BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. 2024

Financial Statements, Management Report and Audit Report

Contents

Audit Report

Audit Report on Financial Statements
issued by an Independent Auditor

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

(Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails. See note 53.)

To the shareholders of Banco Bilbao Vizcaya Argentaria, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, the "Bank"), which comprise the balance sheet as at December 31, 2024, the income statement, the statement of recognized income and expenses, the statement of total changes in equity, the statement of cash flows, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Bank as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 1.2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Bank in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Estimate of impairment losses due to credit risk on the portfolio of loans and advances to customers at amortized cost

Description	The Bank's portfolio of loans and advances to customers at amortized cost presented a balance of Euros 230,818 million at December 31, 2024, net of valuation adjustments. Valuation adjustments include Euros 4,657 million of provisions for impairment losses due to credit risk, as disclosed in notes 5 and 12 to the accompanying financial statements. Estimating provisions for impairment on the portfolio of loans and advances to customers at amortized cost is important and complex. It considers a number of variables, such as classification of the financial assets, the use of measurement methods and models, and the utilization of assumptions used in the calculation. Allowances and provisions are calculated on both an individual and collective basis. This calculation requires high degree of judgment by management according to the principles and policies applied by the Bank, as described in notes 2 and 5 to the accompanying financial statements. For the purpose of estimating impairment of financial assets classified as loans and advances to customers measured at amortized cost are classified into three categories or stages according to whether a significant increase in credit risk since their initial recognition has been identified (stage 2), whether the financial assets are credit-impaired (stage 3), or whether neither of these circumstances has arisen (stage 1). Establishing this classification is a relevant process for the Bank as the calculation of allowances and provisions for credit risk varies depending on the stage in which the financial asset has been included. Individual estimates of impairment losses consider the borrower's payment capacity based on estimates of its future business performance and the market value of the collateral provided for credit transactions. Meanwhile, collective estimates of impairment losses are performed by means of internal models that use large databases, different macroeconomic scenarios, and present, past and future information. Estimating impairment losses is a highly automated and complex process that relies on segmentation criteria for exposures and the use of judgment in determining exposure at default (EAD) and the parameters of expected loss: probability of default (PD) and loss given default (LGD). The Bank periodically recalibrates and performs contrast tests on its internal models, carried out by an Internal Validation Unit, and analyzes sensitivity to macroeconomic scenarios with a view to improving their predictive power on the basis of actual past experience. Moreover, as described in note 5 of the accompanying financial statements, the Bank may supplement the expected losses to account for the effects that may not be included in them, either by considering additional risk factors, or by the incorporation of sectorial particularities or particularities that may affect a set of operations or borrowers.

Given the importance for the Bank of the portfolio of loans and advances to customers at amortized cost and, thus, the related allowances and provisions, the complexity and high degree of judgment used in classifying exposures and calculating those allowances and provisions, we determined the estimate of impairment losses due to credit risk on this portfolio to be a key audit matter.

Our response

Our audit approach in relation to this matter included understanding the processes put in place by management to estimate impairment of loans and advances to customers at amortized cost due to credit risk, evaluating the design and implementation of the relevant controls established in those processes and testing their operating effectiveness. We have further performed tests of detail on that estimate, to which end we involved our credit risk specialists. We have focused: (*i*) on evaluating the methodology applied by the Bank to calculate expected losses, (*ii*) the data and assumptions used in determining the expected loss parameters, the macroeconomic variables used, and the qualitative and quantitative criteria used to adjust the collective allowances and provisions arising from the internal models and (*iii*) the mathematical accuracy of the calculations.

Our procedures related to the assessment of the design and implementation of the relevant controls and testing of their operating effectiveness focused on the following areas:

- Credit risk management framework, including the design and approval of accounting policies, and of the methodologies and models for estimating expected loss.
- Classification of transactions into stages based on credit risk, whether or not there has been an increase in credit risk since their initial recognition or whether they are credit-impaired based on criteria defined by the Bank.
- The methods and assumptions used to estimate EAD, PD and LGD and to determine the macroeconomic variables and the integrity, accuracy and updating of the databases used to calculate expected loss.
- The control framework on internal models for the collective estimate of impairment losses and the variables used to estimate impairment losses calculated individually.
- The governance framework on the identification, calculation and allocation of additional adjustments to impairment losses identified in the general process and, where applicable, adaptation of the estimate accordingly.
- Activities by the Internal Validation Unit in relation to the recalibration and contrast testing of the models for estimating collective impairment losses.

Our tests of detail on the estimated impairment losses included the following:

- We assessed the suitability of accounting policies applied by the Bank in accordance with the applicable financial reporting framework.
- We performed tests of detail on the integrity, accuracy and updating of the databases used by the Bank in determining the stage of exposures and the estimate of expected loss parameters (e.g., days past due, existence of refinancing operations or value of collateral and guarantees and, with the involvement of our economic research specialists, the estimate of macroeconomic variables). We also performed tests of detail on a sample of transactions to assess the correctness of their classification and segmentation for purposes of estimating impairment.

- We reviewed a sample of transactions to assess the correctness of their classification and the assumptions used by management to identify and quantify impairment losses on an individual basis, including the borrower's financial position, forecasts of future cash flows and, where applicable, the value of collateral and guarantees, as well as the discount rates applied. We evaluated, during our analysis, how management factored the aid initiatives promoted by the governments of the various countries in which the Bamk operates into these borrowers' cash flow projections.
- We evaluated, with the assistance of our credit risk specialists, the approach and methodology used by the Bank for collectively estimating impairment losses by analyzing a sample of internal models. We also assessed the operation of the expected loss calculation engine by recalculating impairment losses on a collective basis for a sample of credit portfolios.
- We have evaluated the identification made by Management of the need or not to make supplementary adjustments to the impairment losses identified in the general process and, when necessary, analyzed the suitability of the assumptions considered and the accuracy of the calculations made.

In addition, we assessed whether the detailed disclosures in the notes to the financial statements were prepared in conformity with the criteria provided in the financial reporting framework applicable to the Bank.

Fair value measurement of financial instruments

Description

At December 31, 2024, the Bank had financial assets and financial liabilities recognized at fair value determined as the market price of a financial instrument. As disclosed in note 6 to the accompanying financial statements, for many of the financial assets and liabilities of the Bank, especially in the case of derivatives, there is no market price available, so its fair value is estimated by management on the basis of the price established in recent transactions involving similar instruments or, in the absence thereof, by using mathematical valuations models. These financial assets and liabilities for which there is no available market price are classified, for valuation purposes, in level 2 and 3 of the fair value hierarchy as defined in note 6 to the accompanying financial statements.

The estimates of the fair value derived from the use of such models take into consideration the specific features of the asset or liability to be measured and, in particular, the various types of risk associated with such asset or liability. However, the limitations inherent in the measurement models and possible inaccuracies in the assumptions and parameters required by these models may mean that the estimated fair value of an asset or liability does not exactly match the price for which the asset or liability could be exchanged or settled on the date of its measurement. These measurements are compared, as much as possible, against other sources such as the measurements obtained by the business teams and those obtained by other market participants.

We have considered the estimates of the fair value derived from the use of such mathematical valuation models as a key audit matter because they involve a high degree of judgment by management by Management, either in determining the model or in estimating the hypotheses and parameters required by them.

Our response

Our audit procedures focused on assessing the models and valuation methods used by the Bank to estimate fair value of financial instruments for which there is no available market price. To do so, we obtained an understanding of the process followed by management to measure these financial instruments, assessed the design and implementation of the relevant controls established by the Bank in that process, and tested the operating effectiveness of those controls. We also performed tests of detail on the estimates made by the Bank, with the involvement of our financial instrument valuation specialists.

Our procedures related to the assessment of the design and implementation of the relevant controls of the process and testing of their operating effectiveness focused on the following areas:

- Risk management framework and controls related to operations in financial markets.
- The design and approval of accounting policies, and of the methodologies and models for measuring fair value of financial instruments, and its effect on the fair value hierarchy.
- Analysis of the integrity, accuracy and updating of the data used for measuring financial instruments, and of the control and management process in place with regard to existing databases.

Our procedures as regards the tests of detail performed were as follows:

- We assessed the reasonableness of the most significant valuation models used by the Bank, and of the significant assumptions applied; particularly, inputs not directly observable in the market, such as interest rates, issuer credit risk, volatility and correlations between these factors.
- For a sample of financial instruments for which there is no market price available measured at fair value, we assessed the correctness of their classification for measurement purposes in the fair value hierarchy, the appropriateness of the valuation criteria applied and the reasonableness of their valuation either by contrasting this with a valuation performed independently by our specialists in valuation of financial instruments, in the case of derivatives and debt instruments, or by reviewing third-party valuation reports, in the case of unlisted equity instruments, contrasting the hypotheses used with those estimated independently by our valuation specialists.

In addition, we assessed whether the detailed disclosures in the notes to the financial statements were prepared in conformity with the criteria provided in the financial reporting framework applicable to the Bank.

Assessment of the impairment of the investment in Garanti BBVA

Description

At December 31, 2024, the Bank holds an investment in Türkiye Garanti Bankası A.Ş. ("Garanti BBVA") amounting 7,534 million euros, as disclosed in Appendix II to the accompanying financial statements, net of impairment and accounting hedges that the Bank maintains against exchange rate fluctuations of the Turkish lira. As disclosed in note 14, at December 31, 2024, the Bank has recorded an impairment recovery amounting to Euro 2,221 million, being the accumulated impairment Euro 223 million at that date.

Investments in the equity of group companies are measured at cost, less, where applicable, the accumulated impairment, estimated based on the recoverable value of the investment. The estimate of the recoverable value of Garanti BBVA fundamentally contemplates the financial projections of the business in Turkey, which consider, among other matters, the expected evolution of macroeconomic variables and their impact on it's future business, and are subject to a high uncertainty associated with the political, economic and social conditions in Turkey (as disclosed in note 5.1 to the accompanying financial statements), which has led to the use of judgment by the Bank's Management in determining the projected cash flows, as well as in the estimation of the hypotheses considered in the valuation, such as the cost of capital and the perpetual growth rate.

For all of the above, we have considered the assessment of the impairment of the investment in Garanti BBVA as a key audit matter.

Our response

Our audit approach for the valuation of the investment in Garanti BBVA included an understanding the processes in place by Management for the aforementioned valuation estimate, assessing the design and implementation of the relevant controls established for these processes, as well as performing tests of detail on the estimate. For this purpose, we involved our valuation specialists, focusing on the evaluation of the methodology applied by the Bank, and the data and assumptions used.

Our procedures relating to assessing the design and implementation of the relevant controls included the following:

- Assessing the design and application of the governance framework and the Bank's accounting policies.
- Examining the key controls related to the process of measuring the group investments and, in particular the investment in Garanti BBVA.

The tests of detail primarily included:

- Reviewing the financial projections prepared for Garanti BBVA.
- Involving our valuation specialists in assessing the reasonableness of the methodology used and the adequacy of the related valuation model, as well in reviewing the financial assumptions used, such as the cost of capital and the perpetual growth rate.
- Verifying the arithmetical accuracy of the calculations made in the valuation model.

In addition, we assessed whether the detailed disclosures in the notes to the financial statements were prepared in conformity with the criteria provided in the financial reporting framework applicable to the Bank.

Risks associated with information technology

Description

The continuity of the Bank's business operations is highly dependent upon its technological infrastructure (IT). In this respect, the Bank has a complex technological operating environment, with a large data processing center in Spain providing support to the various countries in which the Bank operates through its branches. This technological environment must reliably and efficiently satisfy business requirements and ensure that the Bank's financial information is processed correctly.

In this environment, it is essential to assess issues such as the organization and risk management framework of the IT area, which must ensure appropriate management of technological risks that could impact on information systems, as well as controls on physical and logical security and managing, developing and exploiting systems, databases and applications used in the financial reporting process. We have therefore determined the risks associated with IT to be a key audit matter.

Our response	Within the context of our audit, we obtained an understanding, with the assistance of our specialists in information systems, of the information flows and the internal control environment of the Bank regarding the operating systems, databases and applications involved in the financial reporting process evaluating both the design and implementation and the operational effectiveness of the general controls on IT. Our audit procedures included, among others, the following: ▶ Evaluating the risk management framework related to technological risks. ▶ Testing access controls, change management and logical security to key operating systems, databases and applications for generating financial information. ▶ Testing controls over maintenance, development and use of applications and systems that are relevant to processing financial information. ▶ Evaluating the design, implementation and effectiveness of the changes made by Management to strengthen access controls in the environment of certain applications, as well as testing compensating controls established by Management when necessary or other mitigating factors.

Other information: management report

Other information refers exclusively to the 2024 management report, the preparation of which is the responsibility of the Bank's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, were provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2024 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Bank, in accordance with the regulatory framework for financial information applicable to the Bank in Spain and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Bank with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee of the Bank, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Banco Bilbao Vizcaya Argentaria, S.A. for the 2024 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Banco Bilbao Vizcaya Argentaria, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and the Board remuneration report have been incorporated by reference in the management report.

Our responsibility consists of examining the digital file prepared by the directors of the Bank, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the Audit Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit Committee on February 14, 2025.

Term of engagement

The ordinary general shareholders' meeting held on March 18, 2022 appointed us as auditors for 3 years, counting from the year ended December 31, 2022.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signed in the original version in Spanish)

José Carlos Hernández Barrasús
(Registered in the Official Register of Auditors under No. 17469)

February 14, 2025

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. 2024

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BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Balance sheets as of December 31, 2024 and 2023

ASSETS (Millions of Euros)	Notes	2024	2023 [1]
CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**7**	**20,755**	**49,213**
FINANCIAL ASSETS HELD FOR TRADING	**8**	**89,167**	**116,828**
Derivatives		36,405	32,937
Equity instruments		6,457	3,339
Debt securities		11,806	11,018
Loans and advances to central banks		556	2,808
Loans and advances to credit institutions		19,265	52,441
Loans and advances to customers		14,679	14,285
NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS	**9**	**895**	**730**
Equity instruments		626	507
Debt securities		269	223
Loans and advances to customers		—	—
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**10**	**—**	**—**
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**11**	**14,842**	**19,426**
Equity instruments		1,193	1,019
Debt securities		13,649	18,407
FINANCIAL ASSETS AT AMORTIZED COST	**12**	**295,471**	**261,765**
Debt securities		45,846	34,905
Loans and advances to central banks		33	—
Loans and advances to credit institutions		18,774	13,074
Loans and advances to customers		230,818	213,786
DERIVATIVES - HEDGE ACCOUNTING	**13**	**784**	**780**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**13**	**(65)**	**(97)**
INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	**14**	**25,252**	**23,019**
Subsidiaries		24,683	22,637
Joint ventures		24	24
Associates		545	358
TANGIBLE ASSETS	**15**	**3,516**	**3,373**
Properties, plant and equipment		3,437	3,285
For own use		3,437	3,285
Other assets leased out under an operating lease		—	—
Investment properties		79	87
INTANGIBLE ASSETS	**16**	**983**	**894**
Goodwill		—	—
Other intangible assets		983	894
TAX ASSETS	**17**	**12,300**	**12,416**
Current tax assets		2,890	2,145
Deferred tax assets		9,410	10,271
OTHER ASSETS	**18**	**4,064**	**2,023**
Insurance contracts linked to pensions	22	1,260	1,321
Inventories		1,302	132
Other		1,501	569
NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	**19**	**331**	**512**
TOTAL ASSETS		**468,295**	**490,883**

(1) Presented for comparison purposes only (see Note 1.3).

