

Report submitted by the Appointments Committee of Banco Bilbao Vizcaya Argentaria, S.A. to the Board of Directors for the purposes set forth in article 529 decies of the Corporate Enterprises Act, in relation to the proposed resolution on the re-election of José Manuel González-Páramo Martínez-Murillo as executive director of Banco Bilbao Vizcaya Argentaria, S.A.

This English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish original will prevail.

Article 529 decies of the Corporate Enterprises Act, according to drafting given by Act 31/2014, dated December 3, which modifies the Corporate Enterprises Act for the improvement of the corporate governance, provides that proposals for the appointment and re-election of the members of the Board of Directors shall be accompanied by an explanatory report of the Board of Directors assessing the competence, experience and merits of the proposed candidate, and shall be further preceded, in the case of proposals for the appointment or re-election of any non-independent board members, by a report issued by the Appointments Committee.

Similarly, articles 3 and 33.1 of the Board of Directors Regulations of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter “**BBVA**” or “the **Bank**”) set out that the Appointments Committee of BBVA has the responsibility to report to the Board of Directors on the proposals for appointments, re-elections or removals of board members who are not independent directors, assessing for these purposes the balance of knowledge, skills and experience, as well as the conditions that the candidates should display and the dedication necessary to suitably perform their duties in view of the needs that the Bank's governing bodies may have at any time.

In accordance with the above requirements, the Appointments Committee has decided to submit to the Board of Directors this report related to the proposal for the re-election of José Manuel González-Páramo Martínez-Murillo as member of the Board of Directors of BBVA as an executive director.

For these purposes, the Appointments Committee has analyzed the current composition of the Board of Directors, as well as the need for its members to have a diversity of knowledge, skills and experience to enable them to carry out their functions adequately, thus including members with extensive training and experience, national and international, in areas such as banking and finance, accounting and risk, as well as legal, academic, business and new technologies.

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Furthermore, the Committee has assessed the conditions needed to perform the office of director of BBVA including the conditions attached to the status of board member, education and professional experience, in the terms set forth below, also assessing the dedication necessary for holding the position and taking care that, in any case, the directors have the suitability and independence requirements.

All these matters have been taken into account in submitting to the Board the proposals and reports concerning the re-election of members of the Board of Directors ahead of the forthcoming Annual General Meeting of the Company, and this report is part of such proposals and reports.

Status:

José Manuel González-Páramo Martínez-Murillo was appointed by co-option as BBVA executive director by agreement of the Board of Directors on 29 May 2013, since when he has held the position. Subsequently, on 14 March 2014, the General Shareholders' Meeting of BBVA agreed to ratify the appointment agreement adopted by the Board of Directors.

Professional experience and education:

José Manuel González-Páramo Martínez-Murillo holds a Doctorate (*Cátedra*) in Public Finance and Financial System from the Complutense University of Madrid and Ph.D in Economics from Columbia University of New York.

Mr. González-Páramo was a member of the Governing Council and the Executive Committee of the Bank of Spain from 1994 to 2004 and member of the Executive Committee and Governing Council of the European Central Bank between 2004 and 2012.

Until 2012, he was also a member of the Committee for the Stability of the Global Financial System of the Bank for International Settlements, representing the

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Eurosystem. He is Chairman of European DataWarehouse GmbH. since 2013 and Professor at IESE Business School since 2012.

Mr. González-Páramo is currently the Director of Global Economics, Regulation and Public Affairs of BBVA, a position he has held since 2013.

Further information can be found in the attached curriculum vitae of José Manuel González-Páramo Martínez-Murillo.

Suitability:

José Manuel González-Páramo Martínez-Murillo has been inscribed in the Register of Senior Officers of the Bank of Spain continuously since 12 June 2013.

His suitability for the position has been verified on a continuous basis by the Board of Directors of BBVA by applying the requirements set out in current legislation, confirming that Mr. González-Páramo meets the requirements of commercial and professional repute and of appropriate knowledge and experience to discharge his duties and good governance of the Bank.

Moreover, on the occasion of the proposal for re-election which is the object of this report, the Appointments Committee has conducted a new analysis of compliance with the required suitability conditions of José Manuel González-Páramo Martínez-Murillo, as a result of which it can be concluded that José Manuel González-Páramo Martínez-Murillo meets the suitability requirements needed to exercise the office.

Conclusion:

As a consequence of the above and considering the current needs of the governing bodies of BBVA, the structure, size and composition of the Board, and the goals and criteria set out in the policy of selection, appointment, renewal and diversity of the Board of Directors of BBVA, the Appointments Committee deems that José Manuel

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González-Páramo Martínez-Murillo has the right knowledge and experience to hold the position of member of the Board of Directors and meets the suitability requirements required to hold such position, and has therefore resolved to submit its favorable report to the Board to propose to the Annual General Meeting of the Company his re-election as member of the Board of Directors, with the status of executive director, for the statutory three-year term.

