proceeds of any such sale in payment of such tax or other governmental charge, the holder of such ordinary shares remaining liable for any deficiency.

[Table of Contents](#)**DESCRIPTION OF BBVA AMERICAN DEPOSITARY SHARES**

The Bank of New York Mellon executes and delivers the BBVA ADRs evidencing BBA ADSs. Each BBVA ADS represents an ownership interest in one BBVA ordinary share. The BBVA ordinary shares will be deposited with BBVA, The Bank of New York Mellon's custodian in Spain. Each BBVA ADS will also represent securities, cash or other property deposited with The Bank of New York Mellon but not distributed to BBVA ADS holders. The Bank of New York Mellon's Corporate Trust Office is located at 101 Barclay Street, New York, NY 10286 and its principal executive office is located at One Wall Street, New York, NY 10286.

You may hold BBVA ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as a BBVA ADR, which is a certificate evidencing a specific number of BBVA ADSs, registered in your name, or (ii) by having BBVA ADSs registered in your name in the Direct Registration System, or (B) indirectly by holding a security entitlement in BBVA ADSs through your broker or other financial institution. If you hold BBVA ADSs directly, you are an ADS registered holder. This description assumes you are an ADS registered holder. If you hold the BBVA ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of BBVA ADS registered holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

The Direct Registration System, or DRS, is a system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership will be evidenced by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

BBVA ADS holders are not BBVA shareholders and do not have shareholder rights. Because The Bank of New York Mellon will actually hold the BBVA ordinary shares, you must rely on it to exercise the rights of a shareholder. The obligations of The Bank of New York Mellon are set out in a deposit agreement among BBVA, The Bank of New York Mellon, as depositary, and BBVA ADS holders, as amended, referred to as the deposit agreement. The deposit agreement and the BBVA ADSs are generally governed by New York law.

The following is a summary of the deposit agreement. Because it is a summary, it does not contain all the information that may be important to you. For more complete information, you should read the entire agreement and the BBVA ADR. Copies of the deposit agreement and the form of BBVA ADR are available for inspection at the Corporate Trust Office of The Bank of New York Mellon at the address set forth above.

**Deposit and Withdrawal of Deposited Securities**

The depositary has agreed that upon the execution in favor of the depositary or its nominee and delivery to the custodian or depositary (if to the depositary, then at the expense and risk of the depositor) of either (i) a certificate of title which has been executed by a Spanish stockbroker and, if required, certificates representing such shares to the custodian together with any documents and payments required under the deposit agreement or (ii) any other evidence of ownership of shares as recognized under the laws of Spain from time to time, and acceptable to the custodian, the depositary will have for delivery at the depositary's corporate trust office to or upon the order of the person specified by the depositor at the address set forth above, upon payment of the fees, charges and taxes provided in the deposit agreement, registered in the name of such person or persons as specified by the depositor, the number of BBVA ADSs issuable in respect of such deposit.

Upon surrender of BBVA ADSs at the depositary's corporate trust office, together with written instructions from the person or persons in whose name the BBVA ADSs are registered, and upon payment of such charges as are provided in the deposit agreement and subject to its terms, the depositary will request the execution of evidence of ownership in favor of such persons designated in the written instrument and the delivery of such evidence of ownership (by book-entry transfer or physical delivery) of the deposited shares represented by the surrendered BBVA ADSs and any other property that the surrendered BBVA ADRs represent the right to receive. Such delivery is to take place at the office of the custodian or at the depositary's office as the person designated in the written instructions may request.

If a person presents for deposit shares with different distribution rights than other deposited shares, the depositary must identify them separately until such time as the distribution rights are the same.

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### **Pre-Release of BBVA ADSs**

In certain circumstances, subject to the provisions of the deposit agreement, and with BBVA's written consent, The Bank of New York Mellon may execute and deliver BBVA ADSs before the deposit of the underlying shares. This is called a pre-release of the BBVA ADS. The Bank of New York Mellon may receive BBVA ADSs instead of shares to close out a pre-release.

Each pre-release will be:

- fully collateralized with cash, U.S. government securities or other collateral that The Bank of New York Mellon determines in good faith will provide substantially similar liquidity and security;
- preceded or accompanied by written representation and agreement from the person to whom BBVA ADSs are to be delivered that the person, or its customer:
  - owns the shares to be remitted;
  - assigns all beneficial rights, title and interest in such shares to the depositary in its capacity as such, and for the benefit of the holders; and
  - will not take any action with respect to such shares that is inconsistent with the transfer of beneficial ownership (including, without the consent of the depositary, disposing of such shares, other than in satisfaction of such pre-release).
- terminable by the depositary on not more than five business days' notice; and
- subject to such further indemnities and credit regulations that The Bank of New York Mellon considers appropriate.

The Bank of New York Mellon must be able to close out the pre-release on not more than five business days' notice. In addition, The Bank of New York Mellon will limit the number of BBVA ADSs that may be outstanding at any time as a result of pre-release, although The Bank of New York Mellon may disregard the limit from time to time, if it thinks it is appropriate to do so. The Bank of New York Mellon may also, as it deems appropriate, set U.S. dollar limits with respect to a given pre-release on a case by case basis.

The pre-release will be subject to such indemnities and credit regulations as The Bank of New York Mellon considers appropriate.

### **Dividends, Other Distributions and Rights**

The depositary has agreed to pay to holders of BBVA ADSs the cash dividends or other distributions it or the custodian receives on shares or other deposited securities after deducting its fees and expenses and according to applicable law. Holders of BBVA ADSs will receive these distributions in proportion to the number of shares their BBVA ADSs represent.

*Cash.* The Bank of New York Mellon will convert all cash dividends and other cash distributions in a foreign currency that it receives in respect of the deposited securities into U.S. dollars if in its judgment it can do so on a reasonable basis and can transfer the U.S. dollars to the United States.

Before making a distribution, any withholding taxes that must be paid will be deducted. The Bank of New York Mellon will distribute only whole U.S. dollars and cents. If the exchange rates fluctuate during a time when The Bank of New York Mellon cannot convert euros, holders of BBVA ADSs may lose some or all of the value of the distribution.

*BBVA Ordinary Shares.* If a distribution by BBVA consists of a dividend in, or free distribution of, BBVA ordinary shares, The Bank of New York Mellon may, or if BBVA requests, will, subject to the deposit agreement, distribute to the holders of outstanding BBVA ADSs, in proportion to their holdings, additional BBVA ADSs representing the number of BBVA ordinary shares received as such dividend or free distribution if BBVA furnishes it with evidence that it is legal to do so. The Bank of New York Mellon will only distribute whole BBVA ADSs. It will sell BBVA ordinary shares which would require it to use fractional BBVA ADSs and distribute the net proceeds



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in the same way as it does with cash. If additional BBVA ADSs are not so distributed, each BBVA ADS will represent the additional BBVA ordinary shares distributed in respect of the BBVA ordinary shares represented by such BBVA ADS prior to such dividend or free distribution.

*Rights.* If BBVA offers or causes to be offered to the holders of shares any rights to subscribe for additional shares or any rights of any other nature, The Bank of New York Mellon will either:

- make such rights available to holders of BBVA ADSs by means of warrants or otherwise, if The Bank of New York Mellon determines that it is lawful and feasible to do so; or
- if making such rights available is determined by The Bank of New York Mellon not to be lawful and feasible, or if the rights represented by such warrants or other instruments are not exercised and appear to be about to lapse, sell such rights or warrants or other instruments:
  - on a stock exchange on which such rights are listed;
  - on an over-the-counter market on which such rights are traded; or
  - with the written approval of BBVA, at a private sale,

at such place or places and upon such terms as The Bank of New York Mellon may deem proper, and allocate the proceeds of such sales for the account of the holders of the BBVA ADSs entitled to those proceeds, upon an averaged or other practicable basis without regard to any distinctions among such holders of BBVA ADSs due to exchange restrictions, or the date of delivery of any ADSs or otherwise.

The net proceeds allocated to the holders of BBVA ADSs so entitled will be distributed to the extent practicable in the case of a distribution in cash. The Bank of New York Mellon will not offer such rights to holders of BBVA ADSs having an address in the United States unless BBVA furnishes to The Bank of New York Mellon (i) evidence that a registration statement under the Securities Act of 1933, as amended (the "Securities Act") is in effect or (ii) an opinion from U.S. counsel for BBVA, in a form satisfactory to The Bank of New York Mellon, to the effect that such distribution does not require registration under the provisions of the Securities Act.

BBVA ordinary shares issuable upon exercise of preemptive rights must be registered under the Securities Act in order to be offered to holders of BBVA ADSs. If BBVA decided not to register those BBVA ordinary shares, the preemptive rights would not be distributed to holders of BBVA ADSs. Pursuant to the deposit agreement under which the BBVA ADSs are issued, however, the depository will use its best efforts to sell such rights that it receives and will distribute the proceeds of the sale to holders of BBVA ADSs.

*Other Distributions.* The Bank of New York Mellon will remit to holders of BBVA ADSs any other item of value BBVA distributes on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, The Bank of New York Mellon may adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution. The Bank of New York Mellon may sell, publicly or privately, what BBVA distributed and distribute the net proceeds in the same way as it does with cash.

The Bank of New York Mellon is not responsible if it decides that it is unlawful or impractical to make a distribution available to any BBVA ADS holders. BBVA has no obligations to register BBVA ADSs, BBVA ordinary shares, rights or other securities under the Securities Act. BBVA also has no obligation to take any other action to permit the distribution of BBVA ADSs, BBVA ordinary shares, rights or anything else to BBVA ADS holders. This means that holders of BBVA ADSs may not receive the distribution BBVA makes on its shares or any value for them if it is illegal or impractical for BBVA to make them available to them.

## **Payment of Taxes**

Holders of BBVA ADSs will be responsible for any taxes or other governmental charges payable on their BBVA ADSs or on the deposited securities underlying their BBVA ADSs, including any taxes payable on transfer. The Bank of New York Mellon may, and upon instruction from BBVA, will:

- refuse to effect any registration of transfer of such receipt or any split-up or combination thereof or any withdrawal of such deposited securities until such payment is made; or



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- withhold or deduct from any distributions on such deposited securities or sell for the account of the holder thereof any part or all of such deposited securities (after attempting by reasonable means to notify such holder prior to such sale), and apply, after deduction for its expenses incurred in connection therewith, the net proceeds of any such sale in payment of such tax or other governmental charge, the holder of such receipt remaining liable for any deficiency.

### **Record Dates**

The Bank of New York Mellon will fix a record date to establish which holders of BBVA ADSs are entitled to:

- receive a dividend, distributions or rights;
- net proceeds of any sale;
- give instructions for the exercise of voting rights at any such meeting; and
- receive notice or solicitation to act in respect of any matter.

### **Voting of the Underlying Deposited Securities**

BBVA has agreed in the depositary agreement that (i) the depositary or its nominee, whichever is the registered holder of the BBVA ordinary shares represented by the BBVA ADSs, will have the same rights as any other registered holder of BBVA ordinary shares and (ii) consistent with BBVA's bylaws, BBVA will observe the right of the depositary, its nominee or registered holder of the BBVA ordinary shares to attend any ordinary or extraordinary general shareholders' meeting and to vote or cause to be voted by proxy the BBVA ordinary shares with respect to the BBVA ADSs and that BBVA will not exercise any right it may have under its bylaws to reject or in any way impair such rights.

Once The Bank of New York Mellon receives notice in English of any matter affecting holders of BBVA ordinary shares, it will mail, as soon as practicable, such notice to the holders of BBVA ADSs. The notice will (i) contain the information in the notice of meeting, (ii) explain how holders as of a certain date may instruct The Bank of New York Mellon to vote the shares underlying their BBVA ADSs and (iii) contain a statement as to the manner in which instructions may be given.

The record holders of BBVA ADSs can instruct The Bank of New York Mellon to vote the shares underlying their BBVA ADSs. The Bank of New York Mellon will try, insofar as practicable, to cause the BBVA ordinary shares so represented to be voted in accordance with any nondiscretionary written instructions of BBVA ADS record holders received.

In the event the BBVA ADS record holders do not provide written instructions by a specified date, The Bank of New York Mellon will deem the BBVA ADR holder to have instructed it to give discretionary proxy to a person designated by the BBVA Board of Directors. However, this proxy must not be given to such a person if the board informs The Bank of New York Mellon, in writing, that the board either does not wish the proxy to be given, that substantial opposition exists or that the matter at hand materially affects the rights of BBVA shareholders.

### **Facilities and Register**

The Bank of New York Mellon will maintain at its transfer office:

- facilities for the delivery and surrender of BBVA ordinary shares;
- facilities for the withdrawal of BBVA ordinary shares;
- facilities for the execution and delivery, registration, registration of transfer, combination and split-up of BBVA ADSs and the withdrawal of deposited securities; and
- a register for the registration and transfer of BBVA ADSs which, at all reasonable times, shall be open for inspection by holders of BBVA ADSs.



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### **Reports and Notices**

The Bank of New York Mellon will, at BBVA's expense:

- arrange for the custodian to provide The Bank of New York Mellon copies in English of any reports and other communications that are generally made available by BBVA to holders of BBVA ordinary shares; and
- arrange for the mailing of such copies to all holders of BBVA ADSs.

BBVA has delivered to The Bank of New York Mellon and the custodian a copy of the provisions of or governing the BBVA ordinary shares BBVA issued. Promptly after any amendment, BBVA will deliver to The Bank of New York Mellon and the custodian a copy in English of such amended provisions. The Bank of New York Mellon may rely upon such copy for all the purposes of the deposit agreement.

The Bank of New York Mellon will, at BBVA's expense, make available for inspection by BBVA ADS holders at the Corporate Trust Office, the office of the custodian and at any other designated transfer office any reports and communications received from BBVA that are made generally available to holders of BBVA ordinary shares.

### **Amendment and Termination of the Deposit Agreement**

The BBVA ADSs and the deposit agreement may at any time be amended by agreement between BBVA and The Bank of New York Mellon.

Any amendment that would impose or increase any charges (other than transmission and delivery charges incurred at the request of depositors of BBVA ordinary shares or holders of BBVA ADSs, transfer, brokerage, registration fees and charges in connection with conversion of currencies, and taxes and other governmental charges) or that will otherwise prejudice any substantial existing right of BBVA ADS holders will not become effective as to outstanding BBVA ADRs until three months have expired after notice of such amendment has been given to the holders of the BBVA ADRs.

In no event will any amendment impair the right of any BBVA ADS holder to surrender such BBVA ADSs and receive in return the BBVA ordinary shares and other property which those surrendered BBVA ADSs represent, except in order to comply with mandatory provisions of applicable law.

At BBVA's direction, The Bank of New York Mellon will terminate the deposit agreement by giving notice of such termination to the record holders of BBVA ADSs at least 30 days prior to the date fixed in that notice for the termination. The Bank of New York Mellon may terminate the deposit agreement at any time commencing 90 days after delivery of a written resignation, provided that no successor depositary has been appointed and no successor depositary has accepted its appointment before the end of those 90 days.

After the date that has been fixed for termination, The Bank of New York Mellon and its agents will perform no further acts under the deposit agreement, other than:

- advise record holders of BBVA ADSs of such termination;
- receive and hold distributions on BBVA ordinary shares; and
- deliver BBVA ordinary shares and distributions in exchange for BBVA ADSs surrendered to The Bank of New York Mellon.

As soon as practicable after the expiration of six months from the date that has been fixed for termination, The Bank of New York Mellon will sell BBVA ordinary shares and other deposited securities and may hold the net proceeds of any such sale together with any other cash then held by it under the provisions of the deposit agreement, without liability for interest, for the *pro rata* benefit of the holders of BBVA ADRs that have not yet surrendered their BBVA ADRs.



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### **Fees and Expenses**

#### **BBVA ADS Holders Must Pay:**

\$5.00 (or less) per 100 BBVA ADSs

Registration or transfer fees

Expenses of The Bank of New York Mellon

Stock transfer or other taxes (including Spanish income taxes) and other governmental charges The Bank of New York Mellon or the custodian have to pay on any BBVA ADS or share underlying a BBVA ADS

#### **For:**

Each issuance of BBVA ADS;  
each cancellation of BBVA ADS.

Transfer and registration of shares register of the foreign registrar from holder's name to the name of The Bank of New York Mellon or its agents when a holder deposits or withdraws BBVA ordinary shares.

Conversion of foreign currency to U.S. dollars, if any; Cable, telex, and facsimile transmission expenses.

As necessary.

The Bank of New York Mellon, as depositary, has agreed to reimburse BBVA for expenses it incurs that are related to establishment and maintenance of the BBVA ADS program, including investor relations expenses and stock market application and listing fees. There are limits on the amount of expenses for which the depositary will reimburse BBVA, but the amount of reimbursement available to BBVA is not related to the amount of fees the depositary collects from investors.

The depositary collects its fees for delivery and surrender of BBVA ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

### **Limitations on Obligations and Liability to BBVA ADS Holders**

The deposit agreement expressly limits BBVA's obligations and the obligations of The Bank of New York Mellon, and it limits BBVA's liability and the liability of The Bank of New York Mellon. BBVA and The Bank of New York Mellon:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable for any action or inaction if either relies upon the advice of, or information from, legal counsel, accountants, any person presenting shares for deposit, any holder, or any other person believed to be competent to give such advice or information;
- are not liable if either is prevented or delayed by law or circumstances beyond their control from performing their obligations under the deposit agreement;
- are not liable if either exercises discretion permitted under the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the BBVA ADSs or the deposit agreement on behalf of holders of BBVA ADSs or on behalf of any other party; and
- may rely upon any documents they believe to be genuine and to have been signed or presented by the proper party.

The Bank of New York Mellon will not be liable for its failure to carry out any instructions to vote BBVA's securities or for the effects of any such vote.

### **Other General Limitations on Liability to BBVA ADS Holders**

Neither The Bank of New York Mellon, its agents, nor BBVA will incur any liability if prevented or delayed in performing its obligations under the deposit agreement by reason of:

- any present or future law;

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- any act of God;
- a war;
- the threat of any civil or criminal penalty; or
- any other circumstances beyond its or BBVA's control.

The obligations and liabilities of BBVA and its agents and The Bank of New York Mellon and its agents under the deposit agreement are expressly limited to performing their respective obligations specifically set forth and undertaken by them to perform in the deposit agreement without negligence or bad faith.