The Notes and Appendices are an integral part of the balance sheets as of December 31, 2024.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Balance sheets as of December 31, 2024 and 2023 (continued)

LIABILITIES AND EQUITY (Millions of Euros)	Notes	2024	2023 (1)
FINANCIAL LIABILITIES HELD FOR TRADING	**8**	**70,943**	**108,349**
Derivatives		30,287	28,615
Short positions		9,635	11,849
Deposits from central banks		360	4,698
Deposits from credit institutions		15,026	42,710
Customer deposits		15,636	20,476
Debt certificates		—	—
Other financial liabilities		—	—
FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**10**	**2,955**	**2,361**
Deposits from central banks		—	—
Deposits from credit institutions		—	—
Customer deposits		2,955	2,361
Debt certificates		—	—
Other financial liabilities		—	—
Subordinated liabilities		*—*	*—*
FINANCIAL LIABILITIES AT AMORTIZED COST	**20**	**349,381**	**339,476**
Deposits from central banks		6,985	10,962
Deposits from credit institutions		24,686	33,563
Customer deposits		260,366	234,754
Debt certificates		47,086	50,132
Other financial liabilities		10,258	10,065
Memorandum item: Subordinated liabilities		*13,355*	*11,741*
DERIVATIVES - HEDGE ACCOUNTING	**13**	**1,536**	**2,075**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**13**	**—**	**—**
PROVISIONS	**21**	**2,823**	**3,131**
Pensions and other post-employment defined benefit obligations		1,673	1,871
Other long term employee benefits		351	404
Provisions for taxes and other legal contingencies		419	396
Commitments and guarantees given		178	240
Other provisions		201	221
TAX LIABILITIES	**17**	**1,137**	**992**
Current tax liabilities		225	197
Deferred tax liabilities		912	795
OTHER LIABILITIES	**18**	**2,454**	**2,808**
LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE		**—**	**—**
TOTAL LIABILITIES		**431,229**	**459,192**

(1) Presented for comparison purposes only (see Note 1.3).

The Notes and Appendices are an integral part of the balance sheet as of December 31, 2024.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Balance sheets as of December 31, 2024 and 2023 (continued)

LIABILITIES AND EQUITY (Continued) (Millions of Euros)	Notes	2024	2023 (1)
STOCKHOLDERS' FUNDS		**38,220**	**33,134**
Capital	**23**	**2,824**	**2,861**
Paid up capital		2,824	2,861
Unpaid capital which has been called up		—	—
Share premium	**24**	**19,184**	**19,769**
Equity instruments issued other than capital		**—**	**—**
Equity component of compound financial instruments		—	—
Other equity instruments issued		—	—
Other equity		**40**	**40**
Retained earnings	**25**	**8,663**	**7,416**
Revaluation reserves	**25**	**—**	**—**
Other reserves	**25**	**(1,047)**	**(804)**
Less: treasury shares	**26**	**(7)**	**(3)**
Profit or loss attributable to owners of the parent		**10,235**	**4,807**
Less: interim dividends	**3**	**(1,671)**	**(952)**
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	**27**	**(1,154)**	**(1,443)**
Items that will not be reclassified to profit or loss		**(1,140)**	**(1,212)**
Actuarial gains (losses) on defined benefit pension plans		(48)	(54)
Non-current assets and disposal groups classified as held for sale		—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income	11	(1,075)	(1,213)
Hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income		—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedged item)		—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedging instrument)		—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk		(17)	55
Items that may be reclassified to profit or loss		**(14)**	**(230)**
Hedge of net investments in foreign operations (effective portion)		—	—
Foreign currency translation		—	—
Hedging derivatives. Cash flow hedges (effective portion)		251	45
Fair value changes of debt instruments measured at fair value through other comprehensive income	11	(264)	(275)
Hedging instruments (non-designated items)		—	—
Non-current assets and disposal groups classified as held for sale		—	—
TOTAL EQUITY		**37,066**	**31,691**
TOTAL EQUITY AND TOTAL LIABILITIES		**468,295**	**490,883**

MEMORANDUM ITEM - OFF BALANCE SHEET EXPOSURES (Millions of Euros)	Notes	2024	2023 (1)
Loan commitments given	29	108,206	98,667
Financial guarantees given	29	21,811	18,784
Other commitments given	29	37,641	30,013

(1) Presented for comparison purposes only (see Note 1.3).

The Notes and Appendices are an integral part of the balance sheet as of December 31, 2024.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Income statements for the years ended December 31, 2024 and 2023.

INCOME STATEMENTS (Millions of Euros)	Notes	2024	2023 [1]
Interest income	33	17,586	14,569
Financial assets at fair value through other comprehensive income		383	399
Financial assets at amortized cost		12,200	11,653
Other interest income		5,002	2,517
Interest expense	33	(11,190)	(9,005)
NET INTEREST INCOME		**6,396**	**5,564**
Dividend income	34	5,417	3,483
Fee and commission income	35	2,936	2,689
Fee and commission expense	36	(695)	(613)
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	37	76	24
Financial assets at amortized cost		28	—
Other financial assets and liabilities		48	24
Gains or (losses) on financial assets and liabilities held for trading, net	37	684	(12)
Reclassification of financial assets from fair value through other comprehensive income		—	—
Reclassification of financial assets from amortized cost		—	—
Other profit or loss		684	(12)
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	37	77	200
Reclassification of financial assets from fair value through other comprehensive income		—	—
Reclassification of financial assets from amortized cost		—	—
Other profit or loss		77	200
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	37	174	16
Gains (losses) from hedge accounting, net	37	2	(6)
Exchange differences, net	37	258	23
Other operating income	38	563	455
Other operating expense	38	(516)	(804)
GROSS INCOME		**15,373**	**11,020**
Administrative expense	39	(4,540)	(4,157)
Personnel expense		(2,613)	(2,425)
Other administrative expense		(1,927)	(1,733)
Depreciation and amortization	40	(641)	(651)
Provisions or reversal of provisions	41	(132)	(116)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification	42	(741)	(677)
Financial assets measured at amortized cost		(744)	(682)
Financial assets at fair value through other comprehensive income		3	6
NET OPERATING INCOME		**9,319**	**5,419**
Impairment or reversal of impairment of investments in subsidiaries, joint ventures and associates	43	2,246	118
Impairment or reversal of impairment on non-financial assets	44	(11)	5
Tangible assets		(5)	17
Intangible assets		(7)	(12)
Other assets		—	—
Gains (losses) on derecognition of non - financial assets and subsidiaries, net	45	50	3
Negative goodwill recognized in profit or loss		—	—
Gains (losses) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	46	(14)	2
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**11,590**	**5,547**
Tax expense or income related to profit or loss from continuing operations	17	(1,355)	(740)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**10,235**	**4,807**
Profit (loss) after tax from discontinued operations		—	—
PROFIT (LOSS) FOR THE YEAR		**10,235**	**4,807**

(1) Presented for comparison purposes only (see Note 1.3).

The Notes and Appendices are an integral part of the income statement for the year ended December 31, 2024.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of recognized income and expense for the years ended December 31, 2024 and 2023.

STATEMENTS OF RECOGNIZED INCOME AND EXPENSE (Millions of Euros)		
	2024	2023 (1)
PROFIT RECOGNIZED IN INCOME STATEMENT	**10,235**	**4,807**
OTHER RECOGNIZED INCOME (EXPENSE)	**249**	**730**
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**33**	**3**
Actuarial gains (losses) from defined benefit pension plans	(25)	(24)
Non-current assets and disposal groups classified as held for sale	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income	146	43
Gains (losses) from hedge accounting of equity instruments at fair value through other comprehensive income, net	—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	(102)	(24)
Other valuation adjustments	—	—
Income tax related to items not subject to reclassification to income statement	13	9
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**217**	**727**
Hedge of net investments in foreign operations [effective portion]	**—**	**—**
Foreign currency translation	**—**	**—**
Translation gains (losses) taken to equity	—	—
Transferred to profit or loss	—	—
Other reclassifications	—	—
Cash flow hedges [effective portion]	**294**	**767**
Valuation gains (losses) taken to equity	294	767
Transferred to profit or loss	—	—
Transferred to initial carrying amount of hedged items	—	—
Other reclassifications	—	—
Hedging instruments [non-designated elements]	**—**	**—**
Valuation gains (losses) taken to equity	—	—
Transferred to profit or loss	—	—
Other reclassifications	—	—
Debt securities at fair value through other comprehensive income	**16**	**271**
Valuation gains (losses) taken to equity	63	302
Transferred to profit or loss	(47)	(31)
Other reclassifications	—	—
Non-current assets and disposal groups held for sale	**—**	**—**
Income tax relating to items subject to reclassification to income statements	**(93)**	**(311)**
TOTAL RECOGNIZED INCOME/EXPENSE	**10,484**	**5,537**

(1) Presented for comparison purposes only (see Note 1.3).

The Notes and Appendices are an integral part of the statement of recognized income and expense for the year ended December 31, 2024.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of changes in equity for the years ended December 31, 2024 and 2023.

STATEMENT OF CHANGES IN EQUITY (Millions of Euros)

2024	Capital (Note 23)	Share Premium (Note 24)	Equity instruments issued other than capital	Other Equity	Retained earnings (Note 25)	Revaluation reserves (Note 25)	Other reserves (Note 25)	(-) Treasury shares (Note 26)	Profit or loss attributable to owners of the parent	Interim dividends (Note 3)	Accumulated other comprehensive income (Note 27)	Total
Balances as of January 1, 2024	**2,861**	**19,769**	**—**	**40**	**7,416**	**—**	**(804)**	**(3)**	**4,807**	**(952)**	**(1,443)**	**31,691**
Total income/expense recognized	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**10,235**	**—**	**249**	**10,484**
Other changes in equity	**(37)**	**(585)**	**—**	**(1)**	**1,247**	**—**	**(243)**	**(4)**	**(4,807)**	**(719)**	**39**	**(5,109)**
Issuances of common shares	—	—	—	—	—	—	—	—	—	—	—	—
Issuances of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Period or maturity of other issued equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Conversion of debt on equity	—	—	—	—	—	—	—	—	—	—	—	—
Common Stock reduction	(37)	(585)	—	—	29	—	(189)	781	—	—	—	—
Dividend distribution	—	—	—	—	(2,249)	—	—	—	—	(1,671)	—	(3,921)
Purchase of treasury shares	—	—	—	—	—	—	—	(1,309)	—	—	—	(1,309)
Sale or cancellation of treasury shares	—	—	—	—	—	—	(6)	524	—	—	—	519
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Transfers between total equity entries	—	—	—	9	3,855	—	(48)	—	(4,807)	952	39	—
Increase/Reduction of equity due to business combinations	—	—	—	—	—	—	—	—	—	—	—	—
Share based payments	—	—	—	(26)	—	—	—	—	—	—	—	(26)
Other increases or (-) decreases in equity	—	—	—	16	(388)	—	—	—	—	—	—	(372)
Balances as of December 31, 2024	**2,824**	**19,184**	**—**	**40**	**8,663**	**—**	**(1,047)**	**(7)**	**10,235**	**(1,671)**	**(1,154)**	**37,066**

The Notes and Appendices are an integral part of the statement of changes in equity for the year ended December 31, 2024.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of changes in equity for the years ended December 31, 2024 and 2023 (continued)

STATEMENT OF CHANGES IN EQUITY (Millions of Euros)

2023 (1)	Capital (Note 23)	Share Premium (Note 24)	Equity instruments issued other than capital	Other Equity	Retained earnings (Note 25)	Revaluation reserves (Note 25)	Other reserves (Note 25)	(-) Treasury shares (Note 26)	Profit or loss attributable to owners of the parent	Interim dividends (Note 3)	Accumulated other comprehensive income (Note 27)	Total
Balances as of January 1, 2023	**2,955**	**20,856**	**—**	**49**	**5,453**	**—**	**(474)**	**(3)**	**4,816**	**(724)**	**(2,172)**	**30,756**
Total income/expense recognized	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**4,807**	**—**	**730**	**5,537**
Other changes in equity	**(94)**	**(1,087)**	**—**	**(9)**	**1,963**	**—**	**(330)**	**—**	**(4,816)**	**(228)**	**—**	**(4,602)**
Issuances of common shares	—	—	—	—	—	—	—	—	—	—	—	—
Issuances of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Settlement or maturity of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	—
Conversion of debt on equity	—	—	—	—	—	—	—	—	—	—	—	—
Common Stock reduction	(94)	(1,087)	—	—	75	—	(316)	1,422	—	—	—	—
Dividend distribution	—	—	—	—	(1,860)	—	—	—	—	(952)	—	(2,812)
Purchase of treasury shares	—	—	—	—	—	—	—	(2,000)	—	—	—	(2,000)
Sale or cancellation of treasury shares	—	—	—	—	—	—	(12)	578	—	—	—	566
Reclassification of other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Transfers within total equity	—	—	—	2	4,092	—	(2)	—	(4,816)	724	—	—
Increase/Reduction of equity due to business combinations	—	—	—	—	—	—	—	—	—	—	—	—
Share based payments	—	—	—	(30)	—	—	—	—	—	—	—	(30)
Other increases or (-) decreases in equity	—	—	—	19	(345)	—	—	—	—	—	—	(325)
Balances as of December 31, 2023	**2,861**	**19,769**	**—**	**40**	**7,416**	**—**	**(804)**	**(3)**	**4,807**	**(952)**	**(1,443)**	**31,691**

(1) Presented for comparison purposes only (see Note 1.3).

