

Activity of the Board Committees in 2022

Activity of the Audit Committee

In accordance with **Article 48 of the Bylaws** and **Article 32 of the Regulations of the Board of Directors**, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter “**BBVA**”, the “**Bank**”, or the “**Entity**”), in order to better fulfil its functions, has set up an **Audit Committee** that assists the Board in **overseeing the preparation of the financial statements** and the disclosure of public information, the relationship with the **External Auditor** and those matters related to **Internal Audit**.

The Committee’s functions, terms of reference and composition are as set out in applicable legislation, in the Regulations of the Board of Directors and also in its own Regulations, approved by the Board of Directors and available on the Bank’s website (www.bbva.com), in the sub-section on Corporate Governance and Remuneration Policy under the broader Shareholders and Investors section.

In order to better perform its functions, the Audit Committee also takes into account existing best practices and recommendations on matters issued by both national and international bodies. Thus, in order to draw up this report, the recommendations established by the Spanish National Securities Market Commission (“**CNMV**”) Technical Guide 3/2017 on audit committees at public interest entities are taken into consideration.

Composition

In accordance with the Regulations of the Board of Directors, the Audit Committee will be exclusively composed of independent directors.

No changes were made to the composition of the Audit Committee in 2022. At year-end, the Audit Committee comprised the following directors, all of whom were independent directors:

Director	Role	Category	Date of appointment as a Committee member
Jaime Caruana Lacorte	Chair	Independent	29/04/2019
José Miguel Andrés Torrecillas	Member	Independent	04/05/2015
Belén Garijo López	Member	Independent	26/09/2012
Lourdes Máiz Carro	Member	Independent	04/05/2015
Ana Peralta Moreno	Member	Independent	27/06/2018

The Bank’s Audit Committee comprises directors with extensive experience and knowledge in accounting and auditing. As a whole, Committee members possess the relevant technical knowledge in the financial sector. The profiles of each Committee member, including information about their education and professional experience, can be found on the Bank’s website (www.bbva.com), under the Corporate Governance and Remuneration Policy section.

Functioning of the Committee

In accordance with Article 6 of its Regulations, the Audit Committee shall meet whenever called by its Chair, who is vested with powers to call the Committee and to set the agenda for its meetings, in accordance with the procedure set out for the calling of ordinary and extraordinary meetings. The

Committee will thus endeavor to establish an annual calendar of meetings, considering the amount of time to be devoted to various tasks.

The Committee performs its duties with full operational autonomy, and it is led by its Chair who, in order to promote a diversity of views that enriches the Committee's analyzes and proposals, ensures that all members participate freely in deliberations and promotes constructive dialogue among them, encouraging the free expression of their views.

The executives in charge of departments responsible for matters that fall within the Committee's remit may be called to the meetings. In particular, this applies to Accounting and Internal Auditing, which may also request the attendance of other individuals within the Group who have knowledge of, or responsibility for, the matters covered by the agenda, if and when their presence at the meeting is deemed appropriate.

The Committee may also call any other Group employee or manager, and even arrange for them to attend without the presence of any other manager. However, the attendance of persons otherwise unrelated to the Committee, such as managers and employees of the Bank, should be limited to those cases where their presence is necessary and to the items of the agenda for which they are called. In any event, the Committee will endeavor to hold private meetings with the head of the Internal Audit area and with the External Auditor's representatives, without the attendance of other persons and at appropriate intervals.

Furthermore, the Committee may engage external advisory services on any matters considered pertinent when it believes that these services cannot be properly provided by experts or technical staff within the Group on grounds of specialization or independence, and may solicit personal cooperation and reports from any employees or members of Senior Management if deemed necessary in order to comply with its functions in relevant matters.

The Audit Committee met on a total of 13 occasions over the course of the 2022 financial year, with all of its members participating in the meetings either in person or duly represented.

In 2022, senior executives from the areas responsible for the matters submitted for the Committee's consideration attended the Committee's meetings when necessary and when invited to do so. They only intervened on the points of the agenda for which they were invited, along with the external advisers that the Committee deemed necessary to engage in order to best perform its functions.

In addition, the Committee reported to the Board of Directors on the activity that took place at each of its meetings, through reports made available to Board members at the Board meetings held after each corresponding committee meeting.

Remit

The Committee's remit is set out in Article 5 of the Audit Committee Regulations. The Committee's main duties are summarized as follows:

- To report to the General Shareholders' Meeting on any issues that fall within the Committee's remit and, in particular, on the result of the audit, explaining how the audit has contributed to the integrity of the financial information and the role played by the Committee in this process.
- To oversee the process for drafting and reporting financial information and submit recommendations or proposals aimed at safeguarding its integrity to the Board of Directors.

- To analyze the financial statements of the Bank and of its consolidated Group, as contained in the annual, half-yearly and quarterly reports, as well as all other required financial and related non-financial information, before such information is submitted to the Board of Directors and in enough detail to guarantee its accuracy, reliability, sufficiency and clarity.
- To review the necessary consolidation perimeter, the correct application of accounting criteria and all the relevant changes relating to the accounting principles used and the presentation of the financial statements.
- To oversee the effectiveness of the Bank's internal control and risk management systems in the process of preparing and reporting financial information, including tax-related risks.
- With regard to the Internal Audit area: a) to propose the selection, appointment, re-election and removal of the Head of the Internal Audit area to the Board of Directors; b) to monitor the independence, effectiveness and functioning of the Internal Audit area; c) to analyze and establish targets for the Head of the Internal Audit area and evaluate their performance, presenting its proposal on both matters to the Remuneration Committee in order to ensure adherence to the remuneration model applicable to the Group's Senior Management at any given time, submitting these proposals to the Board of Directors; d) to ensure that the Internal Audit area has the necessary material and human resources to effectively perform its functions; and e) to analyze and, as the case may be, approve the annual work plan for the Internal Audit area, as well as any other occasional or specific plans that may need to be implemented due to regulatory changes or as required for the proper organization of the Group's business.
- To be aware of the audited units' degree of compliance with the corrective measures previously recommended by the Internal Audit area and inform the Board of those cases that may involve a significant risk for the Group.
- To submit any proposals for the selection, appointment, re-election and replacement of the External Auditor to the Board of Directors, taking responsibility for the selection process in accordance with applicable regulations, as well as for the engagement terms, and periodically obtain information from the external auditor on the external audit plan and its execution, in addition to preserving its independence in the performance of its functions.
- To establish appropriate relations with the statutory auditor in order to receive information on any matters that may jeopardize its independence and any other matters in connection with the auditing process, as well as those other communications provided for by law and in auditing standards.
- To issue, on an annual basis and before the audit report is issued, a report expressing an opinion on whether the statutory auditor's independence has been compromised.
- To verify, at appropriate intervals, that the external audit schedule is being carried out in accordance with the contract conditions and is thereby meeting the requirements of the competent official authorities and corporate bodies.
- To report on all matters within its remit as provided for by law, the Bylaws, the Regulations of the Board of Directors and the Audit Committee Regulations prior to any decisions that the General Shareholders' Meeting, the Board of Directors, of the Executive Committee may be required to adopt, and in particular on: financial information that the Company is required to disclose; economic conditions and the accounting impact of relevant corporate operations and structural modifications; the creation or acquisition of shares in special purpose entities or in entities

domiciled in tax havens or territories considered to be tax havens; and related-party transactions.

Activity of the Committee in the 2022 financial year

The main issues that were raised in relation to matters within the Committee's remit, as well as the Committee's main activities conducted over the course of the 2022 financial year, are listed below:

- **Financial and accounting information**

Pursuant to the duties set out in the Audit Committee Regulations, the Committee analyzed and supervised, prior to their presentation to the Board and with the necessary depth to ascertain their accuracy, reliability, sufficiency and clarity, the process of preparing and presentation the mandatory financial and related non-financial information on the Bank and its consolidated group, as contained in the annual, half-yearly and quarterly reports. In doing so, the Committee had access to all the information it considered necessary, and with the level of aggregation it deemed appropriate, and was able to rely on the support of the Group's Senior Management as and when needed, particularly the Accounting department, as well as the External Auditor of the Bank and its Group.

These financial reporting oversight functions were carried out through on a continuous basis throughout the year, during which the Committee monitored the monthly trend and performance of the key figures shown on the statement of financial position and the income statement, the quarterly and half-yearly financial reports, the closing results of each period and the process of preparing the corresponding financial information. In this task, it paid close attention to the accounting principles, policies, criteria and valuations applied and the changes therein, applicable accounting regulations and changes therein, and the ongoing situation regarding the Group's consolidation scope, analyzing also all such additional information as it considered appropriate for the best performance of its duties.

In addition, the Committee carried out special monitoring and constant monthly analysis of the main impacts, from an accounting viewpoint, on the businesses and on the balance sheet and income statement of the Bank and its Group.

Of particular note are the analysis and supervisory activities carried out by the Committee in 2022 in relation to the following key matters: (i) the application in Turkey of International Accounting Standard (IAS) 29 — Financial Reporting in Hyperinflationary Economies; (ii) the takeover bid launched for the part of the share capital that the Bank did not already own in Garanti BBVA; (iii) the BBVA share buyback program; (iv) the updating of the macroeconomic information for calculating expected credit risk losses, in accordance with IFRS 9; (v) the review of the model and related parameters (known as recalibration in accounting terms) for the calculation of provisions, as well as the management adjustments made to the provisions already recognized, due to the prevailing uncertainty during the year as regards the macroeconomic outlook; (vi) the analysis of evidence of impairment on goodwill recorded in the Group's accounts corresponding to the main cash-generating units (CGUs), in compliance with IAS 36; (vii) the valuation of the stake in Garanti BBVA in the accounts of BBVA S.A.; (viii) changes in accounting policies or criteria applicable to the Bank and its Group, among others.

