

Board of Directors Report

Proposal for the appointment of Enrique Casanueva Nárdiz as an independent director

February 2024

1. Introduction

In accordance with Articles 3 and 17.1.c) (i) of the Regulations of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, “**BBVA**” or the “**Bank**”), and in compliance with Article 529 *decies* of the Spanish Corporate Enterprises Act, the Board of Directors is responsible for proposing to the General Shareholders' Meeting the appointment of directors, at the proposal of the Appointments and Corporate Governance Committee when these are independent.

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

In order to comply with the above, the Bank's Board of Directors has prepared this report, which accompanies the proposal to appoint Enrique Casanueva Nárdiz as a member of the Bank's Board of Directors as an independent director, submitted to BBVA's Annual General Shareholders' Meeting (hereinafter the “**Report**”).

2. Appointment proposal

In preparing this report, the Board of Directors has assessed the proposal of BBVA's Appointments and Corporate Governance Committee (hereinafter, the “**Committee**”), formulated in accordance with the provisions of article 529 *decies*, paragraph 4 of the Corporate Enterprises Act and article 3 of the Bank's Regulations of the Board of Directors, after having carried out an analysis of the structure, size and composition of the corporate bodies, in order to ensure that they are adequate for the performance of their duties and that they meet the needs of such bodies at all times and that the Board, as a whole, has the appropriate knowledge, skills and experience to be able to understand the business, activities and main risks of BBVA and its Group, and thus ensure its effective capacity to perform its duties in the best interests of the Company.

This analysis is carried out within the framework of the progressive and orderly refreshment of the corporate bodies carried out by the Board, by virtue of which persons with different profiles and experiences are brought in to increase diversity, as well as to ensure an appropriate rotation of the members of the Board of Directors.

In conducting this analysis, the following matters were taken into consideration:

- BBVA's corporate governance system, based on: (i) an appropriate composition of the Board of Directors and its committees; (ii) a clear distribution of functions among the corporate bodies, and between these and Senior Management; and (iii) robust decision-making processes and supervision and control of all activity carried out at the executive level, relying to such end on a reporting model that provides the corporate bodies with complete, integral, adequate and consistent information for the performance of their duties;
- the fact that the term of office established in the bylaws of a significant number of the Bank's current directors will expire during 2024, with consideration also being given to the independence, age, length of service and other circumstances of each of them; and

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- the composition of the Board of Directors, in order to be able to identify those areas and capabilities that should be supplemented or strengthened in order to continue to have the composition of the corporate bodies that best suits the Bank's current needs;
- all of the above, taking into account prevailing regulatory requirements and the forecasts and objectives with regard to the structure, size and composition of the Board, set out in the Regulations of the Corporate Bodies and the BBVA Board of Director's Selection, Suitability and Diversity Policy (the "**Selection Policy**").

Moreover, it has been noted that, as a result of the annual refreshment process carried out by the Bank's corporate bodies, the Board has 15 directors, of whom:

- 13 directors qualify as "non-executive", representing a large majority (87%) of the Board, of whom 10 have "independent" status, representing 67% of the Board members;
- the Board has six female directors, thus meeting the target of 40% representation of women set by the Committee itself and set out in the Selection Policy;
- in the last four years, five new directors have joined the Board, four of them qualifying as "independent"; and
- directors have an average length of service on the Board of approximately seven years.

Furthermore, it has been found that the size of the Board, in compliance with the provisions of the Company's Bylaws and the Spanish Code of Good Governance of Listed Companies, is appropriate in view of the structure and composition of the Board's committees, which requires an additional level of dedication from the directors who sit on them. In this regard, it has confirmed that independent directors contribute to a suitable composition of both the Board of Directors and its committees, particularly those that support the Board in its supervision and control functions. These Committees must have a significant number of independent directors, from among which the chairs of these committees must also be appointed.

On the other hand, the analysis in which this proposal for appointment is framed has taken into account the areas and matters that are of particular relevance to the functions entrusted to the corporate bodies, especially the Group's current and future activities, business and strategy.

To this end, the corporate bodies have relied, among other things, on a "skills and diversity matrix" of the Board of Directors, which is prepared as a result of the aggregation of the data and skills of BBVA directors on the basis of the information provided by them and a review in which the Appointments and Corporate Governance Committee contributes its expert judgment in gauging the skill levels of each director and of the Board as a whole. This skills matrix combines information from the directors on the areas, sectors and subjects that are of particular relevance to the Group's strategy and activities, and the directors' professional experience and previous track record in various areas, both domestically and internationally.

Thus, it has been possible to verify that the Board has a suitable composition, comprising people with different profiles, knowledge and professional experience. It is also diverse in terms of gender and nationality. In addition, the Board has a high number of independent directors, with a level of dedication and participation that has made it possible for the Bank's corporate bodies to perform their functions in a fully satisfactory manner.