In the deposit agreement, BBVA and The Bank of New York Mellon agree to indemnify each other under certain circumstances.

### **General**

The Bank of New York Mellon will act as registrar of the BBVA ADSs or, upon BBVA's request or approval, appoint a registrar or one or more co-registrars for registration of the BBVA ADRs evidencing the BBVA ADSs in accordance with the requirements of NYSE or of any other stock exchange on which the BBVA ADSs may be listed. Such registrars or co-registrars may be removed and a substitute or substitutes appointed by The Bank of New York Mellon upon BBVA's request or with BBVA's approval.

Any transfer of the BBVA ADSs is registrable on the books of The Bank of New York Mellon. However, The Bank of New York Mellon may close the transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties or at BBVA's request.

As a condition precedent to the execution and delivery, registration of transfer, split-up or combination of any BBVA ADS or the delivery of any distribution or the withdrawal of any BBVA ordinary shares or any property represented by the BBVA ADS, The Bank of New York Mellon or the custodian may, and upon BBVA's instructions will, require from the BBVA ADR holder or the presenter of the BBVA ADS or the depositor of the BBVA ordinary shares:

- payment of a sum sufficient to pay or reimburse the custodian, The Bank of New York Mellon or BBVA for any tax or other governmental charge and any stock transfer or brokerage fee or any charges of the depositary upon delivery of the BBVA ADS or upon surrender of the BBVA ADS, as set out in the deposit agreement, and,
- the production of proof satisfactory to The Bank of New York Mellon or custodian of:
- identity or genuineness of any signature;
- proof of citizenship, residence, exchange control approval, and legal or beneficial ownership;
- compliance with all applicable laws and regulations including the delivery of any forms required by Spanish law or custom in connection with the execution or delivery of evidence of ownership, with all applicable provisions of or governing the shares or any other deposited securities and with the terms of the deposit agreement; or
- other information as The Bank of New York Mellon may deem necessary or proper or as BBVA may require by written request to The Bank of New York Mellon or the custodian.

The delivery, registration of transfer, split-up or combination of BBVA ADSs, or the deposit or withdrawal of shares or other property represented by BBVA ADSs, in any particular instance or generally, may be suspended during any period when the BBVA ADSs register is closed, or when such action is deemed necessary or advisable by The Bank of New York Mellon or BBVA at any time or from time to time.

Holders have the right to cancel their BBVA ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because The Bank of New York Mellon or BBVA has closed its transfer books or the deposit of shares in connection with voting at a shareholders' meeting or

the payment of dividends;

- when BBVA ADS holders owe money to pay fees, taxes and similar charges; or



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- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to BBVA ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

The Bank of New York Mellon, upon BBVA's request or with BBVA's approval, may appoint one or more co-transfer agents for the purpose of effecting registrations of transfers, combinations and split-ups of BBVA ADSs at designated transfer offices on behalf of The Bank of New York Mellon. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by holders of BBVA ADSs and will be entitled to protection and indemnity to the same extent as The Bank of New York Mellon.

### **Direct Registration System**

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System ("Profile"), will apply to uncertificated BBVA ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership will be evidenced by periodic statements sent by the depositary to the registered holders of uncertificated ADSs. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS registered holder to register that transfer.

In connection with the arrangements and procedures relating to DRS and Profile, the parties to the deposit agreement understand that the depositary will not verify, determine or otherwise ascertain that the DTC participant that is claiming to be acting on behalf of a BBVA ADS registered holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS registered holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through DRS and Profile and in accordance with the deposit agreement, will not constitute negligence or bad faith on the part of the depositary.

### **BBVA ADSs Outstanding**

As of March 31, 2010, there were 114,187,399 BBVA ADSs outstanding.

## **DESCRIPTION OF RIGHTS TO SUBSCRIBE FOR ORDINARY SHARES**

We may issue rights to subscribe for our ordinary shares (including in the form of ADSs). The applicable prospectus supplement will describe the specific terms relating to such subscription rights and the terms of the offering, as well as a discussion of material U.S. federal and Spanish income tax considerations applicable to holders of the rights to subscribe for our ordinary shares (including in the form of ADSs).

## **PREFERRED SECURITIES**

This section describes the general terms that will apply to any preferred securities that may be offered pursuant to this prospectus by BBVA International Preferred. The specific terms of the offered preferred securities, and the extent to which the general terms described in this section apply to preferred securities, will be described in one or more related prospectus supplements at the time of the offer.

### **General**

BBVA International Preferred may issue preferred securities from time to time in one or more series. The preferred securities may be denominated and payable in U.S. dollars or other currencies.

BBVA International Preferred may also issue preferred securities from time to time with the principal amount or distributions payable on any relevant payment date to be determined by reference to one or more currency exchange rates, market interest rates, securities or baskets of securities, commodity prices or indices. Holders of these types of preferred securities will receive payments of liquidation preference or distributions that depend upon the value of the applicable

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currency, interest rate, security or basket of securities, commodity or index on the relevant payment dates or otherwise as specified in the applicable prospectus supplement.

### **Terms Specified in the Applicable Prospectus Supplement**

The applicable prospectus supplement will contain, where applicable, the following terms of and other information relating to any offered preferred securities:

- the status and ranking of the preferred securities in the event of any liquidation, dissolution or winding up of BBVA International Preferred;
- the specific designation of the preferred securities;
- the public offering price of the preferred securities;
- the number and liquidation preference of the preferred securities;
- the rate or rates at which BBVA International Preferred will pay distributions (which may also be referred to as capital payments), or method of calculation of such rate or rates, the payment date or dates for any distributions, the record date for any distributions and any limitations on distributions;
- the amount or amounts that BBVA International Preferred will pay out of its assets to the holders of the preferred securities upon the company's liquidation;
- the obligation or option, if any, of BBVA International Preferred to purchase or redeem the preferred securities and the price or prices (or formula for determining the price) at which, the period or periods within which, and the terms and conditions upon which, BBVA International Preferred will or may purchase or redeem the preferred securities, in whole or in part, pursuant to the obligation or option;
- the voting rights, if any, of the preferred securities, including any vote required to amend BBVA's International Preferred's charter and the constitution of any syndicate of holders of preferred securities;
- the criteria for determining whether and to what extent BBVA International Preferred will be authorized or required to pay distributions on the preferred securities;
- terms for any optional or mandatory conversion or exchange of preferred securities into other securities;
- whether and under what circumstances BBVA International Preferred will be required to pay any additional amounts on the preferred securities in the event of certain developments with respect to withholding tax or information reporting laws;
- additional information regarding beneficial owners of the preferred securities and the withholding tax consequences related to any failure to provide such information;
- any restrictions applicable to the sale and delivery of the preferred securities;
- any other relative rights, preferences, privileges, limitations or restrictions of the preferred securities not inconsistent with applicable law; and
- a discussion of material U.S. federal and Spanish income tax considerations applicable to holders of preferred securities.

The applicable prospectus supplement may also include, if applicable, a discussion of certain ERISA considerations.

### **Form**

Unless otherwise provided in the applicable prospectus supplement, the preferred securities will be issued in registered form.



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### **Guarantee**

The applicable prospectus supplement will contain a summary of the terms of the relevant preferred securities guarantee.

### **Governing Law**

Unless otherwise provided in the applicable prospectus supplement, the preferred securities and any preferred securities guarantees will be governed by Spanish law.

## **DESCRIPTION OF THE NOTES AND THE NOTES GUARANTEES**

This section describes the general terms and provisions of the indenture dated June 28, 2010 (the “senior indenture”) among BBVA U.S. Senior as issuer, BBVA as guarantor and The Bank of New York Mellon as trustee, which sets forth certain provisions with respect to the senior notes and the senior guarantees that may be offered by BBVA U.S. Senior and BBVA, respectively, and the indenture dated June 28, 2010 (the “subordinated indenture”) among BBVA Subordinated Capital as issuer, BBVA as guarantor and The Bank of New York Mellon as trustee, which sets forth certain provisions with respect to the subordinated notes and the subordinated guarantees that may be offered by BBVA Subordinated Capital and BBVA, respectively. In this section, we will refer to BBVA U.S. Senior and BBVA Subordinated Capital as the “issuers”, the senior notes and the subordinated notes as the “notes”, the senior indenture and the subordinated indenture as the “indentures” and the senior guarantees and the subordinated guarantees as the “notes guarantees.” A prospectus supplement of the relevant issuer will describe the specific terms of a particular series of notes and any general terms outlined in this section that will not apply to those notes. If there is any conflict between the prospectus supplement and this prospectus, then the terms and provisions in the prospectus supplement apply unless they are inconsistent with the terms of the indentures or the supplemental indenture or Board resolution creating a particular series of notes.

All material information about the notes, notes guarantees and indentures is summarized below and in the applicable prospectus supplement. Because this is only a summary, however, it does not contain all the details found in the full text of the indentures, the notes and the notes guarantees. If you would like additional information, you should read the indentures, the notes and the notes guarantees. Whenever we refer to specific provisions of or terms defined in the indentures in this prospectus we incorporate by reference into this prospectus such specific provisions of or terms defined in the indentures.

BBVA U.S. Senior or BBVA Subordinated Capital may issue future notes and BBVA may issue future guarantees of such notes under other indentures or documentation which contain provisions different from those included in the indentures described here. None of the issuers or BBVA are prohibited under the notes, indentures or notes guarantees, as the case may be, from paying any amounts due under any of their respective obligations at a time when they are in default or have failed to pay any amounts due under the notes, indentures or notes guarantees, as the case may be. See “— Subordinated Notes and Subordinated Guarantees”.

The senior notes will be issued under the senior indenture and the subordinated notes will be issued under the subordinated indenture. Both such indentures have been filed with the SEC as exhibits to the registration statement that includes this prospectus.

### **General**

The indentures do not limit the aggregate principal amount of notes that BBVA U.S. Senior or BBVA Subordinated Capital may issue under them. However, on May 25, 2010, the Guarantor’s Board of Directors resolved to provide an irrevocable guarantee up to an aggregate amount of €6,000,000,000 (or its equivalent in any other currency) for future issues of notes made by the issuers, and as of the date of this prospectus the Guarantor has not issued any guarantees under this authorization. The Guarantor’s Board of Directors may at any time increase or decrease the aggregate amount for such guarantees authorized for future issuances.

Neither the indentures, nor the notes, nor the notes guarantees will limit or otherwise restrict the amount of other indebtedness or other securities or guarantees which the issuers, the Guarantor or any

of its subsidiaries may

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incur or issue. The notes will not contain any provision that would provide you, as a holder of the notes, with protection against a sudden and significant decline in the credit quality of BBVA U.S. Senior, BBVA Subordinated Capital or the Guarantor, or against a takeover, recapitalization or highly leveraged similar transaction involving the Guarantor. BBVA U.S. Senior or BBVA Subordinated Capital can issue notes from time to time in one or more series, up to the aggregate principal amount that BBVA U.S. Senior, BBVA Subordinated Capital and the Guarantor may authorize. The notes will be direct, unconditional and unsecured debt obligations of BBVA U.S. Senior or BBVA Subordinated Capital, as the case may be. The notes guarantees will be direct, unconditional and unsecured obligations of the Guarantor.

The indentures provide that there may be more than one trustee under such indentures, each with respect to one or more series of notes. Any trustee may resign or be removed with respect to any series of notes issued under the indentures and a successor trustee may be appointed.

The issuers, the Guarantor or any of their respective subsidiaries may at any time purchase senior notes or subordinated notes at any price in the open market or otherwise. Such notes purchased may be held, reissued, resold or surrendered to the relevant paying agent and/or the relevant registrar for cancellation, except that senior notes purchased by BBVA U.S. Senior and subordinated notes purchased by BBVA Subordinated Capital must be surrendered to the relevant paying agent and/or the relevant registrar for cancellation in accordance with prevailing Spanish Law and the Bank of Spain's requirements.

### **General Terms of the Notes and the Notes Guarantees**

The applicable prospectus supplement will describe the terms of the offered notes and notes guarantees, including some or all of the following:

- the title of the notes and series in which these notes will be included;
- any limit on the aggregate principal amount of the notes and notes guarantees;
- the price or prices (expressed as a percentage of the aggregate principal amount) at which the notes will be issued;
- if any of the notes are to be issuable in global form, then when they are to be issuable in global form and (i) whether beneficial owners of interests in the notes may exchange such interests for notes of the same series and of like tenor and of any authorized form and denomination, and the circumstances under which any such exchanges may occur; (ii) the name of the depository with respect to any global note; and (iii) the form of any legend or legends that must be borne by any such note in addition to or in lieu of that set forth in the relevant indenture;
- the date or dates on which the principal of the offered notes is payable, or the method, if any, by which such date or dates will be determined and, if other than the full principal amount, the portion payable or the method by which the portion of the principal amount of the notes payable on that date is determined;
- the rate or rates (which may be fixed or variable) at which the offered notes will bear interest, if any, or the method by which such rate or rates will be determined and the manner upon which interest will be calculated if other than on the basis of a 360-day year of twelve 30-day months;
- the date or dates from which interest on the notes, if any, will accrue or the method, if any, by which such date or dates will be determined;
- the date or dates on which such interest, if any, will be payable, the date or dates on which payment of such interest, if any, will commence and the regular record dates for the interest payment dates, if any;
- whether and under what circumstances additional amounts on the notes must be payable;
- the notice, if any, to holders of the notes regarding the determination of interest on a floating rate note and the manner of giving such notice;
- the date or dates on or after which, or the period or periods, if any, during which and the price or prices at which the issuer of the notes will, pursuant to any mandatory sinking fund provisions, or may, pursuant to





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any optional sinking fund or any purchase fund provisions, redeem the notes, and the other terms and provisions of such funds;

- the date or dates on or after which, or the period or periods, if any, during which and the price or prices at which the issuer or the holders of the notes may, pursuant to any optional redemption provisions in addition to those set forth in the prospectus, redeem the notes, and the other terms and provisions of such optional redemption;
- if certificates representing the notes will be issued in temporary or permanent global form, the identity of the depository for the global notes, and the manner in which any principal, premium, if any, or interest payable on those global notes will be paid if other than as provided in the indentures;
- each office or agency where, subject to the terms of the indenture, the principal, premium and interest, if any, and additional amounts, if any, on the notes will be payable, where the notes may be presented for registration of transfer or exchange and where notices or demands to the issuer in respect of the notes or the indenture may be served;
- whether any of the notes are to be redeemable at the option of the issuer of the notes or of the holder thereof and, if so, the period or periods within which, the price or prices at which and the other terms and conditions upon which such notes may be redeemed, in whole or in part, at the option of the issuer or holder and the terms and provisions of such optional redemption;
- whether the issuer is obligated to redeem or purchase any of the notes pursuant to any sinking fund or analogous provision or at the option of any holder thereof and, if so, the period or periods within which, the price or prices at which and the other terms and conditions upon which such notes must be redeemed or purchased, in whole or in part, and any provisions for the remarketing of such notes;
- the denomination and currency in which the notes will be issuable;
- whether any of the notes will be issued as original issue discount notes;
- if other than the principal amount thereof, the portion of the principal amount of any such notes that shall be payable upon declaration of acceleration of maturity thereof or the method by which such portion is to be determined;
- if other than U.S. dollars, the currencies or currency units in which the principal, premium, if any, interest, if any, and additional amounts, if any, for the notes will be payable and the manner of determining the equivalent of such currencies in U.S. dollars;
- whether the notes and notes guarantees are senior notes and senior guarantees issued pursuant to the senior indenture or subordinated notes and subordinated guarantees issued pursuant to the subordinated indenture or include both;
- whether BBVA U.S. Senior, BBVA Subordinated Capital or a holder may elect payment of the principal, premium, and interest or additional amounts, if any, on the notes in a currency or currencies, currency unit or units or composite currency different from the one in which the notes are denominated or stated to be payable, and the period or periods and terms and conditions on which the election may be made, as well as the time and manner of determining the exchange rate;
- whether the amount of payments of principal of, premium and interest, if any, on or any additional amounts on the notes may be determined with reference to an index, formula or other method which may, but need not be, based on one or more currencies, currency units or composite currencies, commodities, equity or other indices, and the terms and conditions upon which and the manner in which these amounts will be determined;
- whether the person in whose name a note is registered at the close of business on the regular record date for payment of interest will be entitled to designate another person as the recipient of the interest payment;
- any deletions, modifications or additions to the events of default or covenants of BBVA U.S. Senior, BBVA Subordinated Capital or the Guarantor with respect to the notes set forth in the relevant indenture;



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- the applicability of the defeasance provisions of the indenture applicable to such notes and any provisions in modification of, in addition to or in lieu of any of the defeasance provisions of the relevant indenture;
- if any notes are to be issuable upon the exercise of warrants, the time, manner and place for such notes to be authenticated and delivered;
- if any of the notes are to be issuable in global form and are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary note) only upon receipt of certain certificates or other documents or satisfaction of other conditions, then the form and terms of such certificates, documents or conditions;
- if other than the applicable trustee, the identity of each security registrar, paying agent and authenticating agent;
- the “Stated Intervals” and the “Record Date” for purposes of Sections 312(a) (in the case of non-interest bearing notes) and 316(c), respectively, of the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”);
- any material U.S. federal or Spanish income tax considerations applicable to the notes and related notes guarantees;
- any other terms of the notes, which shall not be inconsistent with the provisions of the indentures;
- the deed of issuance, in Spanish, related to the notes, and the Regulations (as defined below in “— Syndicate of Holders, Meetings, Modifications and Waivers”), in Spanish with a non-official English translation, related to the notes; and
- in the case of the subordinated notes, any other provisions in addition to any of the provisions related to the payment of additional amounts.

The issuers may issue notes as original issue discount notes. An original issue discount note is a note, including a zero coupon note, offered at a discount from the principal amount of the note due at its maturity. The applicable prospectus supplement will describe any additional material U.S. federal income tax consequences, the amount payable in the event of an acceleration and other special factors applicable to any original issue discount notes.

