

Appointments Committee Report to the Board of Directors

**Re-election of Carlos Torres Vila as an
executive director**

Introduction

Article 529 of the Spanish Corporate Enterprises Act stipulates that proposals for the appointment and re-election of members of the Board of Directors must be accompanied by a supporting report from the Board of Directors assessing the skills, experience and merits of the proposed candidate.

In addition, 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**") stipulate that one of the functions of the Appointments Committee is to inform the Board of Directors of proposals for the appointment, re-election or removal of directors who are not independent directors. The Appointments Committee must assess the balance of knowledge, skills and experience that the Bank's corporate bodies may require at any given time, in addition to the conditions that candidates must fulfil and the time commitment required to adequately perform the role in accordance with the needs that the Bank's corporate bodies may have at any given time.

Structure, size and composition of the Board of Directors

The Appointments Committee has analysed the current composition of the Bank's Board of Directors, as well as the need for its members to have diverse knowledge, skills and experience to enable them to perform their roles adequately, with directors having extensive training and experience, both nationally and internationally, in areas such as banking and finance, accounting and risk, the law, academics, business and new technologies.

In the framework of this diversity of knowledge, skills and experience, members of the Board include executive directors, whose presence, along with an adequate balance among the different kinds of directors which implies that non-executive directors represent an ample majority over executive directors, with the purpose to have at least 50% of independent

directors on the Board, aids the proper operation of the Board and facilitates the progressive renewal of the Bank's corporate bodies.

Furthermore, the Committee has assessed the conditions required to hold the position of BBVA director—including those attached to the role of director, training and professional experience, in the terms described below—and the time commitment required, ensuring that directors always fulfil the suitability and independence requirements.

In accordance with the abovementioned requirements and taking into account its analysis of the Board's structure, size and composition, the Appointments Committee has agreed to submit to the Board of Directors this report on the proposal to re-elect Carlos Torres Vila as a member of BBVA's Board of Directors in the role of executive director (hereinafter, the "**Report**").

Director category

Carlos Torres Vila was co-opted as a director of BBVA on 4 May 2015 (this appointment was later ratified by the General Shareholders' Meeting held on 11 March 2016). Since joining the Bank's Board of Directors, he has been an executive director, fulfilling the role of Chief Executive Officer until 20 December 2018, when he was appointed as Executive Chairman.

Knowledge, skills and experience

Carlos Torres Vila holds a Bachelor's degree in Electrical Engineering and Business Administration from the Massachusetts Institute of Technology (MIT), as well as a Bachelor's degree in Law from UNED (*Universidad Nacional de Educación a Distancia* — Spanish National Distance Education University) and a Master's degree in Management from the MIT Sloan School of Management.

During his professional career, he has held positions of the highest responsibility at various prestigious multinational companies such as McKinsey & Company, Endesa and BBVA,

occupying top-level positions of responsibility managing and defining corporate strategy, as detailed in his CV (attached as an **Appendix** to this Report).

During his career at BBVA, Mr. Torres Vila successfully held the positions of Head of Strategy and Corporate Development and Head of Digital Banking from 2008 to 2015, and also formed part of the Bank's Management Committee.

From May 2015 to December 2018, Mr. Torres Vila also successfully and satisfactorily held the position of Chief Executive Officer of the Bank, with direct responsibility for the day-to-day management of the Group's business activities, reporting directly to the Board of Directors and its Chairman.

Lastly, on 20 December 2018, in application of the succession plan for the Executive Chairman approved by the Board of Directors, the Board appointed Mr. Torres Vila as Group Executive Chairman and Chairman of the Executive Committee.

In his role as Chief Executive Officer, Mr. Torres Vila maintained an ongoing relationship with the Bank's corporate bodies, both as a member of the Board of Directors and the Executive Committee, and in his position as Chief Executive Officer. This relationship enables the corporate bodies to have the necessary information to assess his knowledge of the financial sector and banking business, his strategic vision, his management and execution skills, and his understanding of supervisory and control systems, all within the context of a complex multinational financial institution that operates globally, such as BBVA.

The Appointments Committee favourably values Mr. Torres Vila's proven experience in the banking sector and in the Spanish and international financial markets, as well as his knowledge of the economic environment in which this activity takes place, including its legal requirements and regulatory framework.