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Report submitted by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. for the purposes set forth in article 529 decies of the Corporate Enterprises Act, in relation to the proposed resolution on the re-election of José Manuel González-Páramo Martínez-Murillo as executive director, submitted to the Annual General Meeting of March 2017.

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Article 529 decies of the Corporate Enterprises Act, according to drafting given by Act 31/2014, dated December 3, which modifies the Corporate Enterprises Act for the improvement of the corporate governance, establishes that:

1. Members of the board of directors of a listed company shall be appointed by the annual general meeting or, in the case of an early vacancy, by the board itself using the co-opting system.

2. Co-opting in listed companies is to be governed by the provisions of this Act, with the following exceptions:

a) Directors appointed by the board need not be shareholders of the company.

b) Should a vacancy arise following the notice of call of the annual general meeting and prior to its holding, the board of directors may appoint a director until the next annual general meeting is held

3. In listed public limited companies, substitutes may not be appointed.

4. Proposals on the appointment or re-election of board members are the responsibility of the Appointments and Remuneration Committee, in the case of independent directors, and of the Board of Directors itself, in all other cases.

5. Proposals shall be accompanied in any event by an explanatory report of the board assessing the competence, experience and merits of the proposed candidate, which is to be attached to the minutes of the annual general meeting or of the board meeting itself.

6. Proposals on the appointment or re-election of any non-independent directors shall further be preceded by a report issued by the Appointments and Remuneration Committee.

(...)

In order to comply with the provisions laid down in sub-section 5 of the aforementioned article, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter “the **Bank**” or “**BBVA**”), has elaborated this report, which is attached to the proposal for the re-election of José Manuel González-Páramo Martínez-Murillo as a member of the Board of Directors of the Bank, with the status of executive director, to be submitted to the BBVA Ordinary General Shareholders' Meeting.

In order to carry out this proposal, the Board of Directors has assessed the favorable report issued by the Appointments Committee in accordance with article 529 decies 6 of the Corporate Enterprises Act and articles 3 and 33 of the Bank's Board of Directors Regulations, after having carried out an analysis of the current composition of the Board and its needs, assessing the conditions that directors must meet in order to perform their duties, and the dedication required to adequately perform their duties.

Furthermore, in issuing this report, the Board of Directors has assessed, as set forth in the regulations mentioned above, the competence, experience and merits of the proposed candidate, in the terms provided below:

José Manuel González-Páramo Martínez-Murillo holds a Doctorate (*Cátedra*) in Public Finance and Financial System from the Complutense University of Madrid and Ph.D in Economics from Columbia University of New York.

Mr. González-Páramo was a member of the Governing Council and the Executive Committee of the Bank of Spain from 1994 to 2004 and member of the Executive Committee and Governing Council of the European Central Bank between 2004 and 2012.

Until 2012, he was also a member of the Committee for the Stability of the Global Financial System of the Bank for International Settlements, representing the Eurosystem. He is Chairman of European DataWarehouse GmbH. since 2013 and Professor at IESE Business School since 2012.

Mr. González-Páramo is currently the Director of Global Economics, Regulation and Public Affairs of BBVA, a position he has held since 2013.

Further information can be found in the attached curriculum vitae of José Manuel González-Páramo Martínez-Murillo.

As a consequence of the above and considering the favorable report issued in this regard by the Appointments Committee, the Board of Directors of BBVA deems that José Manuel González-Páramo Martínez-Murillo has the competence, experience and merits

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required for the purpose of proposing his re-election as a member of the Board of Directors of the Bank, with the status of executive director, to the Annual General Meeting of the Company, for the statutory three-year term. This report is issued as per the requirements provided by article 529 decies of the Corporate Enterprises Act.

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Mr. José Manuel González-Páramo Martínez-Murillo

Director

Born in Madrid in 1958

Married

Spanish nationality

Ph.D, M. Phil. and M.A. in Economics from Columbia University, New York.

Doctorate in Economics from Complutense University of Madrid.

Professional Career:

1985-1994	Advisor to various institutions in both the public and private sectors: Tax Ministry, FUNCAS Foundation, Bank of Spain, BBVA Foundation, World Bank, IMF and European Commission
1988	Professor (<i>Catedrático</i>) of Public Finance and Financial System (Public Economics, European Economics and Public Administration)
1994-2004	Member of the Governing Council and the Executive Committee of the Bank of Spain
2004-2012	Member of the Executive Committee and Governing Council of the European Central Bank (ECB)
2007-2012	Member of the Committee for the Stability of the Global Financial System of the Bank for International Settlements, representing the Euro system
2012	Professor at IESE Business School
2013	Chairman of the European DataWarehouse GmbH
2014	Vice president of the Spain-USA Council Foundation
2016	Chairman for Europe of Trans-Atlantic Business Council

Likewise, he was appointed Doctor Honoris Causa from Malaga University, is member of the European Academy of Sciences and Arts and Academic Member of the Royal Academy of Moral and Political Sciences.

He was appointed to a BBVA directorship on 29th May 2013 and is the Director of Global Economics, Regulation and Public Affairs of BBVA.