The Notes and Appendices are an integral part of the statement of changes in equity for the year ended December 31, 2024.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of cash flows for the years ended December 31, 2024 and 2023.

CASH FLOWS STATEMENTS (Millions of Euros)	Notes	2024	2023 (1)
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4+5)	**46**	**(23,846)**	**(1,809)**
1.Profit (loss) for the year		**10,235**	**4,807**
2.Adjustments to obtain the cash flow from operating activities:		**(1,075)**	**1,766**
Depreciation and amortization		641	651
Other adjustments		(1,717)	1,115
3.Net increase/decrease in operating assets		**(2,045)**	**(35,004)**
Financial assets held for trading		27,661	(25,437)
Non-trading financial assets mandatorily at fair value through profit or loss		(166)	(184)
Other financial assets designated at fair value through profit or loss		—	—
Financial assets at fair value through other comprehensive income		4,610	5,428
Financial assets at amortized cost		(33,796)	(14,875)
Other operating assets		(355)	65
4.Net increase/decrease in operating liabilities		**(29,468)**	**27,697**
Financial liabilities held for trading		(37,406)	27,495
Other financial liabilities designated at fair value through profit or loss		594	501
Financial liabilities at amortized cost		7,882	506
Other operating liabilities		(539)	(805)
5.Collection/payments for income tax		**(1,492)**	**(1,076)**
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	**46**	**(448)**	**(140)**
1.Investment		**(1,367)**	**(906)**
Tangible assets		(133)	(77)
Intangible assets		(410)	(382)
Investments in subsidiaries, joint ventures and associates		(824)	(447)
Other business units		—	—
Non-current assets and disposal groups classified as held for sale and associated liabilities		—	—
Other settlements related to investing activities		—	—
2.Divestments		**919**	**765**
Tangible assets		2	2
Intangible assets		—	—
Investments in subsidiaries, joint ventures and associates		656	557
Other business units		—	—
Non-current assets classified as held for sale and associated liabilities		261	207
Other collections related to investing activities		—	—
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	**46**	**(3,522)**	**(1,986)**
1. Payments		**(7,368)**	**(6,307)**
Dividends (shareholders remuneration)		(3,921)	(2,812)
Subordinated liabilities		(2,138)	(1,495)
Treasury share amortization		(37)	(94)
Treasury share acquisition		(1,273)	(1,906)
Other items relating to financing activities		—	—
2. Collections		**3,846**	**4,321**
Subordinated liabilities		3,000	3,679
Common stock increase		—	—
Treasury share disposal		482	536
Other items relating to financing activities		364	106
D) EFFECT OF EXCHANGE RATE CHANGES		**(643)**	**175**
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (A+B+C+D)		**(28,459)**	**(3,760)**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**49,213**	**52,973**
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (E+F)	**46**	**20,755**	**49,213**

COMPONENTS OF CASH AND EQUIVALENTS AT END OF THE YEAR (Millions of Euros)	Notes	2024	2023 (1)
Cash	7	1,027	990
Balance of cash equivalent in central banks	7	17,603	45,653
Other financial assets	7	2,124	2,570
Less: Bank overdraft refundable on demand		—	—
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**20,755**	**49,213**

(1) Presented for comparison purposes only (see Note 1.3).

The Notes and Appendices are an integral part of the statement of cash flows for the year ended December 31, 2024.

Notes to the accompanying Financial Statements for the year ended December 31, 2024.

1. Introduction, basis for the presentation of the Financial Statements, Internal Control over Financial Reporting and other information

1.1 Introduction

Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter "the Bank", "BBVA" or "BBVA, S.A."), registered with the Company Register of Vizcaya, is a private-law entity subject to the laws and regulations governing banking entities operating in Spain. It carries out its activity through branches and agencies across the country and abroad.

The Bylaws and other public information are available for inspection at the Bank's registered address (Plaza San Nicolás, 4 Bilbao) as noted on its web site (www.bbva.com). (www.bbva.com). The Bank's purpose is to carry out all kinds of activities, operations, acts, contracts and services within the banking business or directly or indirectly related to it, which are permitted or not prohibited by the provisions in force and supplementary activities. Its corporate purpose also includes the acquisition, possession, use and disposal of securities, public offering of acquisition and sale of securities, as well as all types of holdings in any entity or company.

In addition to the activities it carries out directly, the Bank heads a group of subsidiaries, joint ventures and associates which perform a wide range of activities and which together with the Bank constitute the Banco Bilbao Vizcaya Argentaria Group (hereinafter the "Group" or the "BBVA Group"). In addition to its own separate financial statements, the Bank is required to prepare Consolidated Financial Statements comprising all consolidated subsidiaries of the Group.

The Bank's Financial Statements for the year ended December 31, 2023 were approved by the shareholders at the Annual General Shareholders' Meeting ("AGM") held on March 15, 2024.

The Bank's Financial Statements for the year ended December 31, 2024 are pending approval by their respective AGMs. However, the Board of Directors of the Bank believes that said financial statements will be approved without changes.

1.2 Basis for the presentation of the Financial Statements

The Bank's Financial Statements for 2024 are presented in compliance with Bank of Spain Circular 4/2017, dated November 27, and as amended thereafter (in the following, "Circular "4/2017), and with any other legislation governing financial reporting which is applicable and with the format and mark-up requirements established in the EU Delegated Regulation 2019/815 of the European Commission. The aforementioned Circular 4/2017 constitutes the development and adaptation to the Spanish credit institutions sector of the International Financial Reporting Standards adopted by the European Union (IFRS-EU) in accordance with the provisions of Regulation 1606/2002 of the Parliament and Council regarding the application of these rules.

The Bank's Financial Statements for the year ended December 31, 2024 were prepared by the Bank's directors (at the Board of Directors meeting held on February 11, 2025) by applying the accounting policies and valuation criteria described in Note 2, so that they present fairly the Bank's equity and financial position as of December 31, 2024, together with the results of its operations and cash flows generated during the year ended on that date.

All applicable accounting standards and valuation criteria with a significant effect in the Financial Statements were applied in their preparation.

The amounts reflected in the accompanying Financial Statements are presented in millions of euros, unless it is more appropriate to use smaller units. Some items that appear without a balance in these Financial Statements are due to how the units are expressed. Also, in presenting amounts in millions of euros, the accounting balances have been rounded up or down. It is therefore possible that the totals appearing in some tables are not the exact arithmetical sum of their component figures.

The percentage changes in amounts have been calculated using figures expressed in thousands of euros.

1.3 Comparative information

The comparative information included in the accompanying financial statements for the year ended December 31, 2023 which was prepared in accordance with the standards in effect during those years, is presented only for purposes of comparison with the information relating to the 2024 year.

1.4 Seasonal nature of income and expense

The nature of the most significant activities carried out by the Bank is mainly related to typical activities carried out by financial institutions, and are not significantly affected by seasonal factors within the same year.

1.5 Responsibility for the information and for the estimates made

The information contained in the Bank's Financial Statements is the responsibility of the Bank's Directors.

Estimates were required to be made at times when preparing these Financial Statements in order to calculate the recorded or disclosed amount of some assets, liabilities, income, expense and commitments. These estimates relate mainly to the following:

- Loss allowances on certain financial assets (see Notes 5, 11, 12 and 14).
- The assumptions used in to quantify certain provisions (see Note 21), and in the actuarial calculation of post-employment benefit liabilities and commitments (see Note 22).
- The useful life and impairment losses of tangible and intangible assets and impairment losses of non-current assets held for sale (see Notes, 15, 16 and 19).
- The fair value of certain unlisted financial assets and liabilities in organized markets (see Notes 5, 6, 8, 9, 10, 11 and 13).
- The recoverability of deferred tax assets and the forecast of corporate tax expense (see Note 17).

In general, BBVA is working to consider and include in the models used for the relevant estimations how climate risk and other climate-related matters can affect the Financial Statements, cash flows and financial performance of the entity. These estimates and judgments are also being considered when preparing the financial statements of BBVA, and to the extent that they were relevant, they have been disclosures in the corresponding Notes to the Financial Statements.

The prevailing geopolitical and economic uncertainties (see Note 5.1) entail a greater complexity in developing reliable estimations and applying judgment. Estimates have been made on the basis of the best available information on the matters analyzed as of December 31, 2024. However, it is possible that events may take place subsequent to such date, which could make it necessary to amend these estimations (upward or downward), which would be carried out prospectively, recognizing the effects of the change in estimation in the consolidated financial statements.

During 2024 there have been no significant changes in the estimates made as of December 31, 2023, other than those indicated in these Financial Statements.

1.6 Control of the BBVA 's Financial Reporting

The description of BBVA Internal Control over Financial Reporting model is described in the management report accompanying the consolidated Financial Statements for 2024.

1.7 Deposit guarantee fund and Resolution fund

The Bank is part of the Deposit Guarantee Fund (*"Fondo de Garantía de Depósitos"*). The expense incurred by the contributions made to this Agency in 2024 and 2023 amounted to €12 and €262 million, respectively. These amounts are registered under the heading "Other operating expenses" of the accompanying income statements (see Note 38).

On the other hand, in 2024 no contributions have been made to the single European resolution fund after the completion of the construction phase of the same. The contribution made to the single European resolution fund in 2023 amounted to €187 million euros (see Note 38).

1.8 Consolidated Financial Statements

The Consolidated Financial Statements of the BBVA Group for the year ended December 31, 2024 have been prepared by the Group's Directors (at the Board of Directors meeting held on February 11, 2025) in compliance with IFRS-IASB (International Financial Reporting Standards as issued by the International Accounting Standards Board), as well as in accordance with the International Financial Reporting Standards adopted by the European Union (in the following "EU-IFRS") and applicable at the close of 2021, taking into account Bank of Spain Circular 4/2017, and with any other legislation governing financial reporting which are applicable and with the format and markup requirements established in the EU Delegated Regulation 2019/815 of the European Commission.

The management of the Group's operations is carried out on a consolidated basis, independently of the individual allocation of the corresponding equity changes and their related results. Consequently, the Bank's annual Financial Statements have to be considered within the context of the Group, due to the fact that they do not reflect the financial and equity changes that result from the application of the consolidation policies (full consolidation or proportionate consolidation methods) or the equity method.

These changes are reflected in the Consolidated Financial Statements of the BBVA Group for the year 2024, which the Bank's Board of Directors has also prepared. Appendix I includes the Group's Consolidated Financial Statements. In accordance with the content of these Consolidated Financial Statements prepared following the International Financial Reporting Standards adopted by the European Union, the total amount of the BBVA Group's assets and consolidated equity at the close of 2024 amounted to €772,402 million and €60,014 million, respectively, while the consolidated net profit attributed to the parent company of this period amounted to €10,054 million.

2. Accounting policies and valuation criteria applied

The Glossary includes the definition of some of the financial and economic terms used in Note 2 and subsequent Notes.

The accounting standards and policies and valuation criteria used in preparing these financial statements are as follows:

2.1 Investments in subsidiaries, joint ventures and associates

Subsidiaries are entities controlled by the Bank (for definition of control, see Glossary).

Associates are entities in which the Bank is able to exercise significant influence (for definition of significant influence, see Glossary).

Joint ventures are those entities for which there is a joint control arrangement with third parties other than the entity (for definitions of joint arrangement, joint control and joint venture, refer to Glossary).

Valuation and impairment

Investments in the equity of group companies, joint ventures and associates are initially measured at cost, which is since the fair value of the consideration given plus directly attributable transaction costs. Subsequently, these investments are valued at cost less, if applicable, the accumulated amount of impairment adjustments.

At least at year-end, and whenever there is objective evidence that the carrying value may not be recoverable, the corresponding impairment test is performed to quantify the possible valuation adjustment. This valuation adjustment is calculated as the difference between the book value and the recoverable amount, the latter being understood as the higher of its fair value at that time, less costs to sell, and the value in use of the investment. Impairment losses and, if applicable, their reversal, are recorded as an expense or income, respectively, in the income statement. The reversal of an impairment will be limited to the carrying amount of the investment that would be recognized at the date of reversal if the impairment had not been recorded.

2.2 Financial instruments

Circular 4/2017 became effective as of January 1, 2018 and replace IAS 39 regarding the classification and measurement of financial assets and liabilities, the, impairment of financial assets and hedge accounting. However, the Bank has determined to apply the requirements of IFRS 9 to hedge accounting from January 1, 2025. This change in accounting policy applicable to hedging relationships had no significant impact on the Bank 's Financial Statements as of the date of its implementation.

2.2.1 Classification and measurement of financial assets

Classification of financial assets

Circular 4/2017 contains three main categories for financial assets classification: measured at amortized cost, measured at fair value with changes through other comprehensive income, and measured at fair value through profit or loss.

The classification of financial instruments in the categories of amortized cost or fair value depends on the business model with which the entity manages the assets and the contractual characteristics of the cash flows, commonly known as the "solely payments of principal and interest" criterion (hereinafter the "SPPI").

The assessment of the business model should reflect the way the Bank manages groups of financial assets and does not depend on the intention for an individual instrument.

In order to determine the business model, the following aspects are taken into account:

- The way in which the performance of the business model (and that of the assets which comprise such business model) is evaluated and reported to the entity's key personnel.
- The risks and their management, which affect the performance of the business model.
- The way in which business model managers are remunerated.
- The frequency, amount and timing of sales in previous years, the reasons for such sales and expectations regarding future sales.

In this sense, the Bank has established policies and has developed procedures to determine when the sales of financial assets classified in the amortized cost category are considered infrequent (even when significant), or are insignificant (even when frequent), to ensure compliance with such business model.

Furthermore, it is considered that any sales that may occur because the financial asset is close to maturity, due to an increase in credit risk, or if necessary for liquidity needs, are compatible with the amortized cost model.

Regarding the SPPI test, the analysis of the cash flows aims to determine whether the contractual cash flows of the assets correspond only to payments of principal and interest on the principal amount outstanding at the beginning of the transaction. Interest is understood here as the consideration for the time value of money; and for the credit risk associated with the principal amount outstanding during a specific period; and for financing and structure costs, plus a profit margin.