Similarly, it is valued Mr. Torres Vila's knowledge and experience in the field of the technology applied to banking and financial activity, his understanding of current technological disruption and its impact on the banking sector and on the definition and implementation of a technological transformation process like the one developed and implemented by Mr. Torres Vila throughout

his career at the Bank, in which he played a key role in designing, defining and implementing the Group's technological strategy and its digital transformation process. Mr. Torres Vila has maintained a close relationship with the Bank's corporate bodies in relation to these areas, both as CEO and as Chairman of the Technology and Cybersecurity Committee.

It is also valued his knowledge of other key aspects of the finance sector, such as financial and non-financial risk management, and the accounting and interpretation of financial information for a group as complex as BBVA to identify key issues for adopting adequate management measures.

Likewise, it is also valued Mr. Torres Vila's ability to assess the efficacy of the control procedures in an organisation as complex as BBVA Group, ensuring effective governance, supervision and controls, which greatly facilitates the supervision and control functions associated with the position of Chairman of the Bank.

In addition to the above, Carlos Torres Vila drove the definition and implementation of corporate values at BBVA, as an essential part of the project to implement the Group strategy. He developed several management measures that helped to promote knowledge of these values throughout the Group at international level, alongside internal awareness of the importance of corporate culture.

Likewise, the Appointments Committee is of the view that Mr. Torres Vila has demonstrated loyalty and institutional sense when representing the Bank to investors, supervisors and the international financial community.

Finally, the Committee is of the opinion that, in his duties at BBVA Group, Mr. Torres Vila has also demonstrated the ability to lead teams and organisations, motivate teams and ensure that the Group has the professional profiles needed to carry out the strategy defined by the management body.

Taking into account all of the foregoing, the Appointments Committee issues a positive assessment of Mr. Torres Vila's proven knowledge and experience for the position that he currently holds on the Board of Directors.

Suitability

Carlos Torres Vila has been registered with the Registry of Senior Banking Officers of the Bank of Spain since 2009, when he was appointed as a member of the BBVA Group Management Committee. Since then, he has also held director and senior management positions at BBVA Group, as previously indicated.

BBVA's Board of Directors has continuously verified his suitability for his respective duties by applying the requirements set out in the current legislation, consistently confirming that Mr. Torres Vila meets the requirements of business and professional reputation, and has the appropriate knowledge, skills and experience to carry out his duties and ensure the proper governance of the Bank.

In addition, as part of the succession plan for the Bank's Executive Chairman, which was approved by the Board of Directors in September 2018, and in view of the envisaged appointment of Carlos Torres Vila as Executive Chairman once the then-Executive Chairman Francisco González Rodríguez ceased to hold such position, the Appointments Committee assessed the suitability of Mr. Torres Vila to be appointed as Executive Chairman, in light of the requirements set out in the regulation and in the Regulations of the Board of Directors, and subsequently concluded that Mr. Torres Vila did indeed meet the suitability requirements to take on the role of Executive Chairman of BBVA.

In addition, and in accordance with Article 29 of Royal Decree 84/2015, implementing Act 10/2014, BBVA submitted the appointment of Carlos Torres Vila as the new Executive Chairman to the Supervisor of the European Central Bank for the purposes of assessing his suitability.

After analysing Mr. Torres Vila's knowledge, skills and experience, business and professional reputation, and ability to ensure the proper governance and suitability of the Board, the Supervisor notified the Bank of its positive evaluation of Mr. Torres Vila's suitability for the post of Executive Chairman of the Bank in December 2018.

Finally, when making the re-election that is the subject of this Report, the Appointments Committee has reviewed Mr. Torres Vila's fulfilment of the suitability requirements, concluding that Mr. Torres Vila meets the suitability conditions required to hold the position.

Conclusions of the Appointments Committee

As a result of the above, the Appointments Committee is of the view that Carlos Torres Vila meets the suitability criteria and has the knowledge, skills and experience required to carry out the role of member of the Board of Directors. The Committee has therefore agreed to submit its favourable report to the Board, in order to propose to the Bank's Ordinary General Shareholders' Meeting that he be re-elected as a member of the Board of Directors, in the category of an executive director, for the statutory period of three years.

