

Reasoned proposal by the Appointments and Corporate Governance Committee

Proposal for the appointment of
Cristina de Parias Halcón as external
director

January 24, 2024

1. Introduction and legal framework

1.1 Regulatory framework

Article 529 *decies*, paragraph 4 of the Spanish Corporate Enterprises Act states that it is the responsibility of the Appointments Committee to propose the appointment or re-election of members of the Board of Directors in the case of independent directors and the responsibility of the Board itself in all other cases.

Paragraph 5 of the same article also stipulates that, in any case, all proposals must be accompanied by a supporting report from the Board that assesses the skills, experience and merits of the candidate being proposed.

In line with the aforementioned Act, Article 5 of the Regulations of the Appointments and Corporate Governance Committee (the “**Committee**”) of Banco Bilbao Vizcaya Argentaria, S.A. (“**BBVA**” or the “**Bank**”) states that it is the responsibility of this Committee to:

- Submit proposals to the Bank’s Board of Directors (hereinafter, the “**Board**” or the “**Board of Directors**”) for the appointment, re-election or removal of independent directors and report on the proposals for the appointment, re-election or removal of the other directors.

To this end, the Committee will evaluate the balance of knowledge, skills and experience of the Board of Directors, as well as the conditions that the candidates must meet to cover the vacancies that arise, evaluating 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.

- Analyze the suitability of the members of the Board of Directors.

In accordance with Article 3 and Article 17.1(c)(i) of its Regulations (“**Regulations of the Board**” or “**Regulations**”), the Board is responsible for proposing the appointment, ratification, re-election or removal of directors at the General Shareholders’ Meeting (on the proposal of the Appointments and Corporate Governance Committee in the case of independent directors, and issuing a report in all other cases).

1.2 Procedure

Within scope of its remit and in accordance with the conclusions reached in the selection process carried out as described in the following paragraphs, the Committee hereby issues this reasoned proposal for the appointment of Cristina de Parias Halcón. The proposal contains the Committee’s analysis of her suitability to sit on the Board of Directors, the category of director that would correspond to her and the absence of incompatibilities, prohibitions and limitations, based on the needs of the Bank’s corporate bodies, and is structured as set out below:

- structure, size and composition of the Board, in accordance with the provisions of the Committee Regulations, applicable law and the BBVA Board of Directors’ Selection, Suitability and Diversity Policy, approved by this body (the “**Selection Policy**”);
- description of the selection process;

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

- analysis of the suitability of Cristina de Parias Halcón for appointment to the BBVA Board of Directors;
- analysis of her status as a director and the absence of conflicts of interest, prohibitions or limitations that would prevent her from performing her role as a director of the Bank; and
- the Committee's conclusions on the foregoing issues and the proposed resolution to the Board of Directors in order that the Board should in turn propose to the Bank's Annual General Shareholders' Meeting that Cristina de Parias Halcón be appointed as a member of the Board of Directors.

2. Analysis of the structure, size and composition of the Board of Directors

Within the framework of the annual assessment of the Board of Directors carried out for 2023, the Appointments and Corporate Governance Committee has analyzed, in accordance with the provisions of its Regulations, the structure, size and composition of the corporate bodies, to ensure that they are adequate for the performance of their duties, that they meet the needs of such bodies at all times and that the Board, as a whole, possesses 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 Bank.

This Committee carries out this analysis within the broader framework of the progressive and orderly rotation of the corporate bodies performed by the Board, whereby individuals with different profiles and experience are introduced, thus increasing diversity and ensuring an appropriate rotation of the members of the Board of Directors.

In conducting this analysis, the Committee took the following matters 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
- 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 size and composition of the Board, set out in the Regulations of the Corporate Bodies and the Selection Policy.

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

Moreover, the Committee verified 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.

The Committee also assessed the robust and effective structure of the Board, which includes the support of the committees, based on an appropriate distribution of functions, thus enabling the Board to perform all of the duties assigned to it.

Further, the Committee has 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.

On the other hand, the Committee's analysis, which forms the basis of this Report, 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.

For this purpose, the Committee has 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.

The Committee has thus been able 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.

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.

Lastly, as part of its analysis, the Committee has taken into account the operation and performance of the corporate bodies, noting that the directors had shown great dedication to the Bank, an ability to adapt and be flexible in response to prevailing circumstances, and deep knowledge of the

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

environment and the Group, which has ultimately allowed the corporate bodies to carry out the functions entrusted to them.

