

In accordance with article 48 of the Company Bylaws, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter “BBVA”, “the Company” or “the Bank”), in order to better perform its duties, has set up an Audit and Compliance Committee which is in charge of supervising the financial information and the control function.

Its regulation, which is in addition to that established in the Company Bylaws and in current legislation, is set out in articles 29, 30 and 31 of the Regulations of the Board of Directors, and this Committee also has specific Regulations amended recently by a resolution of the Board of Directors dated December 22, 2015 to adapt it to the new legislative requirements and best corporate governance practices¹, which among other aspects regulates its operation and powers (both regulations are accessible the Company’s website, www.bbva.com).

1. Composition

In accordance with the Board Regulations, the Audit and Compliance Committee shall be made up exclusively of independent directors.

At the end of 2015, the Audit and Compliance Committee was made up of the following directors:

¹ In particular, the Audit Act 22/2015, dated July 20, and EU Regulation 537/2014 of the European Parliament and of the Council, dated April 16, 2014, on the specific requirements the regarding statutory audit of public-interest entities, as well as the Code of Good Governance of listed companies, dated February 2015.

CHAIRMAN

Mr. José Miguel Andrés Torrecillas
(Independent director)

MEMBERS

Mr. Tomás Alfaro Drake
(Independent director)

Ms. Belén Garijo López
(Independent director)

Mr. Carlos Loring Martínez de Irujo
(Independent director)

Ms. Lourdes Máiz Carro
(Independent director)

* On May 4, 2015, the Board of Directors resolved to appoint Mr. José Miguel Andrés Torrecillas as new Chairman of the Audit and Compliance Committee, replacing Mr. José Luis Palao García-Suelto, since the legal term for which he had been appointed had elapsed, and also to appoint Ms. Lourdes Máiz Carro as new member of the Audit and Compliance Committee.

2. Operation

As set out in the Board of Directors Regulations and in its own Regulations, the Audit and Compliance Committee shall meet as often as necessary to perform its duties.

The Directors responsible for the Accounting and Financial Information, Internal Audit and Compliance areas may be invited to attend the meetings and, at their request, also those employees belonging to those areas who have knowledge or responsibility in the matters included on the agenda.

The Committee may also hire external consultancy services and call on the personal cooperation and reports of any employee or member

of the Group's senior management when it considers that this is necessary to carry out its functions with regard to relevant issues.

3. Powers

The Committee's functions are detailed in article 30 of the Board of Directors Regulations, as well as in article 3 of the specific Regulations of the Audit and Compliance Committee. Its main powers are summarized below:

- To oversee the effectiveness of the Company's internal control, internal audit and management systems in the drafting and presentation of financial information, including fiscal risks.
- To oversee the drafting and presentation of the financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its completeness.
- To submit to the Board of Directors the proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process in accordance with applicable regulations, as well as the conditions for its engagement, and periodically obtain from the external auditor information on the audit plan and its execution, in addition to preserving its independence in the discharge of its duties.
- To oversee compliance with applicable domestic and international regulations on matters related to

money laundering, conduct on the securities markets, data protection and the scope of Group activities with respect to anti-trust regulations, and also to ensure that any requests for action or information made by official authorities competent in these matters are dealt with in due time and form.

- To ensure that the internal codes of ethics and conduct on the securities market trading, as they apply to Group personnel, comply with legislation and are suitable.
- To ensure compliance with the provisions applicable to directors contained in the BBVA Board Regulations, and ensure that directors comply with applicable regulations regarding their conduct on the securities markets.
- To report, prior to the decisions that the Board of Directors may adopt, on all those matters provided for by law, in the Company Bylaws and in these Regulations, and in particular on: (a) the financial information that the Company is required to disclose regularly; (b) the creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens; and (c) the transactions carried out with related parties.
- Moreover, to report to the Annual General Meeting on the matters raised in relation to issues within the Committee's remit.

4. Committee activity

The Committee carries out its duties with full autonomy, under the authority of its Chairman, who is responsible for convening the meetings, deciding on the matters included on the agenda and requesting the attendance of any employees or members of the Bank's senior management or third parties as necessary to better perform its duties. In any event, it relies on the full collaboration of the Bank's executive areas and the support of the Board of Directors, to which it reports its activities on a regular basis.

