

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 a Risk Committee, with no executive functions, to assist the Board in its supervision duties related to risk.

Its regulation, in addition to the provisions set out in the Company Bylaws and current legislation, is established in articles 38, 39 and 40 of the Board of Directors Regulations. This Committee also has specific Regulations that, among other matters, regulate its purpose and functions (both documents are available on the Company's website (www.bbva.com)).

1. Composition

As set out in the Board Regulations, the Risk Committee shall be made up entirely of non-executive directors, of whom at least one-third, and in any event the Chairman, must be independent directors.

At the end of 2015, the Risk Committee was made up of the following directors:

CHAIRMAN
Mr. José Antonio Fernández Rivero (Independent director)
MEMBERS
Mr. José Miguel Andrés Torrecillas (Independent director)
Mr. Ramón Bustamante y de la Mora

(External director)

Mr. José Luis Palao García-Suelto (Independent director)

Mr. Juan Pi Llorens (Independent director)

Mrs. Susana Rodríguez Vidarte (External director)
--

2. Operation

In accordance with the Board of Directors Regulations and its specific Regulations, the Risk Committee shall meet as often as necessary to fulfill its duties, although an annual schedule of meetings will be drawn up in accordance with its tasks.

The Committee may request the attendance at its meetings of the Group's Chief Risk Officer, the executives responsible for the different risk areas, and the individuals who carry out in the Group tasks related to the Committee's functions.

To properly discharge its duties, the Committee shall have access to any information it deems necessary on the Company and its Group. It may also request the attendance of the risk management unit and, where appropriate, rely on specialized external advice.

3. Powers

The scope of its powers is as follows:

- To analyze and assess the proposals on the control and management strategy in relation to the Group's

risk, as well as on the specific corporate policies related to the management of each type of risk and, where appropriate, submit them for approval to the Board of Directors and the Executive Committee, respectively.

- To monitor the development of the Group's risk and the extent to which they are covered by the established risk strategy.
- To ensure that the Group has adequate means, systems, structures and resources in place to manage its risk.
- To promote the establishment of a risk culture that ensures the consistency of the risk control and management model in the Group and its application at all levels in the organization.

Notwithstanding the foregoing, the Committee's functions are detailed in article 39 of the Board of Directors Regulations, as well as in article 3 of the Risk Committee's Regulations.

4. Committee activity

The Committee carries out its duties with full autonomy, under the authority of its Chairman, who is responsible for setting the meeting schedule and, where appropriate, for convening meetings not included in such schedule of meetings; deciding on the matters included on the agenda; and requesting the attendance of any Bank employees or senior managers or third parties as necessary to better perform its duties.

In any event, it relies on the full collaboration of the Bank's executive and support areas and the support of the Board of Directors, to which it reports its activities on a regular basis.

The Risk Committee also relies on the collaboration of the Technical Secretariat, which is integrated into the Risk area and oversees and coordinates the information made available to the Committee by the Bank's different areas.

In 2015, the Risk Committee met on forty-five occasions, with the attendance of all of its members at virtually all the meetings held, either in person or duly represented.

Likewise, all the meetings were attended by executives from the areas responsible for the issues addressed, as well as by the Group's Chief Risk Officer when requested by the Committee or the Chief Risk Officer himself.

The main activities carried out by the BBVA Risk Committee in 2015 are described below:

4.1 Group risk control and management model

The Risk Committee has been actively involved in the process of formalizing the Group's risk control and management model (RAF). In this regard, it has received information from the Risk Area and from the Chief Risk Officer on the development and scope of the model and analyzed in detail its elements and its alignment with the conditions proposed in this respect. The

resulting document, once approved by the Committee, was submitted to the Board of Directors for approval.

4.2 Proposals on risk strategy and control

The functions set out in the Risk Committee's specific Regulations includes the analysis and assessment of the proposals on risk strategy, control and management, which includes the risk appetite statement; the basic metrics in relation to solvency, liquidity, funding and recurring revenue; and the basic structure of limits for each type of risk, prior to their submission to the Board or the Executive Committee, as appropriate.

This has been done by the Committee with the necessary depth and scope for verifying their accuracy and appropriateness, using all the required information with the suitable level of aggregation, relying at all times on the support of the Chief Risk Officer, senior management and the Group's different areas, particularly the Risk area.

The Committee has thus conducted an in-depth analysis of the proposals made by the Risk Area with respect to the establishment of basic metrics and limits for each type of risk in 2015, subsequently monitoring them with the level of detail and frequency necessary to guarantee adequate control of those indicators. All this prior to their monitoring by the Executive Committee.

4.3 Analysis of corporate policies

In the exercise of the functions expressly attributed to it by its specific Regulations, the Risk Committee has conducted a detailed analysis of the corporate policies proposed by the Risk Area for approval or amendment.

In 2015, the Committee took part in the processes for the amendment of Corporate Risk Policy for the Third-party Wealth Management Activity, as well as in the approval of the Corporate Structural Change Risk Management Policy, having access to all the information needed to do so. Both documents were subsequently sent to the Executive Committee for approval.

4.4 Regular monitoring of limits

In 2015, the Risk Committee carried out a comprehensive monitoring of the credit risk, including impaired assets and possible concentrations, as well as the structural, market, operational and non-banking risk affecting the Group.