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This suitable composition of the Board has been the outcome of a process of gradual and ongoing refreshment process that has been taking place over many years. Individuals have been appointed who have strengthened the skills, knowledge and experience of the Board in areas of particular significance for the Bank's strategy, business and activities.

As a result of the review performed and described above, it has been concluded that the Board, as a whole, has an adequate and diverse composition, and complies with the objectives contemplated in the applicable regulations, in its own Regulations and in the Selection Policy. The Committee notes that there is an appropriate balance between the different categories of directors, with a large majority of non-executive directors (13 out of a total of 15 directors) and independent directors (10 out of 15, which exceeds the target set out in the Selection Policy of having at least 50% independent directors). In addition, there is a level of gender diversity that meets the objectives undertaken by the Board and is in line with best practices (women represent 40% of the members of the Board). The Board also has a wide diversity of skills, knowledge and experience, both national and international.

However, in order for the Board to possess, at all times, the skills, knowledge, experience and diversity needed for the best possible performance of its functions, it deems advisable to continue the progressive refreshment process of the Board that has been taking place annually, so as to:

- appoint new members to the Board, with a broad knowledge and experience of the Bank's activity and business, at domestic and international level, who can provide the corporate bodies with a broad and in-depth vision of the financial environment and its developments, replacing the current directors of the Bank, with a long professional career in the Group and broad knowledge and experience in the banking and financial field, who, based on the gradual refreshment process of the Board, will not be subject to re-election at the next General Meeting;
- continue to strengthen independence, gender and experience diversity, an international profile and knowledge of different business areas and environments, including the management of financial institutions at national and international level and the transformation of the banking business; and
- continue to comply with the requirements, recommendations and/or commitments undertaken by the Bank regarding independence and gender diversity.

The foregoing takes due account of the objectives and conclusions concerning the composition of the Board of Directors described, including the outcome of the Board's skills and diversity matrix, the current existence of a proper representation of non-executive and independent directors on the Board, as well as a level of gender diversity that continues to meet the Board's stated objectives and its Selection Policy and is aligned with best practices, among other matters.

This process has taken into consideration the advisability of further maintaining the knowledge, experience and skills in certain areas of significance for the Group, such as those related to banking and finance, including the management of financial institutions at a domestic and international level and the transformation of the banking business, with the aim of recruiting new members with extensive knowledge and experience of the Bank's activities and businesses, both domestically and internationally and, in particular, in the countries where the Group's activities are mainly conducted, and who can provide the corporate bodies with a broad and in-depth vision of the financial environment and its development.

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Similarly, in the selection process, care was taken to ensure that candidates with the desired professional profile are included, with no implicit bias that could be discriminatory, ensuring that women with the professional profile identified by the Committee are included in the selection process, so as to continue to meet the target set out of ensuring that female directors account for at least 40% of the Board.

Candidates must also meet the requirements laid down in law, in the Bylaws and in the Regulations of the Board of Directors that are necessary for directors on the Board to carry out their functions, including the criteria of suitability; and they must also have the dedication of time considered necessary so that they can adequately carry out their duties, according to the needs of the corporate bodies at any given time.

During the selection process, Egon Zender, as an independent external consulting firm that specializes in this type of search process, advised the Bank in the identification of potential candidates. Simultaneously, it conducted a consultation process with several members of the Board of Directors, so that other potential candidates who met the profile and requirements identified could be added to the selection process, given that it was focused on people with extensive knowledge and experience in the financial and banking field, including the management of the transformation of the banking business, at an international level and in the countries where the Group operates primarily.

In this respect, the Committee analyzed the profiles of different potential candidates proposed who, among them was Mr. Casanueva, after which it considered it appropriate to gain further knowledge of him in order to assess whether he might be a suitable candidate to be a director of the Bank.

The Appointments and Corporate Governance Committee proceeded to analyze the different aspects of his profile, including his knowledge, skills and experience to be appointed as a director of the Bank, his willingness to exercise good governance, his commercial and professional reputation, compliance with the requirements to be considered an independent director, as well as the absence of incompatibilities, prohibitions and limitations for the exercise of the position.

On the basis of all the above, in light of the current and future needs of the Bank's corporate bodies, the analysis of the structure, size and composition of the Board and the Selection Policy, the Appointments and Corporate Governance Committee deemed that Enrique Casanueva Nardiz has the required suitability and independence requirements for the role, as well as appropriate knowledge and experience to be appointed as a BBVA director, and that his appointment would foster the diversity of knowledge and experience on the Board of Directors, thus contributing to maintaining the proper composition and performance of the functions of the corporate bodies.

Accordingly, the Appointments and Corporate Governance Committee has resolved to propose to the Board of Directors, for its subsequent proposal to the Bank's Annual General Shareholders' Meeting, the appointment of Mr. Casanueva as an independent director of the Board of Directors, for the Bylaw-mandated term of three years.