Hence, prior to their drafting and/or approval by the Board of Directors, the Committee oversaw the preparation of the individual and consolidated annual financial statements for the financial

year, the half-yearly and quarterly financial statements, as well as other relevant financial information, including the CNMV Universal Registration Document, U.S. SEC Form 20-F of the Securities and Exchange Commission (SEC), and the Prudential Relevance Report, among others, submitting to the Board the corresponding reports and/or favorable opinions of the Committee on the financial information of the Bank and its Group.

Notably, that the Audit Committee has submitted a favorable opinion to the Board of Directors with regard to the annual financial statements of the Bank and the consolidated Group for 2022, which are to be laid before the shareholders at the Bank's 2023 Annual General Shareholders' Meeting. The Committee's opinion was that, with regard to content and form, the statements comply with applicable accounting requirements and have been drawn up in accordance with applicable accounting policies and criteria.

The Committee also expressed its favorable opinion on the contents of the Management Report for BBVA and for the BBVA Group, in that they provide an accurate analysis of the business performance and results of the Bank and its Group, along with a description of the main risks and uncertainties that they faced, as well as the non-financial information required under applicable law and regulations.

The Committee also monitored and expressed its agreement with the non-financial information required by the relevant legislation (specifically by Act 11/2018 of December 28), which is included in the Management Report of the Bank and its consolidated Group and includes the information needed to understand the Group's performance, results and position, and the impact that its activity had on environmental and social issues relating to employees, human rights and the fight against corruption and bribery, among other matters.

Thus, the Audit Committee proposed to the Bank's Board of Directors that it prepare BBVA's annual financial statements and management reports, both separate and consolidated, for the 2022 financial year, under the same terms as they are to be submitted at the Bank's 2023 Annual General Shareholders' Meeting, and that they be accompanied by the corresponding audit report issued by the External Auditor, Ernst & Young, S.L., (hereinafter "**EY**" or the "**External Auditor**") in which it expresses its favorable and unqualified opinion.

Furthermore, in accordance with the best practices and provisions of Article 5 of its Regulations, the Committee ensured that the External Auditor met with the Board of Directors to explain its audit opinion on the annual financial statements of BBVA and its Group for the 2022 financial year and on changes in the accounting, financial and risk position of the Bank and its Group.

- **Internal control systems**

As part of the process of supervising the Group's financial reporting, the Committee oversaw the sufficiency, suitability and effective functioning of the internal control systems established by the BBVA Group and the risk management systems for the process of preparing the financial information, including tax systems.

In this regard, the Committee supervised and was made aware of the various reports prepared, both in-house and by the Group's External Auditor, on the effectiveness of the internal control over financial reporting systems. The Committee holds a positive view of the External Auditor's conclusions, which found that the BBVA Group has a sound and reliable model of internal control over financial reporting, in accordance with the requirements stipulated by applicable regulations, thus ensuring that the financial information is prepared correctly and while following

the necessary procedures and related controls. The Committee therefore submitted to the Board of Directors the corresponding report, expressing its favorable opinion on the internal control systems established by the Group for the process of preparing the financial information.

- **Tax risks**

The Committee has continuously monitored the main issues relating to the Group's tax risks during the financial year, supervising tax strategy and management. This included, among other matters, real tax rate, total tax risk, the tax position on capital, as well as the main criteria used, the main decisions adopted and the impact on the Group's financial information.

- **Relations with the External Auditor**

Given that the external audit is one of the key elements in the chain of controls in place to ensure the quality and integrity of the financial information, the Audit Committee has built an appropriate relationship with EY, following the latter's appointment, by the 2022 Ordinary General Meeting, as the statutory auditor of the Bank and its Group for financial years 2022, 2023 and 2024. Thus, the heads of the External Auditor have provided the Audit Committee with direct information, at all the Committee meetings held in 2022, on its strategy and work plan, the degree of progress of its activity and its significant findings.

As regards the completion of audits, the Committee was informed of and analyzed, among other matters, the following:

- The progress of the work carried out by the External Auditor over the course of the financial year, including the planning of the audit of the annual financial statements of the Bank and its Group, of the half-yearly and quarterly financial statements, as well as other relevant financial information reviewed in the audit.
- Audit opinions and limited review reports issued on the Group's main financial information, as described in the section on financial and accounting information, for filing with the pertinent national and international supervisory bodies. A favorable and unqualified opinion was received from the External Auditor in all cases.
- Opinions on the Group's internal control system for the process of preparing financial information, including that required by the Sarbanes Oxley Act (SOX) in the United States, also issued with a favorable and unqualified opinion.

In addition, senior representatives from the External Auditor took part in all of the Committee's meetings held throughout the year, with permanent contact being established through the Committee Chair. Work meetings were also held to analyze certain specific issues related to the information reviewed in the audit and to facilitate the Bank's response to any potential incidents that may have arisen during the course of their work.

Similarly, the Committee ensured that internal procedures were put in place to avoid any situations that might threaten the independence and objectivity required of the External Auditor, insisting on the incompatibility of audit services with consulting services. It also ensured that the External Auditor had access to all of the information it needed to perform its work and that it received full cooperation from all of the Group's areas and departments.

In addition, the Committee verified the statements made by the External Auditor regarding its independence with regards to BBVA and its Group companies, and issued its report confirming the external auditor's independence, in accordance with applicable law and regulations. This report is attached to this report as an appendix, in accordance with good governance recommendations.

The Committee also analyzed the global fee proposal submitted by the External Auditor for services to be rendered in 2022, prior to it being submitted to the Board for scrutiny.

- **Internal Audit**

With regard to the functions carried out by the Group's Internal Audit area, on which the head of the area reports directly to the Audit Committee at all its monthly meetings, the Committee supervised compliance with, and progress toward, the Annual Internal Audit Plan for financial year 2022. It also approved, following the supervision work carried out, the Annual Work Plan for 2023.

When monitoring the activities of the Internal Audit department, the Committee was informed of and analyzed the results of the department's most relevant work, as well as any weaknesses and possibilities for improvement, the reports issued by the department and the recommendations made, as well as the specific action plans defined and implemented for their resolution, regularly monitoring those that were most relevant to the Bank and its Group.

Similarly, the Committee ensured that the Internal Audit area had the necessary material and human resources for effective performance of its duties, overseeing, for this purpose, the function's efficiency and operation, its established organizational measures, and its independence from other areas of the Bank.

With regard to the Strategic Plan established by the Internal Audit Area for the 2020–2024 period, the Committee was informed of and regularly monitored its progress during the financial year, analyzing the development of all projects established for each of the strategic priorities defined, as well as the new lines of work established by the Internal Audit area, in the review of its strategy, in order to achieve the objectives set out in the aforementioned Strategic Plan.

It also analyzed the proposal to update the Internal Audit Charter, prior to its submission to the Board of Directors for consideration, and ratified the engagement of what are known as non-audit services, not included in the global proposal for the services of the External Auditor, and as previously approved by the Chair of the Committee. In doing so, the Committee analyzed their compliance with the relevant independence requirements under applicable law and regulations on statutory audits and the provisions of the Committee's own regulations.

Lastly, the Committee assessed the performance of the head of Internal Audit, based on the system of indicators and targets proposed by the Group's Talent & Culture area.

- **Corporate operations**

The Committee reviewed and issued a favorable report on the accounting considerations of significant corporate operations agreed during the financial year to the Board of Directors, in accordance with Article 5.16 of its Regulations, in relation to the Committee's function of hearing about any relevant corporate operations or structural changes that the Bank may be planning to carry out so that the Committee may analyze the matter and submit a preliminary report to the

Board of Directors on the economic conditions, accounting impact and, in particular, the proposed exchange ratio. To this end, it relied on the information and analysis from the Bank's executive areas and, where applicable, on the cooperation of any external experts whose assistance it considered appropriate.

- **Related-party transactions**

In accordance with Article 5.16 of its Regulations, prior to the decisions that, when applicable, are to be adopted by the General Shareholders' Meeting or the Board of Directors, one of the Audit Committee's functions is to report on any related-party transactions that BBVA, or the companies in its Group, may carry out with directors or shareholders who hold a significant shareholding, or with any other person who qualifies as a party related to the Bank in accordance with applicable law and regulations.

In 2022, the Audit Committee oversaw the procedure for the delegation of related-party transactions agreed by the Board, as it is authorized to do under the Corporate Enterprises Act, in order to verify the fairness and transparency of the transactions and the compliance with the legal criteria applicable to the delegation of such transactions.

Annual assessment

All of the above issues, along with other matters within its remit, were included in the Committee's activity report for the 2022 financial year, which, along with the quarterly reports by the Chair of the Audit Committee on the Board during the financial year and the monthly activity reports of the Committee made available to directors, has provided the Board with sufficient information regarding the activities carried out by the Committee and allowed the Board to assess its functioning.

In addition, the Audit Committee, at its meeting of January 30, 2023, analyzed the Committee's activity report for the 2022 financial year, which, in compliance with the provisions of the Regulations of the Board of Directors, the Audit Committee presented to the Board of Directors at its meeting on January 31, 2023 for the purpose of assessing its functioning. Following analysis of the aforementioned report, the Board of Directors assessed the quality of the work performed by the Committee, in compliance with its attributed functions, giving a favorable assessment of the quality and efficiency of its functioning.

