

Report submitted by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. for the purposes set forth in section 529 decies of the Corporate Enterprises Act in relation to the appointment of Mr. Sunir Kumar Kapoor 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 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. Sunir Kumar Kapoor 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. Sunir Kumar Kapoor graduated with honors in Physics from the University of Birmingham and earned a master's degree in Computer Systems from the Cranfield Institute of Technology.

His professional career has been linked from the outset to the technology and digital businesses sector and he has worked for leading companies and multinationals such as Honeywell, the European Space Agency and Novell.

Subsequently Mr. Kapoor held positions of the highest responsibility at some of the leading technology companies globally, such as Microsoft Corporation, where he was responsible for the company's businesses in Europe and Director Worldwide Business Strategy, and Oracle Corporation, where he was Vice President Strategy, Marketing & Planning and responsible for the development of products, sales and marketing at global level.

Worth mentioning also is his facet as entrepreneur in the technology sector, where he founded and developed some business initiatives and innovative companies such as E-Stamp Corporation, where he held the position of President & CEO; Tsola Incorporated of which he was the founder and CEO; Cassatt Corporation, where he was EVP and CMO, and UBmatrix, Inc., where he held the positions of President & CEO.

Since 2012 he works as an independent consultant collaborating with various initiatives and leading companies in different areas of the technology sector, such as cloud infrastructures, mobile devices and applications, data analysis and processing, and cybersecurity in both European and American companies such as Panda Security, GlobalLogic, Merrill Corporation, Avni Networks, Point Inside and Atlantic Bridge Ventures. This has enabled him to have direct, first-rate knowledge of the main advances and trends in technology worldwide.

Further information can be found in the attached curriculum vitae of Mr. Sunir Kumar Kapoor.

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. Sunir Kumar Kapoor 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 section 529 decies of the Corporate Enterprises Act.

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D. SUNIR KUMAR KAPOOR

Born in India.

Married.

US & European citizen.

BSc Physics, University of Birmingham and MSc Computer Systems, Cranfield Institute of Technology.

Professional Background:

2005 – 2011 UBmatrix Incorporated, President & CEO

2004 – 2005 Cassatt Corporation, EVP and CMO

2002 – 2004 Oracle Corporation
VP Collaboration Suite

1999 – 2001 Tsola Incorporated, Founder & CEO

1996 – 1999 E-Stamp Corporation, President & CEO

1994 – 1996 Oracle Corporation
VP Strategy, Marketing & Planning

1992 – 1994 Microsoft Corporation
Director Worldwide Business Strategy

1990 – 1992 Microsoft Europe
Manager Enterprise Business EMEA

1988 – 1990 Novell, Manager European Systems Group

1986 – 1988 European Space Agency, Systems Design Engineer

1985 – 1986 Honeywell, Software Development & Support Engineer

Currently Mr. Kapoor is an independent advisor to several technology companies: Atlantic Bridge Ventures, Panda Security, Avni Networks, Merrill Corporation, Point Inside, GlobalLogic, Industrial Knowledge, and Agnity Global.