As a result of the analysis carried out and described in the previous paragraphs, the Committee has found 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, the Committee deems it 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 process of gradual replacement 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.

These issues were considered during the Board renewal process being undertaken by the Committee and, in particular, in the selection process described in the following section.

3. Selection process

The Appointments and Corporate Governance Committee, within the framework of the progressive refreshment process of the corporate bodies, has developed in recent months a director selection process to help ensure that the corporate bodies can continue to rely at all times on the skills, knowledge, experience and diversity necessary for the best possible performance of their functions, and also to guarantee an appropriate rotation of directors.

The foregoing takes due account of the objectives and conclusions concerning the composition of the Board of Directors described in the preceding section, including the outcome of the Board's

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

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 issues.

The Committee has thus taken into consideration the advisability of further strengthening 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.

The Committee has also sought out, among other issues, 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 Zendher, 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 regard, the Committee analyzed the profiles of the various potential candidates identified who, among them was Ms. de Parias, who carried out a process of interviews with all the members of the Committee so that they could learn, first hand, about her knowledge and experience as well as her personal characteristics and conditions, in order to verify whether she adequately met the profile defined by the Committee, whether she met the needs of the corporate bodies and could have, if applicable, a suitable fit within the Bank's Board of Directors, as well as her willingness to join the Board. As a result, it was concluded that Ms. de Parias meets the profile identified in the selection process and fits the needs of the Board at this time, and therefore her appointment as a new BBVA director is hereby proposed.

The following sections of this report describe the Committee's findings based on its review of all the information available to it regarding the proposed candidate, as described in the above paragraphs.

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

4. Analysis of the suitability of the candidate

The suitability of Ms. de Parias for the position of BBVA director has been evaluated by the BBVA Appointments and Corporate Governance Committee, in accordance with applicable law and regulations, primarily Article 24 et seq. of Spanish Law 10/2014 of June 26, on the regulation, supervision and solvency of credit institutions (hereinafter the “**LOSS**”) and Article 29 et seq. of Spanish Royal Decree 84/2015 of February 13, implementing the LOSS (hereinafter, “**RDOSS**”), as well as Article 2.3 of the Regulations of the Board, in accordance with the following:

4.1. Knowledge and experience

The Committee has analyzed and assessed the knowledge, skills and experience of Ms. de Parias in view of the information made available to it. In this regard, the information provided directly by the candidate to the Committee during the selection process described above, and the prior knowledge of the Bank's corporate bodies, derived from her previous position as a senior manager of the Bank, were of particular relevance.

Ms. de Parias holds a law degree from the Universidad de Sevilla and a master's degree in business administration (MBA) from the IESE business school.

Ms. de Parias has an extensive track record in the banking and financial sector, having held various high-ranking positions at financial institutions during her professional career. She also has experience as a board member of various companies.

She began her professional career at Banesto in the marketing department of the Paris branch (1988-1989). She then worked for 7 years at Citibank, where she held senior positions from 1995 to 1998, including marketing and multichannel director for retail clients and head of the personal banking business unit (CitiGold).

In 1998 she joined the BBVA Group, where she held various positions of the highest management responsibility. In 2014, she was appointed member of the BBVA Management Committee (senior management), holding the position of Country Manager for Spain and Portugal until stepping down in December 2019.

Furthermore, within the BBVA Group, from 2015 to 2016, she held the position of Chair of the Board of Catalunya Caixa. There she was responsible for leading the integration of that entity into BBVA. From 2011 to 2014, she was the Central Territorial Director, managing the business of individual customers, companies, corporates and institutions. From 2008 to 2011, she was Director of New Digital Businesses, where she was responsible for the digital strategy and the management of the digital start-ups portfolio of the BBVA Group.

Furthermore, she held other senior positions within the BBVA Group, prior to her appointment as a senior manager of the Bank. She was Head of Payment Systems from 2000 to 2004, where she was responsible for the integration of the payment systems businesses of BBV and Argentaria; and Chief Executive Officer of Uno-e Bank and Head of BBVA's Consumer Finance subsidiary (Finanzia) from 2005 to 2008.

She has been a director of the portfolio of digital start-ups in which BBVA has a stake: Strands, Adquira, Blue Indico Investments, Solium, Rent&Tech, Globalnet and Econta. She has also been

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

a member of the board of directors of several subsidiaries of the BBVA Group, including BBVA Finanzia, BBVA Portugal and BBVA Seguros.