ANNEX

REPORT OF THE AUDIT COMMITTEE ON THE INDEPENDENCE OF ERNST & YOUNG, S.L. AS EXTERNAL AUDITOR

INTRODUCTION

In accordance with Article 529 *quaterdecies* 4 f) of Royal Legislative Decree 1/2010 of July 2, approving the consolidated text of the Corporate Enterprises Act (hereinafter the “**Corporate Enterprises Act**”), and Article 5.11 of the Audit Committee Regulations of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter “**BBVA**” or the “**Bank**”), the Audit Committee now issues this report—prior to publication of the audit report on the annual financial statements for the 2022 financial year—on the independence of the statutory auditor of BBVA and its Group, Ernst & Young, S.L. (hereinafter “**EY**” or the “**External Auditor**”).

ANALYSIS OF THE INDEPENDENCE OF THE EXTERNAL AUDITOR

In accordance with the functions stipulated in Article 5 of the Audit Committee Regulations, the Audit Committee constantly monitors the process of preparing the financial statements of the Bank and its consolidated Group, in order to ensure their accuracy, reliability, sufficiency and clarity. It is assisted in this task by the Bank’s Senior Management and, particularly, by the area responsible for Accounting, as well as by the External Auditor.

To this end, the Audit Committee maintains the appropriate relationships with the External Auditor in order to receive information about any issues that may pose a threat to its independence and about any other matters relating to the audit work being carried out.

The Committee, therefore, maintains direct contact with those responsible for the External Auditor, who attend all of the Audit Committee’s meetings during the financial year, without the presence of the Bank’s Senior Managers.

The Committee has also monitored the independence of the External Auditor in two ways:

(i) By ensuring that the External Auditor’s warnings, opinions and recommendations cannot be compromised and that the External Auditor’s compensation for its work compromises neither its quality nor its independence, in compliance with auditing legislation.

(ii) By establishing incompatibility between the provision of audit and consulting services, unless it involves work required by supervisors or whose provision by the External Auditor is permitted by applicable legislation, and there are no alternatives on the market that are equal in terms of content, quality or efficiency to those provided by the External Auditor; in this case, approval by the Committee will be required, but this decision may be delegated in advance to its Chair.

With regard to the provisions of the aforementioned Article 529 *quaterdecies*.4 f) of the Corporate Enterprises Act, on February 8, 2023, BBVA’s Audit Committee received a written statement from EY, in its capacity as External Auditor of BBVA and its Group, prior to the issuance of the audit report on the annual financial statements of the Bank and its Group for the 2022 financial year, in which it confirmed its independence from BBVA and the entities directly or indirectly related to the Bank, in accordance with the requirements set out in applicable regulations governing audit activities and, more precisely, in compliance with Spanish Law 22/2015, of July 20, on statutory auditing.

This English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish original will prevail.

Therefore, in view of this and the absence of any additional information casting doubt on the statement of independence made by the auditors, the Audit Committee concludes that there are no objective reasons to question the confirmation of independence made by EY.

Furthermore, in relation to the additional services provided by the External Auditor over the course of the 2022 financial year, the Committee states that these services are those described in the independence statement issued by EY on February 8, 2023, for the amount and in accordance with the breakdown mentioned therein, and that the External Auditor has not provided any additional services to the BBVA Group other than those contained in said independence statement, as verified in the corresponding report issued by the Group's Internal Audit area and sent to the Audit Committee.

CONCLUSION

Pursuant to the foregoing and in compliance with Article 5 of the Audit Committee Regulations, the Committee expresses its favorable opinion of the independence of the External Auditor, having deemed, in this regard, that the additional services provided by the External Auditor during the 2022 financial year, considered individually and as a whole, as derived from the analyses conducted by both the External Auditor and the Group's Internal Audit area, are in accordance with the requirements established in applicable auditing laws.

Activity of the Risk and Compliance Committee

In accordance with article 48 of the Bylaws and article 35 of the Regulations of the Board of Directors, BBVA's Board, in order to best perform its functions, has set up a Risk and Compliance Committee to **assist it in its functions regarding decision-making, monitoring, oversight and control of risks, internal control, risk and compliance culture, and supervisory communications**, in order to have a holistic and comprehensive view of all risks at BBVA Group.

In addition to the provisions set out in the legislation and in the Regulations of the Board of Directors, the Committee's functions, operation rules and composition are set forth in its own Regulations, approved by the Board of Directors and available on the Bank's corporate website (www.bbva.com).

Composition

The Regulations of the Risk and Compliance Committee stipulate that the Committee will consist exclusively of non-executive directors, a majority of whom will be independent directors, including the Chair.

At the end of 2022, the Risk and Compliance Committee was comprised of the following directors:

Director	Role	Status	Date of appointment as a member of the Committee
Juan Pi Llorens	Chair	Independent	27/07/2011
Jaime Félix Caruana Lacorte	Member	Independent	27/06/2018
Raúl Galamba de Oliveira	Member	Independent	29/04/2020
Ana Revenga Shanklin	Member	Independent	29/04/2020
Susana Rodríguez Vidarte	Member	External	25/06/2014

The members of the Committee are appointed by the Board of Directors and possess the appropriate knowledge, skills and experience to understand and control the Institution's risk strategy. The profiles of each member of the Committee, including information regarding their knowledge and experience, is available on the Bank's corporate website (www.bbva.com).

Operation

In accordance with the Regulations of the Board of Directors and its own Regulations, the Risk and Compliance Committee meets whenever convened by its Chair, who is empowered to call the Committee and to set the agenda for its meetings, in accordance with the proceedings set forth for the calling of ordinary and extraordinary meetings. The Committee has established an annual calendar of meetings, taking into account the amount of time to be devoted to the different functions.

The Committee performs its duties with full operational autonomy, and it is led by its Chair who, in order to promote a diversity of views that enriches the Committee's analyses and proposals, ensures that all members participate freely in deliberations and promotes constructive dialogue amongst them, encouraging the free expression of their views.

Executives responsible for the areas that manage matters within the Committee's remit may be called to the meetings, in particular, the Regulation & Internal Control area and the Risks area, and, at the request thereof, those persons within the Group who have knowledge of or responsibility for the matters covered by the agenda, when their presence at the meeting is deemed convenient.

The Committee may also call any other Group employee or manager, and even arrange for them to attend without the presence of any other manager. Notwithstanding the foregoing, it is sought to ensure that the presence of persons outside the Committee during these meetings be limited to those cases where it is necessary and to the items of the agenda for which they are called.

The Committee may also engage external advisory services for relevant issues when it considers that these cannot be provided by experts or technical staff within the Group on grounds of specialisation or independence; and may solicit personal cooperation and reports from any employee or member of the Senior Management if deemed necessary in order to comply with its functions in relevant matters.

In the performance of its functions, the Committee has the full cooperation of the Bank's executive and support areas at all times, in addition to the support of the Technical Risk Secretariat, which is integrated into the Risk Internal Control Unit, which, in turn, is a part of the Regulation & Internal Control Area and oversees and coordinates the information on financial risks made available to the Committee from the various areas of the Bank.

During the 2022 financial year, the Risk and Compliance Committee met on 22 occasions, and every Committee member attended all of the meetings held.

Likewise, the managers of areas and units responsible for the matters covered also participated in these meetings. In particular, the Committee has received monthly reports from the Head of the Risk Area (Global Risk Management) and from the Head of the Regulation & Internal Control Area.

In addition, the Committee has also received reports from the heads of the different types of financial risks, the risk managers for the Group's main business and geographical areas, and the heads of the Non-Financial Risks, Risk Internal Control and Compliance units at corporate level, depending on the issues covered at each meeting, as well as those employees or service providers when their presence at the meeting is deemed convenient.

In turn, the Committee reports regularly (at least quarterly, by its Chair) to the Board of Directors on the activities undertaken and resolutions adopted by the Committee.

Functions

The main functions of the Risk and Compliance Committee are set out in article 35 of the Regulations of the Board of Directors and article 5 of the Regulations of the Risk and Compliance Committee, respectively.

With particular regard to Risks, the Committee has the following functions:

- To analyse, based on the strategic bases set out at any time by both the Board of Directors and the Executive Committee, and submit proposals to the Board on the Group's risk strategy, control and management, including the Risk Appetite Framework, the capital adequacy assessment process (ICAAP) and the liquidity adequacy assessment process (ILAAP).

- To address risk management and control policies for the Group's various risks, financial risks and non-financial risks.
- To monitor the evolution of the Group's risks and their degree of compatibility with established strategies and policies as well as with the Risk Appetite Framework.
- To verify that the Group has the means, systems, structures and resources needed to implement its risk management strategy.
- To participate in the process of establishing the remuneration policy, ascertaining that it is consistent with adequate and effective risk management.
- To analyse risks associated with the Group's strategic projects or with corporate transactions, as well as any risk transaction, that will be submitted to the Board of Directors or, where appropriate, the Executive Committee for consideration.
- To examine whether the prices of assets and liabilities offered to customers fully take into account the Bank's business model and risk strategy.
- To ensure the promotion of risk culture across the Group.

In the area of Regulation & Internal Control, it has the following functions:

- Supervise the effectiveness of the Regulation & Internal Control function (under whose direction the areas of Supervisors, Regulation and Compliance are included, as well as Risk Internal Control and Non-Financial Risk).
- Ensure compliance with applicable national and international regulations on matters related to money laundering, conduct on the securities markets, data protection and the scope of Group activities with respect to competition, and ensure that any requests for action or information made by official authorities on these matters are dealt with in due time and in an appropriate manner.
- Obtain information on all violations of internal or external regulations and any significant events detected by the areas reporting to it during its monitoring and control operations. The Committee shall also be notified about significant issues relating to legal risks that may arise during the Group's operations.
- Supervise the Group's criminal risk prevention model.
- Examine draft codes of ethics and conduct and their respective modifications prepared by the corresponding area of the Group, and give its opinion in advance of the proposals to be made to the corporate bodies.
- Review and supervise the systems under which Group professionals may confidentially report any irregularities in terms of financial information or other matters.
- Have knowledge of the reports, submissions or communications from external supervisory bodies, and confirm that the instructions, requirements and recommendations received from the supervisory bodies are implemented in due time and in an appropriate manner in order to correct any irregularities, deficiencies or inadequacies detected in the inspections performed by them.