Board of Directors Report

Re-election of Carlos Torres Vila as an executive director

Introduction

In accordance with Article 3 of the Regulations of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, "**BBVA**" or the "**Bank**"), and in compliance with Article 529 *decies* of the Spanish Corporate Enterprises Act, the Board of Directors is responsible for proposing the re-election of members of the Bank's Board of Directors who are not categorised as independent directors, following a report from the Appointments Committee.

The abovementioned article of BBVA's Regulations of the Board of Directors, in compliance with the Spanish Corporate Enterprises Act, also states that proposals must always be accompanied by a supporting report from the Board of Directors assessing the skills, experience and merits of the proposed candidate, which will be attached to the minutes of the General Shareholders' Meeting or of the Board of Directors meeting.

In order to comply with the above, the Bank's Board of Directors has prepared this report, which accompanies the proposal to re-elect Carlos Torres Vila as a member of the Bank's Board of Directors as an executive director, submitted to BBVA's Ordinary General Shareholders' Meeting (hereinafter, the "**Report**").

Appointments Committee Report

In order to create this Report, the Board of Directors has assessed the report of BBVA's Appointments Committee in accordance with Article 529 *decies* 6 of the Spanish Corporate Enterprises Act and Articles 3 and 33 of the Bank's Regulations of the Board, after having analysed the current composition of the Board and its needs, as well as the requirement for its members to have the diversity of knowledge, skills and experience needed to facilitate its proper operation. To this end, its directors must have extensive training and experience, both nationally and internationally, in areas such as banking and finance, accounting and risks, law, academics, business and new technologies.

In the framework of this diversity of knowledge, skills and experience, the Committee considers that the presence of executive directors on the Board of Directors aids its proper operation and

facilitates the progressive renewal of the Bank's corporate bodies. This considering a suitable balance between the different categories of directors, so that non-executive directors represent an ample majority compared to executive directors, and independent directors make up at least 50% of its members.

Furthermore, the Committee has assessed the conditions required to hold the position of BBVA director—including those attached to the role of director, training and professional experience—and the time commitment required, ensuring that directors always fulfil the suitability and independence requirements.

In this regard, the Committee has confirmed that, as part of the succession plan for the Bank's Executive Chairman, which was approved by the Board of Directors in September 2018, and in view of the envisaged appointment of Carlos Torres Vila to occupy such position once the then-Executive Chairman ceased to hold it, the Appointments Committee assessed the suitability of Carlos Torres Vila to be appointed as Executive Chairman, and it concluded that Mr Torres did meet the suitability requirements to take on this role.

In addition, and in accordance with the provisions of Article 29 of Royal Decree 84/2015, implementing Act 10/2014, the Committee also confirmed that BBVA had submitted the appointment of Carlos Torres Vila as the new Executive Chairman for his suitability to be evaluated by the Supervisor, the European Central Bank, and that, after analysing Mr Torres Vila's knowledge, skills and experience, business and professional reputation, and ability to ensure the proper governance and the suitability of the Board, the Supervisor notified the Bank of its positive evaluation of Mr Torres Vila's suitability for the post of Executive Chairman of the Bank in December 2018.

In accordance with the above, and considering the current requirements of BBVA's corporate bodies; the structure, size and composition of the Board; and the Board of Directors' selection, appointment, renewal and diversity policy, the Appointments Committee is of the view that Carlos Torres Vila meets the suitability criteria and has the knowledge, skills and experience required to carry out the role of member of the Board of Directors, as stated in the Committee's report, which has been made available to the Board of Directors.

Skills, experience and merits

Carlos Torres Vila holds a Bachelor's degree in Electrical Engineering and Business Administration from the Massachusetts Institute of Technology (MIT), as well as a Bachelor's degree in Law from UNED (*Universidad Nacional de Educación a Distancia* — Spanish National Distance Education University) and a Master's degree in Management from the MIT Sloan School of Management.

During his professional career, he has held positions of the highest responsibility at various prestigious multinational companies such as McKinsey & Company, Endesa and BBVA, occupying top-level positions of responsibility managing and defining corporate strategy, as detailed in his CV (attached as an **Appendix** to this Report).

