

# 6. Information on remuneration

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In accordance with the provisions of article 85 of Act 10/2014 of June 26, on the regulation, supervision and solvency of credit institutions ("Act 10/2014") and article 93 of Royal Decree 84/2015 of February 13, implementing said Act ("Royal Decree 84/2015"), and pursuant to the provisions of the 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) n°.575/2013 (the "Bank of Spain Circular 2/2016"), credit institutions shall provide the public with and update periodically, and 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 risk profile of the institution and/or its consolidated group (the "Identified Staff" or "Risk Takers").

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

In accordance with the provisions contained in the Bylaws of BBVA ("BBVA", the "Institution" or the "Bank"), the BBVA Board of Directors Regulations grant the Board the powers, among others, to approve the remuneration policy for directors, for submission to the General Shareholders' 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 Remuneration Committee is the body which assists it in remuneration matters related to its directors, senior management and the rest of the Identified Staff, ensuring observance of the remuneration policies established.

Thus, in accordance Article 5 of the Remuneration 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 of Directors, the Remuneration Committee performs, on a general basis, the following functions:

1. Propose the directors' remuneration policy to the Board of Directors, for submission to the General Shareholders' 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 directors' 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 directors' remuneration policy, submitting the corresponding proposals to the Board of Directors.
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. Analyse, 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 of Directors, prior report of the relevant committees in each case.
6. Propose on an annual basis to the Board of Directors the annual report on the remuneration of the Bank's directors, which will be submitted to the Annual General Shareholders' Meeting as set out in applicable legislation.
7. Propose to the Board of Directors 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 aforementioned Staff.
8. Submit 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 of Directors the proposed basic contractual conditions for senior managers, including their remuneration and severance in the event of termination.
10. Directly supervise the remuneration of senior managers and determine, within the framework of the remuneration model applicable to Senior Management at any given time, the objectives and criteria for measuring variable remuneration of the heads of the Regulation & Internal Control area and the Internal Audit area, submitting the corresponding proposals to the Board of Directors, based on proposals submitted to it in turn by the Risk and Compliance Committee and the Audit Committee.
11. Ensure compliance with the remuneration policies established by the Institution 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 adequate control and management of risks, and that they attend to the principle of pay equality; in particular, ensure that the remuneration policies established by the Institution are subject to internal, central and independent review at least once a year.

12. Verify information on 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 matters of remuneration, ensuring that any potential conflicts of interest do not impair the independence of the advice provided.

At the end of 2022 financial year, the Remuneration Committee was composed of five members; all of them had the status of non-executive directors, with the majority being independent, including the Chair. The names, positions and status of the members of the Remuneration Committee are detailed in the following table:

**Table 89.** Composition of the Remuneration Committee

Name and surname(s)	Position	Status
D <sup>a</sup> . Belén Garijo López	Chair	Independent
D <sup>a</sup> . Lourdes Máiz Carro	Member	Independent
D <sup>a</sup> . Ana Peralta Moreno	Member	Independent
D. Carlos Salazar Lomelín	Member	External
D. Jan Verplancke	Member	Independent

The members of the Remuneration Committee who held such position at the end of 2022 have received a total amount of 278 thousand euros for their membership. The Annual Report on BBVA Directors' Remuneration referred to said financial year includes the individual remuneration of each director, broken down by remuneration items.

The Remuneration Committee performs its functions with full autonomy of operation, meeting as often as necessary to carry out its duties, headed by its Chair. In 2022 financial year it met on a total of 7 occasions.

In order to adequately perform its functions, the Committee uses advice provided by the Bank's internal services, and may also make use of any external advice it needs to establish criteria on matters within its remit. Thus, during 2022 the Committee has relied on information provided by the leading global consulting firm on compensation of directors and senior managers, WTW, and has received legal advice from the law firm J&A Garrigues S.L.P.

In addition, the Board's Risks and Compliance Committee also 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 risks that may exceed the level tolerated by the Group.

Since 2011, the Bank has a specific remuneration system applicable to the members of the Identified Staff, among whom are members of the Board of Directors and senior

management of BBVA. It has been 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.

In this sense, BBVA has a specific remuneration policy applicable to members of the Board of Directors (the "BBVA Directors' Remuneration Policy"), which, in accordance with BBVA's Bylaws, distinguishes between the remuneration system applicable to non-executive directors and executive directors.

As stated in this policy, the remuneration system for executive directors corresponds, generally, with the system applicable to the rest of the Identified Staff, incorporating some particularities of its own derived from their status as directors. The remuneration system for non-executive directors is based on the criteria of responsibility, dedication and incompatibilities inherent to their position, consisting only of fixed items and no variable remuneration.

The BBVA Directors' Remuneration Policy applicable during the 2022 financial year was approved by BBVA's General Shareholders' Meeting held on April 20, 2021. This policy is available on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)).

On February 9, 2023, the Board of Directors, upon the proposal of the Remuneration Committee, has approved a new director's remuneration policy, which will be submitted for approval at the BBVA's Annual General Shareholders' Meeting to be held, foreseeably, on March 17, 2023 and which, if approved, will apply to the remuneration for the financial years 2023, 2024, 2025 and 2026.

This new policy incorporates as the main novelty a change in the annual variable remuneration scheme for executive directors, which now consists of a short-term incentive and a long-term incentive. The indicators that will be used to calculate the long-term incentive in 2023 will include, among others, indicators related to the degree of compliance with the decarbonisation objectives of a series of sectors for which the Bank publishes specific objectives and the evolution of the percentage of women in executive positions in the BBVA Group.

Furthermore, BBVA has a general remuneration policy for BBVA Group, which is applicable, in general, to all the employees of BBVA and the companies in its Group (the "BBVA Group General Remuneration Policy" or the "Policy", and the "Group Entities", respectively). This Policy includes the specific rules applicable to the Identified Staff, including the members of the senior management (excluding the executive director's, whose remuneration is governed by the BBVA Directors' Remuneration Policy), as well as the procedure for their identification.

The BBVA Group General Remuneration Policy applicable during the 2022 financial year was approved by the Board of Directors on June 30, 2021, upon the proposal of the Remuneration Committee.

In 2023, a new update of this policy is foreseen in order to incorporate into the variable remuneration model for the Identified Staff, including senior management of BBVA, the new features applicable to them introduced in the new directors' remuneration policy submitted for approval by the BBVA's Annual General Shareholders' Meeting.

The duties of the Remuneration Committee include submitting these policies to the Board of Directors for approval and, in the case of the BBVA Directors' Remuneration Policy, additionally for submission to the BBVA's Annual General Shareholders' Meeting, and submitting the corresponding report, all in accordance with the terms established at any given time by applicable legislation.

The BBVA Group General Remuneration Policy, is coordinated at the corporate level by BBVA's global Talent and Culture area. 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.

The Board of Directors periodically reviews the general principles of the Policy and oversees its implementation, based on the information and report received by the Talent & 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.

In this way, the Bank employs a decision-making system for remuneration featuring the Remuneration Committee as its central element, which, as stated, is in charge of proposing to the Board of Directors both the BBVA Group General Remuneration Policy, which includes the specific rules applicable to the Identified Staff, and the BBVA Directors' Remuneration Policy, for its subsequent submission to the General Shareholders' Meeting in the latter case.