### **Payments of Additional Amounts**

Unless otherwise specified in the applicable prospectus supplement, any amounts to be paid with respect to the notes shall be paid without withholding or deduction for or on account of any and all present or future taxes or duties of whatever nature imposed or levied by or on behalf of Spain or any political subdivision or authority thereof or therein having the power to tax unless such withholding or deduction is required by law. In such event, the issuer or, as the case may be, the Guarantor will pay to the relevant holder such additional amounts as may be necessary in order that the net amounts received by the note holders, or their trustees or any paying agent, after such withholding or deduction equals the respective amounts of principal, premium, if any, interest, if any, and sinking fund payments, if any, which would otherwise have been receivable in respect of the notes in the absence of such withholding or deduction; except that no such additional amounts will be payable with respect to any note:

(a) to, or to a third party on behalf of, a note holder who is liable for such taxes or duties by reason of such holder (or the beneficial owner for whose benefit such holder holds such note) having some connection with Spain other than the mere holding of such note (or such beneficial interest) or the mere crediting of the note to such holder’s account; or

(b) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the note holder would have been entitled to additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a business day in such place of presentment; or

(c) to, or to a third party on behalf of, a note holder in respect of whom the issuer or the Guarantor (or the paying agent on its behalf) does not receive such information (which may

include a tax residence certificate)

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concerning such note holder's identity and tax residence (as well as the identity and tax residence of the beneficial owner for whose benefit it holds such note) as it may require in order to comply with Second Additional Provision of Spanish Law 13/1985 of 25 May (as amended, among others, by Spanish Law 19/2003 of 4 July and Spanish Law 23/2005 of 18 November) and any implementing legislation or regulation by 10:00 a.m. (CET) on the 10th calendar day of the month following the Relevant Date (as defined below) upon which the payment was due (or if such date is not a day on which commercial banks are open for general business in Spain, the day immediately preceding such date); or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive or law; or

(e) presented for payment (where presentation is required) by or on behalf of a note holder who would be able to avoid such withholding or deduction by presenting the relevant note to another paying agent.

Additional amounts will also not be paid with respect to any payment to a note holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment, to the extent that payment would be required by the laws of Spain (or any political subdivision thereof) to be included in the income, for Spanish tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner who would not have been entitled to the additional amounts had it been the note holder.

As used above, "Relevant Date" means the date on which any payment first becomes due and payable, except that if the full amount of the moneys payable has not been received by the paying agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to the note holders, notice to that effect is duly given to the note holders in accordance with the provisions set forth under "— Notices" below.

Any reference to principal, interest or premium shall be deemed to include additional amounts to the extent payable in respect thereof.

### **Optional Tax Redemption**

An issuer may, in compliance with the applicable capital adequacy regulations of the Bank of Spain from time to time in force, redeem the notes of any series it has issued, subject to the restrictions described in this section and, in the case of subordinated notes, to the Bank of Spain's prior approval, which under current Spanish bank regulations may not be sought prior to the fifth anniversary of the issuance of the series of subordinated notes. Subject to such restrictions, an issuer may, at its option, redeem a series of notes it has issued in whole, but not in part, at any time with not less than 30 days nor more than 60 days notice given in the manner described under "— Notices" below and in the applicable prospectus supplement and indenture.

The redemption will be equal to 100% of the principal amount (or such other early tax redemption amount as may be specified in the applicable prospectus supplement) plus interest accrued to the date fixed for redemption.

A redemption under this section will only be permitted if, as a result of any change in or amendment to the laws or regulations of Spain (including any treaty to which Spain is a party) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change, amendment, application or interpretation becomes effective on or after the date of the applicable prospectus supplement, either:

- it is determined by the issuer or the Guarantor that in making payment under the notes or the notes guarantees, the issuer or the Guarantor, as the case may be, would become obligated to pay additional amounts, as described in the section entitled "— Payments of Additional Amounts" above, with respect to such payment and the issuer or the Guarantor cannot avoid this

obligation without unreasonable cost or expense; or

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- the Guarantor is or would be required to deduct or withhold tax on any payment to the issuer to enable it to make any payment of principal or interest in respect of the notes and the Guarantor cannot avoid this obligation without unreasonable cost or expense.

The issuers and the Guarantor are not permitted to give notice to the trustee of the redemption earlier than 60 days prior to the earliest date on which an issuer or the Guarantor would be obligated to deduct or withhold tax or pay additional amounts were a payment on the notes or the notes guarantees then due.

In the case of any merger, consolidation, sale or conveyance not considered an event of default, the acquiring or resulting corporation will also be entitled to redeem the notes in the circumstances described above for any change or amendment to, or change in the application or official interpretation of, the laws or regulations of such corporation's jurisdiction of incorporation or tax residence, which change or amendment must occur subsequent to the date of the merger, consolidation, sale, conveyance or lease if the acquiring or resulting corporation is not incorporated or tax resident in Spain.

### **Form, Transfer, Payment and Paying Agents**

Unless otherwise indicated in the applicable prospectus supplement, each series of notes will be issued in registered form only, without coupons. There will not be any service charge for any transfer or exchange of notes payable to the issuer, but the issuer may require payment to cover any tax or other governmental charge payable and any other expenses (including the fees and expenses of the trustee) that may be imposed in that regard.

Unless the applicable prospectus supplement provides otherwise, the principal, premium and interest on the notes of a particular series will be payable, and transfer or exchange of the notes will be registrable, at the corporate trust office of The Bank of New York Mellon, as paying agent and securities registrar under the applicable indenture. However, BBVA U.S. Senior or BBVA Subordinated Capital may elect to pay any interest by check mailed to the address of the entitled person as it appears in the security register at the close of business on the regular record date for the interest or by transfer to an account maintained by the payee with a bank located in the United States.

Unless the applicable prospectus supplement provides otherwise, payment of interest on and any additional amounts with respect to a note on any interest payment date will be made to the person in whose name the note is registered at the close of business on the regular record date for the interest.

### **Global Certificates**

The issuers may issue the notes of a series in whole or in part in the form of one or more global certificates representing the notes. Unless otherwise stated in the applicable prospectus supplement, DTC will act as securities depository for the notes. Therefore, issuers will issue the notes only as registered securities registered in the name of Cede & Co. (DTC's nominee) and will deposit with DTC one or more registered certificates representing in aggregate the total number of such notes.

As long as DTC or its nominee is the registered holder of a global certificate representing notes, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the notes represented by that global certificate for all purposes under the applicable indenture and the notes. Except as described below, owners of beneficial interests in a note represented by a global certificate will not be entitled to have the notes represented by such global certificate registered in their names, will not receive or be entitled to receive physical delivery of certificated notes (as defined below) and will not be considered the holders of such notes under the applicable indenture. Accordingly, each person owning a beneficial interest in a note represented by a global certificate must rely on the procedures of DTC and, if that person is not a participant in DTC, on the procedures of the participant in DTC through which the person owns its interest, to exercise any rights of a beneficial owner under the applicable indenture.





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Beneficial interests in notes of any series represented by a global certificate will be exchangeable for notes of such series represented by individual security certificates, or certificated notes, and registered in the name or names of owners of such beneficial interests as specified in instructions provided by DTC to the trustee only if:

- DTC notifies the issuer that it is unwilling or unable to continue to act as depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor depositary is not appointed by the issuer within 60 days after the date of such written notice from DTC;
- the issuer notifies the trustee in writing that it has elected to cause the issuance of definitive registered notes of such series; or
- there shall have occurred and be continuing an Event of Default (as defined below) with respect to the notes of such series and the notes of such series.

### **Outstanding Notes**

In determining whether the holders of the requisite principal amount of outstanding notes have given any request, demand, authorization, direction, notice, consent or waiver under the notes or the indentures or are present at a meeting of the Syndicate for quorum purposes, any note owned by the issuer, the Guarantor or any other obligor upon the notes or any affiliate of the issuer, the Guarantor or such other obligor (if any such notes are so owned), will be deemed not to be outstanding. In addition, the portion of the principal amount of an original issue discount note that will be outstanding will be the amount that would be declared due and payable as of the date of determination and, unless the applicable prospectus supplement provides otherwise, the principal amount of an indexed note that will be outstanding will be the principal face amount determined on the date of its original issuance.

### **Syndicate of Holders, Meetings, Modifications and Waivers**

#### ***Syndicate of Holders***

The Spanish Corporation Law (*Ley de Sociedades Anónimas*) requires that a syndicate (*sindicato*) of holders of notes be established in relation to each series of notes constituting all holders of notes of such series at any particular time (the “Syndicate”).

Each Syndicate of each particular series is governed by its own regulations (the “Regulations”). The Regulations contain the rules governing the functioning of the Syndicate and the rules governing its relationship to the relevant issuer and are attached to the relevant Spanish public deed of issuance with respect to such series of notes. A form of the Regulations is attached to each indenture.

As provided in the Regulations, each Syndicate will be represented by the commissioner (*comisario*) of the Syndicate (the “Commissioner”), who will be the chairman and the legal representative of the Syndicate and shall protect the common interest of the holders of the notes. The Bank of New York Mellon shall serve as Commissioner of the Syndicate of each series of notes until it resigns or is removed as trustee and a person shall have become successor trustee with respect to such series of notes under the applicable indenture. Thereafter, the Commissioner shall be such successor trustee.

By purchasing a note, the holder of that note is also deemed to have agreed to membership in the Syndicate in respect of notes of such series and, if such holder purchased such note prior to the record date for the first meeting of the Syndicate, to have granted full power and authority to The Bank of New York Mellon with respect to notes of such series to act as its proxy to vote at the first meeting of the Syndicate of holders of notes of such series in favor of the ratification of the Regulations in respect of such Syndicate, the ratification of the designation and appointment of The Bank of New York Mellon as Commissioner of such Syndicate and the ratification of the actions of the Commissioner performed prior to such first meeting of the Syndicate. The Commissioner is the chairperson and the legal representative of the Syndicate.

#### ***Meetings***

Holders of notes of each series shall meet in accordance with the Regulations. Except as otherwise

provided under the relevant indenture, the Regulations governing the Syndicate of holders of notes of a series or the Trust

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Indenture Act, any request, demand, authorization, direction, notice, consent, waiver or other action provided by or pursuant to the relevant indenture to be given or taken by holders of notes of the relevant series shall be given or taken only by resolution duly adopted in accordance with the relevant indenture and the Regulations governing the Syndicate of holders of notes of the relevant series at a meeting of such Syndicate duly called and held in accordance with such Regulations, which resolution as so adopted is referred to as the “Act” of the holders. Any such meeting is expected to be held in the city where the Commissioner has its principal executive offices, which is currently New York, New York.

### *Convening Meetings*

The indentures and the Regulations contain provisions for convening meetings of holders of each series of notes to consider matters affecting their interests. A meeting of holders of notes of a series may be called at the request of:

- the Commissioner on the Commissioner’s own initiative or at the request of the applicable trustee or issuer; or
- the Commissioner upon the request of holders of notes representing at least 5% of the outstanding aggregate principal amount of the notes of such series.

### *Quorums*

Two-thirds in principal amount of the outstanding notes of the relevant series shall constitute a quorum for a meeting of the Syndicate of the holders of notes of that series, and if such a quorum is present or duly represented, all matters set forth in the relevant notice shall be voted on at such meeting. In the absence of a quorum, the meeting shall be adjourned for a period of not less than 30 days. A majority in principal amount of the outstanding notes of the relevant series shall constitute a quorum for any such reconvened meeting of the Syndicate of the holders of notes of that series, and if such a quorum is present, all matters set forth in the relevant notice shall be voted on at such meeting.

### *Voting*

Voting at a meeting of the Syndicate shall be by written ballot and may be conducted by proxy. Resolutions may be adopted and decisions may be taken at a meeting of the Syndicate only by the affirmative vote of holders present or duly represented at such meeting of outstanding notes of the relevant series representing a majority of principal amount of the notes of such series outstanding on the applicable record date. Any resolution duly adopted or decision duly taken in accordance with the applicable Regulations at any meeting of the Syndicate of holders of notes of a series duly held in accordance with such Regulations shall be binding on all holders of outstanding notes of such series, whether or not such holders were present or represented at such meeting.

Notwithstanding the above, any resolution of a Syndicate of holders of notes of a series with respect to any request, demand, authorization, direction, notice, consent or waiver which the relevant indenture or the Trust Indenture Act expressly provides must be made, given or taken by the holders of a specified percentage in principal amount of outstanding notes of a series, or by each holder of outstanding notes of the relevant series, as the case may be, may be adopted only by the affirmative vote of the holders of such specified percentage in principal amount of the outstanding notes of the relevant series, or each holder of notes of the relevant series, as the case may be.

Furthermore, notwithstanding any other provision of the Regulations applicable to notes of a series, nothing in the Regulations shall limit the rights of any holder of outstanding notes of such series to make any request, demand, authorization, direction, notice, consent or waiver individually or collectively outside the Syndicate of holders of notes of such series where the relevant indenture or the Trust Indenture Act expressly provides that such request, demand, authorization, direction, notice, consent or waiver may be made, given or taken individually or collectively outside such Syndicate, as the case may be, by holders of outstanding notes of the relevant series.



[Table of Contents](#)***Modification With Consent of Holders***

An issuer, the Guarantor (in each case, when authorized by or pursuant to a board resolution) and the applicable trustee may amend or modify the applicable indenture and may waive any future compliance with such indenture by the issuer or the Guarantor with the consent, as evidenced in an Act or Acts, of the holders of not less than a majority in principal amount of the outstanding notes of each series affected thereby voting as a class. However, the modification, amendment or waiver may not, without the consent or the affirmative vote of the holder of each note affected:

- change the stated maturity of the principal of, or any premium or installment of interest on or any additional amounts with respect to, any note, or reduce the principal amount thereof or the rate of interest thereon (except that holders of not less than 75% in principal amount of outstanding notes of a series may consent by Act, on behalf of the holders of all of the outstanding notes of such series, to the postponement of the stated maturity of any installment of interest for a period not exceeding three years from the original stated maturity of such installment (which original stated maturity shall have been fixed, for the avoidance of doubt, prior to any previous postponements of such installment));
- reduce the principal amount of, the rate of interest on, any additional amounts with respect to or any premium payable upon the redemption of such notes or otherwise;
- change the obligation of the issuer or the Guarantor to pay additional amounts;
- reduce the amount of the principal of an original issue discount note that would be due and payable upon a declaration of acceleration of the maturity of the note or the amount thereof provable in bankruptcy;
- change the redemption provisions or adversely affect the right of repayment at the option of the holder;
- change the place or currency of payment of principal, premium, interest or any additional amounts, except as described under “— Form, Transfer, Payment and Paying Agents”;
- impair the right to take legal action to enforce the payment when due of principal of, premium, if any, or interest on or any additional amounts with respect to the notes;
- reduce the percentage in principal amount of notes outstanding necessary to modify or amend the indenture or the terms and conditions of the notes or to waive a default under or compliance with any note or reduce the requirement for a quorum or voting;
- modify the provisions governing modification of such indenture with the consent of holders or give waivers of past defaults, and the consequences of such defaults, except to increase the percentage of outstanding notes necessary to modify and amend such indenture or to give any such waiver and except to provide that additional provisions of such indenture cannot be modified or waived without the consent of each holder of notes affected thereby; or
- change in any manner adverse to the interests of the holders of outstanding notes of any series the terms and conditions of the obligations of the issuers or the Guarantor in respect of the due and punctual payment of principal, premium or interest or sinking fund payments, including any additional amounts.

The holders of a majority in aggregate principal amount of the outstanding notes of any series on behalf of the holders of all the notes of such series may, by Act, waive any past default under the indenture with respect to that series, except a default in payment of principal, premium, interest, or additional amounts or in the performance of certain covenants specified in the relevant indenture or a default with respect to a provision which cannot be modified or amended without the consent of each affected holder of outstanding notes of a particular series.

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### ***Modification without Consent of Holders***

An issuer, the Guarantor (in each case, when authorized by or pursuant to a board resolution) and the applicable trustee may modify and amend the applicable indenture without the consent of the holders to:

- evidence the succession of another entity to the issuer or the Guarantor, and the assumption by any such successor of the covenants of the issuer or the Guarantor in such indenture and in the notes or the notes guarantees;
- add to covenants of the issuer or the Guarantor for the benefit of the holders of all or any series of notes or to surrender any right or power conferred upon the issuer or the Guarantor;
- establish the form or terms of notes of any series;
- provide for the appointment of a successor trustee;
- cure any ambiguity or correct or supplement any defect or inconsistency in such indenture, or make any other provisions with respect to matters or questions arising under the relevant indenture which do not adversely affect the interests of the holders of notes of any series in any material respect;
- add to, delete from or revise the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of notes;
- supplement any of the provisions of such indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of notes, provided such action does not adversely affect the interests of any holders of notes of such series or any other series in any material respect;
- add any additional events of default for the benefit of the holders of all or any series of notes;
- secure any notes; or
- amend or supplement any provision of such indenture or any indenture supplement thereto, provided such actions will not materially adversely affect the interests of the holders of notes then outstanding.

### **Substitution of the Issuer**

The Guarantor or any controlled subsidiary of the Guarantor may assume the obligations of an issuer under the notes, subject to the prior consent of the Bank of Spain with respect to the subordinated notes, without the consent of the holders of the notes. Any notes so assumed, except if assumed by the Guarantor, will have the benefit of the related notes guarantees. In the event of an assumption of the obligations of an issuer by the Guarantor, the subordination provisions of the subordinated guarantees will apply to the subordinated notes so assumed and the subordination provisions of the subordinated notes will no longer apply. In the event of any assumption, additional amounts under the notes will be payable for taxes imposed by the jurisdiction of incorporation or tax residence of the assuming entity (subject to exceptions equivalent to those that apply to the obligation to pay additional amounts for taxes imposed by the laws of Spain) rather than taxes imposed by Spain.

Additional amounts for payments of interest or principal due prior to the date of the assumption will be payable only for taxes imposed by Spain. The Guarantor or the controlled subsidiary of the Guarantor that assumes the obligations of an issuer will also be entitled to redeem the notes in the circumstances described above under the section entitled “— Optional Tax Redemption” for any change or amendment to, or change in the application or official interpretation of, the laws or regulations of the assuming entity’s jurisdiction of incorporation or tax residence, which change or amendment must occur subsequent to the date of such assumption if the assuming entity is not incorporated or tax resident in Spain. Upon such assumption, the applicable issuer will be released from all its obligations under the applicable notes and indentures.