In addition, she has been a member of the Consejo General de la Asociación Española de Banca (AEB) and of the Comisión Gestora del Fondo de Garantía de Depósitos (Deposit Guarantee Fund Management Committee).

Ms. de Parias is currently a director (with no executive duties) of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Grupo Financiero BBVA México, S.A. de C.V., as well as an independent director of Endesa, S.A. and Sanitas Seguros, and is a member of the board of trustees of the BBVA Microfinance Foundation.

Summary information on Ms. de Parias's training, professional background and other occupations can be found in the curriculum vitae attached to this reasoned proposal as an **Appendix**, which has been drawn up on the basis of the information provided by the candidate. This will be made available to shareholders when the next Annual General Shareholders' Meeting is called.

In view of the foregoing, the Appointments and Corporate Governance Committee holds a positive view of the outstanding academic background, merits and outstanding professional career of Ms. de Parias. The Committee highlights her profound knowledge of areas of particular relevance to the Bank and the corporate bodies, such as banking, finance, the transformation of the banking industry and technology, as she has held high-ranking executive positions at various highly-respected international financial corporations, combined with her knowledge and previous experience in the BBVA Group. She also has an in-depth knowledge of the BBVA Group's business in one of its key markets, Mexico, acquired through her current position as external director (with no executive functions) of BBVA Mexico.

She would also bring extensive knowledge and expertise in business management given her considerable experience as a board member of several companies.

In particular, the Committee also holds a positive view of the following aspects of her profile:

- Her previous professional experience, of the highest responsibility in the Bank, having managed, from 2014 to 2019, one of the main businesses of the Group in a major development and transformation process, which together with her management skills would provide the Board with a direct knowledge of the BBVA Group's businesses that would complement in a particularly fitting manner the current composition, knowledge and experience of the Board of Directors.
- In addition, she has in-depth knowledge of two of the main markets in which the Group operates, Spain and Mexico, as a result of having held the position of Country Manager for Spain and Portugal as a senior executive of the Bank until 2019, and currently being a director of two of the Group's subsidiaries in Mexico.
- Her experience on the boards of directors of leading companies, both domestically and internationally, where she has served as a director, which complements her professional profile highly positively.
- Her appointment would enhance diversity on the Board, in particular, diversity of skills and experience and gender diversity, thereby contributing to the achievement of the objectives

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

set forth in the Selection Policy. In terms of gender diversity and in the event that this appointment was approved, women would represent 47% of the members of the Board, a percentage higher than the objectives undertaken by the Board and the best practices in corporate governance, which is to ensure that women represent at least 40% of the Board members.

In light of the above, the Appointments and Corporate Governance Committee has determined that Ms. de Parias, in view of her outstanding professional career and her in-depth knowledge of areas that are of great interest to the Bank's corporate bodies, such as banking and finance, including the transformation of the banking business, and innovation and digital transformation, in addition to her experience and direct knowledge of the BBVA Group and as a board member of several domestic and international entities, has the appropriate knowledge and experience to be appointed as a director of BBVA, and that her appointment would favor diversity of knowledge, experience and gender within the Board of Directors. This would contribute to the adequate composition and performance of the functions entrusted to the Bank's corporate bodies.

4.2. Ability to exercise good governance

With regard to her willingness to exercise good governance of the entity, in light of the information provided by Ms. de Parias, and the analysis conducted by the Bank, it appears that there are no circumstances or situations that might create potential conflicts of interest that could pose an impediment or difficulty for her to perform her duties as a director of BBVA.

With regard to her ability to devote sufficient time to carry out her duties as Bank director, it has been considered, and the candidate been informed of, the level of dedication that the Bank expects from its directors. It was concluded that Ms. de Parias is in a position to devote sufficient time to properly perform the duties of the position.

4.3. Commercial and professional reputations and other issues considered by the Committee

With regard to her commercial and professional reputation, the Committee has reviewed the information provided by Ms. de Parias, concluding that she has demonstrable commercial and professional reputation to carry out her functions as a director of the Bank, since she is unaffected by any circumstances that could impair her commercial and professional reputation, in accordance with applicable law and regulations.

Finally, according to the information available to the Committee, there is no indication that Ms. de Parias is in any situation of incompatibility, prohibition or limitation that would prevent her from fulfilling the position of Bank director.