The most significant judgments used by the Bank in evaluating compliance with the conditions of the SPPI test are the following:

- Modified time value: in the event that a financial asset includes a periodic interest rate adjustment but the frequency of this adjustment does not coincide with the term of the reference interest rate (for example, the interest rate reset every six months to a one-year rate), the Group assesses, at the time of the initial recognition, this mismatch to determine whether the contractual cash flows (undiscounted) differ significantly or not from the cash flows (undiscounted) of a benchmark financial asset, for which there would be no change in the time value of money. The defined tolerance thresholds are 10% for the differences in each period and 5% for the analysis accumulated throughout the financial asset life.

- Contractual clauses: the contractual clauses that can modify the calendar or the amount of the contractual cash flows are analyzed to verify if the contractual cash flows that would be generated during the life of the instrument due to the exercise of those clauses are only payments of principal and interest on the principal amount outstanding. To do this, the contractual cash flows that may be generated before and after the modification are analyzed.

  The main criteria taken into account in the analysis are:

  a. Early termination clauses: generally, a contractual clause that permits the debtor to prepay a debt instrument before maturity is consistent with SPPI when the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding (which may include reasonable additional compensation for the early termination of the contract).

  b. Instruments with an interest rate linked to contingent events:

     - An instrument whose interest rate is reset to a higher rate if the debtor misses a particular payment may meet the SPPI criterion because of the relationship between missed payments and an increase in credit risk.

     - An instrument with contractual cash flows that are indexed to the debtor’s performance – e.g. net income or is adjusted based on a certain index or stock market value would not meet the SPPI criterion.

  c. Perpetual instruments: to the extent that they can be considered instruments with continuous (multiple) extension options, they meet the SPPI test if the contractual flows meet it. When the issuer can defer the payment of interest, if such payment would affect their solvency, they would meet the SPPI test if the deferred interest accrues additional interest, while if they do not, they would not meet the test.

- Non-recourse financial instruments: In the case of debt instruments that are repaid primarily with the cash flows of specific assets or projects and the debtor has no legal responsibility, the underlying assets or cash flows are evaluated to determine whether the contractual cash flows of the instrument are consistent with payments of principal and interest on the principal amount outstanding.

  a. If the contractual terms do not give rise to additional cash flows to payments of principal and interest on the amount of principal outstanding or limitations to these payments, the SPPI test is met.

  b. If the debt instrument effectively represents an investment in the underlying assets and its cash flows are inconsistent with principal and interest (because they depend on the performance of a business), the SPPI test is not met.

- Contractually linked instruments: a look-through analysis is carried out in the case of transactions that are set through the issuance of multiple financial instruments forming tranches that create concentrations of credit risk in which there is an order of priority that specifies how the flows of cash generated by the underlying set of financial instruments are allocated to the different tranches. The debt tranches of the instrument will comply with the requirement that their cash flows represent only payment of principal and interest on the outstanding principal if:

    a. the contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;

    b. the underlying pool of financial instruments comprises instruments with cash flow that are solely payments of principal and interest on the principal amount outstanding; and

    c. the exposure to credit risk in the underlying pool of financial instruments inherent in the tranche is equal to or lower than the exposure to credit risk of the underlying pool of financial instruments (for example, the credit rating of the tranche being assessed for classification is equal to or higher than the credit rating that would apply to a single tranche that funded the underlying pool of financial instruments).

In any event, the contractual conditions that, at the time of the initial recognition, have a minimal effect on cash flows or depend on the occurrence of exceptional and highly unlikely events do not prevent compliance with the conditions of the SPPI test.

In the specific case of loans granted by the BBVA Bank where the financial remuneration is linked to the compliance with certain environmental, social and governance (hereinafter "ESG") conditions and criteria, the Bank considers that the impact of compliance with the ESG criteria on the interest rate applied to the transactions is very limited and, therefore, meets the condition that it has a minimal effect on cash flows. Therefore, the existence of these ESG-linked clauses would not entail non-compliance with the aforementioned SPP test.

Based on the above characteristics, financial assets will be classified and valued as described below.

A debt instrument will be classified in the amortized cost portfolio if the two following conditions are fulfilled:

- the financial asset is managed within a business model whose purpose is to maintain the financial assets to maturity, to receive contractual cash flows; and

- the contractual conditions of the financial asset give rise to cash flows that are only payments of principal and interest.

A debt instrument will be classified in the portfolio of financial assets at fair value with changes through other comprehensive income if the two following conditions are fulfilled:

- the financial asset is managed with a business model whose purpose combines collection of the contractual cash flows and sale of the assets; and

- the contractual characteristics of the instrument generate cash flows which only represent the return of the principal and interest.

A debt instrument will be classified at fair value with changes in profit and loss provided that the entity's business model for their management or the contractual characteristics of its cash flows do not require classification into one of the portfolios described above.

In general, equity instruments will be measured at fair value through profit or loss. However, BBVA may make an irrevocable election at initial recognition to present subsequent changes in the fair value through “other comprehensive income”.

Financial assets will only be reclassified when BBVA decides to change the business model. In this case, all of the financial assets assigned to this business model will be reclassified. The change of the objective of the business model should occur before the date of the reclassification.

Measurement of financial assets

All financial instruments are initially recognized at fair value, plus, those transaction costs which are directly attributable to the acquisition or issue of the particular instrument, with the exception of those financial assets which are classified at fair value through profit or loss.

All changes in the value of financial assets due to the interest accrual and similar items are recorded in the headings "Interest income and other similar income" or "Interest expense", of the income statement of the year in which the accrual occurred (see Note 33), except in the case of trading derivatives that are not economic and accounting hedges.

The changes in fair value after the initial recognition, for reasons other than those mentioned in the preceding paragraph, are treated as described below, according to the categories of financial assets.

"Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss" and "Financial assets designated at fair value through profit or loss"

Financial assets are recorded under the heading "Financial assets held for trading" if the objective of the business model is to generate gains by buying and selling these financial instruments or to generate short-term results. The financial assets recorded in the heading "Non-trading financial assets mandatorily at fair value through profit or loss" either have contractual cash flows that do not met the conditions of the SPPI test, or are not covered by a business model whose objective is either (i) to hold financial assets to collect contractual cash flows or (ii) achieved by collecting contractual cash flows and selling financial assets. Financial assets are classified in "Financial assets designated at fair value through profit or loss" only if such classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from recognizing or measuring such financial assets on different bases.

The assets recognized under these headings of the balance sheet are measured upon acquisition at fair value and changes in the fair value (gains or losses and foreign exchange differences) are recognized as their net value, when applicable, under the headings "Gains (losses) on financial assets and liabilities held for trading, net", "Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net" and "Gains (losses) on financial assets designated at fair value through profit or loss, net" in the accompanying income statement (see Note 37).

"Financial assets at fair value through other comprehensive income"

- Debt instruments

  Assets recognized under this heading in the balance sheets are measured at their fair value. This category of valuation implies the recognition of the information in the income statement as if it were an instrument valued at amortized cost, while the instrument is valued at fair value in the balance sheet. Thus, both interest income on these instruments and the exchange differences and impairment that arise in their case are recorded in the profit and loss account, while subsequent changes in its fair value (gains or losses) are recognized temporarily, (by the amount net of tax effect) under the heading "Accumulated other comprehensive income (loss)- Items that may be reclassified to profit or loss - Fair value changes of debt instruments measured at fair value through other comprehensive income" in the accompanying balance sheets (see Note 27).

  The amounts recognized under the headings "Accumulated other comprehensive income (loss)- Items that may be reclassified to profit or loss - Fair value changes of debt instruments measured at fair value through other comprehensive income" continue to form part of the Bank's equity until the corresponding asset is derecognized from the balance sheet or until a loss allowance is recognized on the corresponding financial instrument. If these assets are sold, these amounts are derecognized and included under the headings "Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net" in the accompanying income statements (see Note 37).

  The net loss allowances in "Financial assets at fair value through other comprehensive income" over the year are recognized under the heading "Impairment or reversal of impairment on financial assets, not measured at fair value through profit or loss net –gains by modification- Financial assets at fair value through other comprehensive income" in the income statements for that year (see Note 42). Interest income on these instruments is recorded in the profit and loss account (see Note 33). Changes in foreign exchange rates are recognized under the heading "Exchange differences, net" in the accompanying income statement (see Note 37).

- Equity instruments

  At the time of initial recognition of specific investments in equity instruments, an irrevocable decision may be made to present subsequent changes in fair value in other comprehensive income. Subsequent changes in this valuation will be recognized Accumulated other comprehensive income - Items that will not be reclassified to profit or loss- Fair value changes of equity instruments measured at fair value through other comprehensive income" (see Note 27). Dividends received from these investments are recorded in the heading "Dividend income" in the income statement (see Note 34). These instruments are not subject to the impairment model.

"Financial assets at amortized cost"

The assets under this category are subsequently measured at amortized cost, after initial recognition, using the effective interest rate method. In the case of floating rate instruments, including inflation-linked bonds, periodic restatements of cash flows to reflect interest rate movements and incurred inflation change the effective interest rate prospectively.

Net loss allowances of assets recorded under these headings arising in each period, calculated under Circular 4/2017 model, are recognized under the heading "Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss –or net gains by modification -Financial assets measured at amortized cost" in the income statement for such year (see Note 42).

2.2.2 Classification and measurement of financial liabilities

Classification of financial liabilities

Financial liabilities are classified in the following categories:

- financial liabilities at amortized cost;
- financial liabilities that are held for trading including derivatives are financial instruments which are recorded in this category when the Bank's objective is to generate gains by buying and selling these financial instruments or generate results in the short term;
- financial liabilities that are designated at fair value through profit or loss on initial recognition under the Fair Value Option. The Bank has the option to designate irrevocably, on the initial moment of recognition, a financial liability at fair value through profit or loss provided that doing so results in the elimination or significant reduction of measurement or recognition inconsistency, or if a group of financial liabilities, or a group of financial assets and financial liabilities, has to be managed, and its performance evaluated, on a fair value basis in accordance with a documented risk management or investment strategy.

Measurement of financial liabilities

Financial liabilities are initially recorded at fair value, less transaction costs that are directly attributable to the issuance of instruments, except for financial instruments that are classified at fair value through profit or loss.

Variations in the value of financial liabilities due to the interest accrual and similar items are recorded in the headings "Interest and other income" or "Interest expense", of the income statement for the year in which the accrual occurred (see Note 33), except for trading derivatives that are not economic and accounting hedges.

The changes in fair value after the initial recognition, for reasons other than those mentioned in the preceding paragraph, are treated as described below, according to the categories of financial liabilities.

"Financial liabilities held for trading" and "Financial liabilities designated at fair value through profit or loss"

The subsequent changes in the fair value (gains or losses) of the liabilities recognized under these headings of the balance sheets are recognized as their net value under the headings "Gains (losses) on financial assets and liabilities held for trading, net" and "Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net" in the accompanying income statements (see Note 37). The changes in the own credit risk of the liabilities designated under the fair value option is presented in "Accumulated other comprehensive income (loss) – Items that will not be reclassified to profit or loss – Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk" (see Note 27), unless this treatment brings about or increases an asymmetry in the income statement.

"Financial liabilities at amortized cost"

The liabilities under this category are subsequently measured at amortized cost, using the "effective interest rate" method.

Hybrid financial liabilities

When a financial liability contains an embedded derivative, BBVA analyzes whether the economic characteristics and risks of the embedded derivative and the host instrument are closely related.

If the characteristics and risks of the host and the derivative are closely related, the instrument as a whole will be classified and measured according to the general rules for financial liabilities. If, on the other hand, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, its terms meet the definition of a derivative and the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss, the embedded derivative shall be separated from the host and accounted for as a derivative separately at fair value with changes in profit and loss and the host instrument classified and measured according to its nature.

2.2.3 "Derivatives-Hedge Accounting" and "Fair value changes of the hedged items in portfolio hedges of interest-rate risk"

BBVA uses financial derivatives as a tool for managing financial risks, mainly interest rates and exchange rates (see Note 5).

When these transactions meet certain requirements, they are considered "hedging instruments".

Hedging financial derivatives are used to hedge changes in the value of assets and liabilities, changes in cash flows, or the net investment in a foreign business. Fair value hedging is established for fixed rate financial instruments, and cash flow hedges are used for variable rate financial instruments. The Bank also carries out exchange risk hedging operations.

In some hedging relationships, the Group additionally designates inflation risk as a contractually specified component in a debt instrument (for example, inflation-referenced bonds).

Hedging accounting follows the standard, and the effectiveness of hedges is evaluated both retrospectively and prospectively, so that they remain within a range between 80% and 125%. The ineffectiveness of hedges, defined as the difference between the change in value of the hedging instrument and the hedged item in each period, attributable to the hedged risk, is recognized in the income statement. This includes both the amount of the ineffectiveness of the hedges established to manage interest rate risk in the period, as well as the ineffectiveness of the hedges established to manage exchange risk, which is mainly attributable to the temporary value of hedges established to manage exchange rate risk (see Notes 13 and 37).

Changes occurring subsequent to the designation of the hedging relationship in the measurement of financial instruments designated as hedged items as well as financial instruments designated as hedge accounting instruments are recognized as follows:

- In fair value hedges, the changes in the fair value of the derivative and the hedged item attributable to the hedged risk are recognized under the heading "Gains (losses) from hedge accounting, net" in the income statement (see Note 37), with a corresponding offset under the headings where hedging items ("Hedging derivatives") and the hedged items are recognized, as applicable, except for interest-rate risks hedges (which are almost all of the hedges used by the Bank) for which the valuation changes are recognized under the headings "Interest and other income" or "Interest expense", as appropriate, in the accompanying income statement (see Note 33).

- In fair value hedges of interest rate risk of a portfolio of financial instruments (portfolio-hedges), the gains or losses that arise in the measurement of the hedging instrument are recognized in the income statement with the corresponding offset on the headings "Derivatives – Hedge accounting", and the gains or losses that arise from the change in the fair value of the hedged item (attributable to the hedged risk) are also recognized in the income statement (in both cases under the heading "Gains (losses) from hedge accounting, net" (see Note 37), using, as a corresponding offset, the headings "Fair value changes of the hedged items in portfolio hedges of interest rate risk" in the balance sheets, as applicable.