*An assumption of the obligations of an issuer under the notes might be considered for U.S. federal income tax purposes to be an exchange by the holders of the notes for new notes, resulting in recognition of taxable gain or loss for these purposes and possible other adverse tax consequences for such holders. Holders should consult their tax advisors regarding the U.S. federal, state and local*

*income tax consequences of an assumption.*

[Table of Contents](#)**Discharge, Defeasance and Covenant Defeasance**

An issuer or the Guarantor may discharge certain obligations to holders of any series of notes and related notes guarantees that have not already been delivered to the applicable trustee for cancellation and that have become due and payable, will become due and payable at their stated maturity within one year or, if redeemable at the option of the issuer, are to be called for redemption within one year, by depositing or causing to be deposited with the applicable trustee, in trust, funds in an amount sufficient to pay and discharge the entire indebtedness on such notes, including principal, interest, premium and any additional amounts to the date of such deposit (if such notes have become due and payable) or to the maturity date of such notes, as the case may be.

An issuer or the Guarantor may also elect to have its obligations under the indenture discharged with respect to the outstanding notes of any series and related notes guarantees ("legal defeasance"). Legal defeasance means that the issuer will be deemed to have paid and discharged the entire indebtedness represented by the outstanding notes of such series under the relevant indenture and that the Guarantor will be deemed to have satisfied all of its obligations under the relevant indenture and with respect to the notes guarantees related to such notes, except for:

- the rights of holders of the outstanding notes to receive principal, interest, any premium and any additional amounts when due from the trust described below;
- the obligations of the issuer or the Guarantor to issue temporary notes, register the transfer of notes, replace temporary or mutilated, destroyed, lost or stolen notes, pay additional amounts, maintain an office or agency for payment and hold money for payments in trust;
- the rights, powers, trusts, duties and immunities of the applicable trustee; and
- the defeasance provisions of the applicable indenture.

In addition, an issuer or the Guarantor may elect to have its obligations released with respect to certain covenants in the indentures ("covenant defeasance"). Any omission to comply with any obligations so released will not constitute a default or an event of default with respect to the notes of any series.

In order to exercise either legal defeasance or covenant defeasance with respect to outstanding notes of or within any series and the related notes guarantees:

- the issuer or the Guarantor must irrevocably have deposited or caused to be deposited with the applicable trustee, in trust, money, in U.S. dollars or in the foreign currency in which such notes are payable at stated maturity, or U.S. government obligations or a combination of money and U.S. government obligations applicable to such notes which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay and discharge when due all of the principal, interest and any premium of such notes and any mandatory sinking fund or analogous payments thereon;
- the legal defeasance or covenant defeasance must not result in a breach or violation of, or constitute a default under, the applicable indenture or any other material agreement or instrument to which the issuer or the Guarantor is a party or by which it is bound;
- no event of default or event which, with notice or lapse of time, or both, would become an event of default with respect to the outstanding notes of that series may have occurred and be continuing on the date of the establishment of such a trust, and in the case of legal defeasance, at any time during the period ending on the 91st day after such date;
- the issuer or the Guarantor must have delivered to the applicable trustee an opinion of counsel of internationally recognized standing to the effect that the holders of such notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the legal defeasance or covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the legal defeasance or covenant defeasance had not occurred. In the case of legal defeasance only, the opinion of counsel must refer to and be based upon a letter ruling of the Internal Revenue Service received by the issuer, a Revenue Ruling published by the Internal Revenue Service or a change in applicable U.S. federal income tax law occurring after the date of the applicable indenture;





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- the legal defeasance or covenant defeasance must not cause the applicable trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all relevant notes are in default within the meaning of such Act);
- the legal defeasance or covenant defeasance must not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust shall be registered under such Act or exempt from registration thereunder; and
- in the case of the subordinated notes, BBVA Subordinated Capital or the Guarantor shall have delivered to the applicable trustee an opinion of counsel substantially to the effect that (i) the trust funds deposited to effect the legal defeasance or covenant defeasance will not be subject to any rights of holders of Issuer Senior Indebtedness or Guarantor Senior Indebtedness (each as defined below under “— Subordinated Notes and Subordinated Guarantees”), including those arising under the applicable subordination provisions of the subordinated indenture, and (ii) after the second anniversary following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors’ rights generally, except that if a court were to rule under any such law in any case or proceeding that the trust funds remained property of BBVA Subordinated Capital or the Guarantor, no opinion is given as to the effect of such laws on the trust funds except in certain limited circumstances set forth in the subordinated indenture.

Unless otherwise provided in the applicable prospectus supplement, if, after an issuer or the Guarantor has deposited funds or U.S. government obligations to effect legal defeasance or covenant defeasance with respect to notes of any series,

- the holder of a note of such series is entitled to elect and does elect to receive payment in a currency other than that in which such deposit has been made in respect of such note; or
- a “conversion event” (as defined below) occurs in respect of the foreign currency in which such deposit has been made; then,

the indebtedness represented by such note and the related notes guarantee shall be deemed to have been and will be fully discharged and satisfied through the payment of the principal of interest and any premium on such note as it becomes due out of the proceeds yielded by converting the amount or other property so deposited into the currency in which such note becomes payable as a result of such election or such conversion event based on the applicable market exchange rate for such currency in effect on the second business day prior to such payment date, except, with respect to a conversion event, for such foreign currency in effect at the time of the conversion event.

A “*conversion event*” means the cessation of use of (i) a foreign currency both by the government of the country which issued such currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community, or (ii) the euro both within the European monetary system and for the settlement of transactions by public institutions of or within the EU.

In the event the issuer or the Guarantor effects covenant defeasance with respect to any notes and such notes are declared due and payable because of the occurrence of any event of default, the amount in money and U.S. government obligations deposited in trust will be sufficient to pay amounts due on such notes at the time of their stated maturity. They may not, however, be sufficient to pay amounts due on such notes at the time of the acceleration resulting from such event of default. In this case, the issuer and the Guarantor will remain liable to make payment of such amounts due at the time of acceleration.

The applicable prospectus supplement may further describe the provisions permitting legal defeasance or covenant defeasance, including any modifications to the provisions described above, with respect to the notes of a particular series.

## **Notices**

All notices to holders of registered notes shall be validly given if mailed to them at their respective addresses in the register maintained by the applicable trustee. In addition, notice of any meeting of a

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notes of a particular series shall be validly given if done in accordance with the Regulations of the Syndicate of holders of notes of such series.

### **The Trustee**

The Bank of New York Mellon, the trustee currently appointed pursuant to the indentures, is organized and exists under the laws of the State of New York and has its corporate trust office located at 101 Barclay Street, New York, NY 10286. Any trustee appointed pursuant to the senior indenture or the subordinated indenture shall have and be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act.

Subject to the provisions of the Trust Indenture Act, a trustee is under no obligation to exercise any of the powers vested in it by the indentures at the request of any holder of notes, unless offered reasonable security or indemnity by the holder against the costs, expenses and liabilities which might be incurred thereby.

The Guarantor and some of its subsidiaries maintain deposits with and conduct other banking transactions with The Bank of New York Mellon in the ordinary course of business.

### **Successor Trustees**

Any trustee in respect of the notes of a series may resign or be removed by holders of a majority in principal amount of notes at any time, effective upon the acceptance by a successor trustee of the respective appointment. The indentures provide that any successor trustee will have a combined capital and surplus of not less than \$50,000,000 and shall be a corporation, association, company or business trust organized and doing business under the laws of the United States or any of its states or territories or the District of Columbia and in good standing. No person shall accept its appointment hereunder as a successor trustee with respect to the notes of a series unless at the time of such acceptance such successor trustee shall be qualified and eligible under the relevant article of the relevant indenture and agree to thereby become Commissioner of the Syndicate of holders of notes of such series.

### **Repayment of Funds**

All monies paid by an issuer or the Guarantor to the applicable trustee or a paying agent for payment of principal, premium or interest and any additional amounts on any notes which remain unclaimed at the end of two years after that payment has been made will be repaid to the issuer or the Guarantor on issuer request in proportion to their respective payments of the monies which remain unclaimed, and all liability of the applicable trustee or the paying agent related to it will cease, and, if permitted by law, the holder of the applicable note will look only to the issuer or the Guarantor for payment as its general unsecured creditor.

### **Prescription**

All claims against an issuer or the Guarantor for payment of principal or interest, including additional amounts, on or for the notes will become void unless made within ten years, in the case of principal, and five years, in the case of interest, including additional amounts, from the later of the date on which that payment first became due and the date on which the full amount was received by the trustee.

### **Governing Law**

The notes and the indentures will be governed by and construed under the laws of the State of New York applicable to agreements made or instruments entered into and, in each case, performed in said state, except that the authorization and execution by the issuers and the Guarantor of the indentures and the notes, certain provisions of the notes and the indentures related to the establishment of a Syndicate and the appointment of a Commissioner, certain provisions of the indentures related to the execution and delivery of the notes guarantees and certain provisions of the subordinated notes and the subordinated indenture related to the subordination of the subordinated notes and the subordinated guarantees shall be governed by and construed in accordance with Spanish law. The notes guarantees

will be governed by and construed in accordance with Spanish law. The Regulations of each

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Syndicate and the duties of and all matters relating to the Commissioner shall be governed by and construed in accordance with Spanish law.

### **Senior Notes and Senior Guarantees**

The senior notes will be direct, unconditional and unsecured indebtedness of BBVA U.S. Senior and will rank *pari passu* with all other unsubordinated and unsecured indebtedness of BBVA U.S. Senior, but in the case of insolvency, only to the extent permitted by creditor's rights. The senior guarantees will constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and will at all times rank *pari passu* among themselves and *pari passu* with all other unsubordinated and unsecured indebtedness of the Guarantor, but in the case of insolvency, only to the extent permitted by creditor's rights.

The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of any principal of and premium, if any, and interest on the senior notes, payments to sinking funds, if applicable, and additional amounts or any other amounts of whatever nature which may become payable under the senior notes or the senior indenture. If the Guarantor experiences bankruptcy proceedings, the rights and claims of holders under the senior guarantees will, under Spanish law, rank equally with all other unsubordinated and unsecured indebtedness.

The senior guarantees will remain in effect until the entire principal and interest on the related senior notes have been paid in full under the provisions of the senior notes, senior guarantees and senior indenture, or until the Guarantor and BBVA U.S. Senior's obligations under the senior notes have been satisfied in accordance with the provisions of the senior notes, the senior guarantees and the senior indenture.

Holders of senior notes may proceed directly against the Guarantor in case of a default under the senior notes without first proceeding against BBVA U.S. Senior.

### ***Events of Default***

"*Event of Default*", wherever used below with respect to senior notes of any series, means any one of the following events, unless such event is specifically deleted or modified in or pursuant to supplemental indentures or Board resolutions creating a particular series of senior notes or in the officers' certificate for such series:

- default by BBVA U.S. Senior, or the Guarantor pursuant to the applicable senior guarantees, in the payment of the principal of any senior note of such series when due and payable at its maturity and such default is not remedied within 14 days;
- default by BBVA U.S. Senior, or the Guarantor pursuant to the applicable senior guarantee, in the payment of any interest on or any additional amounts payable in respect of any senior note of such series when such interest becomes or such additional amounts become due and payable, and continuance of such default for a period of 21 days;
- default by BBVA U.S. Senior, or the Guarantor pursuant to the applicable senior guarantee, in the payment of any premium or deposit of any sinking fund payment, when and as due by the terms of a senior note of such series and such default is not remedied in 30 days;
- default in the performance or breach of certain covenants or warranties of BBVA U.S. Senior in the senior indenture or the senior notes, or the Guarantor in the senior indenture or the related senior guarantees, and continuance of such breach or default for a period of 30 days after there has been given, by registered or certified mail, to BBVA U.S. Senior and the Guarantor by the trustee or to BBVA U.S. Senior, the Guarantor and the trustee by any holder or the holders of any outstanding senior notes of such series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the senior indenture;
- any capital markets indebtedness (as defined in the senior indenture) of either BBVA U.S. Senior or the Guarantor individually where the principal amount of such capital markets indebtedness is in any case in excess of \$50,000,000 (or its equivalent in another currency or other currencies) or any guarantee by BBVA U.S. Senior or the Guarantor of any capital

markets indebtedness of any other person is not (in the case of capital markets indebtedness)  
paid when due (after the longer of 30 days after the due date and any

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applicable grace period therefor) or becomes prematurely due and payable following a default on the part of BBVA U.S. Senior or the Guarantor or otherwise in respect of such capital markets indebtedness, or (in the case of a guarantee) is not honored when due (after the longer of 30 days after the due date and any applicable grace period therefor);

- an order of any competent court or administrative agency is made or any resolution is passed by BBVA U.S. Senior for the winding-up or dissolution of BBVA U.S. Senior (other than for the purpose of an amalgamation, merger or reconstruction approved by an Act of the holders relating to such series);
- an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against the Guarantor or an order is made or a resolution is passed for the dissolution or winding up of the Guarantor, except in any such case for the purpose of a reconstruction or a merger or amalgamation which has been approved by an Act of the holders relating to such series, or where the entity resulting from any such reconstruction or merger or amalgamation is a financial institution (*entidad de crédito according to article 1-2 of Real Decreto Legislativo 1298/1986 dated 28 June 1986, as amended and restated*) and will have a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investors Services or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation;
- BBVA U.S. Senior or the Guarantor is adjudicated or found bankrupt or insolvent, or any order of any competent court or administrative agency is made for, or any resolution is passed by BBVA U.S. Senior or the Guarantor to apply for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to BBVA U.S. Senior or the Guarantor or of a substantial part of the assets of either of them (unless in the case of an order for a temporary appointment, such appointment is discharged within 30 days);
- BBVA U.S. Senior or the Guarantor stops payment of its debts generally;
- BBVA U.S. Senior (except for the purpose of an amalgamation, merger or reconstruction approved by an Act of the holders relating to such series) or the Guarantor (except for the purpose of an amalgamation, merger or reconstruction approved by an Act of the holders relating to such series, or where the entity resulting from any such amalgamation, merger or reconstruction will have a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investor Services or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such amalgamation, merger or reconstruction) ceases or threatens to cease to carry on the whole or substantially the whole of its business;
- a holder of a security interest takes possession of the whole or any substantial part of the assets or business of BBVA U.S. Senior or the Guarantor or an application is made for the appointment of an administrative or other receiver, manager, administrator or similar official in relation to BBVA U.S. Senior or the Guarantor or in relation to the whole or any substantial part of the business or assets of BBVA U.S. Senior or the Guarantor, or a distress or execution is levied or enforced upon or sued out against any substantial part of the business or assets of BBVA U.S. Senior or the Guarantor and is not discharged within 30 days; or
- the senior guarantees with respect to senior notes of such series cease to be, or are claimed by the Guarantor not to be, in full force and effect.

For the purpose of the above definition, a report by the external auditors from time to time of the issuer or the Guarantor, as the case may be, as to whether any part of the business or assets of the issuer or the Guarantor is "substantial" shall, in the absence of manifest error, be conclusive.

If an Event of Default with respect to the senior notes of any series at the time outstanding occurs and is continuing, then the applicable trustee, acting pursuant to an Act (as defined in the senior indenture) of the holders of the senior notes of the relevant series, with respect to all outstanding senior notes of such series, or the holder of any outstanding senior note of the relevant series, with respect to such senior note held by such holder, may declare the principal, or such lesser amount as may be provided for in the senior notes of such series, of such senior notes or senior note, as the case



may be, to be due and payable immediately in accordance with the terms of the senior indenture.

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At any time after such a declaration of acceleration with respect to the senior notes or a senior note, as the case may be, of any series has been made and before a judgment or decree for payment of the money due has been obtained by the applicable trustee as provided in the senior indenture, the holders of not less than a majority in principal amount of the outstanding senior notes of such series may, by Act (as defined in the senior indenture) rescind and annul such declaration and its consequences if:

1. BBVA U.S. Senior or the Guarantor has paid or deposited with the applicable trustee a sum of money sufficient to pay:

(A) all overdue installments of any interest on and additional amounts with respect to all senior notes of such series;

(B) the principal of and any premium on any senior notes of such series which have become due otherwise than by such declaration of acceleration and interest thereon and any additional amounts with respect thereto at the rate or rates borne by or provided for in such senior notes;

(C) to the extent that payment of such interest or additional amounts is lawful, interest upon overdue installments of any interest and additional amounts at the rate or rates borne by or provided for in such senior notes; and

(D) all sums paid or advanced by the applicable trustee and the reasonable compensation, expenses, disbursements and advances of the applicable trustee, its agents and counsel and all other amounts due to the applicable trustee under the senior indenture; and

2. all Events of Default with respect to senior notes of such series, other than the non-payment of the principal of and any premium and interest on, and any additional amounts with respect to senior notes of such series which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in the senior indenture.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Subject to payment of the applicable trustee's fees and expenses, the holders of not less than a majority in principal amount of the outstanding senior notes of any series on behalf of the holders of all the senior notes of such series may, by Act (as defined in the senior indenture) waive any past Event of Default under the senior indenture with respect to such series and its consequences, except a default in the payment of the principal of or any premium, or interest on, or any additional amounts with respect to, any senior note of such series or a covenant or provision of the senior indenture that cannot be modified or amended without the consent of each holder of outstanding senior notes of such series.

No holder of any of the senior notes of any series has the right to institute any proceeding, judicial or otherwise, with respect to the senior indenture or any remedy thereunder, unless (i) such holder has previously given written notice to the applicable trustee of a continuing Event of Default with respect to the senior notes of such series; (ii) the holders of not less than 25% in principal amount of the outstanding senior notes of such series have made written request to the applicable trustee to institute proceedings in respect of such Event of Default as trustee under the senior indenture with respect to such series of senior notes and such holder or holders have offered to the applicable trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (iii) the applicable trustee has failed to institute any such proceeding within 60 days after its receipt of such notice, request and offer of indemnity; and (iv) the applicable trustee has not received any direction inconsistent with such written request during such 60-day period by the holders of a majority in principal amount of the outstanding senior notes of such series.

Such limitations described above do not, however, apply to the right of each holder, which is absolute and unconditional, to receive payment of the principal of, any premium and, subject to certain provisions in the senior indenture with respect to payment of defaulted interest, interest on, and any additional amounts with respect to, his or her senior note or notes on or after the respective maturity or maturities therefor specified in such senior notes (or, in the case of redemption, on or after the redemption date or, in the case of repayment at the option of such holder if provided in or pursuant to the applicable senior indenture, on or after the date such repayment is due) and to institute suit for the enforcement of any such payment, which cannot be impaired or affected without the consent of such



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holder, except that holders of not less than 75% in principal amount of outstanding senior notes of a series may consent by Act (as defined in the senior indenture) on behalf of the holders of all outstanding senior notes of such series, to the postponement of the maturity of any installment of interest for a period not exceeding three years from the original maturity of such installment (which original maturity shall have been fixed, for the avoidance of doubt, prior to any previous postponements of such installment).

