

# 5. Information on remuneration

5.1.	Information on the decision-making process used to establish the remuneration policy for the Identified Staff	138
5.2.	Description of the different types of employees included in the Identified Staff	141
5.3.	Key features of the remuneration system	142
5.4.	Information on the connection between the remuneration of the Identified Staff and the Group's performance	146
5.5.	Description of the criteria used to take into consideration present and future risk in the remuneration processes	146
5.6.	Main parameters and the motivation of any component of possible variable compensation plans and other non-cash advantages	147
5.7.	Ratios between fixed and variable remuneration of the Identified Staff	147
5.8.	Quantitative information on remuneration of the Identified Staff	148

In accordance with Article 85 of Act 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions (the "LOSS"), and in Article 93 of Royal Decree 84/2015, of February 13 implementing said Act, and pursuant to the provisions of Bank of Spain Circular 2/2016 of February 2, to credit institutions, on supervision and solvency, completing the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No. 575/2013 (the "Bank of Spain

Circular 2/2016"), credit institutions shall provide to the public and periodically update it, at least once a year, inter alia, information concerning their remuneration policies and practices established in section eight of Regulation 575/2013/EU, in relation to those categories of staff whose professional activities have a significant impact on the Group's risk profile (hereinafter, the "Identified Staff" or "Risk Takers").

## 5.1. Information on the decision-making process used to establish the remuneration policy for the Identified Staff

In accordance with the provisions contained in BBVA's Bylaws, the BBVA Board of Directors Regulations grants to this body, among others, the powers to approve the remuneration policy of directors, for submission to the General Meeting, that of senior management and the rest of the Identified Staff as well as the determination of the remuneration of non-executive directors and, in the case of executive directors, the corresponding remuneration for their executive functions and the remaining conditions to be respected in their contracts.

In addition, among the Committees constituted to support the Board in carrying out its duties, the Remunerations Committee is the body which assists it in remunerations matters related to directors, senior management and the rest of the Identified Staff, ensuring observance of the remuneration policies established.

Thus, in accordance with Article 5 of the Remunerations Committee Regulations, and without prejudice to any other functions assigned to it by law, the internal rules of the Bank or assigned to it by decision of the Board, the Remunerations Committee performs, on a general basis, the following functions:

1. Propose directors' remuneration policy to the Board, for submission to the General Meeting, likewise submitting the corresponding report, in the terms established by applicable law at any time.
2. Determine the remuneration of non-executive directors, as provided for in the director's remuneration policy, submitting the corresponding proposals to the Board.
3. 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 line with the director's remuneration policy, submitting the corresponding proposals to the Board.
4. Determine the objectives and criteria for measuring the variable remuneration of the executive directors and assess their degree of achievement thereof, submitting the corresponding proposals to the Board.
5. Analyze, where appropriate, the need to make ex ante or ex post adjustments to variable remuneration, including the application of reduction or recovery clauses for variable remuneration, submitting the corresponding proposals to the Board, prior report of the corresponding committees in each case.
6. Annually submit the proposal of the annual report on the remuneration of the Bank's directors to the Board, which will be submitted to the Annual General Shareholders' Meeting in accordance with the provisions of the applicable law.
7. Propose to the Board the remuneration policy for senior managers and other employees of the Identified Staff; and oversee its implementation, including the supervision of the process for the identification of the abovementioned Staff.
8. Submit a proposal to the Board of Directors the Group's remuneration policy, which may include that of the senior managers and the rest of the Identified Staff, as indicated in the previous paragraph and oversee its implementation.
9. Submit to the Board the basic contractual conditions for senior managers, including their remuneration and severance in the event of termination.
10. Directly supervise the remuneration of senior managers.
11. Ensure observance with the remuneration policies established by the Entity and review them periodically, proposing modifications, where appropriate, to ensure, among other things, that they are adequate to attract and retain the best professionals, so that they contribute to the creation of long-term value and to 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 Entity are subject to internal, central and independent review at least once a year.

12. Verify all information concerning the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on the remuneration of directors.
13. 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.

At the end of 2020 financial year, the Remunerations Committee is composed of five members; all of them have the status of non-executive directors, with the majority being independent, including the Chair. The names, positions and conditions of the members of the Remunerations Committee are detailed in the following table:

**Table 86.** Composition of the Remunerations Committee

Name and surname(s)	Position	Status
Ms. Belén Garijo López	Chair	Independent
Ms. Lourdes Máiz Carro	Member of the board	Independent
Ms. Ana Peralta Moreno	Member of the board	Independent
M. Carlos Salazar Lomelín	Member of the board	External
M. Jan Verplancke	Member of the board	Independent

The members of the Remunerations Committee who held such position at the end of 2020 financial year have received a total amount of 250 thousand euros for their membership. In addition, the Annual Report on BBVA Directors' Remuneration pertaining to said financial year includes the individual remuneration of each director, broken down by remuneration items.

The Remunerations Committee performs its functions with full autonomy of operation, meeting as often as necessary to carry out its duties, headed by its Chair, and convened on a total of 4 occasions during the 2020 financial year.

In order to adequately perform its functions, the Committee uses the advice provided by the Bank's internal services, and may also take the external advice needed to establish criteria on matters within its remit. To this end, during 2020, the Committee has relied on information provided by the leading global consulting firm on compensation of directors and senior managers, Willis Towers Watson and has received legal advice from the law firm J&A Garrigues S.L.P.

In addition, the Board's Risks and Compliance Committee participates in the process of establishing a remuneration policy, ensuring that it is compatible with adequate and efficient risk management and does not offer incentives to take risk that might exceed the level tolerated by the Group.

Since 2011, BBVA has a specific remuneration system applicable to the members of the Identified Staff, designed within the framework of the regulations applicable to credit institutions, considering best practices and recommendations at the local and international level in this matter.

As regards the members of the Board of Directors, BBVA has a specific remuneration policy applicable to its directors (the "BBVA Directors' Remuneration Policy") which distinguishes between the remuneration system applicable to non-executive directors and that applicable to executive directors in accordance with the provisions of the BBVA Bylaws. The remuneration system for executive directors corresponds, in general, to that applicable to the members of the Identified Staff, of which they form a part, including certain specific characteristics derived from their status as directors. The remuneration system of non-executive directors is based on the criteria of responsibility, dedication and incompatibilities inherent to the position they hold, and consists exclusively of fixed elements, not receiving any type of variable remuneration.

As indicated above, the Remunerations Committee has among its functions the one of proposing the BBVA Directors' Remuneration Policy to the Board, for submission to the General Meeting, likewise submitting the corresponding report, in the terms established by applicable law at any time.