3. Skills, experience and merits

The Board of Directors has assessed, for the issuance of this Report, as established in the applicable regulations, the skills, experience and merits, as well as the knowledge of the proposed

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candidate, for which purpose it has analyzed his professional and academic profile, which is summarized below:

Mr. Casanueva holds a degree in Industrial Engineering from the Universidad Politécnica de Madrid. He received a Master of Business Administration (MBA) degree, specializing in finance and strategy, from the Massachusetts Institute of Technology (MIT) in the United States, for which he was awarded a Fulbright Scholarship.

He has a long professional career in the banking and financial sector, where he has held several top positions at international financial institutions during his professional career.

He began his professional career at Procter & Gamble in the branding department (1985-1987), joining the Lisbon office of the consultancy firm McKinsey & Co in 1988 for a period of one year. He then worked for 6 years at the financial institution Goldman Sachs in the Investment Banking department, holding the position of Executive Director in London. He also held the position of Head of Investment Banking Spain and Portugal from 1995 to 2000 at Banco Santander, in the Santander Investment area.

He then joined JP Morgan, where he has held a number of senior positions for 17 years. He was Chairman and CEO for Spain and Portugal and member of the EMEA Management Committee from 2006 to 2015; and Head of Southern Europe, Nordics, Central and Eastern Europe, Ireland and Israel and member of the EMEA Executive Committee from 2015 to 2017.

Mr. Casanueva is currently a senior advisor at JP Morgan EMEA, a position he will relinquish prior to taking up his duties as a director of BBVA.

Summary information on Mr. Casanueva's education, professional background and other occupations can be found in the curriculum vitae attached to this Report as an **Appendix**.

In view of the foregoing, the Board of Directors holds a positive view of the outstanding academic background, merits and outstanding professional career of Mr. Casanueva, highlighting his in-depth knowledge of areas of particular relevance to the Bank and the corporate bodies, such as banking and finance, including the transformation of the banking business, as he has held executive positions of the highest level of responsibility at global investment banks.

In addition, he brings experience and in-depth knowledge in the management of internationally active businesses.

Lastly, the Board also holds a very positive view of the following aspects of his profile:

- His long and successful professional experience in international investment banking and his key knowledge and management experience in the financial and banking business in countries of special relevance for the BBVA Group, which would be a good match for the Board's current capabilities in an activity that is especially significant for the Group's current strategy.
- His executive skills and experience in running major international businesses, which would complement the current composition of the Board; and his willingness to join the Bank's Board of Directors and the ability to devote the time and effort required for this role.
- The contribution he would make in bringing the proportion of independent directors to at least 50% of the total number of directors of the Bank.

Furthermore, based on the analysis performed by the Appointments and Corporate Governance Committee, the Board of Directors has assessed Mr. Casanueva's compliance with the suitability requirements established in the applicable regulations for holding the position of BBVA Board member, concluding that Mr. Casanueva has recognized commercial and professional repute, has adequate knowledge and experience to perform his duties and is in a position to exercise good governance of the entity; and meets the conditions to be considered as an independent director.

4. Conclusion

Consequently, the Board considers that Mr. Casanueva is qualified to be a member of the Bank's Board of Directors and, in particular, has the competence, experience and merits, as well as the knowledge required for the performance of his duties.

As a result of the foregoing, taking into account the proposal issued by the Bank's Appointments and Corporate Governance Committee, the Board of Directors has agreed to propose to the General Shareholders' Meeting of BBVA, the appointment, as an independent director of the Bank's Board of Directors, of Enrique Casanueva Nárdiz, for the Bylaw-mandated term of three years.

To this end, the Board of Directors issues this Report, in light of the requirements established by Article 529 *decies* of the Spanish Corporate Enterprises Act.

The appointment of Mr. Casanueva is subject to verification, by the European Central Bank, of the regulatory suitability requirements for the position of director of BBVA.

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Appendix: *curriculum vitae*

Enrique Casanueva Nárdiz Independent director

Born in 1961

Spanish national

Industrial Engineer by Universidad Politécnica – Madrid

Master of Business Administration (MBA), with a major in finance and strategy from the Massachusetts Institute of Technology (MIT) (*Fulbright*) – Cambridge, United States

Professional background:

- 1985-1987 **Procter & Gamble**
Brand Assistant
Assistant Brand Manager
- 1988-1989 **McKinsey & Co:** Associate
- 1989-1995 **Goldman Sachs**
Associate, Investment Banking (1989 – 1990)
Executive Director, Investment Banking (1991 – 1995)
- 1995-2000 **Banco Santander:** Managing Director of Investment Banking, Spain and Portugal at Santander Investment
- 2000-2017 **J.P. Morgan**
Managing Director, head of Investment Banking Spain and Portugal (2000 – 2006)
Chair and CEO Spain and Portugal. Member of the Steering Committee of EMEA (2006 – 2015)
Head of Southern Europe, Nordic countries, Central and Eastern Europe, Ireland and Israel. Member of the Executive Committee of EMEA (2015 – 2017)

He is currently *senior advisor* at J.P. Morgan EMEA, position he will relinquish before taking up his duties as BBVA director.