5. Director category

The Appointments and Corporate Governance Committee has examined the circumstances of Ms. de Parias in order to determine the category of director that would correspond to her in the event that she was appointed as a director of the Bank.

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

As set out in Article 529 *duodecies* of the Spanish Corporate Enterprises Act and Article 1 of the Regulations of the Board, the Appointments and Corporate Governance Committee has considered the question of whether, and indeed confirmed that, Ms. de Parias meets the relevant legal and regulatory conditions to qualify as an independent director of BBVA, based on the information provided and the assessment made by the Bank.

However, without in any way calling into question the fact that the proposed appointment of Ms. de Parias is made exclusively on the basis of her personal and professional qualifications and that, in the opinion of this Committee, she could hold the position of director without being constrained by relationships with the Bank or its Group, its significant shareholders or its executives, the Appointments and Corporate Governance Committee has paid special attention to the possible existence in the proposed candidate of the circumstance provided for in point a) of Article 529 *duodecies.4* of the Corporate Enterprises Act. This provision prevents, in any case, a director from being considered formally independent. This provision is repeated in Article 1.2.a) of the Regulations of the Board of Directors.

This circumstance applies specifically to those who have been "employees or executive directors of group companies, unless 3 or 5 years have elapsed, respectively, since the termination of that relationship."

Ms. de Parias was a member of the BBVA Management Committee (senior management), holding the position of Country Manager for Spain and Portugal, until her resignation in December 2019. Therefore, the period of incompatibility of 3 years established by laws and regulations since Ms. de Parias ceased to be an employee (senior manager) of the Bank or of BBVA Group companies has elapsed.

In its assessment, the Committee also took into account (i) the current membership of Ms. de Parias of the boards of directors of the Group's subsidiaries: BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Grupo Financiero BBVA México, S.A. de C.V., for approximately 4 years, after having completely terminated her relationship as a senior manager of BBVA in December 2019; and (ii) the positions as director held, in some of the companies of the Group and listed in her attached curriculum vitae, while she served as Country Manager of Spain and Portugal in the BBVA Group, resulting from the latter. In the opinion of the Committee, these circumstances would not have an effect on her eligibility to be considered as an independent director.

And, in relation to the second of the cases, i.e., the directorships held while she held the position of Country Manager of Spain and Portugal in the BBVA Group, for the following reasons:

- First, because these are purely instrumental positions within the framework of the performance of her former role as Country Manager of Spain and Portugal, as a member of the Bank's Management Committee (senior management), which is the main (employee) relationship that should determine the period of incompatibility after termination (3 years).
- Secondly, since Article 529 *duodecies.4.a)* of the Corporate Enterprises Act uses the term "executive director", the categories set forth in said article must be considered. Therefore, it should be applied within the scope of listed companies, in such a way that this situation would only arise if the candidate had held a position as executive director of the Bank (or,

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

as the case may be, of a listed subsidiary of the Bank). It is precisely the combination of the position of director with the performance of executive functions at a listed company that warrants the increase from 3 to 5 years of the period of incompatibility in order for a person to be formally classified as independent.

- And, finally, if the provisions of Article 529 *duodecies*.1 of the Corporate Enterprises Act are applied by analogy, in the sense that "directors who are senior managers or directors of companies belonging to the group of the parent company of the company are considered proprietary directors", since Ms. de Parias has been a senior manager of BBVA, she should be considered a proprietary director representing BBVA, and not an executive director, at those subsidiaries where she holds a directorship.

However, the Committee takes a prudent approach and also considers the general incompatibility periods applied for executive relationships (without distinguishing between employee or executive director) by certain institutional investors and proxy advisors. Therefore, the Committee recommends that, at this time, in view of the prevailing circumstances, even though she meets the requirements established in Article 529 *duodecies* of the Corporate Enterprises Act and Article 1 of the Board Regulations to be considered as an independent director, the proposal for appointment that, if appropriate, the Board of Directors submits to the Annual General Shareholders' Meeting of 2024 in relation to Ms. de Parias should propose her appointment as an "other external director" of the Bank.