In 2015, the Audit & Compliance Committee met on eleven occasions, with the attendance of all of its members, either in person or represented.

Likewise, the meetings were attended by the top executives of the areas responsible for the matters brought before it and by the managers of the external auditor.

The main activities carried out by the BBVA Audit & Compliance Committee in 2015 are described below:

4.1 Financial-accounting information

The functions established in the specific Regulations of the Audit and Compliance Committee include analyzing the financial statements of the Bank and of its consolidated Group contained in the annual, biannual and quarterly reports prior to their submission to the Board, and with the necessary depth to check their accuracy, reliability, scope and

clarity. For this purpose, the Committee shall have all the necessary information with the level of detail it deems appropriate, and be provided with the necessary support by the Group's senior management, especially of the area responsible for the Accounting functions, as well as the auditor of the Company and of its Group.

The Committee has been made aware of and approved the accounting principles, policies and practices, as well as the valuation criteria followed by the Bank and the Group during the process of drafting and submitting the mandatory financial information, and has verified that such principles, policies and practices coincide with those established by the competent regulators and supervisors and are applied correctly, also reviewing the proper delimitation of the scope of consolidation.

Likewise, it has reviewed in detail the relevant information from a prudential point of view and the registration documents drafted by the Bank, prior to their submission to the relevant domestic and international regulators.

The Committee has also monitored on a monthly basis the main figures on the balance sheet and the income statement of the Bank and of its Group and has analyzed the additional information it has considered appropriate to clarify any doubt that may have arisen during its reviews, prior to submitting the information to the Board of Directors.

The Committee has thus offered its opinion to the Board of Directors on the Financial Statements of the Bank and of the Group for 2015, in the sense that, as regards their content and form, they comply with all the requirements established by the regulatory authorities and have been drafted following the best domestic and international practices and recommendations on this matter and by current legislation.

Consequently, the Audit and Compliance Committee proposed to the Bank's Board of Directors that it prepare the individual and consolidated Financial Statements of BBVA on the same terms they are put to the vote at the Annual General Meeting, and which are provided along with the relevant report issued by the auditor, Deloitte, S.L., which has expressed its favorable and unqualified opinion. Moreover, the Committee has ensured that, in accordance with best practices and as provided for in article 3 of its Regulations, the external auditor met with the Board of Directors to submit in person its report on the annual financial statements and report on the work carried out on them and on the developments in the Company's accounting and financial situation.

4.2 Internal control systems

The Committee has been informed of the internal control systems established by BBVA Group, the internal audit work and the risk management systems in the drafting and presentation of mandatory financial information, including fiscal risks.

Moreover, it has supervised and been made aware of the different reports drafted both internally and by the Group's external auditor on the effectiveness of the internal control related to the Financial Information Systems.

The Committee has considered favorably its conclusions in the sense that BBVA Group has in place a sound and proven internal control model for financial information, in accordance with the requirements established by the *Sarbanes Oxley Act* (SOX), given BBVA's status as a listed company before the U.S. Securities Exchange Commission (SEC), as well as the international standards established by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO), which enable the Bank to guarantee that the financial information is drafted correctly, having implemented for this purpose the necessary procedures and controls.

4.3 Relations with the external auditor

Given that external audit is one of the fundamental elements in the chain of control mechanisms put in place for the purpose of ensuring the quality and completeness of the financial information, the Audit and Compliance Committee has established the appropriate relations with the management of the external auditor, Deloitte, S.L., which has offered direct information to the Committee on its activities at every meeting.

Thus, in connection with the audit work carried out and the function performed by the Committee in this process:

It has been made aware of and given its consent to the planning of the external audit, the scope of the tests, the work schedules proposed by the external auditor, the work carried out and the results of its execution through the reports submitted to the Committee. It analyzed and gave its consent to the proposed fees of the Group's external auditor for 2015, prior to their submission to the Board of Directors for approval.

It has ensured the application of internal procedures to prevent situations that may give rise to conflicts with the independence and objectivity required from the external auditor, ensuring also that the external auditor had access to all the information needed to perform its work and received full collaboration from all the Group's units.