Within 90 days after the occurrence of any default under the senior indenture known to the applicable trustee with respect to the senior notes of any series, such trustee shall transmit by mail to all holders of senior notes of such series entitled to receive reports, notice of such default, unless such default shall have been cured or waived. Except in the case of a default in the payment of the principal of (or premium, if any), or interest, if any, on, or additional amounts with respect to, any senior note of such series, such trustee may withhold such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or responsible officers of such trustee in good faith determine that the withholding of such notice is in the best interest of the holders of senior notes of such series. For the purpose of this paragraph, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to senior notes of such series.

### **Subordinated Notes and Subordinated Guarantees**

As used in this section:

“*Issuer Senior Indebtedness*” means Senior Indebtedness of BBVA Subordinated Capital.

“*Guarantor Senior Indebtedness*” means Senior Indebtedness of the Guarantor.

“*Senior Indebtedness*” means, with respect to any person, all rights and claims, whether outstanding on the date of the subordinated indenture or thereafter created, incurred, assumed or guaranteed, and all amendments, renewals, extensions, modifications and refundings of indebtedness or obligations represented by such rights and claims, (i) of privileged creditors (*acreedores privilegiados*), unsecured and unsubordinated creditors (*acreedores comunes*) and insolvency estate creditors (*acreedores contra la masa*) of such person, as determined in accordance with the Insolvency Law (as defined below); or (ii) if such Insolvency Law is no longer in effect, all of such rights and claims of all creditors of such person, unless in any such case the instrument by which the indebtedness or obligations represented by such rights and claims are created, incurred, assumed or guaranteed by such person, or are evidenced, provides that they are subordinate, or are not superior, in right of payment to the subordinated notes.

### ***Subordination of Subordinated Notes***

BBVA Subordinated Capital’s obligations under the subordinated notes, whether on account of principal, interest or otherwise, will constitute direct, unconditional and subordinated obligations. If and to the extent that there is a deficiency in any payment in respect of the subordinated notes and such deficiency is not remedied as a result of a demand for payment under the subordinated guarantee (but without prejudice to the subordinated status of the subordinated guarantee pursuant to the subordinated guarantee) the claims of the holders in respect of such deficiency will, in the event of insolvency (*concurso*) of BBVA Subordinated Capital (under Spanish law 22/2003 of 9 June, as amended from time to time (the “Insolvency Law”)) or any voluntary or mandatory liquidation of BBVA Subordinated Capital or similar procedure, fall within the category of subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) and will rank in right of payment after Issuer Senior Indebtedness (as defined above) and will at all times rank *pari passu* among themselves and *pari passu* with all other present and future subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of BBVA Subordinated Capital, except for certain subordinated obligations prescribed by law and subordinated obligations which are expressed to rank junior to the subordinated notes. Accordingly, no amount shall be payable by BBVA Subordinated Capital to the holders of subordinated notes in respect of such deficiency until the claims with respect to all Issuer Senior Indebtedness (other than as aforesaid) admitted in the insolvency (*concurso*) of BBVA Subordinated Capital under the Insolvency Law or any voluntary or mandatory liquidation of BBVA Subordinated Capital or similar procedure have been satisfied pursuant to the laws of Spain and any amounts in respect of such deficiency thereafter paid to the applicable trustee will be *pari passu* with

the amounts payable with respect to subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of BBVA Subordinated Capital in the insolvency (*concurso*) of

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BBVA Subordinated Capital under the Insolvency Law or any voluntary or mandatory liquidation of BBVA Subordinated Capital or similar procedure and shall be held by the applicable trustee in trust to apply the same:

- (i) first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the applicable trustee in or about the execution of the trusts of these presents and any unpaid remuneration of such trustee;
- (ii) second, in payment or satisfaction of claims related to Issuer Senior Indebtedness that have been belatedly or inaccurately communicated to the insolvency administrator or which, by administrative order or decision, are deemed to be included in those claims that have been belatedly or inaccurately communicated to the insolvency administrator;
- (iii) third, in payment or satisfaction of contractually subordinated payments of principal on subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of BBVA Subordinated Capital (including any payments in respect of principal of the subordinated notes) and any other payments in respect of subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of BBVA Subordinated Capital other than payments set forth in paragraph (iv) below;
- (iv) fourth, in payment or satisfaction of payments of interest, including additional amounts, if any, and interest, if any, on such interest due on subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of BBVA Subordinated Capital (including any payments in respect of interest and additional amounts, if any, on the subordinated notes) (excluding interest on secured indebtedness to the extent secured);
- (v) fifth, in payment or satisfaction of fines or any other monetary penalties or sanctions;
- (vi) sixth, in payment or satisfaction of claims of creditors which are related to the BBVA Subordinated Capital as set forth in article 93 of the Insolvency Law;
- (vii) seventh, in payment or satisfaction of indebtedness arising from transactions set aside by the Spanish court overseeing the insolvency proceeding (*rescisión concursal*) and in respect of which such court has determined that the relevant creditor has acted in bad faith; and
- (viii) eighth, in payment of claims arising from contracts with reciprocal obligations as referred to in articles 61, 62 and 69 of the Insolvency Law, wherever the court rules, prior to the administrators' report of insolvency (*administración concursal*) that the creditor repeatedly impedes the fulfillment of the contract against the interest of the insolvency.

The consolidation of BBVA Subordinated Capital with, or the merger of BBVA Subordinated Capital into, or the conveyance, transfer or lease by BBVA Subordinated Capital of its properties and assets substantially as an entirety to, another person upon the terms and conditions set forth in the subordinated indenture, or the liquidation or dissolution of BBVA Subordinated Capital following any such conveyance or transfer, shall not be deemed an event of insolvency (*concurso*) (under the Insolvency Law) or the voluntary or mandatory liquidation or similar procedure of BBVA Subordinated Capital for the purposes of the description above if the person formed by such consolidation or into which BBVA Subordinated Capital is merged or the person that acquires by conveyance, transfer or lease of such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, conveyance, transfer or lease, comply with the conditions set forth in the subordinated indenture.

Nothing contained in the subordinated indenture or in any of the subordinated notes will affect the obligation of BBVA Subordinated Capital to make, or prevent BBVA Subordinated Capital from making, at any time except as provided above, payments of principal of (or premium, if any) or interest, if any, on the subordinated notes or on account of the purchase or other acquisition of subordinated notes or prevent the application by the applicable trustee of any moneys deposited with it under the subordinated indenture to the payment of or on account of the principal of (or premium, if any) or interest, if any, on the subordinated notes, unless such trustee shall have received written notice of any event prohibiting the making of such payment.

Any renewal or extension of the time of payment of any Issuer Senior Indebtedness or the exercise by the holders of Issuer Senior Indebtedness of any of their rights under any instrument creating or

evidencing Issuer

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Senior Indebtedness, including, without limitation, the waiver of default thereunder, may be made or done all without notice to or assent from the holders of the subordinated notes or the applicable trustee.

No compromise, alteration, amendment, modification, extension, renewal or other change of, or waiver, consent or other action in respect of, any liability or obligation under or in respect of, or of any of the terms, covenants or conditions of any indenture or other instrument under which any Issuer Senior Indebtedness is outstanding or of such Issuer Senior Indebtedness, whether or not such release is in accordance with the provisions of any applicable document, will in any way alter or affect any of the subordination provisions of the subordinated indenture or of the subordinated notes relating to the subordination thereof.

Each holder of subordinated notes by his or her acceptance thereof authorizes and directs the applicable trustee on his or her behalf to take such action as may be necessary or appropriate to effectuate the subordination of the subordinated notes as provided in the subordinated indenture and as summarized herein and appoints the applicable trustee his attorney-in-fact for any and all such purposes.

The applicable trustee's claims under the subordinated indenture are not subordinated.

### ***Subordination of Subordinated Guarantees***

The payment of principal and interest or any other amounts as specified in the applicable prospectus supplement and in the subordinated indenture in respect of the subordinated notes has been fully, irrevocably and unconditionally guaranteed, on a subordinated basis, by the Guarantor pursuant to the subordinated guarantees. The obligations of the Guarantor under the subordinated guarantees constitute direct, unsecured and subordinated obligations of the Guarantor. In the event of insolvency (*concurso*) of the Guarantor under the Insolvency Law or any voluntary or mandatory Guarantor liquidation or similar procedure, claims by holders of subordinated guarantees against the Guarantor will fall within the category of subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) and will rank in right of payment after Guarantor Senior Indebtedness and will at all times rank *pari passu* among themselves and *pari passu* with all other present and future subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of the Guarantor, except for certain subordinated obligations prescribed by law and subordinated obligations which are expressed to rank junior to the subordinated guarantees. Accordingly, no amount shall be payable by the Guarantor to the Holders in respect of the subordinated guarantees until the claims with respect to all Guarantor Senior Indebtedness admitted in the insolvency (*concurso*) of the Guarantor under the Insolvency Law or any voluntary or mandatory Guarantor liquidation or similar procedure have been satisfied pursuant to the laws of Spain.

After payment in full of all Guarantor Senior Indebtedness but before distributions to shareholders, under article 92 of the Insolvency Law, the Guarantor will pay or satisfy subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of the Guarantor in the following order and *pro rata* within each class: (i) claims related to Guarantor Senior Indebtedness that have been belatedly or inaccurately communicated to the insolvency administrator or which, by administrative order or decision, are deemed to be included in those claims that have been belatedly or inaccurately communicated to the insolvency administrator; (ii) contractually subordinated payments of principal on subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of the Guarantor (including any payments in respect of principal of the subordinated notes due under the subordinated guarantees) and any other payments in respect of subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of the Guarantor other than payments set forth in subparagraph (iii) of this paragraph; (iii) payments of interest, including additional amounts, if any, and interest, if any, on such interest due on subordinated credits (*créditos subordinados*) (as defined in the Insolvency Law) of the Guarantor (including any payments in respect of interest and Additional Amounts, if any, on the subordinated notes due under the subordinated guarantees) (excluding interest on secured indebtedness to the extent secured); (iv) fines or any other monetary penalties or sanctions; (v) claims of creditors which are related to the Guarantor as set forth in article 93 of the Insolvency Law; and (vi) indebtedness arising from transactions set aside by the Spanish court overseeing the insolvency proceeding (*rescisión concursal*) and in respect of which such court has determined that the relevant creditor has acted in bad faith.



The Guarantor in the subordinated guarantees agrees and each holder of subordinated notes, by his or her acceptance of a subordinated notes guarantee will be deemed to have agreed to the above described subordination of

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the subordinated guarantee. Each such holder will be deemed to have irrevocably waived his or her rights of priority which would otherwise be accorded to him or her under the laws of Spain, to the extent necessary to effectuate the subordination provisions of the subordinated guarantee. In addition, each holder of subordinated notes by his or her acceptance thereof authorizes and directs the applicable trustee on his or her behalf to take such action as may be necessary or appropriate to effectuate the subordination of the subordinated guarantees as provided in subordinated indenture and as summarized herein and appoints the applicable trustee his attorney-in-fact for any and all such purposes.

Any renewal or extension of the time of payment of any Guarantor Senior Indebtedness or the exercise by the holders of Guarantor Senior Indebtedness of any of their rights under any instrument creating or evidencing Guarantor Senior Indebtedness, including, without limitation, the waiver of default thereunder, may be made or done all without notice to or assent from the holders of the subordinated notes or the applicable trustee.

No compromise, alteration, amendment, modification, extension, renewal or other change of, or waiver, consent or other action in respect of, any liability or obligation under or in respect of, or of any of the terms, covenants or conditions of any indenture or other instrument under which any Guarantor Senior Indebtedness is outstanding or of such Guarantor Senior Indebtedness, whether or not such release is in accordance with the provisions of any applicable document, will in any way alter or affect any of the subordination provisions of the subordinated indenture or of the subordinated notes relating to the subordination thereof.

### ***Events of Default***

“*Event of Default*”, wherever used below with respect to subordinated notes of any series, means any one of the following events, unless such event is specifically deleted or modified in or pursuant to supplemental indentures or Board resolutions creating a particular series of subordinated notes or in the officers’ certificate for such series:

- an order of any competent court or administrative agency is made or any resolution is passed by BBVA Subordinated Capital for the winding-up or dissolution of BBVA Subordinated Capital (other than for the purpose of an amalgamation, merger or reconstruction approved by an Act (as defined in the subordinated indenture) of the holders relating to such series);
- an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against the Guarantor or an order is made or a resolution is passed for the dissolution or winding up of the Guarantor, except in any such case for the purpose of a reconstruction or a merger or amalgamation which has been approved by an Act (as defined in the subordinated indenture) of the holders relating to such series, or where the entity resulting from any such reconstruction or merger or amalgamation is a financial institution (*entidad de crédito* according to article 1-2 of *Real Decreto Legislativo* 1298/1986 dated 28 June 1986, as amended and restated) and will have a rating for long-term senior debt assigned by Standard & Poor’s Ratings Services, Moody’s Investors Service or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation; or
- any other Event of Default that may be specified pursuant to the subordinated indenture.

If an Event of Default with respect to the subordinated notes of any series at the time outstanding occurs and is continuing, then the applicable trustee, acting pursuant to an Act (as defined in the subordinated indenture) of the holders of the subordinated notes of the relevant series, with respect to all outstanding subordinated notes of such series, or the holder of any outstanding subordinated note of the relevant series, with respect to such subordinated note held by such holder, may declare the principal, or such lesser amount as may be provided for in the subordinated notes of such series, of such subordinated notes or subordinated notes, as the case may be, to be due and payable immediately in accordance with the terms of the subordinated indenture.

At any time after such a declaration of acceleration with respect to the subordinated notes or a subordinated note, as the case may be, of any series has been made and before a judgment or decree for payment of the money due has been obtained by the applicable trustee as provided in the subordinated indenture, the holders of not less than a



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majority in principal amount of the outstanding subordinated notes of such series may, by Act (as defined in the subordinated indenture), rescind and annul such declaration and its consequences if:

1. BBVA Subordinated Capital or the Guarantor has paid or deposited with the applicable trustee a sum of money sufficient to pay:

(A) all overdue installments of any interest on and additional amounts with respect to all subordinated notes of such series;

(B) the principal of and any premium on any subordinated notes of such series which have become due otherwise than by such declaration of acceleration and interest thereon and any additional amounts with respect thereto at the rate or rates borne by or provided for in such subordinated notes;

(C) to the extent that payment of such interest or additional amounts is lawful, interest upon overdue installments of any interest and additional amounts at the rate or rates borne by or provided for in such subordinated notes; and

(D) all sums paid or advanced by the applicable trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due to the applicable trustee under the subordinated indenture; and

2. all Events of Default with respect to subordinated notes of such series, other than the non-payment of the principal of and any premium and interest on, and any additional amounts with respect to subordinated notes of such series which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in the subordinated indenture.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Subject to payment of the applicable trustee's fees and expenses, the holders of not less than a majority in principal amount of the outstanding subordinated notes of any series on behalf of the holders of all the subordinated notes of such series may, by Act (as defined in the subordinated indenture), waive any past Event of Default under the subordinated indenture with respect to such series and its consequences, except a default in the payment of the principal of or any premium, or interest on, or any additional amounts with respect to, any subordinated note of such series or in respect of a covenant or provision of the subordinated indenture that cannot be modified or amended without the consent of the holder of each outstanding subordinated note of such series affected.

No holder of any of the subordinated notes of any series has the right to institute any proceeding, judicial or otherwise, with respect to the subordinated indenture or any remedy thereunder, unless (i) such holder has previously given written notice to the applicable trustee of a continuing Event of Default with respect to the subordinated notes of such series; (ii) the holders of not less than 25% in principal amount of the outstanding subordinated notes of such series have made written request to the applicable trustee to institute proceedings in respect of such Event of Default as trustee under the subordinated indenture with respect to such series of subordinated notes and such holder or holders have offered to the applicable trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (iii) the applicable trustee has failed to institute any such proceeding within 60 days after its receipt of such notice, request and offer of indemnity; and (iv) the applicable trustee has not received any direction inconsistent with such written request during such 60-day period by the holders of a majority in principal amount of the outstanding subordinated notes of such series.

Such limitations described above do not, however, apply to the right of each holder, which is absolute and unconditional, to receive payment of the principal of, any premium and, subject to certain provisions in the subordinated indenture with respect to payment of defaulted interest, interest on, and any additional amounts with respect to, his or her subordinated note or notes on or after the respective maturity or maturities therefor specified in such subordinated notes (or, in the case of redemption, on or after the redemption date or, in the case of repayment at the option of such holder if provided in or pursuant to the applicable subordinated indenture, on or after the date such repayment is due) and to institute suit for the enforcement of any such payment, which cannot be impaired or affected without the consent of such holder, except that holders of not less than 75% in principal amount of outstanding subordinated notes of a series may consent by Act (as defined in the subordinated indenture), on

behalf of the holders of all outstanding subordinated notes of such series, to the postponement of the maturity of any

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installment of interest for a period not exceeding three years from the original maturity of such installment (which original maturity shall have been fixed, for the avoidance of doubt, prior to any previous postponements of such installment).

Within 90 days after the occurrence of any default under the subordinated indenture known to the applicable trustee with respect to the subordinated notes of any series, such trustee shall transmit by mail to all holders of subordinated notes of such series entitled to receive reports, notice of such default, unless such default shall have been cured or waived. Except in the case of a default in the payment of the principal of (or premium, if any), or interest, if any, on, or additional amounts with respect to, any subordinated note of such series, such trustee may withhold such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or responsible officers of such trustee in good faith determine that the withholding of such notice is in the best interest of the holders of subordinated notes of such series. For the purpose of this paragraph, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to subordinated notes of such series.

### ***Subrogation***

Holders of the subordinated notes will have no rights of subrogation in respect of any payments or distributions made to holders of any Issuer Senior Indebtedness as a result of the subordination provisions of the subordinated notes.

### **Perpetual Subordinated Debt**

Neither BBVA U.S. Senior nor BBVA Subordinated Capital may issue subordinated notes that do not have a stated maturity or which may otherwise be treated as equity for U.S. federal income tax purposes.