The BBVA Directors' Remuneration Policy applicable during 2020 was approved by the General Shareholders' Meeting held on March 15, 2019 and is available on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)).

In 2021, the Board of Directors, at the proposal of the Remunerations Committee has resolved to approve a new policy for its application during the 2021, 2022 and 2023 financial years, which will be submitted for approval to the Annual General Shareholders' Meeting to be held on 2021.

With regard to the rest of the Identified Staff, it is also the responsibility of the Remunerations Committee to submit to the Board the remuneration policy for senior managers and other employees who are members of this Staff in the Group.

The remuneration policy applicable to the Identified Staff within the Group, including Senior Management, was last updated in 2017, in order to adapt it to the requirements established in the applicable regulations, and particularly the Bank of Spain Circular 2/2016 and the European Banking Authority Guidelines on sound remuneration policies of June 27, 2016.

This policy is integrated within the remuneration policy applicable in general to the entire staff of BBVA and the subsidiaries that form part of its consolidated group (hereafter, the "BBVA Group Remuneration Policy") and includes, in a specific chapter, the special characteristics of the remuneration system applicable to the members of the Identified Staff of the Group, as well as the procedure for their identification, in accordance with that established in the applicable regulations, as detailed in the following sections.

The BBVA Group Remuneration Policy, approved by the Board upon the proposal of the Remunerations Committee, is coordinated at the corporate level by BBVA's Talent and Culture area, and the supervisory functions of the Group

actively and regularly cooperate in its design and oversight, in accordance with the powers conferred to them by applicable legislation. Thus, the Board of Directors periodically reviews the general principles of the Policy and oversees its implementation, based on the information and reports received from the Talent and Culture area and the various corresponding control functions, thus guaranteeing that this Policy is applied properly and in a manner consistent with BBVA's corporate governance system.

Thus, as indicated above, BBVA employs a decision-making system in the field of remuneration, which features the Remunerations Committee as its central element, which, as stated, is in charge of determining both the remuneration policy applicable to the Identified Staff and the board members' remuneration policy, and submitting the corresponding proposals for approval to the Board, for its subsequent submission to the General Shareholders' Meeting in the later case.

Over the course of the 2020 financial year, the Remuneration Committee has analysed the remuneration proposals needed for the development and implementation of these remuneration policies. However, during 2020, the Committee's activity has been necessarily affected by the crisis generated by the COVID-19 pandemic, as set forth below.

In this sense, over the first months of 2020 financial year, the Remunerations Committee, carried out its ordinary activities regarding remunerations, submitting to the Board, among others, the proposals relating to the settlement and payment system of the Annual Variable Remuneration accrued during the last closed financial year, that is, 2019, according to the result of the indicators established based on the corresponding objectives and achievement scales; as well as the necessary proposals for the settlement of 2020 financial year remuneration.

Thus, the Committee determined the annual performance indicators which would be used for the calculation of the 2020 Annual Variable Remuneration of the executive directors and its corresponding weightings, submitting the corresponding proposals to the Board for approval. Likewise, the Remunerations Committee determined the multi-year performance indicators which would be used for the settlement of the 2020 financial year Annual Variable Remuneration deferred part of the executive directors and the rest of the members of the Identified Staff, including Senior Management, and its corresponding weightings, having, for this purpose, the previous analysis carried out by the Risk and Compliance Committee, which ensured its adequacy to the Bank's risk profile. In addition, over the first months of 2020, the Remunerations Committee submitted the proposal to the Board for its submission to the 2020 General Shareholders' Meeting regarding the increase of the maximum variable remuneration level of up to 200% of the fixed component of the total remuneration for a certain group of employees whose professional activities have a significant impact on the Group's risk profile, and also submitted to the Board the Report that accompanies this agreement and which was made available to the shareholders of the Bank.

Likewise, in accordance with the proposal raised by the Remunerations Committee, the Board approved the Annual Report on Remuneration of the Directors of BBVA, developed in accordance with Circular 1/2018 of the National Securities Market Commission, which was submitted to an advisory vote on the General Shareholders' Meeting held in 2020, pursuant to Article 541 of the Corporate Enterprises Act, and which was available on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)) from the date on which the General Shareholders' Meeting was convened.

The Annual Report on the Remuneration of BBVA Directors contains a description of the basic principles of the remuneration policy of the Bank with regard to members of the Board, both executive and non-executive, as well as a detailed presentation of the various elements and amounts that make up their remuneration.

**In March 2020, after the holding** of the General Shareholders' Meetings, the healthcare crisis due to the spread of the COVID-19 was triggered. This substantially conditioned the Remunerations Committee activity planned for the remainder of the year, as well as that of the rest of the Bank's corporate bodies.

In particular, in that moment, taking into consideration the exceptional circumstances derived from the COVID-19 crisis and as a gesture of responsibility and commitment towards clients, shareholders, employees and to society as a whole, 330 members of the Identified Staff, including executive directors and members of the Senior Management, waived the generation of the Annual Variable Remuneration corresponding to 2020 financial year.

In the case of the executive directors and members of the Senior Management, that waiver covered the whole of the Annual Variable Remuneration that they could have accrued. Conversely, in the case of the rest of the members of the Identified Staff, the waiver was total or partial, depending on their specific conditions and circumstances.

The Remunerations Committee analysed both the waiver to the accrual of 2020 financial year Annual Variable Remuneration itself, as well as the consequences derived from it.

In this context, the Remunerations Committee equally analysed the minimum thresholds of Attributed Profit and Capital Ratio established as ex ante adjustments to determine the accrual, as the case may be, of Annual Variable Remuneration for the 2020 financial year of both those members of the Identified Staff who did not waived it in full and of the rest of the Group's staff, all of which was likewise duly reported to the Board.

In addition, while performing its functions, during 2020 financial year, the Committee, has received information on the impact that COVID-19 has had on the variable remuneration of other banking entities from the Bank's footprint.

On the other hand, within the framework of the function attributed to the Remunerations Committee for the observance and periodic review of the established remuneration policy applicable to the Identified Staff, it has carried out the review of the BBVA Group Remuneration Policy in the 2019 financial year, in accordance with applicable regulations and recommendations. To this end, this review has analysed the BBVA Group Remuneration Policy, which includes the remuneration policy of the Identified Staff, as well as their identification process, based on the central and independent internal review carried out by the Bank's Internal Audit area, with the foregoing being duly reported to the Board.