In the course of implementing the remuneration policies approved by the Bank's corporate bodies, in 2022 the Remuneration Committee analysed the remuneration proposals needed for the development and implementation of these remuneration policies.

Thus, at the beginning of the financial year, the Remuneration Committee determined the Annual Performance Indicators used for the calculation of the 2022 Annual Variable Remuneration of the executive directors and their corresponding weights, together with the performance targets and achievement scales associated with the indicators, submitting the corresponding proposals to the Board for approval.

The Remuneration Committee has also determined the minimum thresholds of Attributable Profit and Capital Ratio established as ex ante adjustments for the generation of Annual Variable Remuneration in the financial year 2022 for the executive directors and rest of the Identified Staff, submitting the corresponding proposals to the Board for approval.

In addition, the Remuneration Committee determined, for their proposal to the Board, the Multi-Year Performance Indicators that will be used as ex post adjustments to determine the Deferred Portion of the Annual Variable Remuneration for the financial year 2022 of the executive directors and the rest of the members of the Identified Staff, together with their corresponding weights, counting for this with the prior analysis of the Risks and Compliance Committee, to ensure their adequacy for the Bank's risk profile.

Moreover, in 2022, the Remuneration Committee submitted to the Board for its submission in turn to the General Shareholders' Meeting held in 2022 the proposed resolution regarding the increase of the maximum level of variable remuneration up to 200% of the fixed component of the total remuneration of a certain number of members of the Identified Staff, also proposing to the Board the report accompanying this resolution, which was made available to the Bank's shareholders.

Likewise, in accordance with the proposal submitted by the Remuneration Committee, the Board approved the Annual Report on the Remuneration of BBVA Directors for financial year 2021, developed in accordance with Circular 4/2013 of the National Securities Market Commission (CNMV), which was submitted to an advisory vote at the General Shareholders' Meeting held in 2022, pursuant to article 541 of the Corporate Enterprises Act, and which was made available to the Bank's shareholders through the corporate website ([www.bbva.com](http://www.bbva.com)).

The Annual Report on the Remuneration of Directors of BBVA includes a description of the basic principles of the Bank's remuneration policy for the members of the Board, whether executive or non-executive, as well as a detailed presentation of the different elements and amounts making up their remuneration.

Moreover, within the framework of the function attributed to the Remuneration Committee for the oversight and periodic review of the established remuneration policies, the Committee reviewed their application in 2021, in accordance with applicable law and recommendations. For this purpose, the review covered the BBVA Group General Remuneration Policy, which includes the special provisions for the Identified Staff, as well as the procedure for their identification, and the BBVA Directors' Remuneration Policy in force in that financial year, based on an internal, central and independent review carried out by the Bank's Internal

Audit area. The result of all this was submitted to the Board.

Additionally, the Committee has received information on the application of the procedure for identification of Identified Staff in 2022 financial year from the global Talent and Culture area, both at individual level for BBVA and for BBVA Group at consolidated level, in accordance with the qualitative and quantitative criteria established in the applicable regulations and internal criteria established by the Bank. In particular, it was informed of the number of persons included in the Identified Staff and that no exclusions would be requested in 2022, the foregoing being duly reported to the Board.

Lastly, with the support of the Talent and Culture area and the external experts WTW and J&A Garrigues, S.L.P., the Committee has carried out a strategic reflection to continue making progress in the progressive improvement of the variable remuneration model for the Identified Staff, including executive directors, which, as of the date of this report, has resulted in the proposal to the General Shareholders' Meeting in 2023 of a new BBVA directors' remuneration policy.

All of the issues discussed above, along with other matters within its remit, are detailed in the Remuneration Committee Activity Report for 2022 financial year, published on the Bank's corporate website on the occasion of the calling of the 2023 General Shareholders' Meeting ([www.bbva.com](http://www.bbva.com)).

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

In accordance with BBVA Group's General Remuneration Policy, the selection of the persons who make up the Identified Staff within BBVA and/or its Group is part of an annual process based on the qualitative and quantitative criteria established under Article 32.1 of Act 10/2014 and (EU) Delegated Regulation 2021/923/EU of the Commission of March 25, 2021, supplementing CRD IV (the "Delegated Regulation 2021/923/EU"). 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 level of responsibility of the position (for example, members of the BBVA Board of Directors, members of BBVA Senior Management, staff 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 establish that employees have a significant impact on the risk profile based on the total remuneration awarded, unless BBVA determines that, in fact, the activity of such staff has no significant impact on the risk profile. The application of these criteria takes into account the total remuneration awarded in the previous financial year, or the remuneration established by the applicable rules at all times.

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

The Group Entities actively participate in the Identification Process carried out by BBVA, providing all the 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, at the year-end 2022 a total of 320 Risk Takers, of which:

- 157 were identified both at BBVA Group level and at individual level in BBVA,
- 141 are only identified at BBVA Group level, and
- 22 are only identified at individual level in BBVA.

These include:

- Members of the BBVA Board of Directors<sup>1</sup>.
- Members of BBVA Senior Management.
- Risk Takers by function: comprised by those members that carry out the functions that correspond to the qualitative criteria established under Article 32.1 of Act 10/2014 and Delegated Regulation 2021/923/EU, as well as those Risk Takers identified according to internal Bank criteria based on Rule 38 of Bank of Spain Circular 2/2016.
- Risk Takers by remuneration: composed of those employees who meet the quantitative criteria of Article 32.1 of Act 10/2014 and Delegated Regulation EU 2021/923/EU.

The total number of Risk Takers identified in 2022 financial year, which, as indicated above, was 320 people, fell with respect to the total number of members identified in 2021, which was 332 people, due mainly to the application of quantitative criteria, that in 2022 has taken into consideration the total remuneration awarded in the previous financial year, which includes the annual variable remuneration for the 2020 financial year, which certain members of the Identified Staff waived, in whole or in part, as a gesture of responsibility and commitment in view of the exceptional circumstances arising from the COVID-19 crisis.

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.

<sup>1</sup> In the remuneration policy for non-executive directors, they are identified as Risk Takers under article 32.1 of Act 10/2014, although as specified in section 6.3 of this document, they have a specific system of remuneration, different from that applicable to executive directors, and do not receive variable remuneration.

## 6.3. Key features of the remuneration system

As stated in section 6.1, at the proposal of the Remuneration Committee, the Board of Directors approved, in 2021 financial year, the update of the BBVA Group General Remuneration Policy applicable in 2022 financial year, in which the remuneration system applicable to the Identified Staff, as well as the Identification Process referred to in section 6.2 above is included.

The BBVA Group General Remuneration Policy is geared toward the recurring generation of value for the Group, the alignment of the interests of its employees and shareholders with prudent risk management, and the development of the strategy defined by the Group.

This policy is one of the elements devised by the Board of Directors, as part of the Bank's Corporate Governance System, to promote proper management and oversight of the Institution and its Group, and is based on the following principles:

- long-term value creation;
- results attained through sound and responsible risk-taking;
- attracting and retaining the best professionals;
- rewarding the level of responsibility and professional career;
- ensuring internal equity and external competitiveness;
- ensuring equal pay for men and women; and
- ensuring transparency of the remuneration model.