## **SPANISH TAX CONSIDERATIONS**

*The following is a summary of the material Spanish tax consequences of the acquisition, ownership and disposition of BBVA ordinary shares, ADSs, BBVA U.S. Senior notes and BBVA Subordinated Capital subordinated notes by U.S. Residents (as defined below). This summary is not a complete analysis or listing of all the possible tax consequences of such transactions and does not address all tax considerations that may be relevant to all categories of potential purchasers, some of whom may be subject to special rules. In particular, this tax section does not address the Spanish tax consequences applicable to “look-through” entities (such as trusts or estates) that may be subject to the tax regime applicable to such non-Spanish entities under the Spanish Non-Resident Income Tax Law.*

*Accordingly, prospective investors should consult their own tax advisors as to the tax consequences of their purchase, ownership and disposition of BBVA ordinary shares or ADSs, BBVA U.S. Senior senior notes and BBVA Subordinated Capital subordinated notes including the effect of tax laws of any other jurisdiction, based on their particular circumstances.*

As used herein, the following terms have the following meanings:

(i) The “Treaty” means the Convention between the United States and Spain for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, together with the related Protocol, both signed February 22, 1990.

(ii) A “U.S. Resident” means a U.S. Holder (as defined below under “U.S. Tax Considerations”) that is a resident of the United States for purposes of the Treaty and entitled to the benefits of the Treaty and whose holding is not effectively connected with a permanent establishment (as defined by the Treaty) in Spain through which such holder carries on or has carried on business or with a fixed base in Spain from which such holder performs or has performed independent personal services.

For purposes of Spanish law and the Treaty, an owner of BBVA ADSs will generally be treated as the owner of the BBVA ordinary shares underlying the ADSs. Holders of BBVA ordinary shares, or ADSs, BBVA U.S. Senior senior notes or BBVA Subordinated Capital subordinated notes who are not

U.S. Residents should consult their own tax advisors, particularly as to the applicability of any Double Tax Treaty referred to as a "DTT."

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The statements regarding Spanish tax laws set out below are based on interpretations of those laws as in force on the date of this document and are subject to any change in such law that may take effect after such date. Such statements also assume that each obligation in the deposit agreement and any related agreement will be performed in full accordance with their terms.

### **BBVA Ordinary Shares or ADSs**

#### ***1. Taxation of Dividends***

Under Spanish law, dividends paid by a Spanish resident company to a non-Spanish resident holder of BBVA ordinary shares or ADSs are subject to the Spanish Non-Resident Income Tax, referred to as the “NRIT,” approved by Royal Decree Legislative 5/2004 of March 5, (“**NRIT Law**”), and therefore a 19% withholding tax is currently applied on the gross amount of dividends.

However, under the Treaty, a U.S. Resident is entitled to the Treaty-reduced rate of 15%, as a general rule, or 10% if the U.S. Resident is a corporation which owns more than 25% of the voting rights of the ordinary shares of BBVA.

In practice, on any dividend payment date, U.S. Residents will be subject to a withholding of 19% of the gross amount of dividends. However, U.S. Residents will be entitled to a refund of the amount withheld in excess of the Treaty-reduced rate, according to the procedure set forth by the Spanish legislation. To benefit from the Treaty reduced rate, a U.S. Resident must provide to BBVA or to the Spanish resident depository, if any, through which its ordinary shares are held, a certificate from the U.S. Internal Revenue Service (“IRS”) on Form 6166 stating that, to its best knowledge, such holder is a U.S. Resident within the meaning of the Treaty. The IRS certificate of residence is valid for a period of one year from the date of issuance. The issuance of Form 6166 by the IRS may be subject to substantial delay.

The Bank of New York Mellon, unless otherwise indicated in the applicable prospectus supplement, has arranged a procedure by which a holder of BBVA ADSs may receive both the dividend payment (net of the withholding of 19% of the gross amount of dividends) and the tax relief of 4% under the Treaty on the same dividend payment date by following the procedures specified by the Bank of New York Mellon. Holders of BBVA ADSs who do not receive their refund through The Bank of New York Mellon may use the “Quick Refund” process described below to receive the refund the next month after the dividend record date. See “— Quick Refund Process.”

Notwithstanding the above, according to the NRIT Law, individuals with tax residency in an EU country or in other countries with which there is an actual exchange of tax information, pursuant to Additional Provision no. 1 of Law 36/2006, of November 29, 2006 (including the US) may benefit from a NRIT exemption up to an annual amount of €1,500 on their Spanish sourced dividend income. For the purposes of applying this exemption, BBVA has to deduct withholding taxes on the gross amount of dividends paid and the holders entitled to this exemption will have to seek a refund of such withholding taxes from the Spanish Tax Authorities.

#### ***Quick Refund Process***

Under the standard procedure agreed to between The Bank of New York Mellon and its Spanish resident depository, unless otherwise indicated in the applicable prospectus supplement, holders of BBVA ADSs claiming tax relief through the “Quick Refund” process must submit their valid IRS certificate of residence by the last day of the month in which the record date for receipt of the relevant dividend occurs.

The IRS certificate of residence will then be provided to the Spanish depository before the fifth day following the end of the month in which the dividend record date occurs. Otherwise, the U.S. Resident may afterwards obtain a refund of the amount withheld in excess of the Treaty-reduced rate, directly from the Spanish tax authorities, following the standard refund procedure established by Spanish regulations. See “— Spanish Refund Procedure” below.





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### *Spanish Refund Procedure*

According to Spanish regulations on the NRIT, approved by Royal Decree 1776/2004, dated July 30, 2004, a refund for the amount withheld in excess of the Treaty-reduced rate can be obtained from the relevant Spanish tax authorities. To pursue the refund claim, the U.S. Resident is required to file:

- The corresponding Spanish tax form (currently, Form 210);
- The IRS certificate of residence referred to above under “— Taxation of Dividends;” and
- A certificate evidencing Spanish Non-Resident Income Tax withheld regarding the dividends, which may generally be obtained from the U.S. resident’s broker.

### **2. Taxation of Capital Gains**

Capital gains realized by U.S. Residents from the disposition of BBVA ordinary shares or ADSs will not be taxed in Spain, if (i) the seller has not maintained a direct or indirect holding of at least 25% of the BBVA ordinary shares outstanding during the twelve months preceding the disposition of the shares, and (ii) the gain is not obtained through a country or territory defined as a tax haven under applicable Spanish regulations.

Additionally, capital gains derived from the transfer of BBVA ordinary shares in an official Spanish secondary stock market by any holder who is resident in a country that has entered into a DTT with Spain containing an exchange of information clause (including the Treaty), will be exempt from taxation in Spain. This exemption is not applicable to capital gains obtained by a U.S. Resident through a country or territory defined as a tax haven under applicable Spanish regulations.

Where the abovementioned exemption applies, the seller will be obliged to file with the Spanish tax authorities the corresponding tax Form 210 together with the certificate of tax residence issued by the tax authorities of the country of residence, within the meaning of a DTT, evidencing its entitlement to the exemption. In the case of U.S. Residents, it will be necessary to provide to the Spanish tax authorities an IRS certificate of United States residence on IRS Form 6166.

### **3. Spanish Wealth Tax**

Law 4/2008 has amended Law 19/1991 introducing a credit of 100% over the tax due and removing the obligation to file Wealth Tax declarations from January 1, 2008.

### **4. Spanish Inheritance and Gift Taxes**

Unless otherwise provided under an applicable DTT (and the United States and Spain have not entered into such DTT), transfers of BBVA ordinary shares upon death or by gift to individuals not resident in Spain are subject to Spanish Inheritance and Gift Tax (Law 29/1987), if the BBVA ordinary shares or ADSs are located in Spain or the rights attached to such ordinary shares or ADSs are exercisable in Spain, regardless of the residence of the heir or the beneficiary. In this regard, the Spanish tax authorities may argue that all BBVA ordinary shares and all ADSs are located in Spain for Spanish tax purposes. If such a view were to prevail, non-resident holders in Spain who inherit or receive a gift of BBVA ordinary shares or ADSs would be subject to tax at an effective tax rate that depends on all relevant factors and that ranges between 0% and 81.6% for individuals. Gifts granted to non-Spanish resident corporations will be generally subject to Spanish NRIT as capital gains, subject to the exemptions referred to above under section “— Taxation of Capital Gains.”

### **5. Spanish Transfer Tax**

Transfers of BBVA ordinary shares or ADSs will be exempt from Spanish transfer tax or value-added tax. Additionally, no Spanish Stamp Duty will be levied on the subscription for, acquisition of or transfer of BBVA ordinary shares or ADSs.



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### **Preferred Securities and BBVA Rights to Subscribe for Ordinary Shares**

The material Spanish tax consequences of the acquisition, ownership and disposition of Preferred Securities or rights to subscribe for BBVA shares will be described in the applicable prospectus supplement.

### **Senior Notes and Subordinated Notes**

References in this section to holders of senior notes or subordinated notes, as the case may be (hereinafter, the relevant securities) include the owners of a beneficial interest in the relevant securities, or beneficial owners, of the relevant securities. The statements regarding Spanish law and practice set forth below assume that the relevant securities will be issued, and transfers thereof will be made, in accordance with the Spanish law.

#### ***Introduction***

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this prospectus and is subject to amendment in subsequent prospectus supplements:

- (a) of general application, Second Additional Provision of Law 13/1985, of May 25 on investment ratios, own funds and information obligations of financial intermediaries. Consideration has also been given to Royal Decree 1065/2007, of July 27;
- (b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax ("IIT"), Law 35/2006 of November 28, on the IIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law, and Royal Decree 439/2007, of March 30 promulgating the IIT Regulations, along with Law 29/1987, of December 18 on Inheritance and Gift Tax;
- (c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax ("CIT"), Royal Legislative Decree 4/2004, of March 5 promulgating the Consolidated Text of the CIT Law, and Royal Decree 1777/2004, of July 30 promulgating the CIT Regulations; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are subject to ("NRIT"), and Royal Decree 1776/2004, of July 30 promulgating the NRIT Regulations, along with Law 29/1987, of December 18 on Inheritance and Gift Tax.

Whatever the nature and residence of the holders of relevant securities, the acquisition and transfer of the relevant securities will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of September 24 and exempt from Value Added Tax, in accordance with Law 37/1992, of December 28 regulating such tax.

#### ***1. Tax Rules for Senior Notes and Subordinated Notes Listed on an Organized Market in an OECD Country***

The following summary assumes that the relevant securities will be listed on an organized market in an OECD country.

##### ***1(a). Individuals with Tax Residency in Spain***

##### ***Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

Both distributions and interest periodically received and income derived from the transfer, redemption or repayment of the relevant securities constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base and taxed at a flat rate of 21% (except the first 6.000 euros of income that will be taxed at the rate of 19%).

Both types of income are subject to a withholding on account of IIT at the rate of 19%. The individual holder may credit the withholding against his or her final IIT liability for the relevant tax

year.

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### ***Net Wealth Tax (Impuesto sobre el Patrimonio)***

Law 4/2008 has amended Law 19/1991 introducing a credit of 100% over the tax due and removing the obligation to file Wealth Tax declarations from January 1, 2008.

### ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any relevant securities by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The effective tax rates currently range between 0% and 81.6%, depending on relevant factors.

#### ***1(b). Legal Entities with Tax Residency in Spain***

### ***Corporate Income Tax (Impuesto sobre Sociedades)***

Both distributions periodically received and income derived from the transfer, redemption or repayment of the relevant securities are subject to CIT (at the current general tax rate of 30%) in accordance with the rules for this tax.

In accordance with Section 59.s) of the CIT Regulations, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organized markets in OECD countries.

The Directorate General for Taxation (*Dirección General de Tributos* — “DGT”), on July 27, 2004, issued a tax ruling indicating that in the case of issues made by entities resident in Spain, as in the case of BBVA U.S. Senior and BBVA Subordinated Capital, application of the exemption requires that the relevant securities be placed and traded on an organized market in an OECD country other than Spain. Unless otherwise indicated in the applicable prospectus supplement, the relevant subsidiary issuer considers that the issue of such securities will fall within this exemption as the relevant securities are to be sold outside Spain and in the international capital markets and none of the entities initially placing the senior notes or subordinated notes is resident in Spain. Consequently, the relevant subsidiary issuer, will not withhold on distributions to Spanish CIT taxpayers that provide relevant information to qualify as such. If the Spanish tax authorities maintain a different opinion on this matter, however, BBVA U.S. Senior or BBVA Subordinated Capital, as the case may be, will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the relevant subsidiary issuer and the Guarantor will not, as a result, pay additional amounts.

In order to implement the exemption from withholding, the procedures laid down in the Order of December 22, 1999 will be followed. No reduction percentage will be applied. See “— Evidencing of Beneficial Owner Residency in Connection with Distributions.”

### ***Net Wealth Tax (Impuesto sobre el Patrimonio)***

Law 4/2008 has amended Law 19/1991 introducing a credit of 100% over the tax due and removing the obligation to file Wealth Tax declarations from January 1, 2008.

### ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Legal entities resident in Spain for tax purposes (and NRIT taxpayers acting through a permanent establishment in Spain, as described below) which acquire ownership or other rights over the relevant securities by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax.

#### ***1(c). Individuals and Legal Entities with no Tax Residency in Spain***

### ***Non-Resident Income Tax (Impuesto sobre la Renta de no Residentes)***

#### ***(a) Investors with no Tax Residency in Spain acting through a permanent establishment in Spain***

If the relevant securities form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving

from such securities are,

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generally, the same as those previously set out for Spanish CIT taxpayers. See “— Legal Entities with Tax Residency in Spain — Corporate Income Tax (*Impuesto sobre Sociedades*).” Ownership of the senior notes or subordinated notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

### *(b) Investors with no Tax Residency in Spain not acting through a permanent establishment in Spain*

Both distributions periodically received and income derived from the transfer, redemption or repayment of the senior notes or subordinated notes, as the case may be, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to those securities, through a permanent establishment in Spain, are exempt from NRIT.

In order to be eligible for the exemption from NRIT, it is necessary to comply with certain information obligations relating to the identity and residence of the beneficial owners entitled to receive distributions on the relevant securities, in the manner detailed below under “— Evidencing of Beneficial Owner Residency in Connection with Distributions”. In this respect, although Law 4/2008 of 23 December, abolishing the Wealth Tax levy, generalizing the Value Added Tax monthly refund system and introducing other amendments to the tax legal system (“Law 4/2008”), modified the regime on information reporting obligations, established by Second Additional Provision of Law 13/1985, the Spanish General Directorate for Taxation is of the view (as expressed in binding rulings V0077-09 and V0078-09 issued on January 20, 2009) that, in order to benefit from withholding tax exemption on interest payments in respect of the notes, non-Spanish tax residents must continue to fulfill the information reporting procedures established under Section 44 of the Spanish Royal Decree 1065/2007 (“Section 44”).

If these information obligations are not complied with in the manner indicated, the relevant subsidiary issuer or the guarantor, as the case may be, will withhold 19% and, as a result, will not pay any additional amounts.

Beneficial owners not resident in Spain for tax purposes and entitled to exemption from NRIT who do not timely provide evidence of their tax residency in accordance with the procedure described in detail below, may obtain a refund of the amount withheld from BBVA U.S. Senior or BBVA Subordinated Capital, as the case may be, by following a quick refund procedure or, otherwise, directly from the Spanish tax authorities by following the standard refund procedure described below under “— Evidencing of Beneficial Owner Residency in Connection with Distributions.” Beneficial owners are advised to consult their own tax advisers regarding their eligibility to claim a refund from the Spanish tax authorities and the procedures to be followed in such circumstances.

### ***Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)***

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over senior notes or subordinated notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance Tax. In such case, the provisions of the relevant double tax treaty will apply. The United States and Spain have not entered into a double tax treaty in relation to inheritance or gift taxes.

Non-Spanish resident legal entities which acquire ownership or other rights over the relevant securities by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), subject to the provisions of any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

## ***2. Tax Rules for Senior Notes and Subordinated Notes not Listed on an Organized Market in an OECD Country***

### *2(a). Withholding on Account of IIT, CIT and NRIT*

If the senior notes or subordinated notes are not listed on an organized market in an OECD country on any payment date, interest payments to beneficial owners in respect of such securities not



listed on an organized market

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in an OECD country will be subject to withholding tax, currently at a rate of 19%, except if an exemption from Spanish tax or a reduced withholding tax rate is provided by an applicable convention for the avoidance of double taxation entered into between Spain and the country of residence of the relevant beneficial owner. The treaty generally provides for a withholding rate of 10% for U.S. Residents. Individuals and entities that may benefit from such exemptions or reduced tax rates would have to follow either the “— Quick Refund Procedures” or the “— Direct Refund Procedure” described below under “— Evidencing of Beneficial Owner Residency in Connection with Distributions” in order to obtain a refund of the amounts withheld.

### *2(b). Net Wealth Tax (Impuesto sobre el Patrimonio)*

Law 4/2008 has amended Law 19/1991 introducing a credit of 100% over the tax due and removing the obligation to file Wealth Tax declarations from January 1, 2008.

### *2(c). Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any relevant securities by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The effective tax rates currently range between 0% and 81.6%, depending on relevant factors.

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over senior notes or subordinated notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance Tax. In such case, the provisions of the relevant double tax treaty will apply. The United States and Spain have not entered into a double tax treaty in relation to Inheritance Tax.

Legal entities resident in Spain for tax purposes (and NRIT taxpayers acting through a permanent establishment in Spain) which acquire ownership or other rights over the relevant securities by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax.

Non-Spanish resident legal entities which acquire ownership or other rights over the relevant securities by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), subject to the provisions of any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

## **3. Evidencing of Beneficial Owner Residency in Connection with Distributions**

As described under “— Tax Rules for Senior Notes and Subordinated Notes Listed on an Organized Market in an OECD Country — Individuals and Legal Entities with no Tax Residency in Spain,” interest and other financial income paid with respect to the senior notes or subordinated notes, as the case may be, for the benefit of non-Spanish resident investors not acting, with respect to such securities, through a permanent establishment in Spain will be exempt from Spanish withholding tax.

Although Law 4/2008, modified the regime on information reporting obligations, the Spanish General Directorate for Taxation is of the view (as expressed in binding rulings V0077-09 and V0078-09 issued on January 20, 2009) that, in order to benefit from withholding tax exemption on interest payments in respect of the senior notes or subordinated notes, as the case may be, non-Spanish tax residents must continue to fulfill the information reporting procedures established under Section 44 of the Spanish Royal Decree 1065/2007 (“Section 44”).