In addition, the Committee has checked the statements made by the external auditor as regards the statement of its independence in relation to the entity or its related entities, issuing the corresponding report on the auditor's independence, as per the requirements set out by applicable regulations, which is attached to this report in accordance with best practices in good corporate governance.

The Committee has followed the progress of the work underway and has been in permanent contact with the management of the external

auditor in order to expedite the response of the entities to any possible problem that might arise in the course of its work.

Likewise, it has been made aware of the recommendations made by the external auditor and the plans put in place by the Group's entities for their implementation, and has assessed the quality of the service provided by the firm Deloitte, S.L. as external auditor of the Bank and of its Group, as well as the results of a Group-wide survey on the quality of its services.

As a result, the Audit and Compliance Committee has put forward to the Bank's Board of Directors, so that it may propose to the Annual General Meeting, the re-election of the firm Deloitte S.L. as external auditor of the financial statements of the Bank and of the Group for 2016.

4.4 Internal Audit

As regards the duties performed by the Group's Internal Audit Area, which are reported directly to the Audit and Compliance Committee at each meeting, it has analyzed and approved the working plan for 2015 prepared by this Area, has monitored its execution on a regular basis and has been informed directly of the incidents arising during its execution.

Within the framework for the supervision of the effectiveness of the Internal Audit Unit, it has been made aware of the reports issued by the Group's Internal Audit at the end of its work and has concluded that none of them reveals situations that may

entail significant weaknesses in its Financial Information System.

In addition, it has been made aware of the recommendations made by Internal Audit as a result of its review work, and of the specific action plans defined and implemented for their resolution, monitoring on a regular basis those that are more significant for the entity.

Lastly, the Committee has been made aware of the area's new organizational structure, ensuring its organizational independence and ability to better perform its duties.

4.5 Regulators

The Committee has been made aware of the communications sent to the Group's entities by the European Central Bank, the Bank of Spain and the Spanish Securities and Exchange Authority, by the U.S. Federal Reserve and Securities and Exchange Commission and by other national and international regulators, and has monitored the matters that gave rise to such communications and, where applicable, been made aware of the replies given, the specific action plans to implement the requests received and their implementation in the financial information.

Likewise, it has been made aware of the review of the consolidated Financial Statements of BBVA Group for 2014, which have been analyzed by different regulatory bodies and in all cases have concluded satisfactorily, and has been duly informed of the Bank's response to their requests and recommendations.

This year, the Committee has paid particular attention to the Supervisory Review and Evaluation Process (SREP) with respect to the prudential capital requirements conducted by the European Central Bank on the main financial institutions under its supervision.

4.6 Regulatory Compliance

The Audit and Compliance Committee carries out a substantial and ongoing supervision of all those matters related to regulatory compliance by the Bank and the entities making up BBVA Group, given its special significance for the provision of the Group's services across its global footprint.

To that end, the Committee has been made aware of and approved the working plan for 2015 prepared by the Group's Compliance Area and has monitored on a regular basis the most relevant matters and checked that such monitoring was completed properly.

Likewise, it has checked that the various activities carried out by the Compliance Unit in 2015 reveal no relevant issues in its work.

Moreover, the Committee has reviewed the changes made by the Compliance area to the Group's Code of Conduct for incorporating new regulatory requirements, on which it issued its opinion prior to its consideration and approval by the Board of Directors.

It has also analyzed the different reports, both internal -such as on the prevention and management of the

criminal liability of legal entities, MIFID or the program for compliance with the Volcker Rule- and those issued by independent experts -such as the review by an external expert of the procedures for the prevention of money laundering- all referred to the performance of the Group's Compliance function, and has checked that none of them reveals particularly relevant considerations.

4.7 Fiscal policy and strategy and legal risk

In accordance with the provisions of the Corporate Enterprises Act, the Committee has analyzed the corporate principles on tax matters and the fiscal strategy of BBVA, which has been prepared by following the best practices and recommendations of the OECD in this area, prior to their consideration and approval by the Board of Directors.

Moreover, it has monitored the application of such fiscal policy and strategy, as well as the management of legal risk, analyzing those relevant matters related to the legal and fiscal risks applicable to the Group.