To do so, it received and analyzed information from the Risk Area with the required frequency to be able to assess compliance with the limits set by the Executive Committee and the Group's risk profile.

For these purposes, the Committee was assisted by the Chief Risk Officer, the managers responsible for each type of risk at corporate level and the risk managers of the Group's main entities, thus gaining both global and

individualized knowledge of the development of the Group's risk.

In those cases where the approved limits were exceeded, the Committee received detailed information on the reasons, along with proposals on the action plans for their rectification. It subsequently submitted to the Executive Committee both the information on the limits that had been exceeded and the action plans approved by the Risk Committee.

4.5 Regular monitoring of transactions examined by the Risk committees. Sector monitoring

In 2015, the Risk Committee had access on a monthly basis to information on the main credit-risk transactions authorized by the committees of the Corporate Risk Area in order to be able to monitor the highest exposures of the Group, as well as the main risk classified as non-performing or in a situation of monitoring.

Likewise, the Risk Committee had access to the qualitative risk transactions authorized by the Risk Area.

Throughout the year, the Risk Committee conducted an analysis of the development of the main business sectors, while simultaneously receiving information on the Group's main customers operating in those sectors. In view of this information, the Committee analyzed along with the Risk Area the advisability of establishing specific strategies for action for those sectors

and/or customers in order to preserve the Group's asset quality.

4.6 Internal Capital and Liquidity Assessment processes (ICAAP and ILAAP)

In 2015, the Risk Committee participated actively in the drafting of the ICAAP and ILAAP documents, that assess the Group's capital and liquidity situation.

In this process, the Committee relied on the collaboration and assistance of both the Risk Area and other areas in the Group, such as the Finance Division or Management Information, which contributed to guarantee that those documents provided a true image of the Group's situation in the analyzed areas.

Once approved by the Risk Committee, those documents were submitted to the Board of Directors for approval, after which they were sent to the Bank of Spain.

4.7 Credit risk transactions in favor of members of the Board of Directors and senior management

The functions attributed to the Risk Committee also include the analysis, prior to the decision adopted by the Board of Directors, of the credit risk proposals that, given the nature of the applicants (due to their belonging to the Board of Directors of BBVA or its senior management), are to be approved by the Bank and require the regulator's authorization

according with the applicable legislation.

In the analysis of these transactions, the Committee takes into account not only the applicant's credit standing, but also that the applicable financial conditions are applied.

To do so, it relies on the assistance of the Risk Area, which proposes the transaction, and the Technical Secretariat, which is responsible for checking their appropriateness according to both legal regulations and the Group's internal regulations.

4.8 Additional control functions

The Risk Committee's functions, as expressly set out in its Regulations, include ensuring that the pricing policy for the assets and liabilities offered to customers fully takes into account the Bank's business model and risk strategy.

In this regard, the Risk Area submitted to the Committee, for information and analysis purposes, a framework designed to ensure that the price of the new transactions executed by the Bank is in line with the Group's risk strategy. The process is also supervised by the Committee for the purpose of developing and implementing that framework.

The Committee has also participated in the establishment of the Group's remuneration policy for its employees, verifying its compatibility with adequate and effective risk management and ensuring that no incentives are offered for assuming

risk that may exceed the level tolerated by the Bank.

To do so, the Committee has relied on the collaboration of the Human Resources Area and the support of the Chairman of BBVA's Remuneration Committee.

Another aspect supervised by the Risk Committee in 2015 has been the analysis of the valuation system for the Group's assets, which it has done from different perspectives throughout the year, relying at all times on the necessary information and collaboration for ensuring the appropriateness and completeness of the system.

4.9 Other matters

In 2015, the Committee has supervised projects launched by the Risk Area for their implementation in the Group.

It has had detailed knowledge of the Risk Data Aggregation (RDA) process established by the regulator to ensure effective aggregation of the data and submission of the reports related to the risk of the entities. In this matter it has relied on the assistance of the Group's Risk and Systems areas to verify that the project was in line with regulatory requirements.

Regarding the need to provide the Group and its employees with a sound risk culture to enable them to perform their duties in a secure environment and mitigate the risk its entities are exposed to, the Risk Committee, along with the interaction

it ordinarily has with the Group's executives in its various sessions, has been made aware of the action plans established, receiving information from the Risk Area on the various actions carried out and the milestones achieved, collaborating with that Area to improve the project and monitoring it on a regular basis.

The Committee has also received on a regular basis information on the analysis of risk scenarios, which has enabled it to ascertain the impact on the Group and its entities in the event of the occurrence of the situations envisaged. These scenarios have been prepared by the Risk Area with the collaboration of BBVA's Economic Research Department. Through this analysis, the Group can anticipate these events and mitigate their effects.

The Risk Committee has closely monitored the Group's technological risk, given its relevance in the process of digitization currently underway. It has received regular information from the Risk and Technology areas on the appropriateness of the Group's systems for supporting all the needs arising from this digitization process.

Moreover, the Committee has received timely information on relevant matters that have arisen over the year, either at its own request or on the initiative of the Risk Area.

Lastly, the Committee has monitored on a regular basis the activity of the Group's Internal Risk Control unit, which is tasked with ensuring that the Corporate Risk Area and the Group's

different risk areas comply with the rules and procedures established for risk management.