Based on the general principles above, BBVA has defined the Group's General Remuneration Policy, taking into account both compliance with the legal requirements applicable to credit institutions and to the different sectors in which the Group operates, and alignment with best market practices, including arrangements devised to reduce exposure to excessive risks and align remuneration with the Group's strategy, objectives, values and long-term interests.

Thus, according to these principles, the Policy:

- contributes to the business strategy of BBVA and its Group, and to the achievement of its objectives, values, interests, value creation and long-term sustainability;
- is compatible with and promotes sound and effective risk management and does not provide incentives to assume risks that exceed the level tolerated by the Institution or the BBVA Group, in a

manner that is consistent with the BBVA Group's risk strategy and culture;

- is clear, comprehensible and transparent, with a simple wording that enables the understanding of the different components making up remuneration and the conditions for the award, vesting and payment thereof. To that end, it distinguishes clearly between the criteria for determining fixed remuneration and variable remuneration;
- is gender neutral, as it reflects equal compensation for the same duties or duties of equal value and does not establish any difference or discrimination on the basis of gender;
- includes measures to avoid conflicts of interest, promoting the independence of judgement of persons involved in decision-making and in the oversight and control of management and the establishment of remuneration systems; and
- pursues that remuneration is not based solely or primarily on quantitative criteria, taking into account appropriate qualitative criteria, which reflect compliance with applicable regulations.

In accordance with the above, the remuneration system generally applicable to all BBVA Group staff comprises the following:

- a) A fixed remuneration, which takes into account the level of responsibility, the functions carried out and the professional career of each employee, under the principles of internal equity and the market value of the function, constituting a significant portion of the total pay. The award and amount of fixed remuneration are based on predetermined objective and non-discretionary criteria.
- b) A variable remuneration, consisting of payments or allowances in cash or in kind, in addition to fixed remuneration, which depend on variable parameters. In no case will variable remuneration limit the ability of the Group to strengthen its capital base in accordance with regulatory requirements and it shall consider current and future risks as well as the costs of the necessary capital and liquidity, reflecting a performance that is sustainable and adapted to risk.

Guaranteed variable remuneration will only be awarded on an exceptional basis, in accordance with the terms established under applicable regulations, only for newly hired staff, and limited to the first year of employment.

Within this remuneration model for general application, the BBVA Group General Remuneration Policy includes



certain special provisions, applicable, on the one hand, to staff exercising control functions and, on the other hand, to staff exercising functions related to the sale of products and the provision of services to clients. Thus:

- i. Staff who perform control functions are independent from the units they supervise, have the necessary authority and are remunerated according to the achievement of targets associated with their duties, regardless of the results of the areas they supervise, thereby avoiding potential conflicts of interest.

In order to strengthen the independence and objectivity of these functions, the fixed components of their remuneration have a greater weight than the variable components, with the variable components being mainly related to objectives specific to their function.

In addition, the remuneration of BBVA senior managers in independent control functions, including compliance and risk management functions, is directly supervised by the Remuneration Committee, as is the case with the rest of the members of BBVA's Senior Management, as the Board of Directors is the body responsible for establishing the basic conditions of their contracts.

Moreover, the Board of Directors, on the proposal of the BBVA Remuneration Committee following prior analysis by the Audit Committee and the Risk and Compliance Committee, respectively, is responsible for determining the targets and performance evaluation of the global heads of the Internal Audit and Regulation & Internal Control functions.

- ii. The design and implementation of the remuneration of the Group staff involved in the provision of services to clients, watches for the protection of their interests and the quality of the services provided, so that:

- responsible business conduct and fair treatment of clients is fostered;
- incentives are not established in a way that may induce staff to put their own interests or those of BBVA Group first, to the possible detriment of the interests of their clients;
- remuneration is not primordially or exclusively linked to the sale of a product, or a category or specific type of product, such as products that are more lucrative for the institution or employee, when there are others more in line with client needs; and that this objective is not set as that with the greatest weight in the remuneration package; and

- an appropriate balance is maintained between the fixed and variable elements of the remuneration.

Moreover, BBVA and the Group Entities directly subject to the customer protection regulations must comply with the specific remuneration requirements established at any time.

Pursuant to the legal requirements established by Act 10/2014 and its regulatory implementation, the BBVA Group General Remuneration Policy defines specific rules applicable to the Identified Staff, in accordance with the regulations and recommendations applicable to remuneration schemes for these employees.

The result is a remuneration system for Identified Staff focused specifically on aligning their remuneration with the risks, and also the long-term objectives and interests of BBVA and its Group, whose fundamental characteristics are the following:

- Balance between the fixed and variable components of the total 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, even in their entirety, where appropriate.
- The proportion between the two components has been 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 of the different Group Entities or functions.
- The variable element of remuneration for a financial year (understood as the sum of all the variable components of remuneration) shall be limited to a maximum amount of 100% of the fixed element of total remuneration (understood as the sum of all the fixed components of remuneration), unless the BBVA General Shareholders' Meeting resolves to increase this percentage to a maximum of 200%. As explained in detail in section 6.7 of this report, the BBVA General Shareholders' Meeting held on March 18, 2022, authorized the increase in the maximum limit to 200% for a maximum of 270 Risk Takers.
- No personal hedging strategies or insurance may be used in connection with variable remuneration or liability that may undermine the effects of alignment with prudent risk management.
- Within the framework of the corporate variable remuneration model of BBVA Group, the members of the Identified Staff receive an annual variable remuneration, which reflects their performance on the basis of the level of achievement of targets that are in line with the risk incurred, calculated on the basis of:

- i. group, area and individual annual performance indicators (financial and non-financial) that take into account current and future risks, as well as the strategic priorities defined by the Group (the "Annual Performance Indicators");
- ii. the scales of achievement established where appropriate according to the weight assigned to each Annual Performance Indicator and based on the targets set for each of them; and
- iii. a "target" annual variable remuneration that represents the amount of annual variable remuneration if 100% of the targets were met, which is a single amount for each function (the "Target Annual Variable Remuneration" or "Target Bonus").

The amount of annual variable remuneration, in accordance with the corresponding scales of achievement, can range between 0% and 150% of the Target Annual Variable Remuneration.

The resulting amount constitutes the annual variable remuneration ("Annual Variable Remuneration" or "AVR") of each beneficiary.

The financial Annual Performance Indicators are related to the Bank's most relevant management metrics, while the non-financial indicators are related to the strategic targets defined at Group, area and individual level for each beneficiary.

Each function within the organization has an assigned weight or slotting which determines the percentage of Annual Variable Remuneration which is linked to the performance of the Group, the area and individual; and which depends on the extent that the function is linked to the global strategy and the area or with its own individual results.

