

***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 appointment of Mr. Carlos Torres Vila 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 a discrepancy, the Spanish original will prevail.*

Article 529 decies of the Corporate Enterprises Act, according to the drafting given by Act 31/2014, dated December 3, provides that proposals for the appointment and re-election of the members of the Board of Directors are to be accompanied by an explanatory report of the Board 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.

Articles 3 and 33.1 of the Regulations of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter "BBVA" or "the Bank") set out that the Appointments Committee has the responsibility to report to the Board of Directors on the proposals for appointments, re-elections or removals of board members who do not have the status of independent directors, assessing, for these purposes, the balance of knowledge, skills and experience required at any given time by the corporate bodies of the Bank, in addition to the conditions to be fulfilled by the candidates and the time dedication necessary to suitably perform their duties.

In accordance with the above requirements, the Appointments Committee has agreed to submit to the Board of Directors this report in relation to the proposed appointment of Mr. Carlos Torres Vila as a member of the Board of Directors of BBVA with the status of executive director.

For these purposes, the Committee has analyzed the current composition of the Board of Directors, which is made up of fifteen directors, of whom three are executive directors and twelve non-executive directors, eight of them independent directors, which means more than 50% of all members of the Board of Directors of BBVA.

It has also been considered that the Board should have a diversity of knowledge, skills and experience to enable it to properly discharge its duties, thus including members with extensive experience in banking and finance, accounting and risks, in the international, legal, academic and business areas.

This enables the Board to have a balanced composition which is appropriate for its needs, making it possible for the corporate bodies to perform their duties with the required dedication and independence of judgment.

All these matters have been taken into account in submitting to the Board the proposals and reports concerning the appointment and 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.

The Committee has also considered the performance by Mr. Torres Vila of the duties of CEO of the Bank, a position for which he was appointed by a resolution of the Board of Directors dated May 4, 2015, and he has since been responsible for the ordinary management of the Group's businesses, reporting directly to the Board of Directors and to its Chairman.

The Committee has also considered the dedication and commitment of Mr. Torres Vila to the Group's digital transformation process, to the design and implementation of the Bank's new organizational scheme and to the development of the strategic planning process currently underway.

Furthermore, the Committee has assessed compliance with the conditions needed to perform the office of director of BBVA, including the conditions related to the status of director, education, professional experience and suitability, in the terms set forth below:

***Status:***

Mr. Carlos Torres Vila was co-opted as director of Banco Bilbao Vizcaya Argentaria, S.A. with the status of executive director in May 2015, and has since discharged his duties as an executive director.

***Professional experience and education:***

Mr. Torres Vila graduated in Electrical Engineering and Business Administration from the Massachusetts Institute of Technology (MIT), where he subsequently also earned a Master's degree in Management (MS) at the Sloan School of Management (1990). He is also a graduate in Law from the National University of Distance Education in Spain (1994).

Mr. Carlos Torres Vila has spent his professional career at various multinational companies, as a partner at McKinsey & Company, where he advised large European and Latin American companies on matters related to M&A, finance and strategy, and at Endesa, where he held the positions of Director of Corporate Development, Financial Director and member of the Management Committee of Endesa. He has also held a number of management positions at companies such as Isofotón, where he was chief executive in 2008.

Mr. Torres Vila joined BBVA in 2009 as Director of Strategy and Corporate Development and member of the Group's Management Committee, a position he held until 2014, when he was appointed as the Group's global head for digital banking, a position he held until his appointment as CEO.

Further information can be found in the attached curriculum vitae of Mr. Carlos Torres Vila.

***Suitability:***

Mr. Carlos Torres Vila has been registered with the Register of Senior Officers of the Bank of Spain uninterruptedly since 2009, when he was appointed as member of the Management Committee of BBVA Group, as mentioned above.