The Committee has also received information on the application of the identification process of the Identified Staff in the BBVA Group in the 2020 financial year from the technical areas of the Bank, in accordance with the criteria established under the applicable regulations and the internal criteria established by the Bank, including both the number of persons included in the Identified Staff and the information involving the excluded members, duly reporting on such to the Board.

Finally, the Committee has been informed of the main regulatory changes which it was foreseen that would entry into force in 2021 and that may affect the remuneration policies approved by the Bank. In this sense, the Committee has analysed the approaches for the update of the Directors' Remuneration Policy to adapt it to the regulatory changes and to the most recent market practices and recommendations regarding remuneration, which, in the end, has led to the approval by the Board of a new Policy that, as stated before, will be submitted, in turn, for approval to the 2021 Annual General Shareholders' Meeting.

All of the issues discussed above, along with other matters within its scope, are detailed in the Remunerations Committee Activity Report for the 2020 financial year, published on the Bank's corporate website on the occasion of the calling of the 2021 Annual General Meeting ([www.bbva.com](http://www.bbva.com)).

## 5.2. Description of the different types of employees included in the Identified Staff

In accordance with the BBVA Group's Remuneration Policy, the selection of the persons who make up the Identified Staff within the Group is part of an annual process, the determination of which is based on the qualitative and quantitative criteria established under the (EU) Delegated Regulations No. 604/2014 of March 4, 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council as regards regulatory technical standards in relation to the qualitative criteria and appropriate quantitative criteria to identify categories of staff whose professional activities have material impact on an institution's risk profile (the "Delegated Regulation 604/2014"). This process also includes internal criteria established by BBVA, complementary to those indicated in said Regulation, in compliance with Rule 38 of Bank of Spain Circular 2/2016 (hereinafter, the "Identification Process").

The qualitative criteria established in the Identification Process are defined based on the responsibility of the position (for example, members of the BBVA Board of Directors, members of BBVA Senior Management, personnel responsible for control functions and other key functions or significant business units within the Group), as well as on the basis of the staff's capacity or responsibility to assume or manage risk.

The quantitative criteria establishes that employees have

a significant impact on the Group's risk profile based on the total remuneration granted, unless BBVA determines that, in fact, the activity of such personnel has no significant impact on the risk profile, in accordance with the provisions contained in Article 4 of Delegated Regulation 604/2014. In relation to the quantitative criteria, the Identification Process shall take into account the total remuneration granted in the previous financial year or that which is established by the applicable rules at all times.

The Identification Process is updated during the year and takes all BBVA Group personnel into consideration, allowing the inclusion of personnel in the Identified Staff who meet or are likely to meet the qualitative criteria established under Article 3 of Delegated Regulation 604/2014 for at least three months out of a given financial year.

All the companies that form part of the BBVA Group will actively participate in the Identification Process carried out by BBVA, providing all information necessary in order to adequately identify the personnel having a significant impact on the Group's risk profile.

In accordance with the Identification Process previously indicated, a total of 591 Risk Takers were identified at year-end 2020, including:

- Members of the BBVA Board of Directors<sup>11</sup>.

11. Regarding non-executive directors, they are defined as Risk Takers by virtue of the provisions of Article 3 of Delegated Regulation 604/2014, although, as detailed in Section 5.3, below, they are subject to a specific remuneration system, different from the one applicable to executive directors and they do not receive variable remuneration..

- Members of BBVA Senior Management.
- Risk Takers by function: team defined by the functions that correspond to the qualitative criteria established under Article 3 of Delegated Regulation 604/2014 of the European Commission, between points 4 and 15, both inclusive, as well as those Risk Takers identified according to Bank criteria.
- Risk Takers by remuneration: composed of those employees who meet the quantitative criteria of Article 4 of the aforementioned Delegated Regulation EU 604/2014.

The total number of Risk Takers identified in 2020 financial year has remained at a similar level to the previous year, in which the total number of members identified amounted to 580 people; this figure has not, therefore, experienced significant changes.

Notwithstanding the foregoing, BBVA will adapt the composition of the Identified Staff, including the categories of professionals deemed necessary at any time, in accordance with the requirements established for that purpose under the terms of applicable regulations.

## 5.3. Key features of the remuneration system

As stated in section 5.1, in 2017, at the proposal of the Remunerations Committee, the Board approved the BBVA Group Remuneration Policy which was applicable during the 2020 financial year, which includes the remuneration system applicable to the Identified Staff, as well as the Identification Process referred to in section 5.2 above.

The BBVA Group Remuneration Policy is oriented toward the recurrent generation of value for the Group, seeking, at the same time, alignment of the interests of its employees and shareholders with sound risk management.

This policy is one of the elements designed by the Board as part of BBVA's Corporate Governance System to guarantee adequate management of the Group and it is based on the following principles:

- the creation of long-term value;
- rewarding the achievement of results based on prudent and responsible risk-taking;
- attracting and retaining the best professionals;
- rewarding the level of responsibility and career path;
- ensuring internal equity and external competitiveness; and
- ensuring transparency of the remuneration model.

Based on the general principles mentioned above, BBVA has defined the Group's Remuneration Policy by, in addition to the necessary compliance with the legal requirements applicable to credit institutions and in the different sectors in which it operates, taking into consideration alignment with best market practices, including elements aimed at reducing exposure to excessive risk and adjusting the remuneration to the Group's objectives, values and long-term interests.

In line with this, the policy complies with the following premises:

- it is compatible with and promotes sound and effective risk management, not offering incentives to encourage risk-taking that exceed the levels tolerated by BBVA Group;
- it is in line with BBVA Group's business strategy, objectives, values and long-term interests and will include measures to avoid conflicts of interest;
- it clearly distinguishes the criteria for the establishment of fixed remuneration and variable remuneration;
- it promotes equal treatment for all staff, not discriminating due to gender or other personal characteristics; and
- it seeks to ensure that remuneration is not based exclusively or primarily on quantitative criteria and considers adequate qualitative criteria, which reflect compliance with the applicable rules.

In accordance with the above, the remuneration scheme generally applicable to all of the Group's employees is implemented through the following:

- a. A fixed remuneration, which takes into account levels of responsibility, functions performed, and the professional trajectory of each employee, as well as the principles of internal equity and the value of the function in the market, constituting a relevant part of the total compensation.

The grant and the amount of the fixed remuneration are based on predetermined and non-discretionary objective criteria.

- b. Variable remuneration, constituted by those payments or benefits additional to the fixed remuneration, monetary or not, that are linked to variable parameters. Variable remuneration shall not limit the ability of the Group to strengthen its capital base in any way in accordance with regulatory requirements and shall consider current and future risks as well as the necessary capital and liquidity costs reflecting sustainable income and adapted to risk.