- In cash flow hedges, the gain or loss on the hedging instruments relating to the effective portion is recognized temporarily under the heading "Accumulated other comprehensive income (loss) – Items that may be reclassified to profit or loss - Hedging derivatives. Cash flow hedges" (effective portion) in the balance sheets, with a corresponding offset under the heading "Hedging derivatives" of the Assets or Liabilities of the balance sheets as applicable. These differences are recognized under the heading "Interest and other income" or "Interest expense" at the time when the gain or loss in the hedged instrument affects profit or loss, when the forecast transaction is executed or at the maturity date of the hedged item. Almost all of the cash flow hedges carried out by the Bank are for interest rate risk and inflation of financial instruments, so their differences are recognized under the heading "Interest and other income" or "Interest expense" in the accompanying income statement (see Note 33).

- Differences in the measurement of the hedging items corresponding to the ineffective portions of cash flow hedges are recognized directly in the heading "Gains (losses) from hedge accounting, net" in the accompanying income statement (see Note 37).

- In the hedges of net investments in foreign operations, the differences attributable to the effective portions of hedging items are recognized temporarily under the heading "Accumulated other comprehensive income (loss) – Items that may be reclassified to profit or loss – Hedging of net investments in foreign operations (effective portion)" in the balance sheets with a corresponding offset entry under the heading "Hedging derivatives" of the Assets or Liabilities of the balance sheets as applicable. These differences in valuation are recognized in the income statement when the investment in a foreign operation is disposed of or derecognized (see Note 37).

2.2.4 Loss allowances on financial assets

The "expected losses" impairment model is applied to financial assets valued at amortized cost, debt instruments valued at fair value with changes in accumulated other comprehensive income, financial guarantee contracts and other commitments. All financial instruments valued at fair value through profit or loss are excluded from the impairment model.

The standard classifies financial instruments into three categories, which depend on the evolution of their credit risk from the moment of initial recognition and which establish the calculation of the credit risk allowance.

- ***Stage* 1 – Without significant increase in credit risk**

Financial assets which are not considered to have significantly increased in credit risk have loss allowances measured at an amount equal to the expected credit loss that arises from all possible default events within 12 months following the presentation date of the financial statements (12 month expected credit losses).

- ***Stage* 2 – Significant increases in credit risk**

When the credit risk of a financial asset has increased significantly since the initial recognition, the loss allowances of that financial instrument is calculated as the expected credit loss during the entire life of the asset. That is, they are the expected credit losses that result from all possible default events during the expected life of the financial instrument.

– *Stage* 3 – Impaired

When there is objective evidence that the instrument is credit-impaired, the financial asset is transferred to this category in which the provision for losses of that financial instrument is calculated, as in *stage* 2, as the expected credit loss during the entire life of the asset.

When the recovery of any recognized amount is considered remote, such amount is written-off on the consolidated balance sheet, without prejudice to any actions that may be taken in order to collect the amount until the rights extinguish in full either because it is time-barred debt, the debt is forgiven, or other reasons.

The Bank has applied the following definitions:

Credit impaired asset

An asset is credit-impaired (*stage* 3) if one or more events have occurred and they have a detrimental impact on the estimated future cash flows of the asset

The definition of impaired asset under the Standard is currently aligned with that of default used by the Bank both for internal credit risk management and for regulatory purposes, in accordance with the definitions established in the European Banking Authority (hereinafter "EBA") Guidelines and in Article 178 of Regulation (EU) No 575/2013 (CRR). This alignment facilitates the integration of both definitions in credit risk management, giving coherence and consistency in the processes.

The determination of an asset as impaired and its classification in *stage* 3 is based exclusively on the risk of default, without considering the effects of credit risk mitigating measures such as guarantees and collaterals. Specifically, the following financial assets are classified in *stage* 3:

1) Impaired assets for objective reasons or delinquency: when there are unpaid amounts of principal or interest for more than 90 days.

According to Circular 4/2017, the 90-days past due default is a presumption that can be rebutted in those cases where the entity considers, based on reasonable and supportable information, that it is appropriate to use a longer term. As of December 31, 2024, the Group has not used terms exceeding 90 days past due.

2) Impaired assets for subjective reasons (other than delinquency): when circumstances are identified that show, even in the absence of defaults, that it is not probable that the debtor will fully comply with its financial obligations. For this purpose, the following indicators are considered, among others:

- Significant financial difficulties of the issuer or the borrower.
- Granting by the lender or lenders to the borrower, for economic or contractual reasons related to the latter's financial difficulties, of concessions or advantages that they would not have otherwise granted.
- Breach of contractual clauses, such as events of default or default.
- Increasing probability that the borrower will go into bankruptcy or some other situation of financial reorganization.
- Disappearance of an active market for the financial asset due to financial difficulties.
- Others that may affect the committed cash flows such as the loss of the debtor's license or that it has committed fraud.
- Generalized delay in payments. In any case, this circumstance exists when, during a continuous period of 90 days prior to the reporting date, a material amount has remained unpaid.
- Sales of credit exposures of a client with a significant economic loss will imply that the rest of its operations are considered impaired.

Relating to the granting of concessions due to financial difficulties, it is considered that there is an indicator of unlikeliness to pay, and therefore the client must be considered impaired, when the refinancing or restructuring measures may result in a diminished financial obligation caused by a forgiveness or material deferral of principal, interest or fees. Specifically, unless proven otherwise, transactions that meet any of the following criteria will be reclassified to the category of impaired assets:

a. Irregular repayment schedule.
b. Contractual clauses that delay the repayment of the loan through regular payments. Among others, grace periods of more than two years for the amortization of the principal will be considered clauses with these characteristics.
c. Amounts of principal or interest written off from the balance sheet as its recovery is considered remote.

In any case, a restructuring will be considered impaired when the reduction in the net present value of the financial obligation is greater than 1%.

Credit risk management for wholesale counterparties is carried out at the customer (or group) level. For this reason, the classification of any of a client's material exposure as impaired, whether due to more than 90 days of default or due to any of the subjective criteria, implies the classification as impaired of all the client's exposures.

Regarding retail clients, which are managed at the individual loan level, the scoring systems review their score, among other factors, in the event of breach in any of their operations or incurring generalized delays in payments, which also triggers the necessary recovery actions. Among them are the refinancing measures that, where appropriate, may lead to all the client's operations being considered impaired. Furthermore, given the granularity of the retail portfolios, the differential behavior of these clients in relation to their products and collateral provided, as well as the time necessary to find the best solution, the Bank has established as an indicator that when a transaction of a retail client is in default in excess of 90 days or shows a general delay in payments and this represents more than 20% of the client's total balance, all its transactions are considered impaired.

When operations by entities related to the client fall into *stage* 3, including both entities of the same group and those with which there is a relationship of economic or financial dependence, the transactions of the holder will also be classified as *stage* 3 if after the analysis it is concluded that there are reasonable doubts about the full payment of the loans.

The Stage 3 classification will be maintained for a cure period of 3 months from the disappearance of all indicators of impairment during which the client must demonstrate good payment behavior and an improvement in their credit quality in order to corroborate the disappearance of the causes that motivated the classification of the debt as impaired. In the case of refinancing and restructuring, the cure period is one year (see Appendix XI for more details).

Significant increase in credit risk

The objective of the impairment requirements is to recognize lifetime expected credit losses for financial instruments for which there have been significant increases in credit risk since initial recognition considering all reasonable and supportable information, including that which is forward-looking.

The model developed by the Bank for assessing the significant increase in credit risk has a two-prong approach that is applied globally (for more detail on the methodology used, see Note 5.2.1):

– Quantitative criterion: the Bank uses a quantitative analysis based on comparing the current expected probability of default over the life of the transaction with the original adjusted expected probability of default, so that both values are comparable in terms of expected default probability for their residual life.

– Qualitative criterion: most indicators for detecting significant risk increase are included in the Bank's systems through rating and scoring systems or macroeconomic scenarios, so the quantitative analysis covers the majority of circumstances. The Bank uses additional qualitative criteria to identify significant increase in credit risk and thus, to include circumstances that are not reflected in the rating/score systems or macroeconomic scenarios used. Such qualitative criteria are the following:

  a. More than 30 days past due: the default of more than 30 days is a presumption that can be rebutted in those cases in which the entity considers, based on reasonable and documented information, that such non-payment does not represent a significant increase in risk. As of December 31, 2024, the Bank has not considered periods higher than 30 days.

  b. Watch list: they are subject to special watch by the Risk units because they show negative signs in their credit quality, even though there may be no objective evidence of impairment.

  c. Refinance or restructuring that does not show evidence of impairment, or that, having been previously identified, the existence of significant increase in credit risk may is still exist.

Although the standard introduces a series of operational simplifications, also known as practical solutions for analyzing the increase in significant risk, the Bank does not use them as a general rule. However, for high-quality assets, mainly related to certain government institutions and bodies, the standard allows for considering that their credit risk has not increased significantly because they have a low credit risk at the presentation date. This possibility is limited to those financial instruments that are classified as having high credit quality and to contracts with a current annualized probability of default (PD) of less than 0,3%. This does not prevent these assets from being assigned the credit risk coverage that corresponds to their classification as Stage 1 based on their credit rating and macroeconomic expectations.

Method for calculating Expected Credit Loss (ECL)

Method for calculating expected loss

In accordance with Circular 4/2017, the measurement of expected losses must reflect:

– a considered and unbiased amount, determined by evaluating a range of possible results;

– the time value of money; and

- reasonable and supportable information that is available without undue cost or effort and that reflects current conditions and forecasts of future economic conditions.

Expected losses are measured both individually and collectively.

The individualized estimate of credit losses results from calculating the difference between the expected cash flows discounted at the effective interest rate of the transaction and the carrying amount of the instrument (see Note 5.2.1).

For the collective measurement of expected losses, the instruments are classified into groups of assets based on their risk characteristics. Exposure within each group is grouped according to credit risk common characteristics, which indicate the payment capacity of the borrower according to the contractual conditions. These risk characteristics have to be relevant in estimating the future flows of each group. The characteristics of credit risk may consider, among others, the following factors (see Note 5.2.1):

- Type of instrument.
- Rating or scoring tools.
- Credit risk scoring or rating.
- Type of collateral.
- Amount of time at default for stage 3.
- Segment.
- Qualitative criteria which can have a significant increase in risk.
- Collateral value if it has an impact on the probability of a default event.

The estimated losses are derived from the following parameters:

- PD: estimate of the probability of default in each period.
- EAD: estimate of the exposure in case of default at each future period, taking into account the changes in exposure after the closing date of the financial statements.
- LGD: estimate of the loss in case of default, calculated as the difference between the contractual cash flows and receivables, including guarantees. For these purposes, the probability of executing the guarantee, the moment until its ownership, and subsequent realization are achieved, the expected cash flows and the acquisition and sale costs, are considered in the estimation.
- CCF: cash conversion factor is the estimate made on off-balance sheet contractual arrangements to determine the exposure subject to credit risk in the event of a default.

At BBVA, the calculated expected credit losses are based on internal models developed for all portfolios within the scope of Circular 4/2017, except for the cases that are subject to individual analysis.

The calculation and recognition of expected credit losses includes exposures with governments and credit institutions, for which, despite having a reduced number of defaults in the information databases, internal models have been developed, considering, as sources of information, the data provided by external rating agencies or other observed in the market, such as changes in bond yields, prices of credit default swaps or any other public information on them.

Use of present, past and future information

Circular 4/2017 requires incorporation of present, past and future information to detect any significant increase in risk and measure expected loss losses, which must be carried out on a weighted probability basis.

The standard does not require identification of all possible scenarios for measuring expected loss. However, the probability of a loss event occurring and the probability it will not occur have to be considered, even though the possibility of a loss may be very low. To achieve this, BBVA generally evaluates the linear relationship between its estimated loss parameters (PD, LGD and EAD) with the historical and future forecasts of the macroeconomic scenarios.

Additionally, when there is no linear relation between the different future economic scenarios and their associated expected losses, more than one future economic scenario must be used for the measurement.

The approach taken by BBVA consists of using a methodology based on the use of three scenarios. The first is the most probable scenario (base scenario) that is consistent with that used in the Bank's internal management processes, and two additional ones, one more positive and the other more negative. The combined outcome of these three scenarios is calculated considering the weight given to each of them. The main macroeconomic variables that are valued in each of the scenarios are the Gross Domestic Product (GDP), the real estate price index, interest rates, and the unemployment rate The main goal of the Bank's approach is seeking the greatest predictive capacity with respect to the first two variables (see Note 5.2.1).

Derecognition of the balance due to impairment on financial assets (write-offs)

Debt instruments are classified as written-off once, after being analyzed, it is reasonably considered that their recovery is remote due to the notorious and irrecoverable deterioration of the solvency of the holder of the operation.

Based on their procedures and particularities, the Bank entities recognize operations as a write-off where, following their analysis, there are no reasonable expectations of recovery of the debt, taking into account aspects such as: the time elapsed since the classification as doubtful operations due to delinquency, the coverage levels achieved, type of portfolio or product, bankruptcy status of the holder and the existence of guarantees, their valuation and execution capacity. In those cases where the guarantee is significant, there is the possibility of making partial write-offs on the non-guaranteed portion.

The classification of an operation as written-off, entails the recognition of losses for the carrying amount of the related debt and results in a derecognition in the same amount from the balance sheet (see Note 5.2.5).

2.2.5 Transfers and derecognition of financial assets and liabilities

The accounting treatment of transfers of financial assets is determined by the form in which risks and benefits associated with the financial assets involved are transferred to third parties. Financial assets are only derecognized from the balance sheet when the cash flows that they generate are extinguished, or when their implicit risks and benefits have been substantially transferred to third parties, when the control of financial asset is transferred even in case of no physical transfer or substantial retention of such assets. In the latter case, the financial asset transferred is derecognized from the balance sheet, and any right or obligation retained or created as a result of the transfer is simultaneously recognized.

Similarly, financial liabilities are derecognized from the balance sheet only if their obligations are extinguished or acquired (with a view to subsequent cancellation or renewed placement).

The Bank is considered to have transferred substantially all the risks and benefits if such risks and benefits account for the majority of the risks and benefits involved in ownership of the transferred financial assets. If substantially all the risks and/or benefits associated with the transferred financial asset are retained:

- The transferred financial asset is not derecognized from the balance sheet and continues to be measured using the same criteria as those used before the transfer.

- A financial liability is recognized at the amount equal to the amount received, which is subsequently measured at amortized cost or fair value with changes in the income statement, whichever the case.

- Both the income generated on the transferred (but not derecognized) financial asset and the expense of the new financial liability continue to be recognized.