The AVR Annual Performance Indicators approved for 2022 financial year for the Identified Staff are as follows:

**Table 90.** 2022 AVR Annual Performance Indicators

Indicator	Weight		
	Chair	Chief Executive Officer	Rest of Identified Staff
<b>Financial indicators</b>			
<b>Net Attributable Profit without corporate transactions</b>	10%	15%	10%
<b>Tangible Book Value per share</b>	15%	10%	10%
<b>RORC</b>	10%	10%	10%
<b>Efficiency ratio</b>	10%	15%	10%
<b>Gross Margin</b>	—	—	10%
<b>Non-financial indicators</b>			
<b>Net Promoted Score (NPS)</b>	10%	15%	10%
<b>Mobilization of sustainable financing</b>	10%	10%	10%
<b>Digital Sales</b>	10%	10%	10%
<b>Target Customers</b>	—	—	10%
<b>Enterprise Transactionality Engagement</b>	—	—	10%
<b>Own indicators<sup>(1)</sup></b>	25%	15%	—

<sup>(1)</sup> Own indicators consider the strategic dimensions to be fostered by the Chair and Chief Executive Officer, associated with their responsibilities and functions.

In 2022, as in 2021, among the non-financial Annual Performance Indicators used for the calculation of the Annual Variable Remuneration of all employees, the indicator of Mobilization of sustainable finance has been included, directly associated with the activity carried out by the Group in compliance with its climate change commitments to the market and which strengthens BBVA's commitment to achieve its sustainable development objectives.

- To ensure alignment with results and long-term sustainability, the Annual Variable Remuneration for Identified Staff members for each financial year will be subject to ex ante adjustments, so that it shall be reduced at the time of the performance assessment in the event of negative performance of the Group's

results or other parameters such as the level of achievement of budgeted targets; and it will not accrue, or will accrue by a reduced amount, should a certain level of profit and capital ratios not be achieved, as established at the start of each financial year by the Board of Directors.

- The Annual Variable Remuneration of members of Identified Staff shall be subject to the following rules for award, vesting and payment:
  - Once the Annual Variable Remuneration has been awarded, at an amount determined by applying the above rules, a percentage of the Annual Variable Remuneration of the Identified Staff -40% for executive directors, members

of Senior Management and members of the Identified Staff with particularly high levels of remuneration, and 60% for the rest of the Identified Staff- will be vested and paid, if the conditions are met, in the first four months of the financial year following that to which the Annual Variable Remuneration corresponds (the "Upfront Portion" of the Annual Variable Remuneration).

- The remaining part -60% for executive directors, members of Senior Management and members of Identified Staff with particularly high remuneration, and 40% for the rest of the Identified Staff-, will be deferred over time (the "Deferred Portion" of the Annual Variable Remuneration, or the "Deferred Annual Variable Remuneration"). For BBVA's executive directors and members of Senior Management, the deferral period shall be five years, and for the remaining members of the Identified Staff, four years.

The Deferred Annual Variable Remuneration will be paid, if the conditions are met, on a pro rata basis, after each of the years of deferral, in an amount equivalent to 25% in the case of the Identified Staff and 20% in the case of BBVA's executive directors and members of Senior Management.

- 50% of the Annual Variable Remuneration, both the Upfront and Deferred Portion, will be established in BBVA shares or in instruments linked to BBVA shares.. For executive directors and members of Senior Management, both 50% of the Upfront Portion and 60% of the Deferred Portion will be determined in BBVA shares.
- The shares or instruments awarded as Annual Variable Remuneration, both in the Upfront and Deferred Portion, will be withheld for a one-year period after delivery, except for those shares or instruments whose sale would be required to honour the payment of taxes accruing on their shares delivery.
- In order to ensure that the assessment process of the results to which the Annual Variable Remuneration is linked within a multi-year framework, considering long-term results, and that the effective payment is made over a period which takes into account the institution's economic cycle and its risks, the Annual Variable Remuneration of the Identified Staff shall be subject to ex post risk adjustments, linked to the result of the multi-year performance indicators.

For this purpose, the Deferred Portion of the Annual Variable Remuneration of members of

the Identified Staff may be reduced, but never increased, based on the result of multi-year performance indicators aligned with the Group's core risk management and control metrics ("Multi-Year Performance Indicators"), related to solvency, liquidity, profitability and value creation.

The Multi-Year Performance Indicators for all Identified Staff are approved every year by the Board of Directors, at the proposal of the Remuneration Committee, and subsequent to analysis by the Risk and Compliance Committee, which ensures that they are compatible with adequate and effective risk management.

The Multi-Year Performance Indicators and their weights approved for 2022 financial year are as follows:

**Table 91.** Multi-year Performance Indicators

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

Once the financial year corresponding to the third year of deferral of the Annual Variable Remuneration has ended, the result of the Multi-Year Performance Indicators established for each financial year will determine any ex post reduction adjustments to be made, if appropriate, on the amount pending payment of the Deferred Portion of the Annual Variable Remuneration.

For this purpose, the Multi-Year Performance Indicators have associated scales of achievement of the objectives established for each of them, which are determined by the Board of Directors, at the proposal of the Remuneration Committee and with a prior analysis by the Risk and Compliance Committee, once the amount of Annual Variable Remuneration for each financial year has been determined. In this way, if the pre-established thresholds set for each of the Multi-Year Performance Indicators are not achieved, the amount pending payment of the Deferred Portion of the Annual Variable Remuneration will be adjusted, and may be reduced, in the terms indicated in the above paragraph, but never increase.

- Moreover, all the Annual Variable Remuneration of each member of the Identified Staff corresponding to each financial year will also be subject to reduction (malus) and recovery of remuneration already paid

(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 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 an Identified Staff member.
- b) Regulatory sanctions or judicial convictions due to events that could be attributable to a specific unit or to personnel responsible for such events.
- c) Significant failure of risk management committed by the Bank or by a business or risk control unit, to which the wilful misconduct or gross negligence of an Identified Staff member was a contributing factor.
- d) Restatement of the Bank's annual financial statements, except where such restatement is due to a change in applicable accounting legislation.

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

Nevertheless, in the event that the above circumstances give rise to a dismissal or termination of contract of the Identified Staff member due to serious and guilty breach of duties, malus arrangements may apply to the entire Deferred Annual Variable Remuneration from previous financial years pending payment at the date of the dismissal or termination of contract, in light of the extent of the damage caused.

Moreover, if the above circumstances, regardless of the financial impact caused, create a relevant reputational damage to the Bank, the malus and clawback arrangements may also apply to the Annual Variable Remuneration, including the amounts deferred from previous financial years, whose payment

corresponds to or has taken place in the financial year in which the damage is revealed.

In any case, the Annual Variable Remuneration will only vest or be paid if it is sustainable according to the Group's situation as a whole, and justified based on the results of the Bank, the business unit and the Identified Staff member concerned.