The following is a summary of the procedures that will have been arranged at the time of each prospectus supplement with DTC and the European Clearing Systems to facilitate collection of the relevant Noteholder information necessary to enable the Issuer to comply with its reporting obligations pursuant to Additional Provision Two of Law 13/1985.



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The procedure summarized below, which is subject to review and amendment by the fiscal agent, is a summary of the procedures implemented by the fiscal agent with DTC and the European Clearing Systems to facilitate collection of the relevant holder information necessary to enable the Issuer to comply with its reporting obligations pursuant to Additional Provision Two of Law 13/1985 as well as to conform the procedures with further requirements of the Spanish tax authorities. Holders must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their senior notes or subordinated notes, as the case may be.

None of the underwriters, the paying agent, the Trustee, DTC and/or the European Clearing Systems assumes any responsibility for any investment decision made by the noteholders.

Each holder is therefore deemed to be aware of the obligations set out below regarding the disclosure of note holder's identity and tax residence (as well as the identity and tax residence of the beneficial owner for whose benefit it holds such note) and the consequences of non-compliance. Specifically, holders are deemed to be aware of the application of Spanish withholding tax if certain information is not provided in a timely manner.

### ***Individuals and Legal Entities without tax residency in Spain***

The information obligations to be complied with in order to apply the exemption are those set forth in article 44 of the Spanish Royal Decree 1065/2007, being the following:

An annual return must be filed with the Spanish tax authorities, by the Guarantor, specifying the following information with respect to the senior notes and subordinated notes, as the case may be:

- (A) the identity and country of residence of the recipient of the income on such securities (when the income is received on behalf of a third party (i.e., a beneficial owner), the identity and country of residence of that third party);
- (B) the amount of income received; and
- (C) details identifying the relevant securities.

For the purpose of preparing the annual return referred to in the paragraph above, certain documentation regarding the identity and country of residence of the beneficial owners obtaining income on the relevant securities must be submitted to the relevant subsidiary issuer and the Bank on each relevant distribution payment date, as specified in the applicable prospectus supplement.

In addition to the above, as described under “— Tax Rules for Senior Notes and Subordinated Notes Listed on an Organized Market in an OECD Country — Legal Entities with Tax Residency in Spain — Corporate Income Tax (*Impuesto sobre Sociedades*),” Spanish CIT taxpayers will not be subject to withholding tax on income derived from the senior notes or subordinated notes, as the case may be, provided that Qualified Institutions (as defined below) acting on behalf of such CIT taxpayers provide relevant information to qualify as such on each relevant distribution payment date.

In light of the above, the relevant subsidiary issuer, the Guarantor, the paying agent (as specified in the applicable prospectus supplement) and the relevant clearing organization will have arranged at the time of each prospectus supplement, if relevant, certain procedures to facilitate the collection and verification of information concerning the identity and country of residence of beneficial owners (either non-Spanish resident or CIT taxpayers) holding through a Qualified Institution (as defined below) on each relevant distribution payment date. The delivery of such information, while the relevant securities are in global form, will be made through the relevant direct or indirect participants in the relevant clearing organization. The relevant subsidiary issuer will withhold at the then-applicable rate (currently 19%) from any distribution payment as to which the required information has not been provided or the required procedures have not been followed.

Each prospectus supplement will, if applicable, set forth procedures intended to identify beneficial owners who are (i) corporations resident in Spain for tax purposes, or (ii) individuals or legal entities not resident in Spain for tax purposes, that do not act with respect to the senior notes or subordinated notes, as the case may be, through a permanent establishment in Spain.



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These procedures are designed to facilitate the collection of certain information concerning the identity and country of residence of the beneficial owners mentioned in the preceding paragraph (who therefore are entitled to receive income in respect of the senior notes or subordinated notes, as the case may be, free and clear of Spanish withholding taxes) who are participants in the relevant clearing organization or hold their interests through participants in the relevant clearing organization, provided in each case, that the relevant participant is a central bank, other public institution, international organization, bank, credit institution or financial entity, including collective investment institutions, pension fund or insurance entity, resident either in an OECD country (including the United States) or in a country with which Spain has entered into a double taxation treaty subject to a specific administrative registration or supervision scheme (each, a “Qualified Institution”).

Beneficial owners who are entitled to receive income in respect of the senior notes or subordinated notes, as the case may be, free of any Spanish withholding taxes but who do not hold such securities through a Qualified Institution will have Spanish withholding tax withheld from distribution payments and other financial income paid with respect to such securities at the then-applicable rate (currently 19%). Beneficial owners who do not hold such securities through a Qualified Institution can follow alternative procedures, including a direct request for a refund from the Spanish tax authorities. The applicable prospectus supplement will contain a detailed description of these procedures, if relevant.

### ***4. Tax Rules for Payments Made by the Guarantor***

Payments made by the Bank acting as guarantor to security holders will be treated as interest for Spanish tax purposes and subject to the same tax rules previously set out for payments made by BBVA U.S. Senior and BBVA Subordinated Capital.

### ***5. Tax Havens***

Pursuant to Royal Decree 1080/1991, of July 5, as amended, the following are each considered to be a tax haven:

British Virgin Islands,  
Channel Islands (Jersey and Guernsey),  
Cayman Islands,  
Falkland Islands,  
Fiji Islands,  
Gibraltar,  
Grenada,  
Hashemite Kingdom of Jordan,  
Hong-Kong,  
Islands of Antigua and Barbuda,  
Isle of Man,  
Kingdom of Bahrain,  
Macao,  
Marianas Islands,  
Mauritius  
Montserrat,  
Principality of Andorra,  
Principality of Liechtenstein,  
Principality of Monaco,  
Republic of Cyprus,  
Republic of Lebanon,  
Republic of Liberia,  
Republic of Nauru,  
Republic of Panama,  
Republic of San Marino,  
Republic of Seychelles,



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Republic of Singapore,  
 Kingdom of Vanuatu,  
 Saint Lucia,  
 Saint Vincent & the Grenadines,  
 Solomon Islands,  
 Sultanate of Brunei,  
 Sultanate of Oman,  
 The Bahamas,  
 The Bermuda Islands,  
 The Cook Islands,  
 The Island of Anguila,  
 The Island of Barbados,  
 The Republic of Dominica,  
 Turks and Caicos Islands and  
 Virgin Islands (of the United States)

Countries and territories described above which have an agreement with Spain to exchange information for tax purposes or who are signatories to a convention for the avoidance of double taxation with an exchange of information clause will cease to be considered as a tax heaven for Spanish tax purposes as of the entry into force of such agreement or convention.

## **U.S. TAX CONSIDERATIONS**

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of BBVA ADSs, BBVA ordinary shares, BBVA U.S. Senior senior notes and BBVA Subordinated Capital subordinated notes but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire such securities. The material U.S. federal income tax consequences of the acquisition, ownership and disposition of rights to acquire ordinary shares, or of preferred securities issued by BBVA International Preferred will be described in the applicable prospectus supplement. The summary applies only to U.S. Holders described below that hold ordinary shares, ADSs, senior notes or subordinated notes as capital assets for tax purposes and, in the case of senior notes or subordinated notes, acquire such notes pursuant to the offering at the "issue price", which will equal the first price to the public, not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, at which a substantial amount of the notes is sold for money. This summary does not address all of the tax consequences that may be relevant to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and certain traders in securities or foreign currencies;
- persons holding ADSs, ordinary shares, senior notes or subordinated notes as part of a hedge, straddle, conversion transaction or integrated transaction;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. dollar;
- persons liable for the alternative minimum tax;
- tax-exempt organizations;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons who own or are deemed to own 10% or more of our voting shares; and
- persons holding ADSs, ordinary shares, senior notes or subordinated notes in connection with a trade or business conducted outside the United States.





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A “U.S. Holder” is a beneficial owner of BBVA ordinary shares, ADSs, BBVA U.S. Senior senior notes or BBVA Subordinated Capital subordinated notes, as applicable, who is eligible for benefits of the Treaty (as defined in “Spanish Tax Considerations” above) and is, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

If a partnership holds the ordinary shares, ADSs, senior notes or subordinated notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. Partnerships holding ordinary shares, ADSs, senior notes or subordinated notes and partners in such partnerships should consult their tax advisors with regard to the U.S. federal income tax treatment of their investment in such securities.

The summary is based upon the tax laws of the United States including the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof. These laws are subject to change, possibly with retroactive effect. In addition, the summary is based on the Treaty and, in the case of ADSs, is based in part on representations of the depositary and assumes that each obligation provided for in or otherwise contemplated by BBVA’s deposit agreement or any other related document will be performed in accordance with its terms. Prospective purchasers of the ADSs, ordinary shares, senior notes or subordinated notes are urged to consult their tax advisors as to the U.S., Spanish or other tax consequences of the purchase, ownership and disposition of such securities in their particular circumstances, including the effect of any U.S. state or local tax laws. This discussion is subject to any additional discussion regarding U.S. federal income taxation contained in the applicable prospectus supplement. Accordingly, U.S. Holders should also consult the applicable prospectus supplement for any additional discussion regarding U.S. federal income taxation with respect to the specific securities offered thereunder.

### **BBVA ADSs or Ordinary Shares**

For United States federal income tax purposes, U.S. Holders of ADSs will generally be treated as the owners of the underlying ordinary shares represented by those ADSs. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying ordinary shares represented by those ADSs and vice-versa.

The U.S. Treasury has expressed concerns that parties to whom depositary shares are pre-released or intermediaries in the chain of ownership between U.S. holders and the issuer of the security underlying the depositary share may be taking actions that are inconsistent with the claiming of foreign tax credits for U.S. holders of depositary shares. Such actions would also be inconsistent with the claiming of the reduced rate of tax applicable to dividends received by certain noncorporate U.S. Holders, as described below. Accordingly, the analysis of the creditability of Spanish taxes described below, and the availability of the reduced tax rate for dividends received by certain noncorporate U.S. Holders, could be affected by future actions that may be taken by the parties to whom the depositary shares are pre-released or such intermediaries.

This discussion assumes that BBVA is not, and will not become, a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes (as discussed below).

### ***Taxation of Distributions***

Distributions, before reduction for any Spanish income tax withheld by BBVA or its paying agent, made with respect to ADSs or ordinary shares (other than certain *pro rata* distributions of BBVA’s capital stock or rights to subscribe for shares of its capital stock) will be includible in the income of a U.S. Holder as ordinary dividend income, to the extent paid out of BBVA’s current or accumulated earnings and profits as determined in accordance with U.S. federal income tax principles. Because

BBVA does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders

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as dividends. The amount of such dividends will be treated as foreign-source dividend income and will not be eligible for the “dividends received deduction” generally allowed to U.S. corporations under the Code. Subject to applicable limitations and the discussion above regarding concerns expressed by the U.S. Treasury, dividends paid to noncorporate U.S. Holders in taxable years beginning before January 1, 2011 will be taxable at a maximum tax rate of 15%. Noncorporate U.S. Holders should consult their own tax advisors to determine the implications of the rules regarding this favorable rate in their particular circumstances.

The amount of a distribution will equal the U.S. dollar value of the euro received, calculated by reference to the exchange rate in effect on the date such distribution is received (which, for U.S. Holders of ADSs, will be the date such distribution is received by the depositary), whether or not the depositary or U.S. Holder in fact converts any euro received into U.S. dollars at that time. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if such dividend is not converted into U.S. dollars on the date of its receipt. In general, any foreign currency gain or loss will be ordinary gain or loss.

Subject to applicable limitations that may vary depending upon a U.S. Holder’s circumstances and subject to the discussion above regarding concerns expressed by the U.S. Treasury, a U.S. Holder will be entitled to a credit against its U.S. federal income tax liability for Spanish NRIT taxes withheld by BBVA or its paying agent not in excess of the applicable rate under the Treaty. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their tax advisers regarding the availability of foreign tax credits in their particular circumstances. In lieu of claiming a foreign tax credit, U.S. Holders may elect to deduct all foreign taxes paid or accrued in a taxable year (including any Spanish NRIT withholding tax) in computing their taxable income, subject to generally applicable limitations under U.S. federal income tax law.

### ***Sale and Other Disposition of ADSs or Shares***

Gain or loss realized by a U.S. Holder on the sale or exchange of ADSs or ordinary shares will be subject to U.S. federal income tax as capital gain or loss in an amount equal to the difference between the U.S. Holder’s tax basis in the ADSs or ordinary shares and the amount realized on the disposition, in each case as determined in U.S. dollars. Such gain or loss will be long-term capital gain or loss if the U.S. Holder held the ordinary shares or ADSs for more than one year. Gain or loss, if any, will generally be U.S.-source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

### ***Passive Foreign Investment Company Rules***

Based upon certain proposed Treasury regulations (“Proposed Regulations”) we believe that we were not a PFIC for U.S. federal income tax purposes for our 2009 taxable year. However, because there can be no assurance that the Proposed Regulations will be finalized in their current form and because PFIC status depends upon the composition of a company’s income and assets and the market value of its assets (including, among others, less than 25% owned equity investments) from time to time, there can be no assurance that we will not be considered a PFIC for any taxable year.

In general, if we were treated as a PFIC for any taxable year during which a U.S. Holder held ADSs or ordinary shares, gain recognized by such U.S. Holder on a sale or other disposition of an ADS or an ordinary share would be allocated ratably over the U.S. Holder’s holding period for the ADS or the ordinary share. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for ordinary income of taxpayers of the U.S. Holder’s type for such taxable year, and an interest charge would be imposed on the resulting tax liability for such taxable year. Similar tax rules would apply to any distribution in respect of ADSs or ordinary shares to the extent in excess of 125% of the average of the annual distributions on ADSs or ordinary shares received by the U.S. Holder during the preceding three years or the U.S. Holder’s holding period, whichever is shorter. Certain elections may be available (including a mark-to-market election) to U.S. persons that may help mitigate the adverse consequences described above.



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Additionally, if a U.S. Holder owns ADSs or ordinary shares during any year in which we are a PFIC, such holder would be required to make an annual return (including reporting with respect to distributions received from BBVA and any gain realized on the sale or other taxable disposition of ADSs or ordinary shares). Furthermore, if we are a PFIC in any taxable year in which we pay a dividend or the prior taxable year, the favorable tax rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

### **BBVA U.S. Senior Notes or BBVA Subordinated Capital Subordinated Notes**

#### ***Payments of Interest***

Interest paid on a senior note or subordinated note (each, a “note”) will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes, provided that the interest is qualified stated interest (as defined below).

The amount of interest taxable as ordinary income will include amounts withheld in respect of Spanish taxes, and additional amounts paid in respect thereof, if any. Interest income earned by a U.S. Holder with respect to a Note will constitute foreign source income for U.S. federal income tax purposes, which may be relevant to a U.S. Holder in calculating the holder’s foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Spanish taxes withheld at a rate not exceeding the Treaty rate from interest income on a note may be eligible for credit against the U.S. Holder’s U.S. federal income tax liability, or, at the election of the U.S. Holder, for deduction in computing the U.S. Holder’s taxable income, in each case subject to generally applicable limitations and conditions. Amounts withheld with respect to Spanish taxes as a result of a failure to comply with the procedures described in “Spanish Tax Considerations— Preferred Securities, Senior Notes and Subordinated Notes — Evidencing of Beneficial Owner Residency in Connection with Distributions” will not be eligible for credit against a U.S. Holder’s U.S. federal income tax liability. The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits in their particular circumstances.

Special rules governing the treatment of interest paid with respect to original issue discount notes, including foreign currency notes, are described below.

#### ***Original Issue Discount***

A note that is issued at an issue price less than its “stated redemption price at maturity” will be considered to have been issued at an original issue discount for federal income tax purposes (and will be referred to as an “original issue discount note”) unless the note satisfies a *de minimis* threshold (as described below) or is a Short-Term Note (as defined below). The “stated redemption price at maturity” of a note will equal the sum of all payments required under the note other than payments of “qualified stated interest”. “Qualified stated interest” is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the note and equal to the outstanding principal balance of the note multiplied by a single fixed rate or, subject to certain conditions, certain floating rates.

If the difference between a note’s stated redemption price at maturity and its issue price is less than a prescribed *de minimis* amount, i.e., 1/4 of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity, then the note will not be considered to have original issue discount.

A U.S. Holder of original issue discount notes will be required to include any qualified stated interest payments in income in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes. In addition, U.S. Holders of original issue discount notes that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest, before the receipt of cash payments attributable to this income. Under this method, U.S. Holders of original issue discount notes generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any note (including stated interest, original issue discount, *de minimis* original issue discount, and unstated interest, as adjusted by any

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amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest (a “constant yield election”).

In general, floating rate notes providing for one or more qualified floating rates of interest, a single fixed rate and one or more qualified floating rates, a single objective rate, or a single fixed rate and a single objective rate that is a qualified inverse floating rate, as such terms are defined in applicable Treasury regulations, will have qualified stated interest if interest is unconditionally payable at least annually during the term of the note at a rate that is considered to be a single qualified floating rate or a single objective rate under the following rules; provided that the issue price of the note does not exceed the total noncontingent principal payments due under the note by more than an amount equal to the lesser of (x) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date or (y) 15% of the total noncontingent principal payments. A “qualified floating rate” is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the floating rate notes is denominated.

If a floating rate note provides for two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the note, the qualified floating rates together constitute a single qualified floating rate. If interest on a debt instrument is stated at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the issue date is intended to approximate the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate. Two or more rates will be conclusively presumed to meet the requirements of the preceding sentences if the values of the applicable rates on the issue date are within  $\frac{1}{4}$  of one percent of each other. If a floating rate note provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually, then all stated interest on such note will constitute qualified stated interest and will therefore not be treated as having been issued with original issue discount unless the note is issued at a “true” discount (i.e., at a price below the note’s stated principal amount) in excess of the specified *de minimis* amount. If floating rate notes are issued with original issue discount, the U.S. federal income tax treatment of such notes will be more fully described in the applicable prospectus supplement.

A note that matures one year or less from its date of issuance (a “Short-Term Note”) will be treated as being issued at a discount and none of the interest paid on the note will be treated as qualified stated interest. In general, a cash method U.S. Holder of a Short-Term Note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. Accrual method U.S. Holders and cash method U.S. Holders who so elect are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange or retirement of the Short-Term Note will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry Short-Term Notes in an amount not exceeding the accrued discount until the accrued discount is included in income.