Guaranteed variable remuneration will not make up part of the Group's variable remuneration models in any form. BBVA may only grant guaranteed variable remuneration on an exceptional basis, and solely within the framework of the conditions established under applicable regulations.

Within this remuneration model for general application, the BBVA Group Remuneration Policy includes certain special characteristics applicable, on the one hand, to staff who exercise supervisory functions and, on the other hand, to personnel involved in the provision of services to clients. Thus:

- i. Staff who exercise control functions are independent of the business units that they supervise, have the necessary authority, and are remunerated according to the achievement of certain objectives related to their functions, regardless of the results of the business areas that they supervise.

In order to reinforce the independence and objectivity of these functions, the fixed components of their remuneration have a greater weight than that of the variable components, the latter being related, for the most part, to the objectives of the function.

In addition, the remuneration of BBVA senior managers in independent control functions, including compliance and risk management functions, is directly overseen by the BBVA Remunerations Committee, as well as that of the other members of Senior Management.

- ii. In designing and establishing the remuneration of the staff involved in the provision of services to clients, care must be taken to protect their interests and the quality of the services provided, so that:
  - responsible business conduct and fair treatment of clients is encouraged;
  - no incentives should be established that could induce staff to put their own interests or those of the BBVA Group in possible opposition to the interests of their clients;
  - remuneration is not linked primarily or exclusively with the sale of a product or a particular category or type of products, such as certain products that are more profitable for the entity or the employee, with other factors coming into play such as the needs of the client, without one objective being assigned greater weight in the determination of remuneration; and
  - an adequate balance is maintained between the fixed and variable components of remuneration.

Based on the principles and premises mentioned above, and in compliance with the regulatory requirements established by the LOSS and its development regulations, BBVA has defined the particularities of the remuneration policy applicable to the Identified Staff, designing an incentive system specifically oriented to maintain the alignment of their remuneration with risks, as well as with the Group's long-term

objectives and interests. The result is a remuneration scheme for the Identified Staff based on the following fundamental characteristics:

- Balance between the fixed components and the variable components of the overall remuneration, in line with that established in the applicable regulations, allowing a fully flexible policy regarding the payment of variable components, which may cause them to be reduced, depending on the situation, up to their entirety. The proportion between the two components has been established taking into account the type of functions carried out by each beneficiary (business, support or supervision) and, consequently, their impact on the Group's risk profile, adapting to the reality existing in the different countries or functions in each particular case.
- The variable remuneration of the members of the Identified Staff will be based on an effective management of the risk and linked to the degree of achievement of previously established financial and non-financial objectives, as defined at the Group, Area and Individual level, taking into account current and future risks assumed and the Group's long-term interests.
- Variable remuneration of Identified Staff members for each financial year is subject to ex ante adjustments, so that it shall be reduced at the time of the performance of their role in the event of negative performance of the Group's results or other parameters such as the level of achievements of budgeted targets, and it will not accrue, or will accrue in a reduced amount, should a certain level of profit and capital ratios not be obtained.
- The calculation of the annual variable remuneration for each member of the Identified Staff will be performed on the basis of: (i) annual performance indicators of the Group, area, and individual (financial and non-financial); (ii) the corresponding achievement scales, according to the weighting allocated to each indicator; and (iii) an "target" annual variable remuneration, which represents the amount of annual variable remuneration if 100% of the pre-established targets are met. The resulting amount will constitute the Annual Variable Remuneration of each beneficiary.
- The financial and non-financial indicators for the annual performance will be aligned with the Group's most relevant management metrics and related to strategic priorities.
- In the event of termination of the contractual relationship of a member of the Identified Staff before the closing date of the financial year to which the Annual Variable Remuneration has accrued, the latter shall be entitled to receive, if conditions are met, the proportional installment of said Annual Variable Remuneration, calculated pro rata for the length of the service during said financial year and being subject, in any case, to the same system of settlement and payment that would be applicable if it had remained active, in accordance with the rules indicated

below. The foregoing shall not apply to the circumstances of termination of the contractual relationship due to voluntary resignation or lawful dismissal, in which case the employee shall not be eligible for Annual Variable Remuneration.

- The Annual Variable Remuneration for the members of the Identified Staff shall be subject to specific rules of settlement and payment, and in particular:
  - 60% of the Annual Variable Remuneration will be paid, if the conditions are met during the following financial year (the "Upfront Portion"). For executive directors, members of Senior Management and those members of the Identified Staff with variable remunerations of particularly high amounts, the Upfront Portion will correspond to 40% of the overall Annual Variable Remuneration.
  - The remaining part will be deferred over time (hereinafter the "Deferred Portion") for a period of 5 years, for executive directors and Senior Management, and 3 years for the remaining risk takers.
  - 50% of the Annual Variable Remuneration, both of the Upfront and Deferred Portion, will be fixed in BBVA shares. For executive directors and members of Senior Management, 60% of the Deferred Portion will be fixed in shares.
  - Shares received as Annual Variable Remuneration will be withheld for a period of one year after delivery, except for those shares which sale would be required to honour the payment of taxes accruing on the shares delivered.
  - The Deferred Portion of the Annual Variable Remuneration may be reduced even in its entirety, but never increased, based on the result of multi-year performance indicators aligned with the Group's core risk management and control metrics related to solvency, capital, liquidity or profitability, or to the share performance and recurring Group's results.

The multi-year performance indicators are approved by the Board, at the proposal of the Remunerations Committee, and subsequent to analysis by the Risk and Compliance Committee, which ensures that they are adequate to align differed remuneration with prudent risk management.

The multi-year performance indicators approved for 2020 financial year are as follows:

**Table 87.** Multi-year performance indicators

Indicator	Weight
Common Equity Tier (CET ) 1 fully loaded	40%
Liquidity Coverage Ratio (LCR)	20%
Return on Equity (ROE)	30%
Total Shareholder Return (TSR)	10%

These indicators are associated with scales of achievement, which are approved by the Board at the proposal of the Remunerations Committee, so that, if the objectives established for each of the indicators

are not achieved in the three-year measurement period from the beginning of the deferral period, the Deferred Portion of the Annual Variable Remuneration of 2020 of those members of the Identified Staff who had accrued it, may be reduced, even in its entirety, but never be increased.

In the case of executive directors and members of Senior Management, neither the multi-year performance indicators nor the said scales are applicable during this financial year, as no Annual Variable Remuneration has been generated by them in 2020.