On the occasion of the appointment by co-option of Mr. Carlos Torres Vila as member of the Board of Directors of the Bank, the Appointments Committee conducted a new

analysis of the compliance with the suitability conditions required by current legislation by Mr. Carlos Torres Vila, and confirmed that Mr. Torres Vila met the requirements of commercial and professional repute and of appropriate knowledge and experience to discharge his duties.

Moreover, his suitability for the position has once again been verified on the occasion of the proposal which is the object of this report, confirming that no circumstance that could vary such conclusion had occurred since the date of his appointment by co-option as director.

As a result of this analysis it can be concluded that Mr. Carlos Torres Vila meets the suitability requirements necessary to hold the position.

***Conclusion:***

As a consequence of the above and considering the current needs of the corporate bodies of BBVA, the structure, size and composition of the Board, and the goals and criteria set out in the Policy for selection, appointment, renewal and diversity of the members of the BBVA Board, the Appointments Committee deems that Mr. Carlos Torres Vila has the right knowledge and experience to hold the position of executive director 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 appointment 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 resolution on the appointment of Mr. Carlos Torres Vila as an executive director, submitted to the Annual General Meeting of March 2016.***

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

Article 529. decies of the Corporate Enterprises Act, with the drafting provided by Act 31/2014, dated December 3, sets out the following:

*“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 through co-option.*

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

*a) The 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 shall correspond to 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. The proposed 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 fulfill the provisions laid down in sub-section 5 of the aforementioned article, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. has drafted this report, which is attached to the proposal for the appointment of Mr. Carlos Torres Vila as member of the Bank's Board of Directors, with the status of executive director, to be submitted to the Company's Annual General Meeting.

For the purposes of making this proposal, the Board of Directors has assessed the favorable report issued by the Appointments Committee, as provided for in Article 529 decies, sub-section 6 of the Corporate Enterprises Act, and Articles 3 and 33 of the Bank's Board Regulations, after conducting an analysis of the current composition of the Board and its needs, assessing the conditions to be fulfilled by board members to exercise their offices, and the dedication required to suitably fulfill 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:

Mr. Carlos Torres Vila graduated in Electrical Engineering and Business Administration from the Massachusetts Institute of Technology (MIT), where he subsequently also earned a Master's degree in Management (MS) at the Sloan School of Management (1990). He is also a graduate in Law from the National University of Distance Education in Spain (1994).

Mr. Carlos Torres Vila has spent his professional career at various multinational companies, as a partner at McKinsey & Company, where he advised large European and Latin American companies on matters related to M&A, finance and strategy, and at Endesa, where he held the positions of Director of Corporate Development, Financial Director and member of the Management Committee of Endesa. He has also held a number of management positions at companies such as Isofotón, where he was chief executive in 2008.

Mr. Torres Vila joined BBVA in 2009 as Director of Strategy and Corporate Development and member of the Group's Management Committee, a position he held until 2014, when he was appointed as the Group's global Head for digital banking, a position he held until his appointment as CEO.

Further information can be found in the attached curriculum vitae of Mr. Carlos Torres Vila.



As a consequence of the above and considering the favourable report issued in this regard by the Appointments Committee, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. deems that Mr. Carlos Torres Vila has the competence, experience and merits required for the purpose of proposing his appointment as a member of the Bank's Board of Directors, 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. CARLOS TORRES VILA

## CEO

Born in Salamanca in 1966

BS in Electrical Engineering and BS in Management Science from the Massachusetts Institute of Technology (MIT)  
MS in Management MIT Sloan School of Management  
Graduated in Law from UNED

### **Professional Background:**

- 1990 - 2002 McKinsey & Company (elected Partner in 1997)
- 2002 – 2007 Corporate Director of Strategy and Member of the Executive Committee at Endesa
- 2007 Chief Financial Officer at Endesa
- 2008 Chairman and CEO at Isofotón
- 2008 - 2014 Member of the Executive Committee at BBVA  
Head of Strategy & Corporate Development
- 2014 – 2015 Member of the Executive Committee at BBVA  
Head of Digital Banking

He was appointed CEO of BBVA on 4th May 2015