4.8 Related-party transactions

The functions of the Audit and Compliance Committee also include the duty to report, prior to the decisions to be adopted by the Board of Directors, on the related-party transactions that BBVA or the companies in its Group conduct with directors or shareholders with a significant ownership interest.

In 2015, in the performance of the aforementioned supervisory role, the

Audit and Compliance Committee has not been aware of any related-party transactions which, belonging to the Company's ordinary course of business, have not been conducted under normal market conditions and are of little relevance for the Company and its Group.

All the above issues, along with other matters within its remit, were included in the Committee's activities report for 2015 which, as set out in the Board of Directors Regulations, was submitted to the Board of Directors by the Audit and Compliance Committee for the purpose of assessing its operation.

The Board of Directors assessed the quality of the work carried out by the Committee as part of the functions that have been assigned to it, concluding that it had satisfactorily discharged the duties entrusted to it, with a favorable assessment of the quality and efficiency of its operation.

Appendix

REPORT BY THE AUDIT AND COMPLIANCE COMMITTEE OF BANCO BILBAO VIZCAYA ARGENTARIA S.A. ON THE INDEPENDENCE OF THE EXTERNAL AUDITOR

As set out in **section 529 *quaterdecies.4 f)*** of Royal Legislative Decree 1/2010, dated July 2, which approves the consolidated text of the Corporate Enterprises Act (hereinafter “**Corporate Enterprises Act**”), the Audit and Compliance Committee of Banco Bilbao Vizcaya Argentaria S.A. (hereinafter “BBVA” or the “Bank”), prior to the issuing of audit report on the financial statements for 2015, issues this report on the independence of the auditor of BBVA and of its Group, Deloitte, S.L. (hereinafter “Deloitte” or the “Auditor”).

In accordance with the functions set out in article 30 of the Board Regulations and in article 3 of the Regulations of the Audit and Compliance Committee, and for the purpose of checking the accuracy, reliability, scope and clarity of the financial statements of the Bank and of its consolidated Group, the Audit and Compliance constantly monitors the process of preparation of the financial statements, with the support of the Bank's senior management and, in particular, of the area in charge of the Accounting functions, as well as of the Auditor of the Bank and of its Group.

In addition, the Committee has ensured the independence of the auditor in a twofold sense: avoiding any interference with the alerts, opinions and recommendations of the auditors and establishing the incompatibility between the provision of audit and consultancy services, unless there are no alternatives on the market to the auditors or companies in the auditors' group of equal value in terms of their content, quality or efficiency. In such an event, the Committee must give its approval, which can be done in advance by delegation of its Chair.

For such purposes, the Audit and Compliance Committee has established appropriate relations with the auditor in order to receive information on any matters that may jeopardize its independence, as well as those related to the conducting of the audit work.

To this end, the Committee has direct contact with the external auditor, which appears, without the presence of top executives of the Bank, at all the meetings held by the Audit and Compliance Committee throughout the year.

In relation to the provisions of the aforementioned section 529 *quaterdecies.4 f)* of the Corporate Enterprises Act, BBVA's Audit and Compliance Committee received on February 1, 2016 a written statement by Deloitte, as the auditor of BBVA and of its Group, prior to the issuing of the audit report, confirming its independence with regard to BBVA and the entities linked directly or indirectly to the Bank (BBVA Group), in accordance with the requirements set out in Royal Legislative Decree 1/2011, dated July 1, which approves the consolidated text of the Audit Act, in view of which and not having any additional information that calls into question the content of said statement, the Audit and Compliance Committee understands that there are no objective reasons that may call into question the confirmation of independence made by Deloitte.

Moreover, in relation to the additional services provided by the auditor in 2015, the Committee states that such services are those described in Appendix I to the independence statement sent by the auditors on February 1, 2016, for the amount and according to the breakdown mentioned therein, and Deloitte has not provided any additional service to BBVA Group other than those contained in Appendix I, as verified in the relevant report issued by the Group's Internal Audit that has been sent to this Committee.

In accordance with the foregoing, and pursuant to article 30 of the Board of Directors Regulations, the Committee states its favorable opinion on the independence of the auditor, having considered in this regard that the additional services provided by the auditors in 2015, considered individually and as a whole, are in line with the independence rules established by applicable audit legislation.