

# Board of Directors Report

## Re-appointment of José Miguel Andrés Torrecillas as independent 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 the provisions of article 529 decies of the Corporate Enterprises Act, the Appointments Committee is responsible for proposing re-appointments of members of the Bank's Board of Directors with the category of independent directors.

Also, Article 3 of the Regulations of the Board of Directors, in compliance with the Corporate Enterprises Act, also states that the proposal by the Appointments Committee must be accompanied by a report explaining the grounds on which the Board of Directors has assessed the competence, experience and merits of the candidate proposed, which will be attached to the minutes of the General Shareholders' Meeting or of the Board of Directors' meeting.

To comply with this, the Board of Directors of the Bank has prepared the present report, which accompanies the proposed re-appointment of José Miguel Andrés Torrecillas as a member of the Board of Directors of the Bank with the category of independent director to be submitted to the Ordinary General Shareholders' Meeting of BBVA (hereinafter, the “**Report**”).

## Appointments Committee Report

To prepare the Report, the Board of Directors evaluated the proposal by the Appointments Committee of BBVA in accordance with point 4 of article 529 decies of the Corporate Enterprises Act and articles 3 and 33 of the Regulations of the Board of Directors of the Bank after analyzing the Board's current composition and needs, as well as the need for its members to have a diversity of knowledge, skills and experience to enable them to discharge their functions adequately, with directors having extensive national and international training and experience, in areas such as banking and finance, accounting and risk, as well as legal, academic, business and new technologies.

Also, the Appointments Committee, in the discharge of its duties and as part of the ongoing Board rotation process, assesses the objectives laid down in BBVA's Board of Directors

selection, appointment, rotation and diversity policy, which include that of ensuring a balance between the different categories of Board members and that non-executive directors represent an ample majority over executive directors, and that the number of independent directors accounts for, at least, 50% of the total Board.

The Committee also believes that independent directors help contribute to a suitable composition of the Board Committees, in particular those which assist the Board of Directors in its oversight and control duties, which must have a significant representation of independent directors, amongst whom the Chairs of these Committees must be appointed.

Furthermore, the Committee has assessed the conditions needed to hold the post of director of BBVA including the conditions attached to the status of Board member, education, professional experience and suitability; also assessing the time dedication required for holding the position and taking care that, in any case, the directors have the requisite suitability and independence requirements.

Accordingly, based on the current needs of BBVA's corporate bodies, the structure, size and composition of the Board, and the Board of Directors selection, appointment, rotation and diversity policy, the Appointments Committee has considered that José Miguel Andrés Torrecillas has the appropriate knowledge, skills and experience to hold the position of member of the Board of Directors, and meets the suitability requirements for this position, and thus the Committee agreed to propose to the Board, so that the Board, in turn, may propose to the General Meeting, the re-appointment of José Miguel Andrés Torrecillas as independent director of the Bank.

## Competence, experience and merits

To issue this Report, the Board of Directors evaluated, as provided for in the aforementioned regulations, the competence, experience and merit, as well as the knowledge, of the proposed candidate in the following terms:

José Miguel Andrés Torrecillas has a Degree in Economic and Business Science from the Madrid Complutense University and has completed post-graduate management courses given by IESE (2008), Harvard (1996) and IMD (1994).

Most of Mr. Andrés' career has been at the renowned global auditing firm Ernst&Young where he was a partner since 1987. He has held a number of senior offices, including Director of the Banking Group of the firm from 1989 to 2004, and Chairman of Ernst&Young Spain from 2004 to 2014.

He has been a Member of the Official Registry of Auditors (ROAC); of the Registry of Economic Auditors (REA); of the Governing Board of the Spanish Institute of Financial Analysts; of the Empresa y Sociedad Foundation; of the Spanish Institute of Chartered Accountants; of the Advisory Board of the Institute of Internal Auditors; and of the Institute of Chartered Accountants in England & Wales (the ICAEW).

Mr. Andrés has been Lead Director at the Bank since March 31, 2016, and is currently Chair of the Audit and Compliance Committee and a member of the Appointments and Risk Committees of BBVA.

The Board also assessed other experience and positions held currently and previously by José Miguel Andrés Torrecillas as set out in the curriculum vitae attached to this Report.

## Conclusion

As a result of the above and considering the proposal submitted for this purpose by the Bank's Appointments Committee, the Board of Directors considers that José Miguel Andrés Torrecillas has the necessary competence, experience and merits to propose his re-appointment to the Ordinary General Shareholders' Meeting of the Bank as member of the Board of Directors with the category of independent director for the three-year term specified in the Company Bylaws. The Board of Directors hereby issues this Report in accordance with the requirements of article 529 decies of the Corporate Enterprises Act.

\* \* \*

## Mr. José Miguel Andrés Torrecillas

### Director

Born in Madrid in 1955

Widower

Spanish national

Graduate in Economic and Business Sciences from the Complutense University of Madrid

Postgraduate studies in Management Programmes at IESE, Harvard and IMD

### Professional Background:

1977 – 1987	External auditor
1987	Partner at Ernst & Young
1989 – 2004	Managing Partner of the Banking Group at Ernst & Young
2001 – 2004	General Managing Partner for Audit and Advisory Services at Ernst & Young Spain
2008 – 2013	Managing Director of the Audit and Advisory practices at Ernst & Young Italy and Portugal
2004 - 2014	Chairman of Ernst & Young Spain

He has been member of the Official Registry of Auditors (ROAC); of the Registry of Economic Auditors (REA); of the Governing Board of the Spanish Institute of Financial Analysts; of the Empresa y Sociedad Foundation; of the Spanish Institute of Chartered Accountants; of the Advisory Board of the Institute of Internal Auditors; and of the Institute of Chartered Accountants in England & Wales (the ICAEW).

He is currently member of the Board of Directors of Zardoya Otis, S.A.; of the Board of Deusto Business School (DBS); and of the Trustee of the SERES Foundation.

He was appointed Director of the BBVA on 13th March 2015 and Lead Independent Director on 31st March 2016. He is chairman of the Audit and Compliance Committee and member of the Appointments Committee and member of the Risk Committee of BBVA.