6. Conclusions and proposed resolution

Following the analysis carried out by the Appointments and Corporate Governance Committee, and in response to the needs of the corporate bodies in relation to their structure, size and composition, as well as the provisions of the Selection Policy, the Appointments and Corporate Governance Committee finds that Cristina de Parias Halcón:

- Meets the requirements of recognized commercial and professional repute, knowledge and experience and ability to exercise good governance, as established in the LOSS, the RDOSS and the Regulations of the Board, to be a member of the Bank's Board of Directors and discharge her duties.
- Possesses sufficient knowledge, skills and experience, and moreover that her appointment would foster the diversity of knowledge, experience and gender on the Board of Directors, and would contribute to the proper composition and performance of the duties of the corporate bodies.
- Is willing and able to exercise good governance at the Bank, and she is not known to be involved in any kind of incompatibility, prohibition or limitation that might prevent her from serving as a director of the Bank.
- She meets the necessary conditions to be considered an independent director of BBVA, notwithstanding which, based on a principle of prudence, it is recommended that, at this time and in view of the prevailing circumstances, she be classified as an external director of the Bank.

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

The Appointments and Corporate Governance Committee has therefore decided to propose to the Board of Directors, so that the latter, in turn, may propose to the Annual General Shareholders' Meeting of the Bank, the appointment of Cristina de Parias Halcón as member of the Board of Directors, for the bylaw-stipulated period of three years, with the status of external director.

* * *

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

Board of Directors Report

Proposal for the appointment of Cristina de Parias Halcón as an external 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 proposals for appointment the members of the Board of Directors corresponds to the Appointments and Corporate Governance Committee for independent directors and to the Board itself for all other directors.

Accordingly, BBVA's Regulations of the Board of Directors, in compliance with the Spanish Corporate Enterprises Act, also states that proposals for appointment 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. Moreover, the proposal for appointment in the case of non-independent directors will be preceded by a report from the Appointments and Corporate Governance Committee.

In order to comply with the above, the Bank's Board of Directors has prepared this report, which accompanies the proposal to appoint Cristina de Parias Halcón as a member of the Bank's Board of Directors which comes from the Appointments and Corporate Governance Committee, 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
- 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.

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.

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

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 gender and experience diversity 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 into 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.

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

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 Ms. de Parias, after which it considered it appropriate to gain further knowledge of her in order to assess whether she 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 her profile, including her knowledge, skills and experience to be appointed as a director of the Bank, her willingness to exercise good governance, her commercial and professional reputation, circumstances that determine her category as 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 Cristina de Parias Halcón has the required suitability requirements for the role, as well as appropriate knowledge and experience to be appointed as a BBVA director, and that her appointment would foster the diversity of knowledge, experience and gender 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 Ms. de Parias as 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

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

candidate, for which purpose it has analyzed the prior knowledge of the Bank's corporate bodies, derived from her previous position as a senior manager of the Bank, and her professional and academic profile, which is summarized below:

Ms. de Parias holds a law degree from the Universidad de Sevilla and a master's degree in business administration (MBA) from the IESE business school.

She has an extensive track record in the banking and financial sector, having held various high-ranking positions at financial institutions during her professional career. She also has experience as a board member of various companies.

She began her professional career at Banesto in the marketing department of the Paris branch (1988-1989). She then worked for 7 years at Citibank, where she held senior positions from 1995 to 1998, including marketing and multichannel director for retail clients and head of the personal banking business unit (CitiGold).

In 1998 she joined the BBVA Group, where she held various positions of the highest management responsibility. In 2014, she was appointed member of the BBVA Management Committee (senior management), holding the position of Country Manager for Spain and Portugal until stepping down in December 2019.

Furthermore, within the BBVA Group, from 2015 to 2016, she held the position of Chair of the Board of Catalunya Caixa. There she was responsible for leading the integration of that entity into BBVA. From 2011 to 2014, she was the Central Territorial Director, managing the business of individual customers, companies, corporates and institutions. From 2008 to 2011, she was Director of New Digital Businesses, where she was responsible for the digital strategy and the management of the digital start-ups portfolio of the BBVA Group.

Furthermore, she held other senior positions within the BBVA Group, prior to her appointment as a senior manager of the Bank. She was Head of Payment Systems from 2000 to 2004, where she was responsible for the integration of the payment systems businesses of BBV and Argentaria; and Chief Executive Officer of Uno-e Bank and Head of BBVA's Consumer Finance subsidiary (Finanzia) from 2005 to 2008.

She has been a director of the portfolio of digital start-ups in which BBVA has a stake: Strands, Adquira, Blue Indico Investments, Solium, Rent&Tech, Globalnet and Econta. She has also been a member of the board of directors of several subsidiaries of the BBVA Group, including BBVA Finanzia, BBVA Portugal and BBVA Seguros.