- The resulting cash amounts of the Deferred Annual Variable Remuneration finally vested will be updated by applying the year-on-year change in prices given by the Consumer Price Index (CPI).
- In the event of the termination of the contractual relationship of an Identified Staff member before the award of Annual Variable Remuneration, the member will be entitled, if conditions are met, to receive the proportional part of such Annual Variable Remuneration, calculated pro rata for the length of service in the said financial year; subject, in all cases, to the same award, vesting and payment system that would be applicable if the member had remained working, in accordance with the rules described above. The above shall not be applicable to cases where the termination of the contractual relationship is due to a voluntary resignation or lawful dismissal, in which cases the right to the Annual Variable Remuneration will not accrue.
- If the members of the Identified Staff have the right to receive any type of remuneration other than Annual Variable Remuneration considered to be variable remuneration, this remuneration will be subject to the rules for award, vesting and payment applicable in accordance with the type and nature of the remuneration component itself and, in any case, shall comply with the applicable regulations in force at any given time.
- In particular, any retention bonuses to which Identified Staff members may be entitled in accordance with their contracts shall be considered to be variable remuneration and subject to the conditions established with respect thereto in applicable regulations. Thus, they shall comply with requirements in respect of payment in shares, deferral rules, ex post risk adjustments, and malus and clawback arrangements established for Annual Variable Remuneration in the Policy, and shall be considered to be variable remuneration for the purposes of calculating the ratio between fixed and variable remuneration. In any case, retention bonuses shall be properly justified and will be awarded upon conclusion of the retention period.
- The BBVA Directors' Remuneration Policy includes additional restrictions to the transfer of shares

derived from the variable remuneration of executive directors. Specifically, it establishes that once the BBVA shares have been received, the executive directors shall not be able to transfer their ownership until a period of at least three years has elapsed, except if the director in question has, at the time of the transfer, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice their Fixed Annual Remuneration through the ownership of shares, options or other financial instruments. The foregoing shall not apply to the shares that the director needs to sell to meet the costs related to their acquisition or, upon favourable assessment of the Remuneration Committee, to address an extraordinary situation.

- Moreover, in accordance with the provisions of BBVA Group General Remuneration Policy and in line with applicable regulations, payments to members of the Identified Staff due to early termination of a contract will be based on the results obtained over time. In no case shall bad results or inappropriate conduct be rewarded, and payments may not be awarded in cases where there have been clear and serious infringements that justify the immediate termination of the contract or the dismissal of the Identified Staff member. 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 Group's long-term business strategy, objectives, values and interests. To this end, BBVA has a pension system which is arranged on the basis of geographic areas and coverage offered to different groups of employees. These groups have been formed according to parameters that, among others, include, origin (meaning the Entity of the Group in which the employees initiated the employment relationship); date of entry; and the level or category of responsibility within the organization.

In general, BBVA's pension schemes to cover the retirement contingency are defined-contribution. Contributions to the Group's employee pension schemes are made within the framework of relevant labour law and individual or group agreements applicable to each Group Entity, sector or geographic area.

The scope of the system (cover for retirement, death and disability) for each group is defined in consideration of the three factors mentioned above.

The basis for the calculation of the benefits (commitments for retirement, death and disability) are established using fixed annual amounts; there are no temporary fluctuations derived from variable components or Individual results.

However, in accordance with Bank of Spain Circular 2/2016, 15% of the agreed annual contributions covering

the retirement contingency of executive directors and the rest of members of Senior Management shall be considered "discretionary pension benefits" and shall therefore be based on variable components and be subject to the conditions established for these instruments in the aforementioned Circular.

To comply with the above, the annual amount of the "discretionary pension benefits" will be determined by reference to the result of the Annual Variable Remuneration awarded in each financial year and the following rules will apply:

- They shall form part of the total amount of variable remuneration for the purposes of the maximum limit between fixed and variable remuneration;
- They shall be paid in full in BBVA shares;
- They shall be subject to a five-year withholding period from the date on which the beneficiary ceases to render services to the Bank for any reason; and
- During the aforementioned five-year withholding period, the Bank may apply, if the corresponding conditions are met, the malus and clawback arrangements applicable to Annual Variable Remuneration.

Detailed information on the implementation of the obligations contracted in terms of pensions for executive directors and the rest of members of Senior Management during the financial year can be found in Note 54 of BBVA Group Consolidated Financial Statements for 2022, which are available on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)).

A detailed description of the remuneration system for BBVA's executive and non-executive directors in 2022 is included in the BBVA Directors' Remuneration Policy, and its implementation in the financial year is outlined in the Annual Report on the Remuneration of BBVA Directors for 2022. Both documents are available on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)).

As set out in those documents, in the case of the non-executive directors, they do not receive variable remuneration; they receive a fixed annual amount in cash as members 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 amount of annual fixed allowance for each of the above positions or functions is set by the Board of Directors, at the proposal of the Remuneration Committee, depending on the nature of the assigned functions and the dedication and responsibility required from each director.

In addition, the Bank has a remuneration system in BBVA shares with deferred delivery to non-executive directors,

which has been approved by BBVA General Shareholders' Meeting. This system comprises the annual allocation to non-executive directors of a number of theoretical shares of the Bank, which are to be effectively delivered on the date of their removal as directors for any reason except for a serious breach of their duties.

The annual number of theoretical shares allocated to each non-executive director shall be equivalent to 20% of their annual fixed allowance in cash received by each in the previous financial year, according to the average closing prices of the BBVA share during the 60 trading sessions prior to the General Shareholders' Meetings approving the corresponding financial statements for each financial year.

The shares delivered by BBVA to directors and employees as part of variable remuneration or other remuneration systems form part of its treasury stock, so their delivery does not entail any dilution for shareholders.

## 6.4. 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 General Remuneration Policy provides for the payment to the members of the Identified Staff of 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 targets 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 directly linked to the results of the BBVA Group and varies depending on them.

In addition to the results of the Group's Annual Performance Indicators, determined by the pre-

established performance scales, and according to the weight of each indicator, the amount of the Annual Variable Remuneration of the members of the Identified Staff also takes into account the level of achievement of strategic objectives (both financial and non-financial) set at Area level and for each individual, as well as the associated weight in each case to the aforementioned Group, Area and Individual indicators (slotting), which are established according to the extent that the function is linked to the objectives of the Group, the Area and the individual, respectively.

The level of achievement of the Group's financial and non-financial indicators for incentive purposes is detailed below:

**Table 92.** Financial indicators - 2022 Level of achievement

Annual Evaluation Financial Indicators	Weight (%) <sup>(1)</sup>	Results 2021 <sup>(2)</sup>	Results 2022 <sup>(3)</sup>	Target 2022 <sup>(4)</sup>	Level of achievement (%)
Net Attributable Profit without corporate transactions (millions of euros)	10	5,028	6,381	4,661	150
Tangible Book Value per share (TBV per share) (euros) <sup>(5)</sup>	10	6.55	7.64	7.28	115
RORC (%)	10	14.03	15.26	12.56	150
Efficiency Ratio (%)	10	45.51	43.23	45.33	131
Gross margin (million euros)	10	—	24,890	20,182	150

<sup>(1)</sup> Fixed weight for the 2022 Annual Variable Remuneration of the BBVA Group staff, with the exception of executive directors.

<sup>(2)</sup> Results approved for incentive purposes (not including the results generated until June 2021 by BBVA USA and the rest of the companies sold to PNC, nor the impact of BBVA's restructuring plan in Spain).

<sup>(3)</sup> Results approved for incentive purposes (does not include the impact generated by the takeover bid in Turkey or by the office repurchase operation in Spain).

<sup>(4)</sup> The targets for the 2022 annual evaluation indicators were set above the consensus of analysts at that time and were in line with the existing economic outlook: (i) negative interest rates in the Eurozone and slightly rising in most emerging countries in which the Group is present; (ii) low levels of activity, as a consequence of supply problems in the production and distribution chains; and (iii) depreciation of emerging currencies against the Euro, impacting both the Attributable Result in current euros and profitability.