- The cash amounts of the Deferred Portion of the Annual Variable Remuneration subject to the multi-year performance indicators, which are finally paid, will be updated by applying the Consumer Price Index (CPI) measured as the year-on-year change in prices, in accordance with that established by the Board of Directors.
- The entire Annual Variable Remuneration that is accrued will be subject to malus and clawback arrangements throughout the whole deferral and retention period, under the terms indicated below.
- No personal hedging strategies or insurance may be used in connection with remuneration and liability that may undermine the effects of alignment with prudent risk management.
- The variable component of the remuneration corresponding to a financial year shall be limited to a maximum amount of 100% of the fixed component of the total remuneration, unless the General Shareholders' Meeting resolves to increase such percentage up to a maximum of 200%. As explained in detail in section 5.7 of this report, the General Meeting held on March 13, 2020 authorised the increase of this threshold, up to 200%, to a maximum of 339 Risk Takers.

In addition, as regards executive directors, the BBVA Directors' Remuneration Policy also provides that, upon receipt of the shares, executive directors will not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration for at least three years after their delivery.

In addition, as indicated above, up to 100% of the Annual Variable Remuneration of each member of the Identified Staff corresponding to each year will be subject to malus and clawback arrangements, both linked to a downturn in financial performance of the Bank as a whole, or of a specific unit or area, or of exposures generated by a member of the Identified Staff, when such downturn in financial performance arises from any of the following circumstances:

- a. Misconduct, fraud or serious infringement of the Code of Conduct and other applicable internal regulations by the member of the Identified Staff.
- b. Regulatory sanctions or judicial convictions due to events that could be attributable to a specific unit or to the staff responsible for such events.



- c. Significant failures of risk management committed by the Bank or by a business or risk control unit, to which the wilful misconduct or gross negligence of the member of the Identified Staff was a contributing factor.
- d. Restatement of the Bank's annual accounts, except where such restatements is due to a change in applicable accounting regulations.

To this end, the Bank will compare the performance assessment carried out for the member of the Identified Staff with the ex post behavior of some of the criteria that contributed to achieve the targets. Both malus and clawback will apply to the Annual Variable Remuneration corresponding to the year in which the event giving rise to the application of the arrangement occurred, and will remain in force during the deferral and retention period applicable to said Annual Variable Remuneration.

Notwithstanding the foregoing, in the event that the above scenarios give rise to a dismissal or termination of contract due to serious and guilty breach of duties of the member of the Identified Staff, malus arrangements may apply to the entire deferred Annual Variable Remuneration pending payment at the date on which the dismissal or termination decision is adopted, in light of the extent of the damage caused.

In any case, variable remuneration will be paid or will vest only if it is sustainable in accordance with the situation of the BBVA Group as a whole, and if justified based on the results of the Bank, the business unit, and the member of the Identified Staff concerned.

On the other hand, in accordance with the provisions of the BBVA Group's Remuneration Policy and in line with applicable regulations, payments to members of the Identified Staff due to early termination of a contract with will be based on the results obtained over time. Under no circumstances will poor results or misconduct be rewarded, and compensation may not be granted in cases where there have been clear and serious breaches that justify the immediate termination of the contract or the dismissal of the member of the Identified Staff. With regard to BBVA directors, the Bank has no commitments to make severance payments.

As regards the pension policy, this shall remain compatible at all times with the entity's long-term business strategy, objectives and interests. To this end, BBVA maintains a pension system, which is arranged based on the geographies and coverage offered to different groups of employees. In general, the Bank's pension schemes to cover the retirement contingency are defined-contribution. Contributions to the pension schemes of the Group's employees will be carried out within the framework of applicable labor regulations and individual or group agreements applicable in each entity, sector or geographic area. BBVA determines the characteristics of the pension commitments based on the different professional categories of employees, including the pensionable salary.

The basis for the calculation of the benefits (commitments for retirement, death and disability) reflect fixed annual amounts; no temporary fluctuations exist derived from variable components or individual results.

With regard to executive directors and members of Senior Management, these shall be subject to the specificities set out in applicable regulations regarding "discretionary pension benefits." Thus, 15% of the annual contributions agreed to cover the pension commitments will be based on variable components, and will be considered as "discretionary pension benefits", subject to share delivery, retention and clawback conditions established under applicable regulations and remuneration policies. Detailed information on the implementation of the obligations contracted in terms of pensions during the financial year can be found in Note 54 of the Annual Report corresponding to the Bank's Consolidated Financial Statements for the year 2020, which is available on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)).

With regard to BBVA's non-executive directors, a detailed description of its remuneration system is included in the Directors' Remuneration Policy. A description of the implementation of this system is outlined in the Annual Report on the Remuneration of BBVA Directors for 2020, both documents are available on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)).

As set out in those documents, non-executive directors do not receive variable remuneration; they receive a fixed annual amount in cash as member of the Board and of the various committees, where applicable, as well as for the performance of any other functions or responsibilities that may be attributed to them in the framework of the Bank's corporate governance system. The relative amount of remuneration shall be set by the Board, at the proposal of the Remunerations Committee, depending on the nature of the assigned functions and the dedication and responsibility required in each case.

In addition, the Bank has a remuneration system in BBVA shares with deferred delivery to non-executive directors, which has been approved by the General Meeting. This system comprises the annual allocation to non-executive directors, as part of their fixed remuneration, of a number of "theoretical shares" of the Bank, which will vest, where applicable, after they cease to be directors on grounds other than serious breach of duties. The annual number of "theoretical shares" to be allocated to each non-executive director shall be equivalent to 20% their total remuneration in cash received the previous year, according to the average closing prices of the BBVA share during the 60 trading sessions prior to the Annual General Shareholders' Meetings approving the corresponding financial statements for each financial year.

## 5.4. Information on the connection between the remuneration of the Identified Staff and the Group's performance

As explained in the preceding sections, the BBVA Group's Remuneration Policy provides for the entitlement by the members of the Identified Staff to an Annual Variable Remuneration, whose accrual is subject to ex ante adjustments and the amount of which is calculated on the basis of the achievement of the objectives established at the beginning of the year for each of the annual performance indicators, according to the scales and weights associated with each of them. In this way, the amount of variable remuneration received by the members of the Identified Staff is linked to the results of the BBVA Group and varies depending on them.

In the case of the members of the Identified Staff who did not waive in full the accrual of the 2020 financial year Annual Variable Remuneration, the amount of their Annual Variable Remuneration has been determined taking into account, in addition to the results of the Group's annual performance indicators, the level of achievement of strategic objectives (both financial and non-financial) set at the level of each area and for each individual, according to the weights associated with each indicator and that, as previously indicated, have been determined depending on the types of functions carried out by each beneficiary (business, support, or control).