In addition, she has been a member of the Consejo General de la Asociación Española de Banca (AEB) and of the Comisión Gestora del Fondo de Garantía de Depósitos (Deposit Guarantee Fund Management Committee).

Ms. de Parias is currently a director (with no executive duties) of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Grupo Financiero BBVA México, S.A. de C.V., as well as an independent director of Endesa, S.A. and Sanitas Seguros, and is a member of the board of trustees of the BBVA Microfinance Foundation.

Summary information on Ms. de Parias' 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 Ms. de Parias, highlighting her profound knowledge of areas of particular relevance to the Bank and the corporate bodies, such as banking, finance, the transformation of the banking industry and technology, as she has held high-ranking executive positions at various highly-respected international financial corporations, combined with her knowledge and previous experience in the BBVA Group. She also has an in-depth knowledge of the BBVA Group's business in one of its key markets, Mexico, acquired through her current position as external director (with no executive functions) of BBVA Mexico.

She would also bring extensive knowledge and expertise in business management given her considerable experience as a board member of several companies.

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

- Her previous professional experience, of the highest responsibility in the Bank, having managed, from 2014 to 2019, one of the main businesses of the Group in a major development and transformation process, which together with her management skills would provide the Board with a direct knowledge of the BBVA Group's businesses that would complement in a particularly fitting manner the current composition, knowledge and experience of the Board of Directors.
- In addition, she has in-depth knowledge of two of the main markets in which the Group operates, Spain and Mexico, as a result of having held the position of Country Manager for Spain and Portugal as a senior manager of the Bank until 2019, and currently being a director of two of the Group's subsidiaries in Mexico.
- Her experience on the boards of directors of leading companies, both domestically and internationally, where she has served as a director, which complements her professional profile highly positively.
- Her appointment would enhance diversity on the Board, in particular, diversity of skills and experience and gender diversity, thereby contributing to the achievement of the objectives set forth in the Selection Policy. In terms of gender diversity and in the event that this appointment was approved, women would represent 47% of the members of the Board, a percentage higher than the objectives undertaken by the Board and the best practices in corporate governance, which is to ensure that women represent at least 40% of the Board members.

Furthermore, based on the analysis performed by the Appointments and Corporate Governance Committee, the Board of Directors has assessed Ms. de Parias' compliance with the suitability requirements established in the applicable regulations for holding the position of BBVA Board member, concluding that Ms. de Parias has recognized commercial and professional repute, has adequate knowledge and experience to perform her duties and is in a position to exercise good governance of the entity.

4. Director category

The Board of Directors has examined the analysis carried out on the director category that would correspond to Ms. de Parias, in accordance with the relevant legal and regulatory conditions established, as well as the conclusions of the Appointments and Corporate Governance Committee on its proposal to the Board in which it confirms that, Ms. de Parias meets the necessary conditions to qualify as an independent director of BBVA.

To this effect, the Board has taken into account that the Appointments and Corporate Governance Committee, in its reasoned proposal, has paid special attention to the possible existence in the proposed candidate of the circumstance provided for in point a) of Article 529 *duodecies.4* of the Corporate Enterprises Act. This provision prevents, in any case, a director from being considered formally independent. This provision is repeated in Article 1.2.a) of the Regulations of the Board of Directors.

This circumstance applies specifically to those who have been "employees or executive directors of group companies, unless 3 or 5 years have elapsed, respectively, since the termination of that relationship."

Ms. de Parias was a member of the BBVA Management Committee (senior management), holding the position of Country Manager for Spain and Portugal, until her resignation in December 2019. Therefore, the period of incompatibility of 3 years established by laws and regulations since Ms. de Parias ceased to be an employee (senior manager) of the Bank or of BBVA Group companies has elapsed.

In its reasoned proposal, the Committee also took into account (i) the current membership of Ms. de Parias of the boards of directors of the Group's subsidiaries: BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Grupo Financiero BBVA México, S.A. de C.V., for approximately 4 years, after having completely terminated her relationship as a senior manager of BBVA in December 2019; and (ii) the positions as director held, in some of the companies of the Group and listed in her attached curriculum vitae, while she served as Country Manager of Spain and Portugal in the BBVA Group, resulting from the latter. In the opinion of the Committee, these circumstances would not have an effect on her eligibility to be considered as an independent director.