<sup>(5)</sup> For TBV per share there are two targets: one linked to growth (budget target) and the other linked to value creation, which is the one used for incentive purposes (shown in the table). In 2022, the budget target is 6.80 euros per share.

In the 2022 financial year, the BBVA Group obtained an attributable profit of € 6,420 million, an increase of 38% compared to 2021.

The figure for profit taken into account for incentive purposes was the referred profit excluding corporate transactions (the impact generated by the takeover bid in Turkey and the repurchase of BBVA branches in Spain); thus achieving an attributable profit, for incentive purposes, of € 6,381 million in 2022, which compares very positively with the € 5,028 million taken in 2021 for incentive purposes. This profit figure (€ 6,381 million) has been used to calculate the rest of the financial indicators for incentive purposes.

The good performance of attributable profit was mainly due to the strong increase in recurring revenues, the

control of operating expenses and the good evolution of impairment charges on financial assets.

These good results have been accompanied by the creation of shareholder value, with the Group's TBV indicator (tangible book value per share) growing by 16.64% compared to 2021.

Likewise, the result of the Annual Financial performance indicators RORC and Efficiency Ratio, have performed positively in 2022 with respect to the previous financial year and compared to the target set at the beginning of the year. Finally, the Gross Margin indicator, which was included for the first time in 2022 in the grid of financial indicators for the Identified Staff (with the exception of executive directors), also performed very well.

**Table 93.** Non financial indicators - 2022 Level of achievement

Annual Evaluation Non-financial Indicators	Weight (%) <sup>(1)</sup>	Results 2021	Results 2022	Target 2022 <sup>(2)</sup>	Level of achievement (%)
Customer satisfaction (IReNe)	10	101	108	—	108
Mobilization of sustainable financing (million euros)	10	30,615	40,643	32,146	150
Digital sales	10	99	110	—	110
Target customers	10	115	111	—	111
Transactional linking of company clients	10	129	112	—	112

<sup>(1)</sup> Fixed weight for the 2022 Annual Variable Remuneration of the BBVA Group staff, with the exception of executive directors.

<sup>(2)</sup> The IReNe financial indicators, digital sales, target customers and transactional linkage of business customers, do not have a target at Group level, the targets are established at country level. The achievement of the Group for said indicators will be calculated as the average weighted by the operating income of the achievements obtained by the countries.

With respect to the non-financial Annual Performance Indicators, the Bank mobilized a total of €40,643 million in 2022 of finance allocated to sustainable projects related to climate change, which puts the results of the indicator of “Mobilization of sustainable financing” above the pre-established target. With regard to Digital Sales, Target Customers and Enterprise Transactionality indicators, their levels of achievement have also remained above the target.

With regard to NPS non-financial indicator its level of achievement has been aligned with the target established by the Board to calculate the Annual Variable Remuneration for 2022 financial year.

Thus, accordingly, the Annual Variable Remuneration of the members of the Identified Staff is linked to factors such as 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 6.3 of this report.



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

BBVA Group promotes the development of a risk culture at all levels in the organization through its Corporate Governance System. Thus, BBVA's Corporate Bodies have provided the Group with a set of general policies and management and control basic guidelines, that allow for integrated and consistent management and supervision across the Group, highlighting among these guidelines the Risk Appetite Framework and the general policies on risk management by risk type.

The BBVA Group General Remuneration Policy forms part of the elements designed by the Board of Directors, as part of the Corporate Governance System, to promote adequate management and supervision of remuneration in the BBVA Group. Among the principles inspiring it, is the achievement of the results based on a prudent and responsible risk assumption.

Thus, in line with what has been set out in section 6.3 of this report, the remuneration policy applicable to executive directors, the rest of members of Senior Management and the rest of the Identified Staff features a number of specific elements which make their remuneration take into account current and future risks for the Bank, promoting their prudent and effective management, and not offering incentives to assume risks that exceed the level tolerated by the Institution or the Group, consistently with the risk strategy and culture of the BBVA Group.

In particular, the Bank's remuneration policies establish:

- Balance between the fixed and variable components of total remuneration;
- Ex ante adjustments, compliance with which is verified prior to the accrual and award of the Annual Variable Remuneration;
- Financial and non-financial indicators to evaluate the results, which take account both current and future risks, and the strategic priorities defined by the Group;
- Consideration, in the measurement of 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;
- Establishment of at least 50% of the Annual Variable Remuneration in BBVA shares or instruments linked to BBVA shares;
- Deferral rules, designed so that a substantial portion of the Annual Variable Remuneration - 60% in the case of executive directors, rest of the members of Senior Management and 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 possible ex post risk adjustments related to the result of the Multi-Year Performance Indicators, measured over a period of three years from the beginning of the deferral period, to which weights have been assigned and for which scales of achievement have been established; so that, in the event that the thresholds set for each indicator are not achieved, the Deferred Portion of the Annual Variable Remuneration pending payment may be reduced, but never increased. These indicators are aligned with the core metrics for the Group's risk control and management, and in particular, are related to solvency, liquidity, profitability and value creation;
- Mandatory retention periods of any shares or financial instruments delivered as Annual Variable Remuneration, so that the beneficiaries cannot freely dispose of them until one year after their delivery date, except for those whose sale would be required to honour the payment of taxes accruing on their delivery;
- Prohibition of carrying out personal hedging strategies or insurance related to the remuneration and liability;
- Limitation of the variable component of the remuneration for the year to 100% of the fixed component of total remuneration, except the BBVA General Meeting authorizes the application of a maximum ratio of 200% for a certain group of Risk Takers, as explained in detail in section 6.7 of this report.
- Subjection of the entire Annual Variable Remuneration to malus and clawback arrangements during the whole deferral and retention period, under the terms indicated in Section 6.3.

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

The main parameters 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.

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

As set forth in section 6.3 above, the fixed and 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 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, adapting to the reality existing in the different Group Entities or functions in which the members of the Identified Staff carry out their activity.

To this end, the Bank has defined target ratios between the main components of fixed and 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, the variable element of the remuneration of the Identified Staff corresponding to a financial year (understood as the sum of all the variable components of remuneration) shall be limited to a maximum amount of 100% of the fixed element of total remuneration (understood as the sum of all the fixed components of remuneration), unless the BBVA General Shareholders' Meeting resolves to increase this percentage up to a maximum of 200%, as set forth under applicable legislation.

In this regard, the General Meeting held on March 18, 2022 resolved to increase 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 the terms indicated in the report issued for this purpose by the Board of Directors dated February 9, 2022. Thus, the BBVA's Board of Directors 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 risk profile of Banco Bilbao Vizcaya Argentaria, S.A. (the "Bank") or its Group, enabling subsidiaries of to likewise apply said maximum level to their professionals, pursuant to the Report issued in this regard by the Board of Directors of the Bank, on February 9, 2022, and which has been made available to shareholders as of the date on which the General Meeting was convened."*

This resolution was approved by the BBVA General Shareholders' Meeting for a maximum of 270 Risk Takers, with a favourable vote of 97.87% of the capital present or represented at said General Shareholders' Meeting.