In addition, the Committee reports, prior to any decisions that may have to be adopted by the Board of Directors, on all matters within its remit as provided for in the law, the Bylaws, the Regulations of the Board of Directors and the Regulations of the Committee.

Activity of the Committee in 2022

The main activities carried out by the Risk and Compliance Committee throughout the 2022 financial year are:

- **Analysis of proposals on risk strategy, control and management**

Firstly, the Risk and Compliance Committee analysed the proposed Group's Risk Appetite Framework for the 2023 financial year, drafted by the Risk Area (in collaboration with the Regulation & Internal Control Area).

To this end, the Committee was provided with all the information required to carry out its analysis from and received support the Head of the Risk Area of the Group and the other executives in the Risk and Regulation and Internal Control areas, in particular of the heads of Risk Internal Control and Non-Financial Risks, who assisted in the preparation of the proposals.

The Risk and Compliance Committee also reviewed the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP) during the 2022 financial year, in order to monitor the preparation of stress scenarios and to verify their alignment with the approved Risk Appetite Framework. It also reviewed the proposals for the capital adequacy statement and liquidity adequacy statement required by the regulator, and then submitted both to the Board of Directors for its consideration and, where appropriate, approval.

In the course of this work, the Committee was assisted by the Risk, Finance and Regulation & Internal Control areas, among others, which helped to ensure that the Group's situation in the areas analysed was accurately reflected.

Furthermore, the Risk and Compliance Committee participated in the review of the Group Recovery Plan, in order to monitor the development of stress scenarios and verify their alignment with the approved Risk Appetite Framework, prior to its submission for consideration of the Executive Committee and the Board of Directors. To this end, the Committee received the full assistance of the Risk, Finance and Regulation & Internal Control areas.

- **Review and update of the Group's general risk management and control policies**

The Risk and Compliance Committee participated in the annual review and updating of the Group's general policies for the management and control of the main financial and non-financial risks of the Group, to ensure that they are consistent with the Group's General Risk Management and Control Model.

The general risk policies updated in 2022 relate to the control and management of wholesale credit risk, retail credit risk, liquidity and funding risk, structural interest rate risk, structural

exchange rate risk, structural equity price risk, market risk in market activities, insurance risk, model risk and non-financial risks.

In order to perform this review, the Committee was provided with all the information required to carry out an adequate and comprehensive analysis of the policies, and had sufficient time to formulate suggestions, changes and comments regarding the updated texts of the policies initially presented by the various units within the Risk Area and the Non-Financial Risks Unit (which, in turn, forms part of the Regulation & Internal Control Area), depending on the policy in question.

- **Regular monitoring of the evolution of Group risks**

During 2022, the Risk and Compliance Committee monitored the evolution of the financial and non-financial risks to which the Group is exposed, obtaining a holistic and comprehensive view of the Group's risks, as well as their degree of compatibility with established strategies and policies, and with the Group's Risk Appetite Framework. To that end, the Risk and Compliance Committee has been coordinated (through various reports and cross-composition) with other Board committees which have been assigned with risk functions due to speciality reasons, such as, among other, the Technology and Cybersecurity Committee regarding IT and cybersecurity risks.

This monitoring covered both main financial risks (credit risk, structural risk, market risk, insurance risk, etc.) and non-financial risks (operational risks, such as legal, processes, compliance, fraud, IT risks, etc.). It was carried out within the framework of the BBVA Group General Risk Control and Management Model and in accordance with the Risk Appetite Framework approved by the Board of Directors for 2022.

To this end, the Risk and Compliance Committee received and analysed information from the Risk area and the Regulation & Internal Control area at appropriate intervals and received support from the head of Risk area, the Head of Regulation & Internal Control, from the managers for each type of risk at the corporate level and from the risk directors in the Group's main geographical areas. The Committee also engaged in direct dialogue and discussion with each of these speakers.

All of this provided the Risk and Compliance Committee with direct knowledge of the Group's risks, both globally and locally, allowing it to execute its function of monitoring the evolution of all the Group's risks, regardless of the type of risk, the geographical or business area in which it originates, or the sector or portfolio to which it pertains.

In the performance of this function, the Risk and Compliance Committee also regularly monitored compliance of the risk metrics established for the 2022 financial year, with the necessary frequency and level of detail to ensure adequate monitoring of main risks to which the Group is exposed.

To further enhance its monitoring of the Risk Appetite Framework, the Committee received information about key internal and external variables that do not directly form part of the Risk Appetite Framework but affect its compliance. All of this was carried out prior to follow-up by the other corporate bodies with risk functions.

Likewise, the Committee has carried out a transversal monitoring and through different specific reports, of the risks related to sustainability (risk of climate change, from a transition and physical approach) and the integration within the Group's risk analysis and management.

In addition to the foregoing, the Risk and Compliance Committee received periodical reports on the main credit risk transactions authorised by the Risk Area committees in their respective areas of responsibility, as well as the Group's most significant credit exposures. The Risk and Compliance Committee was also periodically provided with information about the qualitative risk operations authorised by the Risk Area.

- **Examination of the methods, systems, structures and resources of the Risk Area**

The Risk and Compliance Committee was informed by the Head of Global Risk Management of the means, systems, structures and resources employed by the Risk Area, and of the main technology projects under way, the objective of which is to provide the area with an infrastructure and processes that foster the Group's strategic priorities and, in particular, the incorporation of the Risk Appetite Framework into the management of the risk life cycle.

As a result, the Committee was able to verify that the Group's means, systems, structures and resources are in line with best practices and enable the Group to implement its risk management strategy and to ensure that the risk management mechanisms in place are adequate with regard to the strategy.

The Committee also confirmed that the Risk Area is functioning properly and that it provides the Committee with the information it needs to assess the Group's risk exposure at any given moment, which in turn allows the Committee to properly exercise the risk monitoring, oversight and control functions with which it has been entrusted.

- **Participation in the analysis of remuneration matters**

The Risk and Compliance Committee was involved in the establishment of the multi-year performance indicators for the 2022 Annual Variable Remuneration, as well as the scales of achievement for the multi-year performance indicators for the 2021 Annual Variable Remuneration of the executive directors and the rest of members of the Identified Staff, and has analysed the result of the multi-year performance indicators for the Deferred Annual Variable Remuneration of the 2018 financial year of the executive directors and the rest of Identified Staff, including the members of the Senior Management. Therefore, the Committee has verified its alignment with appropriate, effective and prudent risk management, prior to their submission to the Board by the Remunerations Committee.

- **Risk analysis associated with corporate transactions**

The Risk and Compliance Committee analysed the financial and non-financial risks associated with corporate transactions prior to their submission for consideration by the Board of Directors. To this end, the Committee was supplied with reports on these transactions by the different areas of the Bank within their respective remits, and was supported by the Head of Strategy & M&A area and the Head of the Regulation & Internal Control area.

- **Additional monitoring and control functions**

In order to verify that the prices of assets and liabilities offered to customers fully take into account the Bank's business model and risk strategy, in 2022, the Committee received regular reports on the evolution of metrics and on profitability and capital analyses, which assess how the resulting pricing in financing and lending operations align with the risk strategy and risk transfer in the Group.

Additionally, the Committee monitored the profitability of portfolios and businesses and the performance of the profitability indicators incorporated into the Institution's Risk Appetite Framework. All of this enabled the Committee to confirm that the prices of the assets and liabilities offered to customers were aligned with the Bank's business model and risk strategy.

The Committee also verified the progress and effectiveness of the various actions and initiatives designed by the Risk Area and by the Regulation & Internal Control Area to strengthen the Group's risk and compliance culture, in a way that it enables the performing its functions a secure environment, and encourages the mitigation of the risks (financial and non-financial) which are inherent in its activities.

- **Oversight, monitoring and control of the activity of the Regulation & Internal Control function**

As part of its functions the Committee must monitor the effectiveness of the Regulation & Internal Control function, which reports directly to the Board of Directors through the Risk and Compliance Committee and which comprises the Regulation, Supervisory Relations, and Compliance areas, in addition to the Risk Internal Control and Non-Financial Risks areas.

The Committee has approved the Annual Plan of the Regulation & Internal Control function and has carried out this task monitoring the effective functioning of the function. In addition, the Committee has participated in matters relating to the head of the function (such as the setting of her objectives and the assessment of her performance) and ensuring that the function has the resources necessary to properly perform its functions.

The Risk and Compliance Committee has received monthly information from the Head of Regulation & Internal Control regarding the activity carried out by each of the units that comprise that area. In addition, the Committee has received periodic reports directly from the heads of Compliance, Non-Financial Risks and Risk Internal Control, all of which fall under Regulation & Internal Control.

- **Compliance-related functions**

With regard to the Committee's functions in the area of compliance, during the 2022 financial year, the Committee analysed the policies prepared by the executive areas in this area.

The Committee also regularly monitored information received by the Compliance Unit over the course of the financial year regarding the Group's compliance with applicable internal and external regulations. The Committee examined the findings of the independent review processes carried out both internally within the Group and externally by the competent authorities, as well as the degree of progress in implementing planned measures within the

various areas of activity (such as conduct, prevention of money laundering and terrorist financing, data protection). It also specifically monitored the activity of the Compliance Unit in relation to the MiFID regulations and bank transparency.

Moreover, the Committee was informed, as often as appropriate, of the findings of external audits and any other reviews carried out by external experts on compliance-related matters, including existing internal control measures concerning the prevention of money laundering and terrorist financing.

