

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 Tomás Alfaro Drake as independent director, submitted to the Annual General Meeting of March 2017.

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, 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 Tomás Alfaro Drake as a member of the Board of Directors of the Bank, with the status of independent director, to be submitted to the BBVA Ordinary General Shareholders' Meeting.

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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 4 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:

Tomás Alfaro Drake is graduated in Engineering from Universidad Pontificia Comillas (ICAI) and Master in Economics and Business Management (MBA) from IESE.

During his career he has held responsible positions in major industrial companies. He has also advised, as a consultant, companies in the financial, industrial, distribution and services sectors, and in finance and marketing matters.

Between 1973 and 1977 he held various positions of responsibility at Dimetal, S.A., becoming Sales and Marketing Manager of the Industrial Automation Division and from 1979 to 1981 he was Product Manager at Johnson Wax Española, S.A.

In the academic field, he emphasizes his work in the Instituto de Empresa, developed between 1981 and 1998, as Director of the Marketing Area, Director of the Master Program in Commercial Management and Marketing and Academic Director, as well as his work at the Francisco de Vitoria University, with emphasis on the positions held as Director of the Business Management and Administration Bachelor's, Director of the Degree in Management and Administration, Director of the Degree in Marketing, Director of the Diploma in Business Sciences and Director of Internal Development, last position that he still occupies.

Likewise, Mr. Alfaro is the Chairman of the Appointments Committee of BBVA since March 2010; member of the Audit and Compliance Committee, since April 2006; and

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member of the Technology and Cybersecurity Committee since March 2016. Moreover, he has been member of the Remuneration Committee of BBVA until March 2016.

Further information can be found in the attached curriculum vitae of Tomás Alfaro Drake.

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 Tomás Alfaro Drake has the competence, experience and merits required for the purpose of proposing his re-election as a member of the Board of Directors of the Bank, with the status of independent 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. Tomás Alfaro Drake

Director

Born in Madrid in 1951

Married

Spanish nationality

Studied Engineering at ICAI

Master's degree in Economics and Business Management (MBA) from IESE

Professional Career:

1973 - 1975	DIMETAL, S.A. Systems Engineer
1975 - 1977	DIMETAL, S.A. Sales and Marketing Manager, Industrial Automation Division
1979 - 1981	JOHNSON WAX ESPAÑOLA, S.A. Product Manager
1981 - 2010	Instituto de Empresa Director of the Marketing Area Director of the Master Program in Commercial Management and Marketing Academic Director Professor of the Marketing Area
1981 - 1998	Consultant for finance and marketing at Spanish and multinational companies in different sectors, including finance, industry, distribution and services
1998 - 2012	Francisco de Vitoria University Director of the Business Management and Administration Bachelor's Director of the Degree in Business Management and Administration Director of the Degree in Marketing Director of the Diploma in Business Sciences Professor of the Finance Area
2012	Francisco de Vitoria University Director of Internal Development Professor of the Finance Area

Mr. Alfaro was appointed to a BBVA directorship on 18th March 2006 and he is the Chairman of the Appointments Committee and member of the Audit and Compliance Committee and of the Technology and Cybersecurity Committee of BBVA.