### *Amortizable Bond Premium*

If a U.S. Holder purchases a note for an amount that is greater than the sum of all amounts payable on the note other than qualified stated interest, the U.S. Holder will be considered to have purchased the note with amortizable bond premium. In general, amortizable bond premium with respect to any note will be equal in amount to the excess of the purchase price over the sum of all amounts payable on the note other than qualified stated interest and the U.S. Holder may elect to amortize this premium, using a constant-yield method, over the remaining term of the note. Special rules may apply in the case of notes that are subject to optional redemption. A U.S. Holder may generally use the amortizable bond premium allocable to an accrual period to offset qualified stated interest required to be included in the U.S. Holder’s income with respect to the note in that accrual period. A U.S. Holder who elects to amortize bond premium must reduce the U.S. Holder’s tax basis in the note by the amount of the



premium amortized

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in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the Internal Revenue Service.

If a U.S. Holder makes a constant-yield election (as described under “— Original Issue Discount” above) for a note with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the U.S. Holder’s debt instruments with amortizable bond premium and may be revoked only with the permission of the Internal Revenue Service with respect to debt instruments acquired after revocation.

### *Sale, Exchange or Retirement of the Notes*

Upon the sale, exchange or retirement of a note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder’s adjusted tax basis in the note. Gain or loss, if any, will generally be U.S.-source for purposes of computing a U.S. Holder’s foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued interest. Amounts attributable to accrued interest are treated as interest as described under “— Payments of Interest” above. A U.S. Holder’s adjusted tax basis in a note generally will equal such U.S. Holder’s initial investment in the note increased by any original issue discount included in income and decreased by any bond premium previously amortized and principal payments previously received.

Except as described below, gain or loss realized on the sale, exchange or retirement of a note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the note has been held for more than one year. Exceptions to this general rule apply in the case of a Short-Term Note, to the extent of any accrued discount not previously included in the U.S. Holder’s taxable income. See “— Original Issue Discount” above. The deductibility of capital losses is subject to limitations.

### *Foreign Currency Notes*

The rules applicable to foreign currency notes could require some or all of the gain or loss on the sale, exchange or other disposition of a foreign currency note to be recharacterized as ordinary income or loss. The rules applicable to foreign currency notes are complex and their application may depend on the U.S. Holder’s particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder’s particular U.S. federal income tax situation. U.S. Holders are urged to consult their own tax advisers regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of foreign currency notes.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest (or who receives proceeds from a sale, exchange or other disposition attributable to accrued interest) in a foreign currency with respect to a foreign currency note will be required to include in income the U.S. dollar value of the foreign currency payment (determined based on a spot rate on the date the payment is received) regardless of whether the payment is in fact converted into U.S. dollars at that time, and this U.S. dollar value will be the U.S. Holder’s tax basis in the foreign currency.

An accrual-method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount, but reduced by amortizable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder may recognize ordinary income or loss (which will not be treated as interest income or expense) with respect to accrued interest income on the date the interest payment or proceeds from the sale, exchange or other disposition attributable to accrued interest is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined based on a spot rate on the date the payment is received) in respect of the accrual period and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules

similar to these rules apply in the case of cash-method U.S. Holders who are required to currently accrue original issue discount.

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A U.S. Holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot revoke the election without the consent of the Internal Revenue Service.

Original issue discount and amortizable bond premium on a foreign currency note are to be determined in the relevant foreign currency.

If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis will reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as it would have been treated on the sale, exchange or retirement of the foreign currency note. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any bond premium will be taken into account in determining the overall gain or loss on the notes and any loss realized on the sale, exchange or retirement of a foreign currency note with amortizable bond premium by a U.S. Holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A U.S. Holder's tax basis in a foreign currency note, and the amount of any subsequent adjustment to the U.S. Holder's tax basis (including adjustments for original issue discount included as income and any bond premium previously amortized or principal payments received), will be the U.S. dollar value of the foreign currency amount paid for such foreign currency note, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. Holder who purchases a foreign currency note with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between the U.S. Holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency note on the date of purchase.

Gain or loss realized upon the sale, exchange or retirement of a foreign currency note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency principal amount of the note, determined on the date the payment is received or the note is disposed of, (or if the note is traded on an established securities market, on the settlement date if the U.S. Holder is a cash basis U.S. Holder or an electing accrual basis U.S. Holder); and (ii) the U.S. dollar value of the foreign currency principal amount of the note, determined on the date the U.S. Holder acquired the note. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency notes described above. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by a U.S. Holder on the sale, exchange or retirement of the foreign currency note. The foreign currency gain or loss for U.S. Holders will be U.S.-source. Any gain or loss realized by a U.S. Holder in excess of the foreign currency gain or loss will be capital gain or loss (except in the case of a Short-Term Note, to the extent of any discount not previously included in the U.S. Holder's income).

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency note equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. Provided the foreign currency notes are traded on an established securities market, a cash-method U.S. Holder who buys or sells a foreign currency note is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement of the purchase or sale. An accrual-method U.S. Holder may elect the same treatment for all purchases and sales of foreign currency notes, provided the foreign currency notes are traded on an established securities market. This election cannot be revoked without the consent of the Internal Revenue Service. Any gain or loss realized by a U.S. Holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency notes) will be ordinary income or loss.

A U.S. Holder may be required to file a reportable transaction disclosure statement with the U.S. Holder's U.S. federal income tax return, if such U.S. Holder realizes a loss on the sale or other

disposition of a foreign

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currency note and such loss is greater than applicable threshold amounts, which differ depending on the status of the U.S. Holder. A U.S. Holder that claims a deduction with respect to a foreign currency note should consult its own tax adviser regarding the need to file a reportable transaction disclosure statement.

### **Information Reporting and Backup Withholding**

Payments of dividends on, interest and the proceeds from a sale or other disposition of, ADSs, ordinary shares, senior notes or subordinated notes that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless the U.S. Holder is an exempt recipient or, in the case of backup withholding, the holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

### **BENEFIT PLAN INVESTOR CONSIDERATIONS**

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the Internal Revenue Code of 1986, (the "Code"), impose certain requirements on (a) employee benefit plans subject to Title I of ERISA, (b) individual retirement accounts, Keogh plans or other arrangements subject to Section 4975 of the Code, (c) entities whose underlying assets include "plan assets" by reason of any such plan's or arrangement's investment therein (we refer to the foregoing collectively as "Plans") and (d) persons who are fiduciaries with respect to Plans. In addition, certain governmental, church and non-U.S. plans ("Non-ERISA Arrangements") are not subject to Section 406 of ERISA or Section 4975 of the Code, but may be subject to other laws that are substantially similar to those provisions (each, a "Similar Law").

In addition to ERISA's general fiduciary standards, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and persons who have specified relationships to the Plan, *i.e.*, "parties in interest" as defined in ERISA or "disqualified persons" as defined in Section 4975 of the Code (we refer to the foregoing collectively as "parties in interest") unless exemptive relief is available under an exemption issued by the U.S. Department of Labor. Parties in interest that engage in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code. We, and our current and future affiliates, may be parties in interest with respect to many Plans. Thus, a Plan fiduciary considering an investment in the securities described in this prospectus should also consider whether such an investment might constitute or give rise to a prohibited transaction under ERISA or Section 4975 of the Code. For example, the securities may be deemed to represent a direct or indirect sale of property, extension of credit or furnishing of services between us and an investing Plan which would be prohibited if we are a party in interest with respect to the Plan unless exemptive relief were available under an applicable exemption.

In this regard, each prospective purchaser that is, or is acting on behalf of, a Plan, and proposes to purchase the securities described in this prospectus, should consider the exemptive relief available under the following prohibited transaction class exemptions, or PTCEs: (A) the in-house asset manager exemption (PTCE 96-23), (B) the insurance company general account exemption (PTCE 95-60), (C) the bank collective investment fund exemption (PTCE 91-38), (D) the insurance company pooled separate account exemption (PTCE 90-1) and (E) the qualified professional asset manager exemption (PTCE 84-14). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code may provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the Plan involved in the transaction and provided further that the Plan pays no more, and receives no less, than adequate consideration in connection with the transaction (the so-called "service provider exemption"). There can be no assurance that any of these statutory or class exemptions will be available with respect to transactions involving the securities described in this prospectus.

Each purchaser or holder of a security covered by this prospectus, and each fiduciary who causes

any entity to purchase or hold a security covered by this prospectus, shall be deemed to have represented and warranted, on each

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day such purchaser or holder holds such securities, that either (i) it is neither a Plan nor a Non-ERISA Arrangement and it is not purchasing or holding securities on behalf of or with the assets of any Plan or Non-ERISA arrangement; or (ii) its purchase, holding and subsequent disposition of such securities shall not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any provision of Similar Law.

Fiduciaries of any Plans and Non-ERISA Arrangements should consult their own legal counsel before purchasing the securities described in this prospectus. We also refer you to the portions of the offering circular addressing restrictions applicable under ERISA, the Code and Similar Law.

Each purchaser of a security covered by this prospectus will have exclusive responsibility for ensuring that its purchase, holding and subsequent disposition of the security does not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Law. Nothing herein shall be construed as a representation that an investment in the securities described in this prospectus would meet any or all of the relevant legal requirements with respect to investments by, or is appropriate for, Plans or Non-ERISA Arrangements generally or any particular Plan or Non-ERISA Arrangement.

### **PLAN OF DISTRIBUTION**

We and, in the case of the preferred securities and the notes, the relevant subsidiary issuer, may sell the securities being offered by this prospectus: (1) through selling agents; (2) through underwriters; (3) through dealers; and/or (4) directly to purchasers. Any of these selling agents, underwriters or dealers in the United States or outside the United States may include affiliates of ours or the subsidiary issuers. In addition, we may issue our ordinary shares (including in the form of ADSs) in a subscription rights offering to our existing shareholders.

We and the relevant subsidiary issuer may designate selling agents from time to time to solicit offers to purchase these securities. We and the relevant subsidiary issuer will name any such agent, who may be deemed to be an underwriter as that term is defined in the Securities Act and state any commissions we or the relevant subsidiary issuer are to pay to that agent in the applicable prospectus supplement or term sheet. That agent will be acting on a reasonable efforts basis for the period of its appointment unless otherwise indicated in the applicable prospectus supplement or term sheet.

If we or any relevant subsidiary issuer use any underwriters to offer and sell these securities, we and the relevant subsidiary issuer, if any, will enter into an underwriting agreement with those underwriters when we and the relevant subsidiary issuer, if any, and they determine the offering price of the securities, and we and the relevant subsidiary issuer, if any, will include the names of the underwriters and the terms of the transaction, including the compensation the underwriters will receive, in the applicable prospectus supplement or term sheet.

If we offer our ordinary shares in a subscription rights offering to our existing shareholders, we may enter into a standby underwriting agreement with dealers acting as standby underwriters. We may pay the standby underwriters a commitment fee for the securities they commit to purchase on a standby basis. If we do not enter into a standby underwriting arrangement, we may retain a dealer-manager to manage a subscription rights offering for us.

If we or a subsidiary issuer use(s) a dealer to offer and sell these securities, we or the relevant subsidiary issuer will sell the securities to the dealer, as principal, and will name the dealer and include the terms of the transaction in the applicable prospectus supplement or term sheet. The dealer may then resell the securities to the public at varying prices to be determined by that dealer at the time of resale.

A subsidiary issuer's or our net proceeds will be the purchase price in the case of sales to a dealer, the public offering price less discount in the case of sales to an underwriter or the purchase price less commission in the case of sales through a selling agent, in each case, less other expenses attributable to issuance and distribution.

Offers to purchase securities may be solicited directly by us or the relevant subsidiary issuer, and the sale of those securities may be made by us or the relevant subsidiary issuer directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of those securities. The terms of any sales of this type will be described in



the applicable prospectus supplement or term sheet.

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We may engage in at the market offerings into an existing trading market in accordance with Rule 415(a)(4) of the Securities Act.

One or more firms, referred to as “remarketing firms”, may also offer or sell the securities, if the applicable prospectus supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for us, a subsidiary issuer or any of our other subsidiaries. These remarketing firms will offer or sell the securities in accordance with a redemption or repayment pursuant to the terms of the securities. The applicable prospectus supplement or term sheet will identify any remarketing firm and the terms of its agreement, if any, with us, a subsidiary issuer or any of our other subsidiaries and will describe the remarketing firm’s compensation. Remarketing firms may be deemed to be underwriters within the meaning of the Securities Act in connection with the securities they remarket.

Until the distribution of the securities is completed, rules of the SEC may limit the ability of underwriters and other participants in the offering to bid for and purchase the securities covered by the prospectus. As an exception to these rules, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of such securities or any other securities the prices of which may be used to determine payments on such securities. Specifically, the underwriters may sell more securities than they are obligated to purchase in connection with the offering, creating a short position for their own accounts. A short sale is covered if the short position is no greater than the number or amount of securities available for purchase by the underwriters under any over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing such securities in the open market. In determining the source of securities to close out a covered short sale, the underwriters will consider, among other things, the open market price of such securities compared to the price available under any over-allotment option. The underwriters may also sell the securities covered by this prospectus in excess of any over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the offered securities in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, such securities or any other securities in the open market to stabilize the price of such securities or of any other securities. The underwriters also may impose a penalty bid on certain underwriters. This means that if the underwriters purchase the securities in the open market to reduce the underwriters’ short position or to stabilize the price of the securities, they may reclaim the amount of the selling concession from the underwriters who sold those securities as part of the offering. In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a security to the extent that it were to discourage resales of the security. Any of these activities may raise or maintain the market price of such securities above independent market levels or prevent or retard a decline in the market price of such securities. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

Selling agents, underwriters, dealers and remarketing firms may be entitled under agreements with us and/or a subsidiary issuer, as the case may be, to indemnification by us and/or such subsidiary issuer against some civil liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for us and/or such subsidiary issuer in the ordinary course of business.

If so indicated in the applicable prospectus supplement or term sheet, we and the relevant subsidiary issuer will authorize selling agents, underwriters or dealers to solicit offers by some purchasers to purchase securities from us or the relevant subsidiary issuer at the public offering price stated in the applicable prospectus supplement or term sheet under delayed delivery contracts providing for payment and delivery on a specified date in the future. If we use delayed delivery contracts, we will disclose that we are using them in the prospectus supplement or term sheet and will tell you when we will demand payment and delivery of the securities under the delayed delivery contracts. These contracts will be subject only to those conditions described in the applicable prospectus supplement or term sheet, and the applicable prospectus supplement will state the commission payable for solicitation of these offers.

Any underwriter, selling agent or dealer utilized in the initial offering of securities will not

confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

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To the extent an initial offering of the securities will be distributed by an affiliate of ours or of one of the subsidiary issuers, each such offering of securities will be conducted in compliance with the requirements of Rule 2720 of the National Association of Securities Dealers, Inc., which is commonly referred to as the NASD, regarding a Financial Industry Regulatory Authority (FINRA) member firm's distribution of securities of an affiliate.

Underwriting discounts and commissions on securities sold in the initial distribution will not exceed 8% of the offering proceeds.

In the ordinary course of their respective businesses, the underwriters named in the applicable prospectus supplement or term sheet and their affiliates may have engaged and may in the future engage in various banking and financial services for and commercial transactions with us, one or more subsidiary issuers and/or our, its and/or their affiliates for which they received or will receive customary fees and expenses. In addition, affiliates of the underwriters may enter into interest rate swaps or other hedging transactions with us in connection with a particular offering of securities and may receive compensation in connection with that transaction.

### **VALIDITY OF THE SECURITIES**

The validity of our and the subsidiary issuers' securities, where applicable, and certain other matters of Spanish law will be passed upon for us and the subsidiary issuers by J&A Garrigues S.L.P., our and the subsidiary issuers' Spanish counsel. Certain matters of U.S. federal and New York State law will be passed upon for us and the subsidiary issuers by Davis Polk & Wardwell LLP our and the subsidiary issuers' U.S. counsel, and for any underwriters or agents by Sidley Austin LLP, the underwriters' U.S. counsel.

### **EXPERTS**

The consolidated financial statements and the effectiveness of internal control over financial reporting incorporated by reference in this prospectus from BBVA's 2009 Form 20-F have been audited by Deloitte S.L., an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference (which reports (1) express an unqualified opinion on the consolidated financial statements of the BBVA Group and include an explanatory paragraph stating that the International Financial Reporting Standards adopted by the EU required to be applied under Circular 4/2004 vary in certain significant respects from U.S. GAAP, that the information relating to the nature and effect of such differences is presented in Note 60 to the consolidated financial statements of the BBVA Group and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

### **ENFORCEMENT OF CIVIL LIABILITIES**

Each of BBVA and the subsidiary issuers is a limited liability company (*sociedad anónima*) organized under the laws of Spain. Substantially all of our directors and executive officers and all of the directors and officers of the subsidiary issuers, and certain of the experts named in this document, are not residents of the United States. All or a substantial portion of our assets and the assets of the subsidiary issuers and those persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons with respect to matters arising under the Securities Act or to enforce against them judgments of courts of the United States predicated upon civil liability under the Securities Act. We and the subsidiary issuers are advised by Spanish legal counsel that there is doubt as to the enforceability in Spain in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon the securities laws of the United States. We and the subsidiary issuers have submitted to the non-exclusive jurisdiction of New York state and U.S. federal courts sitting in New York City for the purpose of any suit, action or proceeding arising out of or in connection with the preferred securities, senior notes and subordinated notes and have appointed Banco Bilbao Vizcaya Argentaria, S.A. New York Branch, as agent in New York City to accept service of process in any such action.



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**BBVA U.S. SENIOR, S.A. UNIPERSONAL**

**\$1,000,000,000 Fixed Rate Senior Notes due 2014**

**\$600,000,000 Floating Rate Senior Notes due 2014**

unconditionally and irrevocably guaranteed, as described in the prospectus, by

**BANCO BILBAO VIZCAYA ARGENTARIA,  
S.A.**

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**PROSPECTUS**

**SUPPLEMENT**

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*Joint Bookrunners*

**BBVA Securities Citi Deutsche Bank Securities Goldman, Sachs & Co.**

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May 11, 2011

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