And, in relation to the second of the cases, i.e., the directorships held while she held the position of Country Manager of Spain and Portugal in the BBVA Group, for the following reasons:

- First, because these are purely instrumental positions within the framework of the performance of her former role as Country Manager of Spain and Portugal, as a member of the Bank's Management Committee (senior management), which is the main (employee) relationship that should determine the period of incompatibility after termination (3 years).
- Secondly, since Article 529 *duodecies.4.a)* of the Corporate Enterprises Act uses the term "executive director", the categories set forth in said article must be considered. Therefore, it should be applied within the scope of listed companies, in such a way that this situation would only arise if the candidate had held a position as executive director of the Bank (or, as the case may be, of a listed subsidiary of the Bank). It is precisely the combination of the

position of director with the performance of executive functions at a listed company that warrants the increase from 3 to 5 years of the period of incompatibility in order for a person to be formally classified as independent.

- And, finally, if the provisions of Article 529 *duodecies*.1 of the Corporate Enterprises Act are applied by analogy, in the sense that "directors who are senior managers or directors of companies belonging to the group of the parent company of the company are considered proprietary directors", since Ms. de Parias has been a senior manager of BBVA, she should be considered a proprietary director representing BBVA, and not an executive director, at those subsidiaries where she holds a directorship.

However, the Committee takes a prudent approach and also considers the general incompatibility periods applied for executive relationships (without distinguishing between employee or executive director) by certain institutional investors and proxy advisors. Therefore, the Committee has recommended that, at this time, in view of the prevailing circumstances, even though she meets the requirements established in Article 529 *duodecies* of the Corporate Enterprises Act and Article 1 of the Board Regulations to be considered as an independent director, the proposal for appointment that, if appropriate, the Board of Directors submits to the Annual General Shareholders' Meeting of 2024 in relation to Ms. de Parias should propose her appointment as an other external director of the Bank.

The Board of Directors agree with the conclusions of the Appointments and Corporate Governance Committee in its reasoned proposal on the appointment of Ms. de Parias as director of the Bank, particularly, with the fact that she meets the necessary conditions to be considered an independent director.

Notwithstanding the above, based on a principle of prudence and the recommendation made by the Committee, the proposal for appointment Ms. de Parias as BBVA director is submitted to the General Shareholders Meeting of the Bank with the category of other external director.

5. Conclusion

Consequently, the Board considers that Ms. de Parias 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 her 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 external director of the Bank's Board of Directors, of Cristina de Parias Halcón, 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 Ms. de Parias is subject to verification, by the European Central Bank, of the regulatory suitability requirements for the position of director of BBVA.

* * *

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

Appendix: *curriculum vitae*

Ms. Cristina de Parias Halcón

External director

Born in 1965

Spanish national

Graduated in Law from the Universidad de Sevilla

Master of Business Administration (MBA), IESE Business School – Barcelona

Professional background:

1988-1989 **Banesto:** Commercial Department in Paris office

1991-1998 **Citibank**

Deputy head of Marketing Department

Head of Marketing & Multichannel to Retail Customers

Head of Personal Banking Business Unit (CitiGold)

1998-2019 **BBVA**

Personal Banking and Banco Directo Commercial Manager

Head of the Payments Business Units (credit cards, merchants and ATMs)

Head of BBVA's Consumer Finance Company (Finanzia) and CEO of Uno-e Bank

Head of New Digital Businesses Development

Head of Central Business Area

Country Manager, Spain and Portugal

She was a founding director of Iberia Cards, a member of the board of directors of Servired and Sermepa (now Redsys) and a member of the General Council of the AEB and of the Management Committee of the Fondo de Garantía de Depósitos (Spain's deposit guarantee scheme).

She has also served as a director of the portfolio of digital start-ups in which BBVA has a stake: Strands, Adquira, Blue Indico Investments, Solium, Rent&Tech, Globalnet and Econta. In addition, she has been a director of BBVA Finanzia and BBVA Portugal, Chair of the Board of Catalunya Caixa until its merger with BBVA in 2016, and Chair of BBVA Seguros.

She is currently an independent director of Endesa, S.A. and Sanitas Seguros, as well as a director of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Grupo Financiero BBVA, S.A. de C.V., a member of the Board of Trustees of the BBVA Microfinance Foundation and President of IESE Alumni Madrid and Vice President of the IESE Alumni Executive Committee.