Also, regarding compliance with applicable internal regulations, the Committee was informed by the heads of the relevant executive areas of any pertinent compliance-related issues concerning the implementation of internal regulations approved by the Group.

Furthermore, the Committee monitored the main legal risks deriving from litigation to which the Group is exposed, through the Global Head of Legal's presentation to the Committee.

Regarding BBVA's Crime Prevention and Criminal Risk Management Model, the Committee has reviewed and analysed the proposal for its update, prior to be considered by the Board, and has also been informed of its development over the course of the financial year and the main lines of work involved in relation to the model's various elements.

The Committee was also informed on the functioning of the whistleblowing channel, as well as of the noteworthy aspects of the area by the Head of the Compliance Unit, as the unit responsible for promoting and ensuring, in an independent and objective manner, that BBVA acts with integrity, particularly in areas such as anti-money laundering, conduct with clients, security market conduct, anti-corruption and other aspects of corporate conduct.

- **Supervisory communications and verification of their timeliness and suitability**

The Head of the Regulation & Internal Control area, which includes the Supervisory Relations Unit, provided the Risk and Compliance Committee with information about the main communications and inspections (domestic and foreign) carried out by the Group's supervisory authorities.

In particular, the Committee was informed, where appropriate, of the recommendations, weaknesses or areas for improvement identified by the different supervisory bodies, and of the action plans and other measures established by the executive areas in question to resolve these in a timely manner.

Annual assessment

All the above issues, along with other matters within its remit, were included in the Committee's annual activity report for financial year 2022, which was explained by the Committee Chair to the Board at its meeting held on 21 December 2022.

Pursuant to this information and the quarterly presentations made by the Committee Chair to the Board of Directors throughout the financial year and the activity reports of the Committee made available, the Board assessed the work carried out by the Committee, giving a favourable assessment of the quality and efficacy of its operation.

Activity of the Appointments and Corporate Governance Committee

In accordance with Article 48 of the Bylaws and Article 33 of the Regulations of the Board of Directors, BBVA's Board of Directors has set up an **Appointments and Corporate Governance Committee** to assist the Board in fulfilling its functions on matters relating to the **selection and appointment** of members of the Board of Directors; **performance assessments**; drawing up succession plans; **the Bank's Corporate Governance System**; and supervising the conduct of directors and any conflicts of interest that may affect them.

In addition to applicable law and the provisions of Regulations of the Board, the Committee's functions, operation and composition are set out in its own Regulations, as approved by the Board of Directors and which are available on the Bank's website (www.bbva.com).

Furthermore, in order to better perform its functions, the Appointments and Corporate Governance Committee takes into consideration applicable best practices and recommendations that have been issued by both national and international bodies, such as the joint European Securities Markets Authority and European Banking Authority Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06) and the CNMV's Technical Guide 1/2019 on nomination and remuneration committees.

Composition

In accordance with the Regulations of the Board of Directors, the Appointments and Corporate Governance Committee shall comprise a minimum of three members, appointed by the Board of Directors. All members must be non-executive directors, and the majority, including the Chair, must be independent directors.

In 2022, the composition of the Appointments and Corporate Governance Committee was unchanged and, at the close of financial year 2022, the Committee comprised the following directors:

Director	Role	Status	Date of appointment as a Committee member
José Miguel Andrés Torrecillas	Chair	Independent	31/03/2016
Belén Garijo López	Member	Independent	27/06/2018
José Maldonado Ramos	Member	External	25/05/2010
Juan Pi Llorens	Member	Independent	29/04/2019
Susana Rodríguez Vidarte	Member	External	28/03/2007

The members of the Committee are appointed by the Board of Directors, seeking to ensure that they have the required commitment, skills and experience to perform their duties. The profiles of each member of the Committee, including the information regarding their knowledge and experience, are available on the Bank's website.

Functioning of the Committee

In accordance with its Regulations, the Appointments and Corporate Governance Committee shall meet whenever called by its Chair, who is empowered to call the Committee and to set the agenda for its meetings, in accordance with the proceedings set forth for the calling of ordinary and extraordinary meetings.

The Committee met on six occasions in financial year 2022, with all of its members in attendance, either in person or duly represented.

The Committee performs its functions with total operational autonomy, led by its Chair, who, in order to promote a diversity of views that enriches the Committee's analyses and proposals, seeks to ensure that all members participate freely in deliberations and promotes both constructive dialogue amongst them and the free expression of their views.

Executives responsible for the areas that manage matters within the Committee's remit may be called to the meetings, as well as, at the request thereof, those persons within the Group who have knowledge of or responsibility for the matters covered by the agenda, when their presence at the meeting is deemed convenient.

The Committee may also call any other Group employee or manager, and even arrange for them to attend without the presence of any other manager. Notwithstanding the foregoing, it seeks to ensure that the presence of persons outside the Committee during these meetings be limited to those cases where it is necessary and to the items of the agenda for which they are called.

The Committee may also engage external advisory services for relevant issues when it considers that these cannot be provided by experts or technical staff within the Group on grounds of specialisation or independence; and may solicit personal cooperation and reports from any employee or member of the Senior Management if deemed necessary in order to comply with its functions in relevant matters.

The Committee also reported to the Board of Directors on its activity at each of its meetings, through the reports made available to the Board members at the first Board meeting to be held after each Committee meeting.

Remit

Pursuant to Article 5 of the Regulations of the Appointments and Corporate Governance Committee, the Committee shall have the following functions, among others:

- Submit to the Board of Directors proposals for the appointment, re-election or removal of independent directors, and report on proposals for the appointment, re-election or removal of the other directors; and, for these purposes, to evaluate the balance of knowledge, skills and experience on the Board.
- Propose to the Board of Directors the selection and diversity policies for members of the Board of Directors.
- Set a target for representation of the underrepresented gender on the Board of Directors and draw up guidelines on how to reach that target.

- Analyse the structure, size and composition of the Board of Directors, at least once a year when carrying out its Board performance assessment.
- Analyse the suitability of the members of the Board of Directors.
- Review the status of each director each year, so that this may be reflected in the Annual Corporate Governance Report.
- Report on proposals for the appointment of the Chair and Secretary and, as the case may be, Deputy Chair and Deputy Secretary, as well as the Chief Executive Officer.
- Submit to the Board of Directors proposals for the appointment, removal or re-election of the Lead Director.
- Determine the procedure for assessing the performance of the Chair of the Board of Directors, the Chief Executive Officer, the Board of Directors as a whole and the Board's committees, and oversee the effective implementation of the process.
- Report on the operational quality and efficiency of the Board of Directors.
- Report on the performance of the Chair and Chief Executive Officer, integrating for the latter the assessment made in this regard by the Executive Committee.
- Study and arrange the succession of the Chair, the Chief Executive Officer and, as the case may be, the Deputy Chair, in coordination with the Lead Director in the case of the Chair, and, where appropriate, submit proposals to the Board of Directors to ensure that the succession takes place in an orderly and planned manner.
- Review the policy of the Board of Directors on the selection and appointment of members of Senior Management, and submit recommendations to the Board when appropriate.
- Report on proposals for the appointment and removal of senior managers.
- Regularly review and assess the Bank's Corporate Governance system and, where applicable, submit proposals to the Board of Directors, for approval or submission to the General Shareholders' Meeting, on any amendments and updates that would contribute to its implementation and continuous improvement.
- Ensure compliance with the provisions applicable to directors contained in the Regulations of the Board of Directors or in applicable law and regulations.

Activity of the Committee in 2022

The main activities carried out by BBVA's Appointments and Corporate Governance Committee in 2022, in accordance with its functions, are described below, in accordance with its remit, submitting the related reports and proposals to the Board where appropriate:

- **Assessment of the Board of Directors, the Chair and the Chief Executive Officer**

At the beginning of 2022, the Appointments and Corporate Governance Committee, in compliance with its duties, completed the performance assessment exercise for financial year 2021, in the framework of which it analysed the structure, size and composition of the Board of

Directors; and reported to the Board on the quality and efficiency of the Board's operation, as well as on the performance assessment of the functions of the Chair and the Chief Executive Officer. In accordance with the Good Governance Code for listed companies, approved by the CNMV, the Committee was advised by the firm Promontory Financial Group, as an independent external expert engaged for the assessment of the Board in 2021; all of this as described in detail in the Committee's annual report for financial year 2021, available on the Bank's website.

The Appointments and Corporate Governance Committee, in compliance with its functions, also carried out the assessment process for financial year 2022. For this purpose, the Committee determined the procedure applicable for the assessment of the Board and its committees and the assessment of the functions of the Chair and the Chief Executive Officer, which would be carried out internally and include the individual opinion of each director.

Thus, the Committee analysed the structure, size and composition of the Board in 2022, including the executive chairmanship model, the diversity of gender, knowledge, skills and experience required of its members, the independence and suitability of the directors, and their degree of dedication. It also analysed the operation of the Board during the financial year and the activities carried out in fulfilment of its duties.

Following this analysis, the Committee resolved to issue a favourable report on the quality and efficiency of the functioning of the Board of Directors.

The Appointments and Corporate Governance Committee also analysed the performance of the functions of the Chair and the Chief Executive Officer in financial year 2022. The Lead Director led the assessment process of the Chair, while in the case of the Chief Executive Officer, the process included the assessment of the Executive Committee. As a result, the Appointments and Corporate Governance Committee resolved to issue a favourable report on the performance of both roles in financial year 2022.

- **Composition of the corporate bodies. Appointment and re-election of directors**

The involvement of the Appointments and Corporate Governance Committee in relation to the appointment and re-election of directors form part of the progressive and orderly refreshment process of the corporate bodies carried out the Board, whereby individuals with different profiles and experiences are gradually brought in to increase diversity and to guarantee an appropriate rotation of the members of the Board of Directors.