During his career at BBVA, Mr. Torres Vila successfully held the positions of Head of Strategy and Corporate Development and Head of Digital Banking from 2008 to 2015, and also formed part of the Bank's Management Committee.

From May 2015 to December 2018, Mr. Torres Vila also successfully and satisfactorily held the position of Chief Executive Officer of the Bank, with direct responsibility for the day-to-day management of the Group's business activities, reporting directly to the Board of Directors and its Chairman.

Lastly, on 20 December 2018, in application of the succession plan for the Executive Chairman approved by the Board of Directors, the Board appointed Mr. Torres Vila as Group Executive Chairman and Chairman of the Executive Committee.

In his role as Chief Executive Officer, Mr. Torres Vila maintained an ongoing relationship with the Bank's corporate bodies, both as a member of the Board of Directors and the Executive Committee, and in his position as Chief Executive Officer. This relationship enables the corporate bodies to have the necessary information to assess his knowledge of the financial sector and banking business, his strategic vision, his management and execution skills, and his understanding of supervisory and control systems, all within the context of a complex multinational financial institution that operates globally, such as BBVA.

The Board of Directors values Mr Torres Vila's proven experience in the banking sector and in the Spanish and international financial markets, as well as his knowledge of the economic environment in which this activity takes place, including its legal requirements and regulatory framework.

Similarly, it is valued Mr. Torres Vila's knowledge and experience in the field of the technology applied to banking and financial activity, his understanding of current technological disruption and its impact on the banking sector and on the definition and implementation of a technological transformation process like the one developed and implemented by Mr. Torres Vila throughout his career at the Bank, in which he played a key role in designing, defining and implementing the Group's technological strategy and its digital transformation process. Mr. Torres Vila has maintained a close relationship with the Bank's corporate bodies in relation to these areas, both as CEO and as Chairman of the Technology and Cybersecurity Committee.

It is also valued his knowledge of other key aspects of the finance sector, such as financial and non-financial risk management, and the accounting and interpretation of financial information for a group as complex as BBVA to identify key issues for adopting adequate management measures.

Likewise, it is also valued Mr. Torres Vila's ability to assess the efficacy of the control procedures in an organisation as complex as BBVA Group, ensuring effective governance, supervision and controls, which greatly facilitates the supervision and control functions associated with the position of Chairman of the Bank.

In addition to the above, Carlos Torres Vila drove the definition and implementation of corporate values at BBVA, as an essential part of the project to implement the Group strategy. He developed several management measures that helped to promote knowledge of these values throughout the Group at international level, alongside internal awareness of the importance of corporate culture.

Likewise, it is considered that Mr. Torres Vila has demonstrated loyalty and institutional sense when representing the Bank to investors, supervisors and the international financial community.

Finally, the Board is of the opinion that, in his duties at BBVA Group, Mr. Torres Vila has also demonstrated the ability to lead teams and organisations, motivate teams and ensure that the

Group has the professional profiles needed to carry out the strategy defined by the management body.

Conclusion

As a result of the above and considering the report issued for this purpose by the Bank's Appointments Committee, the Board of Directors believes that Carlos Torres Vila has the necessary skills, experience and merits to propose his re-election to the Bank's Ordinary General Shareholders' Meeting as a member of the Board of Directors, as an executive director, for the statutory period of three years.

Mr. Carlos Torres Vila

Chairman

Born in Salamanca in 1966
Spanish

BS in Electrical Engineering and BS in Management Science from the Massachusetts Institute of Technology (MIT).

MS in Management from the MIT Sloan School of Management.

Graduated in Law from UNED.

Professional Background:

1990 – 2002 McKinsey & Company (elected partner in 1997)

2002 – 2007 Director of Corporate Strategy and Member of the Executive Committee of Endesa

2007 Chief Financial Officer of Endesa

2008 Executive Chairman of Isofotón

2008 - 2014 Member of the Management Committee of BBVA
Head of Corporate Development & Strategy

2014 – 2015 Member of the Management Committee of BBVA
Head of Digital Banking

2015 – 2018 CEO of BBVA, member of the Executive Committee and Chairman of the Technology and Cybersecurity Committee

He was appointed Chairman of the Board of Directors and of the Executive Committee of BBVA on 20 December 2018.