

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 appointment of Mr. James Andrew Stott as independent 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 of shareholders 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 director appointed by the board need not be shareholder 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, if it refers to 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 director 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. James Andrew Stott as member of the Bank's Board of Directors, with the status of independent 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 proposal of the Appointments Committee, in accordance with the provisions laid down in Article 529 decies, sub-section 4 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 aforementioned, the competence, experience and merits of the proposed candidate, in the terms provided below:

Mr. James Andrew Stott is a graduate in Economics from the University of Cambridge.

His professional career has been developed in various sectors of the international finance field and has extensive expertise, both through his professional experience in banking institutions and in financial and risk consultancy, and has exercised his duties at the highest level in global organizations and resided in countries such as the United Kingdom, Spain and Singapore.

Throughout his professional career, Mr. James Andrew Stott held from 1977 to 1987 various positions of responsibility at Lloyds Bank International and Lloyds Merchant Bank in the United Kingdom and Spain.

In 1991 he was appointed partner of Price Waterhouse UK in the Financial Services Consulting Division, where he was responsible for strategic, financial and risk consultancy projects for leading international financial institutions.

He later joined the international consultancy firm Oliver Wyman Financial Services, where he worked from 1994 to 2010, holding positions of the highest responsibility and where he became partner of the firm and member of its Global Management Committee; he also held among other positions, the position of Head of financial services for Western Europe from 1994 to 2005 and of Head of Corporate Development for Asia-Pacific from 2005 to 2007.

He has also been a member of the Board of Directors of Barclays in Spain from 2011 to 2014 and Chairman of the Board's Risks and Audit Committee. He currently provides services as an independent consultant.

Therefore, Mr. Stott has extensive knowledge and professional experience in the financial and risks sector at global level and has held positions of the highest responsibility in national and international financial institutions.

Further information can be found in the attached *curriculum vitae* of Mr. James Andrew Stott.

As a consequence of the above and considering the proposal issued in this regard by the Appointments Committee, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. deems that Mr. James Andrew Stott has the competence, experience and merits required for the purpose of proposing his appointment as member of the Bank's Board of Directors, with the status of independent director, to the Company's Annual General Meeting for the statutory three-year term. This report is issued in accordance with the requirements provided by Article 529 decies, of the Corporate Enterprises Act.

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Mr. JAMES ANDREW STOTT

Born in Sale, United Kingdom, in 1953.

Married.

British nationality.

Graduate in Economics from the University of Cambridge.

Professional Career:

2011 – 2015 Chairman of the Innovation Board, Business Innovation Consulting Group.

2011 – 2015 Catenon S.A.
Independent director and member of the Audit Committee.

2011 – 2014 Barclays Bank España.
Independent director and Chairman of the Risks and Audit Committee.

1994 – 2010 Partner and General Manager, Oliver Wyman Financial Services.

Head of financial services for Western Europe and member of the Global Management Committee. London (1994-2005);

Head of Corporate Development for Asia-Pacific. Singapore (2005-2007);

Head of business development. Madrid (2007-2009).
Member of the global Advisory Board (2009-2010).

1987 – 1994 Partner at Price Waterhouse UK.
Head of Capital Markets and Financial Risk Management.

1977 - 1987 Lloyds Bank International and Lloyds Merchant Bank.

In 2009 he founded Hermes Partners, S.L., a consultancy and investment company, primarily for entrepreneurs and startups.