During the 2020 financial year, the BBVA Group achieved a profit without extraordinary items of 3.084 million euros, which represents a decrease of 36.1 % compared to 2019 financial year. These results have been affected by the outbreak of the Covid-19 pandemic, whose main impacts were the increase in the deterioration of financial assets and higher endowments to provisions.

This profit is the figure that has been considered for incentive purposes and does not include the result of corporate transactions in relation to the bancassurance agreement reached with Allianz in Spain, which has resulted in a net capital gain of 304 million euros, and nor does it include the negative impact of 2,084 million euros derived from the accounting of the deterioration in the valuation of the BBVA USA goodwill, given that it does not affect either the net tangible equity, capital or liquidity.

Consequently, the result and evolution of the annual indicators of the 2020 Annual Variable Remuneration, included as Group indicators for the members of the Identified Staff, has been below the targets set for the financial year in three of the four financial indicators (Attributed Profit, RORC and Tangible Book Value). However, the Efficiency Ratio has been above the target set for the financial year.

In relation to non-financial indicators, the Digital Sales indicator ended the year below the established objective and, for its part, the achievement of the Customer Satisfaction Index (IreNe) has shown good results, exceeding the established objectives. The foregoing, has led to a reduction in the 2020 financial year Annual Variable Remuneration of those members of the Identified Staff who had not waived it in full, in line with the Bank's financial situation and results.

Thus, accordingly, the Annual Variable Remuneration of the members of the Identified Staff is linked to the Group's financial and non-financial results, all within the framework of and in accordance with the rules of the remuneration system detailed in Section 5.3 of this report.

## 5.5. Description of the criteria used to take into consideration present and future risk in the remuneration processes

In line with that which is set out in section 5.3 of this report, the remuneration policy applicable to Risk Takers in 2020 financial year has featured the following elements:

- Balance between the fixed and variable components of total remuneration.
- *Ex-ante* adjustments, compliance with which has been verified prior to the accrual and determination of the Annual Variable Remuneration.
- The use of financial indicators for the evaluation of results, which incorporate adjustments for current and future risk.
- Consideration, in the measurement of the performance, of financial and non-financial measures that value both the individual management aspects and the objectives of the area and the Group.
- Greater weight assigned to the objectives related to specific functions in the measurement of the performance

of the members with control functions, to reinforce the independence and objectivity of these functions.

- At least 50% of the Annual Variable Remuneration is established in shares.
- Deferral clauses, designed so that a substantial portion of the Annual Variable Remuneration – 60% in the case of risk takers with particularly high variable remuneration; and 40% in all other cases – is deferred over time, thus taking into account the economic cycle and business risks.
- Incorporation of multi-year performance indicators, measured over a period of three years from the beginning of the deferral period, to which weightings have been assigned and for which scales of achievement have been established, so that, in the event that the objectives set for each indicator are not obtained, the Deferred Portion of the Annual Variable Remuneration may be reduced, even in its entirety, yet never be increased.
- Mandatory retention periods of any shares delivered as Annual Variable Remuneration, so that the beneficiaries cannot freely dispose of them until one year after their delivery date, except for those which sale would be required to honour the payment of taxes accruing on the shares delivered.
- Prohibition of carrying out personal hedging strategies or insurance related to remuneration and liability.
- Limitation of the variable component of the remuneration for the year to 100% of the fixed component of total remuneration, except for the maximum of 339 employees for whom the BBVA General Meeting, authorised the application of a maximum ratio of 200%, as explained in detail in section 5.7 of this report.

Submission of the entire Annual Variable Remuneration to malus and clawback arrangements during the whole deferral and retention period, under the terms indicated in Section 5.3.

## 5.6. Main parameters and the motivation of any component of possible variable compensation plans and other non-cash advantages

The main parameters of and motivation behind the components of the variable remuneration plans of the

Identified Staff have been set out in the previous sections of this report.

## 5.7. Ratios between fixed and variable remuneration of the Identified Staff

As set forth in section 5.3 above, the fixed components and the variable components of the overall remuneration of the Identified Staff are appropriately balanced, in line with applicable regulations, to ensure a policy that is fully flexible with regard to payment of the variable components, allowing for such components to be reduced even in their entirety, where appropriate.

The proportion between both components is established taking into account the type of functions carried out by each beneficiary (business, support or control) and, consequently, their impact on the risk profile, adapted in each case to the reality existing in the different countries in which the members of the Identified Staff perform their activities or functions.

To this end, the Bank has defined “target” ratios between fixed remuneration and “target” variable remuneration, which take into account both the function performed by each member of the Identified Staff as well as their impact on the risk profile.

Notwithstanding the foregoing, as set forth under applicable legislation, the variable component of the remuneration of the Identified Staff corresponding to a financial year shall be limited to a maximum amount of 100% of the fixed component of total remuneration, except for those functions for which the General Meeting resolves to increase this percentage up to a maximum of 200%.

For these purposes, the General Meeting held on March 13, 2020 resolved to raise the maximum level of the variable component of remuneration up to a maximum of 200% of the fixed component of total remuneration for certain members of the Identified Staff, in accordance with the Report issued by the Board of Directors for these purposes on February 10, 2020. Thus, the Bank submitted the following proposed resolution to the General Meeting:

*“For the purposes of the provisions of Article 34.1 g) of Act 10/2014 of June 26, on the regulation, supervision and solvency of credit institutions, to approve a maximum level of variable remuneration of up to 200% of the fixed component of total remuneration for a group of employees whose professional activities have significant impact on the Group’s risk profile, enabling subsidiaries of Banco Bilbao Vizcaya Argentaria, S.A., to likewise apply said maximum level to their professionals, pursuant to the Report issued in this regard by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A., on February 10, 2020, and which has been made available to shareholders as of the date on which this General Meeting was convened”.*

This resolution was approved by the General Meeting for a maximum of 339 Risk Takers, with a favorable vote of 97.23% on 66.83% of the capital present or represented at said General Meeting.

The proposal submitted to the General Shareholders’ Meeting included the detailed recommendation of the Board, explaining the reasons and scope of the decision proposed

to the General Meeting and included the number of persons affected, their positions, as well as the expected effect on maintaining a solid capital basis, taking into account the considerations established by the competent authority as regards dividend distribution policies.

As reflected in the Report of the Board, the persons for whom approval of the higher level of remuneration for 2020 financial year was requested performed one of the following functions:

- Members of the BBVA Board of Directors holding the position of executive directors.
- Members of BBVA Senior Management.
- Members of the Identified Staff who perform their functions in the business areas of Spain, the United States, Mexico, Turkey, South America countries, and Corporate and Investment Banking (CIB).
- Identified Staff members who perform their functions in corporate support areas, working globally for the Group as a whole, without being attached to a business area, including activities focused on digital transformation.