To this end, the Appointments and Corporate Governance Committee evaluates the balance of knowledge, skills and experience on the Board of Directors, the conditions that candidates must meet to cover the vacancies that arise, and the time commitment considered necessary to enable them to adequately carry out their duties, according to the prevailing needs of the corporate bodies.

The Committee also considers, among other matters, the provisions and objectives regarding the structure, size and composition of the Board set out in applicable law and regulations, the Regulations of the corporate bodies and the Policy on the selection, suitability and diversity of the Board of Directors, approved by this body (the "**Selection Policy**"); as well as the end of the term of office of directors, as appropriate for each financial year, also using the skills and diversity matrix of the Board.

As part of this process, the Committee carries out selection processes for directors, seeking to favour diversity and making sure that the selection process does not suffer from implicit biases that could generate any kind of discrimination. The Committee also facilitates the selection of female directors in a number that allows for a balanced presence of women and men (taking into account the target set out in the Selection Policy of having at least 40% of female directors) and ensures that women who meet the desired professional profile are included among the potential candidates.

In the performance of its functions, the Appointments and Corporate Governance Committee may engage external services to select potential candidates, when it deems this necessary or appropriate.

When drafting proposals for the appointment of directors, the Committee will take into consideration, in case they may be considered suitable, any requests made by any member of the Board of Directors regarding potential candidates to fill the vacancies that have arisen.

In the performance of these functions, the Committee analysed the structure, size and composition of the Bank's corporate bodies on the occasion of the Board performance assessment for financial year 2021, as described above. The Committee's conclusions were taken into account as part of the progressive refreshment process of the corporate bodies ahead of the proposals on the re-election and appointment of directors submitted to the 2022 General Shareholders' Meeting.

Thus, the Committee undertook the progressive refreshment process of the Board initiated in 2021, and, in this framework, it carried out a director selection process, with the support of an independent external expert. This process culminated with the proposals submitted to the General Shareholders' Meeting held in 2022, consisting of the re-election of two executive directors and the appointment of a new female director, as independent director, thus helping to improve the diversity of knowledge, skills, experience and gender on the Board.

Ahead of the Annual General Shareholders' Meeting to be held in 2023, the Committee also carried out a director selection process in 2022, relying on the constant analysis of the structure, size and composition of the Board and as part of the progressive and orderly refreshment process, inspired by the principles and criteria set out in the Regulations of the Board and the Selection Policy. This process was aimed at: (i) further strengthening the knowledge, experience and skills in areas and matters of particular relevance for the performance of the functions of the corporate bodies, such as banking and finance; (ii) further strengthening the independence and international diversity in terms of origin and professional experience, especially in certain key countries in which the Group operates; and (iii) continuing to meet the aforementioned target of women accounting for at least 40% of the Board's members.

This process was supported by an independent external expert; favoured a suitable diversity of experience, knowledge, skills and gender; and did not suffer from any implicit bias that might have generated any kind of discrimination, having included women who met the professional profile sought, as set out in the Selection Policy.

Thus, in relation to the directors whose re-election is to be submitted to the General Meeting to be held in 2023 (in particular, the re-election of three independent directors and one external director), the Committee confirmed that they all possessed the knowledge, skills and experience needed to hold the position of director; they had the required dedication, availability and independence of judgment; they shared the Bank's culture and values; they met the remaining suitability requirements; and they were not subject to any restrictions or incompatibilities for

holding the position of director. The Committee also revised the category of director that each candidate for re-election would have and analysed the contribution that each candidate would make to the adequate composition of the Board of Directors, as well as to the proper operation and performance of functions of the corporate bodies.

All of the above formed the basis of the Appointments and Corporate Governance Committee's proposals and reports on the re-elections and appointment of directors, which have in turn led to the proposals submitted by the Board of Directors to the 2023 Annual General Shareholders' Meeting, all as shown in the documentation made available to the Bank's shareholders ahead of the General Meeting.

Finally, the Appointments and Corporate Governance Committee also analysed the proposal for the appointment of a new Lead Director and for the appointment of a new Deputy Secretary; and for these purposes, it evaluated the profiles and backgrounds of the proposed candidates, and submitted the corresponding proposal and report to the Board.

- **Assessment and review of the Corporate Governance System**

The Committee analysed the drafting of a corporate governance improvement plan as a result of the suggestions and recommendations for improvement identified by the Board and Promontory, engaged as an independent external consultant, in the framework of the Board assessment process for financial year 2021.

As a result, the Committee submitted to the Board a proposal for a corporate governance improvement plan, the main measures of which were implemented during 2022, which include the preparation of procedures for the succession of directors and for the succession of senior managers.

In addition, the Committee (i) reviewed the draft Annual Corporate Governance Report; (ii) analysed the proposed update to the BBVA Senior Management selection and appointment policy; and (iii) was informed of the outcome of the Corporate Governance Roadshow, by virtue of which the Bank met with its main institutional investors and proxy advisors in the last few months of the year, in order to explain the main features of the Bank's Corporate Governance System and its evolution during the year, while also receiving to their views and opinions and responding to their requests for information. A joint team from the General Secretariat, Investor Relations and Sustainability areas took part in these meetings, as well as the Lead Director.

- **Matters relating to director conduct**

The Committee verified that the circumstances set out in the BBVA Directors' Remuneration Policy for the application of malus and clawback clauses related to the conduct of executive directors, had not occurred, for the purpose of payment of the variable remuneration accrued in previous years.

Annual assessment

All of the matters covered above, as well as other matters falling within its remit, were included in the Committee's 2022 activity report, which, together with the activity reports that the Committee provided to the directors, has enabled the Board to stay informed of the activities carried out by the Committee in the year and to assess its functioning.

Thus, at its meeting held on 31 January 2023, the Board received the report from the Chair of the Committee on the activities carried out in 2022. The Board then assessed the activities carried out by the Appointments and Corporate Governance Committee during the period, in compliance with the functions ascribed to it, and issued a favourable opinion regarding the quality and efficiency of its operation.

Remunerations Committee Activity

In accordance with Article 48 of the Bylaws and Article 34 of the Regulations of the Board of Directors, and in order to better perform its functions, the BBVA Board of Directors is assisted by the **Remunerations Committee** in the assessment of all remuneration-related matters that fall within the scope of its remit and, in particular, those relating to the **remuneration of directors, senior managers** and any employees whose professional activities have a material impact on the **risk profile** of BBVA or of its Group (the “**Identified Staff**”), overseeing compliance with the established remuneration policy.

In addition to the provisions set out in the legislation and in the Regulations of the Board of Directors, the Committee’s duties, operation rules and composition are set forth in its own Regulations, approved by the Board of Directors. All these documents are available on the Bank’s website(www.bbva.com).

Furthermore, for the better performance of its functions, the Remunerations Committee takes into consideration the best practices and recommendations existing on this matter, drawn up by both national and international bodies, including, but not limited to, the Guidelines on Sound Remuneration Policies (EBA/GL/2021/04) and the National Securities Market Commission’s Technical Guide 1/2019 on Nomination and Remunerations Committees.

Composition

The Regulations of the Remunerations Committee establishes that the Committee must be comprised of a minimum of three non-executive directors and the majority, including the Chair, must be independent directors.

At the end of the 2022 financial year, the Remunerations Committee was made up by the following directors:

Director	Role	Status	Date of appointment as a member of the Committee
Belén Garijo López	Chair	Independent	31/03/2016
Lourdes Máiz Carro	Member	Independent	31/05/2017
Ana Peralta Moreno	Member	Independent	27/06/2018
Carlos Salazar Lomelín	Member	External	29/04/2020
Jan Verplancke	Member	Independent	29/04/2020

The members of the Committee are appointed by the Board of Directors, seeking to ensure that they have the required commitment, capacity and experience to perform their duties. The profiles of each member of the Committee, including the information regarding their knowledge and experience, are available on the Bank’s website (www.bbva.com).

Functioning

The Regulations of the Remunerations Committee specifically provide, among other things, that the Remunerations Committee will meet whenever it is called to do so by its Chair, who is empowered to call the Committee and to set the agenda for its meetings, in accordance with the procedure established for the calling of ordinary and extraordinary meetings.

This English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish original will prevail.

The Committee performs its functions with total operational autonomy, led by its Chair, who, in order to promote a diversity of standpoints that enriches the Committee's analyses and proposals, seeks to ensure that all members are able to freely participate in deliberations, fostering the constructive exchange of ideas among them, encouraging them to freely express their views.

Executives responsible for the areas that manage matters under its remit may be called to meetings, as well as, at their request, those individuals within the Group with knowledge or responsibility over the matters included in the agenda, provided that their presence at the meeting is deemed appropriate.

The Committee may also request any other Group employee or manager to appear, and even arrange for them to attend without the presence of any other manager. Notwithstanding the foregoing, it will seek to ensure that the presence of individuals outside the Committee during these meetings be limited to those cases where it is necessary and to the items of the agenda for which they are called.

In 2022, the Committee met on seven occasions, and all meetings were attended by all its members. The managers of areas and units responsible for the matters addressed at each Committee meeting also participated in these meetings.

In order to adequately fulfill its duties, the Committee may seek advice from the Bank's internal services. The Committee may resort to contracting external advisory services in relevant matters whenever it is considered that they cannot be addressed by experts or technical staff within the Group on grounds of specialization or independence.

In addition to the insights provided by BBVA's internal services, in 2022, the Committee commissioned two leading consultancy firms to provide advisory support in matters concerning remuneration of directors and senior managers: WTW, for market analyses and benchmarks, and J&A Garrigues, S.L.P., for legal analyses concerning amendments to the Bank's remuneration policies, and in particular, the new BBVA Directors' Remuneration Policy that is subject to the 2023 Annual General Shareholders' Meeting for consideration, regarding which they Committee carried out a strategic reflection in 2022.