In the specific case of securitizations, this liability is recognized under the heading “Financial liabilities at amortized cost – Customer deposits” in the balance sheets (see Note 20). As these liabilities do not constitute a current obligation, when measuring such a financial liability the Bank deducts those financial instruments owned by it which constitute financing for the entity to which the financial assets have been transferred, to the extent that these instruments are deemed specifically to finance the transferred assets.

The criteria followed with respect to the most common transactions of this type made by the Bank are as follows:

- Purchase and sale commitments: financial instruments sold with a repurchase agreement are not derecognized from the balance sheets and the amount received from the sale is considered to be financing from third parties.

- Financial instruments acquired with an agreement to subsequently resell them are not recognized in the balance sheets and the amount paid for the purchase is considered to be credit given to third parties.

- Securitization: the Bank has applied the most stringent criteria for determining whether or not it retains substantially all the risk and rewards on such assets for all securitizations performed since January 1, 2004. As a result of this analysis, the Bank has concluded that none of the securitizations undertaken since that date meet the prerequisites for derecognizing the securitized assets from the balance sheets (see Note 12 and Appendix VI), as the Bank retains substantially all the expected credit risks and possible changes in net cash flows, while retaining the subordinated loans and lines of credit extended to these securitization funds.

Synthetic securitizations are transactions where risk is transferred through derivatives or financial guarantees and in which the exposure of these securitizations remains in the balance sheet of the Bank. The Bank has established the synthetic securitizations through received financial guarantees. As for the commissions paid, they are accrued during the term of the financial guarantee.

2.3 Financial guarantees

Financial guarantees are considered to be those contracts that require their issuer to make specific payments to reimburse the holder of the financial guarantee for a loss incurred when a specific borrower breaches its payment obligations on the terms – whether original or subsequently modified – of a debt instrument, irrespective of the legal form it may take. Financial guarantees may take the form of a deposit, bank guarantee, insurance contract or credit derivative, among others.

In their initial recognition, financial guarantees are recognized as liabilities in the balance sheet at fair value, which is generally the present value of the fees, commissions and interest receivable from these contracts over the term thereof, and the Bank simultaneously recognizes a corresponding asset in the balance sheet for the amount of the fees and commissions received at the inception of the transactions and the amounts receivable at the present value of the fees, commissions and interest outstanding.

Financial guarantees, irrespective of the guarantor, instrumentation or other circumstances, are reviewed periodically so as to determine the credit risk to which they are exposed and, if appropriate, to consider whether a provision is required for them. The credit risk is determined by application of criteria similar to those established for quantifying loss allowances on debt instruments measured at amortized cost (see Note 2.2.4).

The provisions recognized for financial guarantees are recognized under the heading "Provisions - Provisions for contingent risks and commitments" on the liability side in the balance sheets (see Note 21). These provisions are recognized and reversed with a charge or credit, respectively, to "Provisions or reversal of provision" in the income statements (see Note 41).

Income from financial guarantees is recorded under the heading "Fee and commission income" in the income statement and is calculated by applying the rate established in the related contract to the nominal amount of the guarantee (see Note 35).

Synthetic securitizations made by the Bank to date meet the requirements of the accounting regulations for accounting as guarantees.

2.4 Tangible assets

Tangible assets are classified according to their nature:

- **Property, plant and equipment for own use**

This heading includes the assets under ownership or acquired under lease terms (right to use), intended for future or current use by the Bank and that it expects to hold for more than one year. It also includes tangible assets received by the Bank in full or partial settlement of receivables from third parties which are expected to be held for continuing use.

- **Investment properties**

Includes the value of land, buildings and other structures that are held either for rental or for capital gain on sale, and which are not expected to be used in the ordinary course of business and are not intended for own use.

- **Assets leased out under an operating lease**

Includes assets for which the Group has granted the right of use to another company through an operating lease contract.

In general, and as an accounting policy option, tangible assets are recorded in the balance sheets under the cost model, i.e., at acquisition cost, less the related accumulated depreciation and, if applicable, the estimated impairment losses resulting from comparing the net book value of each item with its corresponding recoverable value (see Note 15).

The Bank uses the straight-line method to calculate depreciation over the estimated useful life of the asset. The depreciation charge for tangible assets is recorded under "Depreciation and amortization" in the income statement (see Note 40) and is basically equivalent to the following depreciation rates:

General depreciation rates for tangible assets

Type of assets	Annual Percentage
Buildings for own use	1% - 4%
Furniture	8% - 10%
Fixtures	6% - 12%
Office supplies and hardware	8% - 25%
Lease use rights	The lesser of the lease term or the useful life of the underlying asset

At each reporting date, the Bank analyzes whether there are indicators that a tangible asset may be impaired and, if any, adjusts the carrying amount to its recoverable amount, modifying future depreciation charges in accordance with its revised remaining useful life. Similarly, if there is indication that the value of a tangible asset that was previously impaired has been recovered, the Bank estimates the recoverable amount of the asset and recognizes in the income statement the reversal of the impairment loss recognized in previous years and thus, adjusts the future depreciation charges. Any impairment or reversal of impairment will be recognized considering as counterpart the heading "Impairment or reversal of impairment of non-financial assets - Intangible assets" of the consolidated income statement (see Note 44).

Operating and maintenance expenses relating to tangible assets for own use are recognized in the year in which they are incurred under "Administrative expenses - Property, plant and equipment" in the income statement (see Note 39.2).

2.5 Leases

In general, the Bank will record assets and liabilities for lease contracts by recording a right of use (right to use the leased asset) under ''Tangible assets - Property, plant and equipment'' and ''Tangible assets - Investment property'' (see Note 15), and a lease liability (its obligation to make lease payments) under ''Financial liabilities at amortized cost - Other financial liabilities'' (see Note 20.5). The Bank applies two exceptions in the case of short-term leases and leases whose underlying asset is of low value. In these cases, lease payments are recognized under "Other operating expenses" (see Note 38) in the consolidated income statement over the term of the lease.

At the initial date of the lease, the lease liability is equal to the present value of all lease unpaid payments. Subsequently, it is valued at amortized cost.

The right to use assets is initially recorded at cost and are subsequently reduced by accumulated amortization and accumulated impairment. The Bank has decided to calculate depreciation using the straight-line method. Depreciation of tangible assets is recorded under "Depreciation and amortization" in the consolidated statement of income (see Note 40).

The interest expense on the lease liability is recorded in the income statements under the heading "Interest expense" (see note 33). Variable payments not included in the initial measurement of the lease liability are recorded under the heading "Administration costs – Other administrative expense" (see Note 39).

Operating lease and sublease incomes are recognized in the income statements under the headings "Other operating income" (see Note 38).

On the other hand, when the Bank acts as a lessor, it classifies leases as finance or operating leases. In finance leases, the sum of the present values of the amounts received plus the guaranteed residual value is recorded as financing provided to third parties and is included under "Financial assets at amortized cost" in the consolidated balance sheet (see Note 12).

In operating leases, the acquisition cost of the leased assets is presented under "Tangible assets - Property, plant and equipment - Assigned under operating leases" in the consolidated balance sheet (see Note 15). These assets are depreciated in accordance with the policies adopted for similar tangible assets for own use and the income and expenses arising from the lease contracts are recognized in the consolidated income statement on a straight-line basis under "other operating income" and "other operating expenses", respectively (see Note 38).

If a fair value sale and leaseback results in a lease, the profit or loss generated from the effectively transferred part of the sale is recognized in the income statement at the time of sale (only for the effectively transmitted part).

2.6 Non-current assets and disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale

This heading includes the carrying amount of individual items or items integrated in a group ("disposal group") or that form part of a significant business line or geographic area that is intended to be disposed of ("discontinued operation") whose sale is highly probable to take place under the current conditions within a period of one year from the date to which the financial statements refer. Additionally, it includes assets that were expected to be disposed of within one year, but for which disposal there is a delay caused by events and circumstances beyond the Bank's control, and there is sufficient evidence that the entity remains committed to its plan for sale (see Note 19), specifically, regarding real estate assets or other assets received to cancel, in whole or in part, the payment obligations of debtors for credit operations. These assets are not amortized as long as they remain in this category.

With respect to valuation, in general, foreclosed real estate assets or assets received in payment of debts are recognized both at the date of acquisition and subsequently, at the lower of their fair value less estimated costs to sell and their carrying amount, with the possibility of recognizing an impairment or reversal of impairment for the difference, if applicable. When the amount of the sale less estimated costs to sell exceeds the carrying amount, the gain is not recognized until the time of disposal and derecognition.

The applicable carrying value of the financial asset is updated at the time of foreclosure, treating the foreclosed property as collateral and taking into account the corresponding credit risk hedges at the time prior to delivery. The fair value of foreclosed assets is based mainly on appraisals or valuations performed by independent experts with a maximum age of one year, or less if there are indications of impairment; in addition, by appraisal, the need to apply a discount on the asset based on its specific conditions or market conditions for such type of assets is evaluated and, in any case, the entity's estimated sale costs are deducted.

The Bank applies the rule that these appraisals may not be older than one year, and their age is reduced if there is an indication of deterioration in the assets. The Bank mainly uses the services of the following valuation and appraisal companies. None of them is linked to the BBVA Group and all are entered in the official Bank of Spain register: Global Valuation S.A.U.; Tinsa, S.A., Gesvalt, Sociedad de Tasación; JLL Valoraciones, S.A., Sociedad de Tasación Tasvalor; Eurovaloraciones, S.A.

Gains/losses on disposal of these assets and impairment losses are recognized under "Gains (losses) on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the consolidated income statement (see Note 46). Other income and expenses are classified in the income statement items according to their nature, evaluating the need to apply a discount on the asset derived from the specific conditions of the asset or the market situation for these assets and in any case, deducting the company's estimated sale costs.

The income and expenses of discontinued operations generated in the year, even if they were generated prior to their classification as discontinued operations, are presented, net of the tax effect, as a single amount under "Profit (loss) after tax from discontinued operations" in the consolidated income statement. This caption also includes the results obtained on disposal (net of the tax effect).

2.7 Intangible assets

Intangible assets in the financial statements of the Bank have a finite useful life.

The useful life of intangible assets is, at most, equal to the period during which the entity is entitled to use the asset; If the right of use is for a limited renewable period, the useful life includes the renewal period only when there is evidence that the renewal will be carried out without a significant cost (see Note 16).

Intangible assets are amortized according to the duration of this useful life, using methods similar to those used to depreciate tangible assets. The defined useful life intangible asset is made up mainly of IT applications acquisition costs which have a useful life, in general, of 5 years, also, internally developed software is recognized as an intangible asset when, among other requirements, it has the capacity to be used or sold, it is identifiable and its capacity to generate economic benefits in the future can be demonstrated. The amortization charge of these assets is recognized in the consolidated income statements under the heading "Depreciation and amortization" (see Note 40).

The Bank will recognize any loss allowance on the carrying amount of these assets with charge to the heading "Impairment or reversal of impairment on non - financial assets- Intangible assets" in the accompanying income statements (see Note 44). The criteria used to recognize the impairment losses on these assets and, where applicable, the recovery of loss allowances previously recognized, are similar to those used for tangible Assets.

2.8 Tax assets and liabilities

Expenses on corporate income tax applicable to the Bank are recognized expense for the period in the income statement, except when they result from transactions on which the profits or losses are recognized directly in equity, in which case the related tax effect is also recognized in equity.

The total corporate income tax expense is calculated by aggregating the current tax arising from the application of the corresponding tax rate as per the tax base for the year (after deducting the tax credits or discounts allowable for tax purposes) and the change in deferred tax assets and liabilities recognized in the income statement.

Deferred tax assets and liabilities include temporary differences, the carryforward of unused tax losses and carryforward of unused tax credits or discount carry forwards. These amounts are calculated by applying to each temporary difference the tax rates that are expected to apply when the asset is realized or the liability settled (see Note 17).

The "Tax Assets" line item in the accompanying balance sheets includes the amount of all the assets of a tax nature, broken down into: "Current" (amounts of tax recoverable in the next twelve months) and "Deferred" (which includes the amount of tax to be recovered in future years, including those arising from tax losses or credits for deductions or rebates that can be compensated). The "Tax Liabilities" line item in the accompanying balance sheets includes the amount of all the liabilities of a tax nature, except for provisions for taxes, broken down into: "Current" (income tax payable on taxable profit for the year and other taxes payable in the next twelve months) and "Deferred" (the amount of corporate tax payable in subsequent years).

Deferred tax liabilities attributable to taxable temporary differences associated with investments in subsidiaries, associates or joint venture entities are recognized as such, except where the Bank can control the timing of the reversal of the temporary difference and it is unlikely that it will reverse in the future. Deferred tax assets are only recognized to the extent that it is probable that the Bank will generate enough taxable profits to make deferred tax assets effective and do not correspond to those from initial recognition (except in the case of business combinations), which also does not affect the fiscal outcome.

In those circumstances in which it is unclear how a specific requirement of the tax law applies to a particular transaction or circumstance, and the acceptability of the definitive tax treatment depends on the decisions taken by the relevant taxation authority in future, the entity recognizes current and deferred tax liabilities and assets considering whether it is probable or not that a taxation authority will accept an uncertain tax treatment. Thus, if the entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the entity uses the amount expected to be paid to (recovered from) the taxation authorities.

The income and expense directly recognized in equity that do not increase or decrease taxable income are accounted for as temporary differences.

2.9 Provisions, contingent assets and contingent liabilities

This heading “Provisions” in the balance sheets includes amounts recognized to cover the Bank’s current obligations arising as a result of past events. These are certain in terms of nature but uncertain in terms of amount and/or settlement date. The settlement of these obligations is deemed likely to entail an outflow of resources embodying economic benefits (see Note 21). The obligations may arise in connection with legal or contractual provisions, valid expectations formed by the Bank relative to third parties in relation to the assumption of certain responsibilities or through virtually certain developments of particular aspects of the regulations applicable to the operation of the entities; and, specifically, future legislation to which the Bank will certainly be subject.

The provisions are recognized in the balance sheets when each and every one of the following requirements is met:

- They represent a current obligation that has arisen from a past event.
- At the date of the financial statements, there is more probability that the obligation will have to be met than that it will not.
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- The amount of the obligation can be reasonably estimated.

Among other items, these provisions include the commitments made to employees (mentioned in section 2.9), as well as provisions for tax and legal litigation.