## 5.8. Quantitative information on remuneration of the Identified Staff

After year-end 2020, in accordance with the results obtained, described in Section 5.4 above, the Annual Variable Remuneration corresponding to said year of the members of the Identified Staff who had not waived its accrual in full was calculated.

As set forth in Sections 5.1 and 5.4 above, taking into consideration the exceptional circumstances derived from the COVID-19 crisis and as a gesture of responsibility and commitment towards clients, shareholders, employees and to society as a whole, 330 members of the Identified Staff, including executive directors and members of the Senior Management, waived the accrual of the Annual Variable Remuneration corresponding to 2020 financial year.

In the case of the executive directors and members of the Senior Management, that waiver covered the whole of the Annual Variable Remuneration that they could have accrued. Conversely, in the case of the rest of the members of the Identified Staff, the waiver was total or partial, depending on their specific conditions and circumstances.

Notwithstanding the foregoing, in accordance with the settlement and payment system of the Annual Variable Remuneration for 2020 financial year applicable to those members of the Identified Staff who had not waived its accrual in full:

- The Upfront Portion will be paid, if the conditions are met, in 2021, 40% in the case of members of the Identified Staff with particularly high variable remuneration amounts, and 60% for the remaining members of the Identified Staff.
- The Deferred Portion will be subject to the result of multi-year performance indicators mentioned in section 5.3 of this report, to be paid, if conditions are met, in 2024.

This gives rise, among other things, to the amounts presented in the following table, broken down by types of employees:

**Table 88.** Remuneration of the Identified Staff for the 2020 financial year (Thousand euros or number of shares)

Remuneration for Identified Staff in 2020	Executive Directors <sup>(1)</sup>	Non-executive Directors <sup>(2)</sup>	Senior Management <sup>(3)</sup>	Rest of Identified Staff	Total Identified Staff
Number of beneficiaries of fixed remuneration	2	13	15	561	591
Amount of total fixed remuneration for 2020 <sup>(4)</sup>	6,246	4,172	15,187	203,908	229,513
Number of beneficiaries of variable remuneration	-	-	-	420	420
Amount of total variable remuneration for 2020 <sup>(5)</sup>	-	-	-	38,077	38,077
In cash	-	-	-	19,039	19,039
Number of BBVA shares	-	-	-	4,467,719	4,467,719
Variable remuneration corresponding to 2020 payable in 2021	-	-	-	22,584	22,584
In cash	-	-	-	11,292	11,292
Number of BBVA shares	-	-	-	2,648,588	2,648,588
Outstanding deferred variable remuneration corresponding to 2020 <sup>(6)</sup>	-	-	-	15,493	15,493
In cash	-	-	-	7,747	7,747
Number of BBVA shares	-	-	-	1,819,131	1,819,131

<sup>(1)</sup> Includes the information of the executive directors who held such position as of 31 December 2020. The information relating to the executive director who ceased to hold office after the 2020 General Meeting is included in the category "Other Identified Staff". The remuneration amounts are detailed in Note 54 of the Annual Report of BBVA's Consolidated Financial Statements.

<sup>(2)</sup> Includes information on the non-executive directors who held this position as of 31 December 2020. The information relating to the two non-executive directors who ceased to hold office after the 2020 Annual General Meeting is included in the category of "Other Identified Staff". The remuneration amounts are detailed in Note 54 of the Annual Report of BBVA's Consolidated Financial Statements.

<sup>(3)</sup> Includes information on the members of Senior Management, excluding executive directors, who had such status as of 31 December 2020.

<sup>(4)</sup> Fixed remuneration received in 2020, both in cash and in kind, except for social welfare.

In the case of executive directors and Senior Management, the contributions made by the Bank in 2020 in relation to the pension commitments assumed in matters of social welfare are detailed in Note 54 of the Annual Report of BBVA's Consolidated Financial Statements.

In the case of non-executive directors have a fixed remuneration system with deferred delivery of shares after they cease to hold office. Detailed information on this system, including the number of "theoretical shares" allocated in 2020 (corresponding to 20% of the annual fixed allowance received in the previous year), is included in Note 54 of the Annual Report of BBVA's Consolidated Financial Statements.

<sup>(5)</sup> Includes the total variable remuneration corresponding to 2020 (including the Annual Variable Remuneration and other payments considered variable in accordance with the applicable regulations). Regarding the "discretionary pension benefits" (15% of the annual contribution agreed to cover the retirement contingency of executive directors and members of Senior Management), detailed information can be found in Note 54 of the Annual Report corresponding to BBVA's Consolidated Financial Statements, in the section on pension commitments.

<sup>(6)</sup> Includes the variable remuneration corresponding to 2020, which is deferred and pending payment. This remuneration is subject to multi-year performance indicators related to the Risk Appetite Framework and shareholder return that may reduce, even in its entirety, these deferred amounts (never increase them).

<sup>(7)</sup> Provisional data from Garanti BBVA

**Table 89.** Extraordinary remuneration of the Identified Staff for the 2020 financial year (Thousand euros)

Extraordinary remuneration	Executive Directors	Non-executive directors	Senior Management	Rest of Identified Staff	Total Identified Staff
Number of beneficiaries of guaranteed bonuses	-	-	-	-	-
Total amount of guarantees bonuses granted in 2020	-	-	-	-	-
Number of beneficiaries of hiring incentives	-	-	-	-	-
Total amount of hiring incentives paid in 2020	-	-	-	-	-
Number of beneficiaries of severance indemnity	-	-	1	22	23
Total amount of severance indemnity paid in 2020 <sup>(1)</sup>	-	-	2,185	22,163	24,348
Upfront payment	-	-	2,185	19,833	22,018
Deferred amount	-	-	0	2,330	2,330

<sup>(1)</sup> Includes the amount of the compulsory severance payment in accordance with labour regulations, as well as, if applicable, the amount in addition to this legal severance payment (which is considered variable remuneration in accordance with the solvency regulations applicable to this staff) and, if applicable, the amounts corresponding to the advance notice clauses, all in accordance with the provisions contained in the contracts of certain members of the Identified Staff.

On the other hand, non-competition agreements have been signed with some beneficiaries for a total amount of 11,458 thousand euros, that will be paid periodically from the moment the member of the Identified Collective leaves, during the non-competition period.

Of the total severance payments made in 2020, the highest one paid to a single member amounts to €4,555,999.