The proposal submitted to the General Shareholders' Meeting included the detailed recommendation of the Board, explaining the reasons and scope of the resolution 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 Board's Report, the persons for whom approval of the higher level of remuneration for 2022 financial year was requested performed one of the following functions:

- Members of the BBVA Board of 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, countries of South America, 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.

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

After year-end 2022, the Annual Variable Remuneration corresponding to the members of the Identified Staff for said financial year was calculated in accordance with the results obtained (described in Section 6.4 above).

In accordance with the award, vesting and payment system of the Annual Variable Remuneration for 2022 financial year applicable to members of the Identified Staff:

- The Upfront Portion will be paid, if the conditions are met, in 2023 financial year, at 40% in the case of the executive directors, members of Senior Management and 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 paid, if conditions are met, on a pro-rata basis, once each of the deferral years has elapsed, at an amount equivalent to 20% in the case of the executive directors and members

of Senior Management, and 25% in the case of the rest of the members of the Identified Staff. The amount pending payment once the third year of deferral has concluded will be subject to the result of the Multi-Year Performance Indicators to which reference has been made in section 6.3 of this report.

Thus the Deferred Portion will be paid, if appropriate, under the following payment schedule: (i) in the case of executive directors and members of Senior Management, 20% in 2024, 20% in 2025, 20% in 2026, 20% in 2027 and the remaining 20% in 2028; and (ii) in the case of the rest of the members of the Identified Staff, 25% in 2024, 25% in 2025, 25% in 2026 and the remaining 25% in 2027.

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

**Table 94.** EU REM1 - Remuneration awarded for the financial year (Thousand euros)

	MB Supervisory function <sup>(1)</sup>	MB Management function <sup>(1)</sup>	Other senior management <sup>(1)</sup>	Other identified staff
<b>Fixed remuneration</b>				
<b>Number of identified staff</b>	<b>14</b>	<b>2</b>	<b>16</b>	<b>288</b>
<b>Total fixed remuneration<sup>(2)</sup></b>	<b>5,269</b>	<b>6,795</b>	<b>19,242</b>	<b>116,707</b>
Of which: cash-based	4,300	6,357	18,149	108,638
<b>(Not applicable in the EU)</b>				
Of which: shares or equivalent ownership interests	—	—	—	—
Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
Of which: other instruments(3)	859	—	—	—
<b>(Not applicable in the EU)</b>				
Of which: other forms	110	438	1,093	8,069
<b>(Not applicable in the EU)</b>				
<b>Variable remuneration</b>				
<b>Number of identified staff</b>	<b>—</b>	<b>2</b>	<b>16</b>	<b>281</b>
<b>Total variable remuneration<sup>(4)</sup></b>	<b>—</b>	<b>8,280</b>	<b>11,346</b>	<b>69,433</b>
Of which: cash-based	—	3,606	4,689	41,744
<i>Of which: deferred</i>	—	1,967	2,558	11,891
Of which: shares or equivalent ownership interests(5)	—	4,589	5,968	25,438
<i>Of which: deferred</i>	—	2,950	3,837	10,988
Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	2,251
<i>Of which: deferred</i>	—	—	—	1,126
Of which: other instruments	—	—	—	—
<i>Of which: deferred</i>	—	—	—	—
Of which: other forms(6)	—	85	689	—
<i>Of which: deferred</i>	—	85	689	—
<b>Total remuneration (2 + 10)</b>	<b>5,269</b>	<b>15,075</b>	<b>30,588</b>	<b>186,140</b>

<sup>(1)</sup> Each of these columns includes remuneration for non-executive directors, executive directors and other members of Senior Management who held such position as of December, 31 2022. Information on remuneration and other benefits to the Board of Directors and members of the Bank's Senior Management is detailed in Note 54 of the Consolidated Financial Statements for 2022.

<sup>(2)</sup> Fixed remuneration received in 2022, both in cash and in kind, except for pension commitments. In the case of executive directors and Senior Management, the contributions made by the Bank in 2022 in relation to the pension commitments assumed with regard to social welfare are detailed in Note 54 of the Consolidated Financial Statements.

<sup>(3)</sup> Non-executive directors have a fixed remuneration system with deferred delivery of shares after they cease to hold office, approved by the General Shareholders' Meeting. The number of theoretical shares allocated to each non-executive director in 2022 is equivalent to 20% of the fixed annual cash allocation received in 2021 by each of them, based on the average of the closing prices of BBVA shares during the 60 trading sessions prior to the General Shareholders' Meeting of March 18, 2022, which was €5.47 per share.

<sup>(4)</sup> Total variable remuneration corresponding to financial year 2022, which includes both the Annual Variable Remuneration and, for the purposes of this report, other payments considered variable under applicable regulations. Deferred variable remuneration is not vested and is subject to multi-year performance indicators related to the Risk Appetite Framework and shareholder return, which may reduce (but never increase) such deferred amounts, as well as to malus clauses.

<sup>(5)</sup> The total variable remuneration in shares of the identified staff granted in respect of the financial year 2022 represents 0.10% of BBVA's share capital.

<sup>(6)</sup> Discretionary pension benefits (15% of the annual contribution agreed to cover the retirement contingency of the Chair and members of Senior Management), are included for the financial year 2022, as established in the Guidelines on the remuneration comparison exercise, gender pay gap and higher ratios authorized under Directive 2013/36/EU (EBA/GL/2022/06), adopted as its own by the Bank of Spain on December 21, 2022.

**Table 95.** EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)  
(Thousand euros)

	MB Supervisory function	MB Management function	Other Senior Management	Other Identified Staff
<b>Guaranteed variable remuneration awards</b>				
<b>Guaranteed variable remuneration awards - Number of identified staff</b>	—	—	—	—
<b>Guaranteed variable remuneration awards - Total amount</b>	—	—	—	—
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	—	—	—	—
<b>Severance payments awarded in previous periods, that have been paid out during the financial year</b>				
<b>Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff</b>	—	—	—	11
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	—	—	—	1,357
<b>Severance payments awarded during the financial year</b>				
<b>Severance payments awarded during the financial year - Number of identified staff</b>	—	—	—	14
<b>Severance payments awarded during the financial year - Total amount<sup>(1)</sup></b>	—	—	—	15,881
Of which paid during the financial year	—	—	—	15,150
Of which deferred	—	—	—	731
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	—	—	—	14,054
Of which highest payment that has been awarded to a single person	—	—	—	3,618

<sup>(1)</sup> Includes the amount of the statutory severance payment under labor regulations, as well as, if applicable, the amount in addition to this legal severance payment.

Additionally, non-competition agreements have been signed with some beneficiaries for a total amount of 6,278 thousand euros, that will be paid periodically from the moment the member of the Identified Staff leaves, during the non-competition period.

In addition, in accordance with Rule 40.1 of Circular 2/2016 of the Bank of Spain, it is stated that of the 14 cases of payments for early termination of contract, 7 of them have exceeded two annuities of the fixed remuneration.

Payments were also made in 2022 for amounts deferred from previous years whose payment corresponded in said financial year. The following table shows the amounts of deferred remuneration from previous years awarded in 2022, distinguishing between the amounts of such remuneration that have been paid in the year and the amounts that, as of December 31, 2022 remain deferred.