Also, in furtherance of its remit, the Remunerations Committee relies on the collaboration of the Risk and Compliance Committee which, in accordance with its own Regulations, participates in the process of establishing the remuneration policy, ensuring that it is consistent with sound and effective management of risks and does not offer any incentives for taking any risks that exceed the levels tolerated by the Entity.

In addition, the Committee reported to the Board of Directors about its activity at each one of its meetings, by means of the reports made available to the Board's members at the subsequent Board meeting after each corresponding Committee meeting.

Duties

Pursuant to Article 5 of the Regulations of the Remunerations Committee, the Committee will have the following duties, inter alia:

- Propose to the Board of Directors, for submission to the General Shareholders' Meeting, the remuneration policy for directors, and also submit its corresponding report, all in accordance with the terms established by applicable regulations at any given time.

- Determine the remuneration of non-executive directors, as provided for in the remuneration policy for directors, submitting the corresponding proposals to the Board.
- Determine the extent and amount of individual remunerations, rights and other economic rewards, as well as the remaining contractual conditions for executive directors, so that these can be contractually agreed, in accordance with the remuneration policy for directors, submitting the corresponding proposals to the Board of Directors.
- Determine the objectives and criteria for measuring the variable remuneration of the executive directors and assess the degree of achievement thereof, submitting the corresponding proposals to the Board of Directors, which, in the case of the Chief Executive Officer (Consejero Delegado), will take into account the assessment made by the Executive Committee and, in the case of other executive directors who may report to the Group Executive Chair or to the Chief Executive Officer, the assessment made by these.
- Analyse, where appropriate, the need to make ex-ante or ex-post adjustments to variable remuneration, including the application of malus or clawback arrangements for variable remuneration, submitting the corresponding proposals to the Board of Directors, prior report of the corresponding committees in each case.
- Annually submit the proposal of the annual report on the remuneration of the Bank's directors to the Board of Directors, which will be submitted to the Annual General Shareholders' Meeting, in accordance with the provisions of the applicable law.
- Propose to the Board of Directors the remuneration policy for senior managers and employees whose professional activities have a significant impact on the Group's risk profile. Likewise, oversee its implementation, including supervision of the process for identifying such employees.
- Submit a proposal to the Board of Directors, and supervise the implementation of, the Group's remuneration policy, which may include the policy for senior managers and the policy for employees whose professional activities have a significant impact on the Group's risk profile, stated in the previous paragraph.
- Submit to the Board of Directors the proposals for basic contractual conditions for senior managers, including their remuneration and severance indemnity in the event of termination.
- Directly oversee the remuneration of senior managers and determine, within the framework of the remuneration model applicable to Senior Management at any given time, the objectives and criteria for measuring variable remuneration of the heads of the Regulation and Internal Control function and of the Internal Audit function, submitting the corresponding proposals to the Board of Directors, on the basis of those submitted to it in this regard by the Risk and Compliance Committee and the Audit Committee, respectively.
- Ensure observance of the remuneration policies established by the Company and review them periodically, proposing, where appropriate, any modifications deemed necessary to ensure, amongst other things, that they are adequate for the purposes of attracting and retaining the best professionals, that they contribute to the creation of long-term value and adequate control and management of risks, and that they attend to the principle of pay equity. In particular, ensure that the remuneration policies established by the Company are subject to internal, central and independent review at least once a year.

- Verify the information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on the remuneration of directors.
- Oversee the selection of external advisers, whose advice or support is required for the performance of their functions in remuneration matters, ensuring that any potential conflicts of interest do not impair the independence of the advice provided..

Activity of the Committee in 2022

The activity of the Remunerations Committee during the 2022 financial year has been focused on performing the duties assigned to it pursuant to Article 5 of its own Regulations and developing the framework established in the BBVA remuneration policy for directors applicable in the financial year, which was approved by the General Shareholders' Meeting held in 2020 (the “**BBVA Directors’ Remuneration Policy**”) and in the General BBVA Group Remuneration Policy, the last update of which was approved by the Board of Directors, also, in 2021, which is generally applicable to the entire BBVA workforce and which includes, in turn, the specific rules applicable to the Identified Staff, which includes the members of BBVA’s Senior Management.

Over 2022, the Committee has focused especially in the review of the remuneration policies of the Bank carrying out, in particular, a strategic reflection on the Bank’s variable remuneration model of the Identified Staff (which includes executive directors). This reflection, to which several monographic sessions have been devoted, has had as fundamental purpose of strengthening the alignment of remuneration with the creation of value and the sustainable performance in the long term, while maintaining its alignment with adequate risk management, and with a policy that allows to, simultaneously, attract, motivate and retain the best professionals.

As a result of the foregoing, the Committee has identified different matters that have resulted in the proposal for amendments to be implemented in the Bank’s new remuneration policies and, in particular, in the new BBVA Director’s Remuneration Policy, once approved by the Board of Directors, that will be submitted for consideration to the Annual General Shareholders’ Meeting in 2023.

In addition to the above, in fulfillment of its duties and of the remuneration policies applicable during the financial year, the Committee carried out in 2022 the actions described below, submitting to the Board of Directors, where appropriate, the pertinent resolution proposals:

- **Remuneration matters concerning non-executive directors**

As for the remuneration matters for executive directors, in accordance with the BBVA Directors’ Remuneration Policy applicable in 2022, the Committee took the following actions, submitting the relevant proposals to the Board:

Matters relating to Annual Variable Remuneration of financial year 2022

- It determined the minimum Attributable Profit and Capital Ratio thresholds for the accrual of the 2022 Annual Variable Remuneration for financial year 2022 in line with those applied for the rest of the BBVA staff, including the members of Senior Management.
- It determined the annual assessment indicators and their corresponding weightings for the calculation of the Annual Variable Remuneration for financial year 2022 of the executive directors. Likewise, it determined the multi-year performance indicators for the Deferred

Portion of this remuneration, which would also be of application to the rest of the Identified Staff; for which purpose it relied on the prior analysis carried out by the Risk Committee, to ensure their suitability with the Bank's risk profile.

- It determined the objectives and scales of achievement associated with the annual performance indicators for the calculation of the Annual Variable Remuneration of financial year 2022 of executive directors.

Matters relating to Annual Variable Remuneration of previous financial years

- It determined the amount of the Annual Variable Remuneration corresponding to financial year 2021, taking into account the pre-established annual assessment indicators, as well as their vesting settlement and payment rules in accordance with the provisions set forth in the BBVA Directors' Remuneration Policy.
- It determined the scales of achievement of the multi-year performance indicators of the Deferred Portion of the Annual Variable Remuneration of financial year 2021, as well as the peer group for the TSR indicator, which is one of these indicators, for executive directors, which are also applicable to the remainder of the Identified Staff.
- It determined the sum corresponding to the deferred portion of the Annual Variable Remuneration of the executive directors for 2018 due for payment in 2022 (60% of the Deferred Portion in the case of the Chair; and the entirety of the Deferred Portion in the case of the Chief Executive Officer), verifying that, in light of the outcome of the pre-established multi-year performance indicators and in application of the corresponding targets, scales and weightings approved by the Board at the time, it was pertinent to reduce said remuneration by 1%.
- It determined the sum corresponding to update of the cash portion of the Deferred Annual Variable Remuneration of the executive directors for 2018 due for payment in 2022, as well as the update of the cash portion of the Deferred Annual Variable Remuneration of financial year 2017 (previously determined in 2021), due for payment to the Chair in 2022; in both cases, in application of the criteria approved at the time by the Board of Directors.

• Remuneration matters concerning Senior Management

The Committee was informed about the annual indicators that provided the basis for the calculation of the 2022 Annual Variable Remuneration of the Senior Management.

For its part, and as a result of the hierarchical dependence of the Board of Directors of the heads of Internal Audit and of Regulation & Internal Control, the Committee, making use of the input of the Audit Committee and the Risk and Compliance Committee, respectively, determined the indicators and objectives of these managers, for the purpose of both the assessment of their performance in 2022, and the calculation of their Annual Variable Remuneration for financial year 2022.

Similarly, the Committee determined the Annual Variable Remuneration of financial year 2021 for the heads of Internal Audit and Regulation & Internal Control, on the basis of the proposals of the Audit Committee and the Risk and Compliance Committee, respectively, in relation to the assessment of their objectives.

Similarly, it reviewed the Annual Variable Remuneration corresponding to financial year 2021 of all members of Senior Management, as well as Deferred Portion of the Annual Variable Remuneration of financial years 2018 and 2017, which were due for payment in 2022 in benefit of the members of the Senior Management who receive such remuneration.

Lastly, the Committee determined the salary review for certain members of Senior Management, in agreement with the basic contractual framework previously approved by the Board for this group.

- **Identified Staff remuneration matters**

Regarding the matters related to the Identified Staff, the Committee determined that the multi-year performance indicators for the Annual Variable Remuneration for financial year 2022 of executive directors, and the rules for updating the cash amount of said remuneration, would also be applicable to the Identified Staff.

Likewise, the Committee determined that the scales of achievement of the Multi-year Performance Indicators of the Deferred Annual Variable Remuneration of financial year 2021, as well as the peer group for the TSR indicators (Total Shareholder Return), should be the same as the ones established for the executive directors.

- **Assistance offered to the Board in overseeing the application of approved remuneration policies**

The Committee supervised the implementation, in the 2022 financial year, of the approved remuneration policies (the BBVA Directors' General Remuneration Policy for Directors and the BBVA Group's Remuneration Policy), on the basis of the annual report by the Internal Audit Area.