In addition, in accordance with Rule 40.1 of Circular 2/2016 of the Bank of Spain, it is stated that of the 22 cases of payments for early termination of contract, none of them has exceeded two annuities of the fixed remuneration.

In addition, in 2020, the deferred amounts from previous financial years which payment was due in such financial year have been paid out. The following table shows the amounts paid in both cash and shares, as well as the deferred amounts that remain outstanding as of December 31, 2020:

**Table 90.** Deferred variable remuneration from financial years prior to 2020 (Thousand Euros or number of shares)

Deferred variable remuneration for years prior to 2020 for the Identified Staff	Executive Directors <sup>(1)</sup>	Non-executive directors <sup>(2)</sup>	Senior Management <sup>(3)</sup>	Rest of Identified Staff	Total Identified Staff
<b>Vested<sup>(4)</sup></b>					
In cash	861	-	1,380	36,798	39,039
Number of BBVA shares	120,244	-	182,461	3,918,195	4,220,900
<b>Outstanding<sup>(5)</sup></b>					
In cash	3,282	-	3,235	57,378	63,896
Number of BBVA shares	853,903	-	845,174	10,693,258	12,392,335
<b>Implicit ex-post adjustments applied in the year<sup>(6)</sup></b>	<b>(178)</b>	<b>-</b>	<b>(270)</b>	<b>(4,994)</b>	<b>(5,442)</b>
<b>Explicit ex-post adjustments applied in the year<sup>(7)</sup></b>	<b>(43)</b>	<b>-</b>	<b>(73)</b>	<b>(1,905)</b>	<b>(2,021)</b>

<sup>(1)</sup> Includes the information of the Executive Directors who held such position as of 31 December 2020.

<sup>(2)</sup> Includes information on Non-Executive Directors who held such position as of 31 December 2020.

<sup>(3)</sup> Includes information of the members of the Senior Management who held such position as of 31 December 2020, excluding executive directors.

<sup>(4)</sup> Includes the amounts paid in 2020 of the deferred variable remuneration corresponding to previous financial years and the restatement thereof (total amount of deferred variable remuneration for 2016 including the downward adjustment for long-term indicators). In the case of the executive directors, these amounts are stated individually in Note 54 of the Annual Report of the Bank's Consolidated Financial Statements.

<sup>(5)</sup> This includes the amounts pending payment as of 31 December 2020 of deferred variable remuneration corresponding to financial years prior to 2020 (the total deferred variable remuneration for 2017, 2018 and 2019). The amounts corresponding to each executive director are as follows:

- The total deferred annual variable remuneration for 2017: €675 thousand and 139,488 BBVA shares in the case of the chairman and €290 thousand and 39,796 BBVA shares in the case of the chief executive officer.

- The total deferred annual variable remuneration for 2018: €574 thousand and 180,785 BBVA shares in the case of the Chairman and €295 thousand and 61,901 BBVA shares in the case of the Chief Executive Officer.

- The total deferred annual variable remuneration for 2019: 763 thousand euros and 227,645 BBVA shares in the case of the Chairman; 685 thousand euros and 204,288 BBVA shares in the case of the Chief Executive Officer.

<sup>(6)</sup> Adjustment derived from the decrease in the value of the deferred variable remuneration shares corresponding to previous financial years and delivered in 2020.

<sup>(7)</sup> Adjustment derived from the result of the multi-year indicators, which led to a 3% reduction in the deferred amounts of the 2016 variable remuneration paid in 2020.

The following table shows the total remuneration of the Identified Staff in 2020 by activity area:

**Table 91.** Remuneration of the Identified Staff for the 2020 financial year, by activity areas (Thousand Euros)

Activity area	Number of people	2020 total remuneration <sup>(1)</sup>	Average variable/fixed ratio
Executive Directors <sup>(2)</sup>	2	6,246	0%
Non-executive Directors <sup>(3)</sup>	13	4,172	0%
Senior Management <sup>(4)</sup>	15	15,187	0%
Commercial Banking <sup>(5)</sup>	178	81,386	24%
Investment Banking <sup>(6)</sup>	87	44,844	51%
Asset Management <sup>(7)</sup>	24	11,146	50%
Corporate functions <sup>(8)</sup>	152	67,268	11%
Control functions <sup>(9)</sup>	118	37,159	13%
Rest <sup>(10)</sup>	2	183	0%
<b>Total Identified Staff</b>	<b>591</b>	<b>267,590</b>	

<sup>(1)</sup> Fixed remuneration received in 2020 and total variable remuneration for 2020. The executive directors and other members of senior management have voluntarily waived their annual variable remuneration for 2020. For this reason, the ratio of variable over fixed is zero for all members.

<sup>(2)</sup> Includes the information of the executive directors who had such status as at 31 December 2020.

<sup>(3)</sup> Includes the information of the non-executive directors who were executive directors as at 31 December 2020.

<sup>(4)</sup> Includes information on members of senior management who were senior executives as at 31 December 2020, excluding executive directors.

<sup>(5)</sup> Includes Retail, Business, Corporate and Insurance Banking activities.

<sup>(6)</sup> Includes trading and other investment banking activities.

<sup>(7)</sup> Includes Asset Management and Private Banking activities.

<sup>(8)</sup> Includes support areas for the BBVA Group and business support areas (Finance, Legal, Human Resources, etc.).

<sup>(9)</sup> Includes Risk Management, Internal Audit and Compliance activities.

<sup>(10)</sup> Other activities not included in the previous categories. Includes the two non-executive directors who stepped down in 2020.

<sup>(11)</sup> Provisional data from Garanti BBVA.



On the other hand, the number of employees with a remuneration equal to or greater than 1 million euros is as follows:

**Table 92.** Number of individuals with total remuneration exceeding €1 million during the 2020 financial year

Total remuneration in 2020 <sup>(1)</sup>	Number of individuals
Between 3.5 million and 4 million euro	1
Between 3 million and 3.5 million euro	0
Between 2.5 million and 3 million euro	1
Between 2 million and 2.5 million euro	1
Between 1.5 million and 2 million euro	3
Between 1 million and 1.5 million euro	19
<b>Total</b>	<b>25</b>

<sup>(1)</sup> Includes the sum of the fixed remuneration received in 2020 and the total variable remuneration corresponding to 2020. The part of the variable remuneration for 2020 that remains deferred is subject to multi-year indicators and targets, the level of achievement of which could reduce (but not increase) these deferred amounts and therefore the total remuneration for 2020.

<sup>(\*)</sup> Provisional data from Garanti BBVA.