Table 96. EU REM3 - Deferred remuneration (Thousand euros)

	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year <sup>(4)</sup>	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to explicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
<b>Deferred and retained remuneration(1)</b>								
<b>MB Supervisory function</b>	—	—	—	—	—	—	—	—
Cash-based	—	—	—	—	—	—	—	—
Shares or equivalent ownership interests	—	—	—	—	—	—	—	—
Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
Other instruments	—	—	—	—	—	—	—	—
Other forms	—	—	—	—	—	—	—	—
<b>MB Management function(2)</b>	<b>11,829</b>	<b>1,795</b>	<b>10,034</b>	<b>(14)</b>	<b>(5)</b>	<b>70</b>	<b>1,851</b>	<b>1,076</b>
Cash-based	4,386	781	3,605	(6)	(2)	—	775	—
Shares or equivalent ownership interests	6,422	1,014	5,408	(8)	(3)	70	1,076	1,076
Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
Other instruments	—	—	—	—	—	—	—	—
Other forms(3)	1,021	—	1,021	—	—	—	—	—
<b>Other senior management(2)</b>	<b>17,019</b>	<b>1,865</b>	<b>15,154</b>	<b>(16)</b>	<b>(7)</b>	<b>74</b>	<b>1,923</b>	<b>1,130</b>
Cash-based	6,635	800	5,835	(7)	(3)	—	793	—
Shares or equivalent ownership interests	8,759	1,065	7,694	(9)	(4)	74	1,130	1,130
Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
Other instruments	—	—	—	—	—	—	—	—
Other forms(3)	1,625	—	1,625	—	—	—	—	—
<b>Other identified staff</b>	<b>116,256</b>	<b>34,421</b>	<b>81,835</b>	<b>(334)</b>	<b>(18)</b>	<b>2,348</b>	<b>36,435</b>	<b>19,677</b>
Cash-based	57,697	16,923	40,774	(165)	(7)	—	16,758	—
Shares or equivalent ownership interests	56,608	17,498	39,110	(169)	(11)	2,348	19,677	19,677
Share-linked instruments or equivalent non-cash instruments	1,052	—	1,052	—	—	—	—	—
Other instruments	—	—	—	—	—	—	—	—
Other forms(3)	899	—	899	—	—	—	—	—
<b>Total amount</b>	<b>145,104</b>	<b>38,081</b>	<b>107,023</b>	<b>(364)</b>	<b>(30)</b>	<b>2,492</b>	<b>40,209</b>	<b>21,883</b>

<sup>(1)</sup> Includes deferred remuneration awarded in respect of previous performance periods already reported at the time of grant, as established in the Guidelines on the remuneration comparison exercise, gender pay gap and higher ratios authorized under Directive 2013/36/EU (EBA/GL/2022/06), adopted as its own by the Bank of Spain on December 21, 2022.

<sup>(2)</sup> Each of these columns includes remuneration for executive directors and other members of Senior Management who held such position as of December, 31 2022. Information on remuneration and other benefits to the Board of Directors and members of the Bank's Senior Management is detailed in Note 54 of the Consolidated Financial Statements for 2022.

<sup>(3)</sup> Includes "Discretionary pension benefits" (15% of the annual contribution agreed to cover the retirement contingency of the Chair and members of Senior Management) corresponding to the 5 years previous to 2022, as established in the Guidelines on the remuneration comparison exercise, gender pay gap and higher ratios authorized under Directive 2013/36/EU (EBA/GL/2022/06), adopted as its own by the Bank of Spain on December 21, 2022.

<sup>(4)</sup> In addition, the cash portion of the deferred remuneration awarded in respect of previous performance periods that has been vested in 2022 has been updated in accordance with the year-on-year CPI. These amounts are as follows: 67 thousand euros for executive directors, 62 thousand euros for other members of Senior Management and 1,481 thousand euros for the rest of the Identified Staff.

The number of employees receiving remuneration of €1 million or more is as follows:

**Table 97.** EU REM4 - Remuneration of €1 million or more per year

<b>EUR</b>	<b>Identified staff that are high earners as set out in Article 450(i) CRR</b>
1 000 000 to below 1 500 000	23
1 500 000 to below 2 000 000	17
2 000 000 to below 2 500 000	8
2 500 000 to below 3 000 000	2
3 000 000 to below 3 500 000	2
3 500 000 to below 4 000 000	2
4 000 000 to below 4 500 000	—
4 500 000 to below 5 000 000	—
5 000 000 to below 6 000 000	—
6 000 000 to below 7 000 000	—
7 000 000 to below 8 000 000	2

<sup>(1)</sup> Includes the sum of the fixed remuneration received in 2022 and the total variable remuneration corresponding to 2022. Of the Annual Variable Remuneration 2022, 60% has been deferred and therefore is not vested, being subject to multi-year performance indicators related to the Risk Appetite Framework and shareholder return that may reduce its amount (never increase it) and to malus clauses.



The table below gives the total remuneration of the Identified Staff for the year 2022, broken down by area of activity:

**Table 98.** EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) (Thousand euros)

	Management body remuneration			Business areas						Total
	MB Supervisory function	MB Management function	Total MB	Investment banking <sup>(3)</sup>	Retail banking <sup>(4)</sup>	Asset management <sup>(5)</sup>	Corporate functions <sup>(6)</sup>	Independent internal control functions <sup>(7)</sup>	All other <sup>(8)</sup>	
<b>Total number of identified staff</b>										320
Of which: members of the MB <sup>(1)</sup>	14	2	16							
Of which: other senior management <sup>(1)</sup>				1	3	—	9	3	—	
Of which: other identified staff				47	61	2	102	76	—	
<b>Total remuneration of identified staff<sup>(2)</sup></b>	5,269	15,075	20,344	46,684	52,168	1,765	82,129	33,982	—	
Of which: variable remuneration	—	8,280	8,280	21,537	20,707	416	29,019	9,100	—	
Of which: fixed remuneration	5,269	6,795	12,064	25,147	31,461	1,349	53,110	24,882	—	

<sup>(1)</sup> Each of these columns includes remuneration for non-executive directors, executive directors and other members of Senior Management who held such position as of December, 31 2022.

<sup>(2)</sup> Includes the sum of the fixed remuneration received in 2022 and the total variable remuneration corresponding to financial year 2022, which includes both the Annual Variable Remuneration and, for the purposes of this report, other payments considered variable under applicable regulations. Deferred variable remuneration is not vested and is subject to multi-year performance indicators related to the Risk Appetite Framework and shareholder return, which may reduce (but never increase) such deferred amounts, as well as to malus clauses.

<sup>(3)</sup> Includes trading and other investment banking activities.

<sup>(4)</sup> Includes Retail, Business, Corporate and Insurance Banking activities.

<sup>(5)</sup> Includes Asset Management and Private Banking activities.

<sup>(6)</sup> Includes support areas for the BBVA Group and business support areas (Finance, Legal, Human Resources, etc.).

<sup>(7)</sup> Includes Risk Management, Internal Audit and Compliance activities.

<sup>(8)</sup> Other activities not included in the previous categories.