Contingent assets are possible assets that arise from past events and whose existence is conditional on, and will be confirmed only by, the occurrence or non-occurrence of events beyond the control of the Bank. Contingent assets are not recognized in the balance sheet or in the income statement; however, they will be disclosed, should they exist, provided that it is probable that these assets will give rise to an increase in resources embodying economic benefits (see Note 30).

Contingent liabilities are possible obligations of the Bank that arise from past events and whose existence is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the entity. They also include the existing obligations of the entity when it is not probable that an outflow of resources embodying economic benefits will be required to settle them; or when, in extremely rare cases, their amount cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the balance sheet or the income statement (excluding contingent liabilities from business combinations) but are disclosed in the notes to the Financial Statements, unless the possibility of an outflow of resources embodying economic benefits is remote (see Note 30).

2.10 Treasury shares

The value of common stock -basically, shares and derivatives on the Bank's shares held by itself that comply with the requirements to be recognized as equity instruments- is recognized as a decrease to net equity under the heading "Shareholders’ funds – Treasury stock" in the balance sheets (see Note 26).

These financial assets are recognized at acquisition cost, and the gains or losses arising on their disposal are credited or debited, as appropriate, to the heading “Shareholders’ funds – Retained earning” in the balance sheet (see Note 25).

In the event of a contractual obligation to acquire treasury shares, a financial liability is recorded as the present value of the amount committed (under the heading "Financial liabilities at amortized cost - Other financial liabilities") and the corresponding recognition in net equity (under the heading “Equity - Other Reserves”) (see Notes 20.5 and 25).

2.11 Equity-settled share-based payment transactions

Equity –settled share-based payment transactions provided they constitute the delivery of such equity instruments once completion of a specific period of services, has occurred are recognized as an expense for services being provided by employees, with a corresponding entry under the heading “Shareholders’ funds – Other equity instruments” in the balance sheet. These services are measured at fair value for the employees’ services received, unless such fair value cannot be calculated reliably. In such case, they are measured by reference to the fair value of the equity instruments granted, taking into account the date on which the commitments were granted and the terms and other conditions included in the commitments.

When the initial compensation agreement includes what may be considered market conditions among its terms, any changes in these conditions will not be reflected in the income statement, as these have already been accounted for in calculating the initial fair value of the equity instruments. Non-market vesting conditions are not taken into account when estimating the initial fair value of equity instruments, but they are taken into account when determining the number of equity instruments to be issued. This will be recognized on the income statement with the corresponding increase in equity.

2.12 Pensions and other post-employment commitments

Below we provide a description of the most significant accounting policies relating to post-employment and other employee benefit commitments assumed by the Bank (see Note 22).

Short-term employee benefits

Benefits for current active employees which are accrued and settled during the year and for which a provision is not required in the entity´s accounts. These include wages and salaries, social security charges and other personnel expense.

Costs are charged and recognized under the heading "Administration costs – Personnel expense – Other personnel expense" of the income statement (see Note 39.1).

Post-employment benefits – Defined-contribution plans

The Bank sponsors defined-contribution plans for the majority of its active employees. The amount of these benefits is established as a percentage of remuneration and/or as a fixed amount.

The contributions made to these plans in each year by the Bank are charged and recognized under the heading "Administration costs – Personnel expense – Defined-contribution plan expense" of the income statement (see Note 39.1).

Post-employment benefits – Defined-benefit plans

The Bank maintains pension commitments with employees who have already retired or taken early retirement, certain closed groups of active employees still accruing defined benefit pensions, and in-service death and disability benefits provided to most active employees. These commitments are covered by insurance contracts, pension funds and internal provisions.

In addition, the Bank have offered certain employees the option to retire before their normal retirement age, recognizing the necessary provisions to cover the costs of the associated benefit commitments, which include both the liability for the benefit payments due as well as the contributions payable to external pension funds during the early retirement period.

Furthermore, the Bank provides welfare and medical benefits which extend beyond the date of retirement of the employees entitled to the benefits.

All of these commitments are quantified based on actuarial valuations, with the amounts recorded under the heading "Provisions – Provisions for pensions and similar obligations" and determined as the difference between the value of the defined-benefit commitments and the fair value of plan assets at the date of the financial statements (see Note 21).

Current service cost is charged and recognized under the heading "Administration costs – Personnel expense – Defined-benefit plan expense" of the income statement (see Note 39.1).

Interest credits/charges relating to these commitments are charged and recognized in net terms under the headings "Interest and other income" or, where appropriated, "Interest expense" of the income statement. (see Note 33).

Past service costs arising from benefit plan changes as well as early retirements granted during the year are recognized under the heading "Provisions or reversals of provisions" of the income statement (see Note 41).

Other long-term employee benefits

In addition to the above commitments, the Bank provides long-term service awards to their employees, consisting mainly of monetary amounts or periods of vacation granted upon completion of a number of years of qualifying service.

These commitments are quantified based on actuarial valuations and the amounts recorded under the heading "Provisions – Other long-term employee benefits" of the balance sheet (see Note 21).

Valuation of commitments: actuarial assumptions and recognition of gains/losses

The present value of these commitments is determined based on individual member data. Active employee costs are determined using the "projected unit credit" method, which treats each period of service as giving rise to an additional unit of benefit and values each unit separately.

In establishing the actuarial assumptions, we take into account that:

- They should be unbiased, i.e. neither unduly optimistic nor excessively conservative.

- Each assumption does not contradict the others and adequately reflects the existing relationship between economic variables such as price inflation, expected wage increases, discount rates, etc. Future wage and benefit levels should be based on market expectations, at the balance sheet date, for the period over which the obligations are to be settled.

- The interest rate used to discount benefit commitments is determined by reference to market yields, at the balance sheet date, on high quality bonds.

The Bank recognizes actuarial gains (losses) relating to early retirement benefits, long service awards and other similar items under the heading “Provisions or reversal of provisions” of the income statement for the period in which they arise (see Note 41). Actuarial gains/losses relating to pension and medical benefits are directly charged and recognized under the heading "Accumulated other comprehensive income (loss) – Items that will not be reclassified to profit or loss – Actuarial gains (losses) on defined benefit pension plans" of equity in the balance sheet (see Note 27).

2.13 Termination benefits

Termination benefits are recognized in the financial statements when the Bank agrees to terminate employment contracts with its employees or from the time the costs for a restructuring that involves the payment of compensation for the termination of contracts with its employees are recorded. This happens when there is a formal and detailed plan in which the fundamental modifications to be made are identified, and whenever said plan has begun to be executed or its main characteristics, or objective facts about its execution have been publicly announced.

2.14 Recognition of income and expense

The most significant policies used by the Bank to recognize its income and expense are as follows.

- Interest income and expense and similar items:

  As a general rule, interest income and expense and similar items are recognized on the basis of their accrual using the effective interest rate method. In the particular case of inflation-indexed bonds, interest income also includes the effect of real inflation experienced in the period.

  They shall be recognized within the income statement according to the following criteria, independently from the financial instruments’ portfolio which generates the income or expense:

  a. The interest income past-due before the initial recognition and pending to be received will form part of the gross carrying amount of the debt instrument.

  b. The interest income accrued after the initial recognition will form part of the gross carrying amount of the debt instrument until it will be received.

  In the event that a debt instrument is considered impaired, interest income will be calculated by applying the effective interest rate to the amortized cost (that is, adjusting for any impairment loss) of the financial asset.

- Income from dividends received:

  Dividends shall be recognized within the consolidated income statement according to the following criteria, independently from the financial instruments’ portfolio which generates this income:

  a. When the right to receive payment has been declared before the initial recognition and when the payment is pending to be received, the dividends will not be added to the gross carrying amount of the equity instrument and will not be recognized as income. Those dividends are accounted for as financial assets separately from the net equity instrument.

  b. If the right to receive payment is received after the initial recognition, the dividends from the net equity instruments will be recognized within the consolidated income statement at the time the right to receive them arises, which is the time of the official announcement of receipt of the payment by the appropriate governing body of the entity. If the dividends correspond to the profits of the issuer before the date of initial recognition, they will not be recognized as income but as reduction of the gross carrying amount of the equity instrument because it represents a partial recuperation of the investment. Amongst other circumstances, the generation date can be considered to be prior to the date of initial recognition if the amounts distributed by the issuer as from the initial recognition are higher than its profits during the same period.

- Income from commissions collected/paid:

  Financial fees are an integral part of the actual performance of a financing transaction and are collected in advance. They can be:

  a. Fees charged for the origination or acquisition of financing transactions that are not measured at fair value through profit or loss, such as those charged for the evaluation of the borrower's financial condition, for the analysis and recording of various collateral, as well as those charged for negotiating the terms of transactions or preparing and processing documentation and the closing of transactions, will be deferred and recognized over the life of the transaction as an adjustment to the performance of the transaction. These fees, forming part of the effective rate of the loans, will be deferred and recognized over the life of the transaction as an adjustment to the performance of the transaction.

b. Fees agreed as compensation for the commitment to grant financing when it is not measured at fair value through profit or loss and it is probable that the Bank will enter into a specific loan agreement, are deferred and recognized over the life of the transaction as an adjustment to the performance of the transaction. If the commitment expires before the entity makes the loan such fee is recognized as revenue at the time of expiration.

Non-financial commissions derived from the provision of financial services other than financing transactions may be:

a. Related to the performance of a service rendered over time (e.g. account administration fees or fees collected in advance for the issuance or renewal of credit cards), in which case they are recognized over time based on the degree of progress in providing the service.

b. Related to the performance of a service rendered at a specific time (e.g. underwriting of securities, currency exchange, advice or syndication of a loan), in which they are recognized in the income statement at the time of collection.

– Non-financial income and expense:

As a general rule, they are recognized on an accrual basis, that is, as the contractually committed goods or services are delivered or rendered and recognized as revenue over the life of the contract.

In the event that consideration is received or there is a right to receive consideration without delivery of the contractually committed goods or services, a liability is recognized in the balance sheet until it is recognized in the income statement.

In the case of collections and payments deferred over time, they are recognized for accounting purposes at the amount resulting from discounting the expected cash flows at market rates.

– Commissions, fees and similar items:

Income and expense relating to commissions and similar fees are recognized in the income statement using criteria that vary according to the nature of such items. The most significant items in this regard are:

a. Those relating to financial assets and liabilities measured at fair value through profit or loss, which are recognized immediately in the income statement.

b. Those arising from transactions or services that are provided over a period of time, which are recognized over the life of these transactions or services.

c. Those relating to a singular transaction, which are recognized when this singular transaction is carried out.

– Deferred collections and payments:

These are recognized for accounting purposes at the amount resulting from discounting the expected cash flows at market rates.

2.15 Sales of assets and income from the provision of non-financial services

The heading “Other operating income” in the income statement includes the proceeds of the sales of assets and income from the services provided by the Bank that are not financial institutions (see Note 38).

2.16 Foreign-currency transactions

The currency in which the Financial Statements of the BBVA Group are presented is the euro. As such, all balances and transactions denominated in currencies other than the euro are deemed to be expressed in “foreign currency”.

Assets, liabilities and derivatives

The assets and liabilities in foreign currencies, including those of branches abroad, are converted to euros at the average exchange rates on the European spot currency market at the end of each period.

Non-monetary items measured at historical cost have been translated at the exchange rate at the date of acquisition, and non-monetary items measured at fair value have been translated at the exchange rate at the date on which the fair value was determined.

The exchange differences produced when converting these balance in foreign-currency to Euro are recognized under the heading “Exchange differences, net" in the income statement. However, the exchange differences in non-monetary items measured at fair value are recorded to equity under the heading “Accumulated other comprehensive income (loss) - Items that will not be reclassified to profit or loss - Fair value changes of equity instruments measured at fair value through other comprehensive income” (see Note 27).

The breakdown of the main balances in foreign currencies as of December 31, 2024 and 2023, with reference to the most significant foreign currencies, is set forth in Appendix VIII.

Structural currency positions

As a general policy, the Bank’s investments in foreign subsidiaries are financed in Euros, managing open currency risk through derivatives. the future currency risk arising from these transactions. In the case of endowment funds for foreign branches, they are financed in the same currency as the investment.

2.17 Entities and branches located in countries with hyperinflationary economies

None of the functional currencies of the branches located abroad relate to hyperinflationary economies as defined by Circular 4/2017 and subsequent amendments. Accordingly, as of December 31, 2024 and 2023 it was not necessary to adjust the financial statements of any branch to correct for the effect of inflation.

2.18 Statements of recognized income and expense

The statements of recognized income and expense reflect the income and expenses generated each year. They distinguish between income and expense recognized as results in the income statements and “Accumulated other comprehensive income” (see Note 27) recognized directly in equity. “Accumulated other comprehensive income” include the changes that have taken place in the year in the “Accumulated other comprehensive income” broken down by item.

The sum of the changes to the heading “Accumulated other comprehensive income” of the total equity and the net income of the year forms the “Accumulated other comprehensive income”.

2.19 Statements of changes in equity

The statements of changes in equity reflect all the movements generated in each year in each of the headings of the equity, including those from transactions undertaken with shareholders when they act as such, and those due to changes in accounting criteria or corrections of errors, if any.

The applicable regulations establish that certain categories of assets and liabilities are recognized at their fair value with a charge to equity. These charges, known as “Accumulated other comprehensive income” (see Note 27), are included in the Bank’s total equity net of tax effect, which has been recognized as deferred tax assets or liabilities, as appropriate.

2.20 Statements of cash flows

The indirect method has been used for the preparation of the statement of cash flows. This method starts from the Bank’s net income and adjusts its amount for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with cash flows classified as investment or finance. As well as cash, short-term, highly liquid investments subject to a low risk of changes in value, such as cash and deposits in central banks, are classified as cash and cash equivalents.

When preparing these financial statements, the following definitions have been used:

- Cash flows: Inflows and outflows of cash and cash equivalents.
- Operating activities: The typical activities of credit institutions and other activities that cannot be classified as investment or financing activities.
- Investing activities: The acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents or in operating activities.
- Financing activities: Activities that result in changes in the size and composition of the Bank's equity and of liabilities that do not form part of operating activities.

2.21 Recent pronouncements

During the year 2024, no modification to Circular 4/2017 has come into force with an impact on these individual Financial Statements.