- **Other activities**

In compliance with its functions, the Remunerations Committee carried out other activities and submitted the following proposals to the Board which were then put to shareholders at the General Meeting:

- The Annual Report on the Remuneration of Directors of BBVA corresponding to financial year 2021, which was submitted to a consultative vote and approved at the General Meeting held on March 18, 2022.
- The resolution to increase the maximum variable remuneration level of up to 200% of the fixed component applicable to a specific number of members of the Identified Staff, which was approved by the General Shareholders' Meeting held on March 18, 2022. The Committee also proposed to the Board the Report that accompanies this resolution and that was made available to the Bank's shareholders.

- **Information on the process of identifying the Identified Staff**

Also, the Board was informed of the progress and outcome of the process for identifying the Identified Staff of BBVA and its Group in 2022.

- **Review of the information on the remuneration policy of directors and senior managers in public documentation**

Also, the Committee verified the information regarding the remuneration of directors and the members of the Senior management found in the Financial Statements and the Annual Report on the Remuneration of Directors for financial year 2021.

Finally, the Committee, in financial year 2023, worked on the proposals that it would forward to the Board of Directors for submission at the General Meeting, and therefore submitted the following proposals to the Board of Directors:

- The new BBVA Directors' Remuneration Policy for financial years 2023, 2024, 2025 and 2026, accompanied by its specific report in this regard.
- The Annual Report on the Remuneration of Directors of BBVA corresponding to financial year 2022; and
- The increase of the maximum level of variable remuneration of up to 200% of the fixed component of the total remuneration for certain members of Identified Staff, together with the corresponding report in this respect.

All of these matters shall be submitted for approval by the General Shareholders' Meeting, tentatively scheduled to be held on March 17, 2023.

Annual Assessment

All of the above activities, together with other matters within its competence, were included in the annual activity report of the Remunerations Committee for the 2022 financial year, which was presented by the Chair of the Committee to the Board at its meeting held on January 31, 2023.

On the basis of this information, as well as the Committee's activity reports made available to the directors, the Board has very favorably assessed the quality of its work and the effectiveness of the Committee's functioning in financial year 2022.

Activity of the Technology and Cybersecurity Committee

In accordance with article 48 of the Bylaws and article 36 of the Regulations of the Board of Directors, BBVA's Board of Directors, in order to better perform its functions, has set up a **Technology and Cybersecurity Committee**, which **assists** the Board of Directors in **overseeing technological risk, managing cybersecurity** and monitoring the Group's **technology strategy**.

In addition to the provisions set out in the legislation and in the Regulations of the Board of Directors, the Committee's functions, operation rules and composition are set forth in its own Regulations, approved by the Board of Directors and available on the Bank's website, www.bbva.com.

Composition

The Technology and Cybersecurity Committee is currently composed by five members, appointed by the Board of Directors, four of whom are independent directors.

At the end of 2022, after some change in its composition during the year, the Technology and Cybersecurity Committee was made up of the following directors:

Director	Role	Status	Date of appointment as a Committee member
Carlos Torres Vila	Chair	Executive	31/03/2016
Raúl Galamba de Oliveira	Member	Independent	29/04/2020
Ana Revenga Shanklin	Member	Independent	28/04/2022
Juan Pi Llorens	Member	Independent	31/03/2016
Jan Verplancke	Member	Independent	27/06/2018

All members of the Committee have knowledge and experience in technology, information systems and/or cybersecurity. The profiles of each member of the Committee, including information regarding their knowledge and experience, are available on the Entity's website.

Operation

The Regulations of the Committee stipulate that the Committee will meet whenever called to do so by its Chair, who is empowered to convene the Committee and to set the agenda for its meetings, as per the procedure set out in the Regulations of the Committee on the calling of ordinary and extraordinary meetings.

In the 2022 financial year, the Technology and Cybersecurity Committee has met six times, in which all the members who have been part of it during the financial year have attended all the sessions held.

The Committee performs its functions with full operational autonomy, led by its Chair, who, in order to promote a diversity of views that enriches the Committee's analyses and proposals, seeks to ensure that all members participate freely in deliberations, promoting both constructive dialogue amongst them and the free expression of their views.

Executives responsible for the areas that manage matters within the Committee's remit may be called to meetings, as well as, at the request thereof, those persons within the Group who have knowledge of or responsibility for the matters covered by the agenda, when their presence at the meeting is deemed appropriate.

The Committee may also call any other Group employee or manager, and even arrange for them to appear without the presence of any other manager. Notwithstanding the foregoing, it seeks to ensure that the presence of persons outside the Committee during these meetings, such as Bank managers and employees, is limited to those cases where it is necessary and to the items on the agenda for which they are called.

The Committee may also engage external advisory services for relevant issues when it considers that these cannot be properly provided by experts or technical staff within the Group on grounds of specialisation or independence. Furthermore, the Committee may solicit personal cooperation and reports from any employee or member of the Group's Senior Management, if deemed necessary in order to fulfil its functions in relevant matters.

Likewise, the Committee has reported to the Board of Directors the activity carried out by it in each of its sessions, through the reports made available to the members of the Board in the sessions after the holding of each meeting of the Committee.

Functions

In accordance with the powers conferred on it by Article 5 of the Regulations of the Technology and Cybersecurity Committee, the Committee's remit is to assist the Board in:

Overseeing technological risk and managing cybersecurity:

- Review the Group's main technological risks, including the risks related to information security and cybersecurity, as well as the procedures adopted by the executive area for monitoring and control of these exposures.
- Review the policies and systems for assessment, control and management of the Group's technological infrastructures and risks, including the response and recovery plans in the event of cyberattacks.
- Be informed of business continuity plans in matters of technology and technological infrastructure.
- Be informed, as appropriate, of: (i) compliance risks associated with information technology; and (ii) the procedures established for identifying, assessing, overseeing, managing and mitigating these risks.
- Be informed of any relevant events that may have occurred with regard to cybersecurity, i.e. events that, either in isolation or as a whole, may cause significant impact or harm to the Group's equity, results or reputation. Such events will, under all circumstances, be communicated to the Chair of the Committee as soon as they are identified.
- Be informed, as often as required by the head of the Technological Security area, of the activities carried out thereby, as well as of any incidents that may arise.

Monitoring the technological Strategy:

- Be informed, as appropriate, of the technology strategy and trends that may affect the Group's strategic plans, including through monitoring general trends in the sector.
- Be informed, as appropriate, of the metrics established by the Group for management and control in the technological area, including the Group's developments and investments in this area.
- Be informed, as appropriate, of issues related to new technologies, applications, information systems and best practices that may affect the Group's technological plans or strategy.
- Be informed, as appropriate, of the main policies, strategic projects and plans defined by the Engineering area.
- Report to the Board of Directors and, where appropriate, to the Executive Committee, on matters related to information technologies falling within its remit.

Activity of the Committee in 2022

The main activities carried out by the BBVA Technology and Cybersecurity Committee in the 2022 financial year are described below:

● **Review of the Group's exposure to technological risk**

As set forth in the Regulations of the Technology and Cybersecurity Committee, the Committee has reviewed the Bank's and the Group's main technological risk exposures, including risks relating to information security and cybersecurity, ensuring that the executive area is equipped with procedures for monitoring and controlling these exposures. The above is carried out in coordination with the other Board Committees, in particular the Risk and Compliance Committee as the Committee with a holistic and comprehensive view of the risks of the Group.

● **Risk evaluation, control and management**

The Committee has monitored the Group's technological infrastructures and risks.

As part of the performance of its duties in this area, the Committee has been informed of the analysis performed by the second line of defense of the main technological risks affecting the Group (information security, fraud, reliability and business continuity), and of the plans and projects in progress established for the identification, management, monitoring and mitigation of this type of risk.

The Committee was informed in greater detail on the fraud risk strategy, with a particular focus on opportunities for improvement, challenges and review of the Bank's anti-fraud model. It was also briefed on the security and data protection strategy, with analysis of the main gaps and review of key programs.

- **Cybersecurity**

The Committee reviewed the cybersecurity strategy and the main projects in this area. It was informed of the pillars and priorities of the strategy and the proposed Key Risk Indicators (KRIs) to be included in the Risk Appetite Framework in 2023 and future plans.

Finally, at each of its meetings, the Committee also received information from the head of the Corporate Security Unit on the main cybersecurity-related occurrences at industry level and on those that in turn are relevant to the BBVA Group, including reliability incidents, and was explained how the Group is prepared to deal with attacks of a similar nature, as well as how it has dealt with attacks and, where applicable, mitigated their consequences for the Group.

- **Technology strategy**

During 2022, the Committee received information on the Group's technological strategy evolution. It was informed by the heads of the Engineering Area on the main strategic projects and plans defined by the Engineering Area, focusing on those related to the public cloud hybridization strategy, the transformation and update of the Group's data platform, the progress of the core banking strategy, the acceleration of the transformation of digital channels and software implementation, the evolution of global platforms, and reliability and business continuity.

Within the context of these plans and projects, the Committee has been informed of technological trends and of other issues pertaining to new technologies, applications, IT systems and best practices that affect or may affect the Group's technology strategy or plans.

The Committee also received regular information on the metrics in place to monitor progress in the execution of the technology strategy set in place.

Annual assessment

All of the matters covered above, as well as other matters within its remit, were included in the Committee's 2022 activity report, which, alongside the activity reports that the Committee provided to directors, has enabled the Board to stay abreast of the activities carried out by the Committee and, ultimately, assess its functioning.

As such, at its meeting on 31 January 2023, the Board received the Chair's report on the activities carried out by the Committee for the 2022 financial year. The Board assessed the work carried out by the Technology and Cybersecurity Committee in compliance with the functions assigned to it, and gave a favorable assessment of the quality and efficacy of its operation.