3. Shareholder remuneration system

Amendment of Shareholder Remuneration Policy

BBVA's Board of Directors announced by means of Relevant Information, on November 18, 2021, the amendment of the Bank's shareholder remuneration policy (announced on February 1, 2017 by means of Relevant Information), establishing as a policy to distribute annually between 40% and 50% of the consolidated ordinary profit for each year (excluding amounts and items of an extraordinary nature included in the consolidated income statement), compared to the previous policy that established a distribution between 35% and 40%.

This policy is implemented through the distribution of an interim dividend for the year (which is expected to be paid in October of each year) and a final dividend or final distribution (which is expected to be paid at the end of the year and once the application of the result is approved, foreseeably in April of each year), with the possibility of combining cash distributions with share buybacks, all subject to the corresponding authorizations and approvals applicable at any given time.

Shareholder remuneration during financial year 2023

Cash distributions

During the 2023 financial year, the Annual General Shareholders' Meeting and the Board of Directors approved the payment of the following cash amounts:

- The Annual General Shareholders' Meeting of BBVA held on March 17, 2023, approved, under item 1.3 of the Agenda, a cash distribution against the 2022 results as a final dividend for the year 2022 fiscal year, for an amount equal to €0.31 gross (€0.2511 net of withholding tax) per outstanding BBVA share entitled to participate in this distribution, which was paid on April 5, 2023. The total amount paid, amounted to €1,860 million.

- The Board of Directors, at its meeting held on September 27, 2023, resolved the payment of a cash interim dividend of €0.16 gross (€0.1296 net of withholding tax) per outstanding share on account of the 2023 dividend, to be paid on October 11, 2023. The total amount paid, amounted to €952 million.

Shareholder remuneration during financial year 2024

Cash distributions

During the 2024 financial year, the Annual General Shareholders' Meeting and the Board of Directors approved the payment of the following cash amounts:

- The Annual General Shareholders' Meeting of BBVA held on March 15, 2024, approved, under item 1.3 of the Agenda, a cash distribution against the 2023 results as a final dividend for the 2023 fiscal year, for an amount equal to €0.39 gross (€0.3159 net of withholding tax) per outstanding BBVA share entitled to participate in this distribution, which was paid on April 10, 2024. The total amount paid, excluding dividends paid in respect of treasury shares held by the Group's companies, amounted €2.249 million.

- By means of an inside information notice (*información privilegiada*) dated September 26, 2024, BBVA announced that the Board of Directors, had resolved the payment of a cash interim dividend of €0.29 gross (€0.2349 net of withholding tax) per each outstanding BBVA share entitled to participate in this distribution, to be paid on October 10, 2024. The total amount paid, excluding dividends paid in respect of treasury shares held by the Group's companies, amounted to €1,671 million.

The forecasted financial statement, drawn up in compliance with the applicable legal requirements, which evidenced the existence of sufficient liquidity to distribute the abovementioned amount approved by the Board of Directors of BBVA, was the following:

Available amount for interim dividend payments (Millions of Euros)

	August 31, 2024
Profit of BBVA, S.A., after the provision for income tax	6,854
Maximum amount distributable	**6,854**
Amount of proposed interim dividend	**1,671**
BBVA cash balance available to the date	**33,530**

Other shareholder remuneration

On January 30, 2025, it was announced that a cash distribution in the amount of €0.41 gross per share to be paid presumably in April 2025 as the final dividend for the year 2024, and the execution of a share buyback program of BBVA for an amount of €993 million were planned to be proposed to the corresponding corporate bodies for consideration as ordinary remuneration to shareholders for 2024, subject to obtaining the corresponding regulatory authorizations and approval by the Board of Directors of the specific terms and conditions of the program, which will be communicated to the market prior to the start of its execution.

Share buyback program

Share buyback programs in 2023

On February 1, 2023, BBVA announced, among others, that it planned to submit for the consideration of the corresponding BBVA governing bodies the execution of a €422 million share buyback program, subject to obtaining the corresponding regulatory authorizations and to the communication of the specific terms and conditions of the share buy-back program before its execution, as an ordinary distribution of 2023. On March 17, 2023, after receiving the required authorization from the ECB, BBVA announced through an Inside Information notice the execution of a time-scheduled buyback program for the repurchase of own shares in accordance with the Regulations, aimed at reducing BBVA's share capital by a maximum monetary amount of €422 million. The execution was carried out internally by BBVA, executing the trades through BBVA. By means of an Other Relevant Information notice dated April 21, 2023, BBVA announced the completion of the share buyback program upon reaching the maximum monetary amount of €422 million, having acquired 64,643,559 own shares, between March 20 and April 20, 2023, representing, approximately, 1.07% of BBVA's share capital as of said date.

On June 2, 2023, BBVA notified through an Other Relevant Information notice a partial execution of the share capital reduction resolution adopted by the Annual General Shareholders' Meeting of BBVA held on March 17, 2023, under item 3 of the agenda through the reduction of BBVA's share capital in a nominal amount of €31,675,343.91 and the consequent redemption, charged to unrestricted reserves, of 64,643,559 own shares of €0.49 par value each acquired derivatively by BBVA in execution of the share buyback program and which were held in treasury shares (see Notes 23, 24, 25 and 26).

On July 28, 2023, BBVA announced, by means of an Inside Information notice, its request to the ECB for the correspondent supervisory authorization in order to carry out a share buyback program of up to €1,000 million, subject to the authorization requested being granted, to the adoption of the corresponding corporate resolutions and to the communication of the specific terms and conditions of the share buyback program before its execution. This share buy-back program was considered as an extraordinary shareholder distribution. On October 2, 2023, after receiving the required authorization from the ECB, BBVA announced that it would implement a buyback program for the repurchase of own shares in accordance with the Regulations, aimed at reducing BBVA's share capital by a maximum monetary amount of €1,000 million. The execution was carried out internally by BBVA, executing the trades through BBVA.

By means of an Other Relevant Information notice dated November 29, 2023, BBVA announced the completion of the share buyback program upon reaching the maximum monetary amount of €1,000 million, having acquired 127,532,625 own shares, between October 2 and November 29, 2023, representing, approximately, 2.14% of BBVA's share capital as of said later date.

On December 19, 2023, BBVA notified through an Other Relevant Information notice the second partial execution of the share capital reduction resolution adopted by the Annual General Shareholders' Meeting of BBVA held on March 17, 2023, under item 3 of the agenda through the reduction of BBVA's share capital in a nominal amount of €62,490,986 and the consequent redemption, charged to unrestricted reserves, of 127,532,625 own shares of €0.49 par value each acquired derivatively by BBVA in execution of the share buyback program and which were held in treasury shares (see Notes 23, 24, 25 and 26).

Share buyback program in 2024

On March 4, 2024, after receiving the required authorization from the European Central Bank, BBVA announced by means of an Inside Information notice the execution of a time-scheduled buyback program for the repurchase of own shares, all in accordance with the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No. 2016/1052 of March 8, 2016, for a maximum monetary amount of €781 million. The execution was carried out externally by Citigroup Global Markets Europe AG.

By means of an Other Relevant Information notice dated April 9, 2024, BBVA announced the completion of the share buyback program upon reaching the maximum monetary amount, having acquired a total of 74,654,915 own shares, between March 4 and April 9, 2024, representing, approximately, 1.28% of BBVA's share capital as of such date.

On May 24, 2024, BBVA notified through an Other Relevant Information notice the partial execution of the share capital reduction resolution adopted by the Annual General Shareholders' Meeting of BBVA held on March 15, 2024, under item 3 of the Agenda through the reduction of BBVA's share capital in a nominal amount of €36,580,908.35 and the consequent redemption, charged to unrestricted reserves, of 74,654,915 own shares of €0.49 par value each acquired derivatively by BBVA in execution of the own share buyback program and which were held as treasury shares (see Notes 23, 24, 25 and 26).

Proposal on allocation of earnings for 2024

Below is included a breakdown of the distribution of the Bank´s earnings for financial year 2024, which the Board of Directors will submit to the Annual General Shareholders' Meeting for approval.

Allocation of earnings (Millions of Euros)	
	2024
Profit (loss) for the year	**10,235**
Distribution	
Interim dividends	1,671
Final dividend	2,363
Reserves / Accumulated gains	6,200

4. Earnings per share

Basic and diluted earnings per share are calculated in accordance with the criteria established by IAS 33. For more information, see Glossary.

The calculation of earnings per share of BBVA is as follows:

Basic and Diluted Earnings per Share		
	2024	2023
Numerator for basic and diluted earnings per share (millions of euros)		
Profit attributable to parent company	10,054	8,019
Adjustment: Additional Tier 1 securities (1)	(388)	(345)
Profit adjusted (millions of euros) (A)	**9,666**	**7,675**
Profit (loss) from continued operations (net of remuneration of Additional Tier 1 capital instruments)	9,666	7,675
Profit (loss) from discontinued operations (net of non-controlling interest) (B)	—	—
Denominator for basic earnings per share (number of shares outstanding)		
Weighted average number of shares outstanding	5,793	5,988
Average treasury shares	(10)	(5)
Share buyback program (2)	(13)	(28)
Adjusted number of shares - Basic earnings per share (C)	**5,769**	**5,954**
Adjusted number of shares - diluted earnings per share (D)	**5,769**	**5,954**
Earnings (losses) per share	**1.68**	**1.29**
Basic earnings (losses) per share from continuing operations (Euros per share) A-B/C	1.68	1.29
Diluted earnings (losses) per share from continuing operations (Euros per share) A-B/D	1.68	1.29
Basic earnings (losses) per share from discontinued operations (Euros per share) B/C	—	—
Diluted earnings (losses) per share from discontinued operations (Euros per share) B/D	—	—

(1) Remuneration in the year related to perpetual contingent convertible securities, recognized in equity (see Note 20.4).
(2) For the calculation of earnings per share: the average number of shares in a year takes into account the redemptions made in such year related to the share buyback programs announced (see Note 3).

As of December 31, 2024 and 2023, there were no other financial instruments or share option commitments to employees that could potentially affect the calculation of the diluted earnings per share for the years presented. For this reason, basic and diluted earnings per share are the same.

5. Risk management

5.1 Risk factors

The BBVA Group has processes in place for identifying risks and analyzing scenarios in order to enable the Group to manage risks in a dynamic and proactive way.

The risk identification processes are forward looking to seek the identification of emerging risks and take into account the concerns of both the business areas, which are close to the reality of the different geographical areas, and the corporate areas and senior management.

Risks are identified and measured consistently using the methodologies deemed appropriate in each case. Their measurement includes the design and application of scenario analyses and stress testing and considers the controls to which the risks are subjected.

As part of this process, a forward projection of the Risk Appetite Framework (hereinafter "RAF") variables in stress scenarios is conducted in order to identify possible deviations from the established thresholds. If any such deviations are detected, measures are taken to seek to keep the variables within the target risk profile.

In this context, there are a number of emerging risks that could affect the evolution of the Group’s business, including the below:

- **Macroeconomic and geopolitical risks**

The Group is sensitive to the deterioration of economic conditions, the alteration of the institutional environment of the countries in which it operates, and the Group is exposed to sovereign debt especially in Spain, Mexico and Turkey.

The global economy is currently facing a number of extraordinary challenges. The war between Ukraine and Russia and the armed conflicts in the Middle East have caused significant disruptions, instability and volatility in global markets, particularly in energy markets. Uncertainty about the future development of these conflicts is high. The main risk is that they could generate new supply shocks, pushing growth downward and inflation upward, and paving the way for macroeconomic and financial instability episodes.

Geopolitical and economic risks have also increased in recent years as a result of trade tensions between the United States and China, Brexit, and the rise of populism, among other factors. Growing tensions and the rise of populism may lead, among other things, to a deglobalization of the world economy, an increase in protectionism, a general reduction of international trade and a reduction in the integration of financial markets.

The policies to be adopted by the new United States government, from January 20, 2025, are an additional source of uncertainty for the global economy. Some of the measures recently advocated by the incoming administration, such as the adoption of higher import tariffs and tighter immigration controls, may increase inflationary pressures and weaken economic growth. Fiscal, regulatory, industrial, foreign and other policies could also generate financial and macroeconomic volatility.

In the current context, one of the main risks is that inflation remains high, either due to new supply shocks, related for example to the previously mentioned geopolitical and political risks or climate events, or due to demand factors, caused by an excessively expansionary fiscal policy, the robustness of labor markets, or other factors. Significant inflationary pressures could lead to interest rates remaining higher than currently forecasted, which could negatively affect the macroeconomic environment and financial markets.

Another macroeconomic risk is the possibility of a sharp global growth slowdown. In a context marked by uncertainty and still elevated interest rates, labor markets and aggregate demand could weaken more significantly than expected. Moreover, despite increasing economic stimulus measures, growth in China could slow sharply, with a potentially negative impact on many geographical areas, due to tensions in real estate markets and economic sanctions imposed by the United States, among other factors.

Furthermore, there is a growing risk of tensions in sovereign debt markets, given the high levels of public debt in many developed and emerging countries, the relatively high interest rates, and expectations of slower economic growth.

The Group is exposed, among others, to the following general risks with respect to the economic and institutional environment in the countries in which it operates: a deterioration in economic activity in the countries in which it operates, including recession scenarios; more persistent inflationary pressures, which could trigger a more severe tightening of monetary conditions; stagflation due to more intense or prolonged supply shocks such as, for example, an increase in oil and gas prices to very high levels, which would have a negative impact on disposable income levels in areas that are net energy importers, such as Spain or Turkey, to which the Group is particularly exposed; changes in exchange rates; an unfavorable evolution of the real estate market; changes in the institutional environment of the countries in which the Group operates, which could give rise to sudden and sharp drops in GDP and/or changes in regulatory or government policy, including in terms of exchange controls and restrictions on the distribution of dividends or the imposition of new taxes or charges; growth in the public debt or in the external deficit could lead to a downward revision of the credit ratings of the sovereign debt and even a possible default or restructuring of such debt; the impact of the upcoming policies of the new U.S. administration, about which there is significant uncertainty; and episodes of volatility in the financial markets, which could cause significant losses for the Group. The Group’s results of operations have been particularly affected by the increases in interest rates adopted by central banks in an attempt to tame inflation, contributing to the rise in both interest revenue and interest expenses. The persistence of interest rates at relatively high levels or any increase in interest rates in the future could adversely affect the Group by reducing the demand for credit and leading to an increase in the default rate of its borrowers and other counterparties. Moreover, the Group’s results of operations have been affected by inflation in all countries in which BBVA operates, especially Turkey and Argentina.

In particular, in Spain, political, regulatory and economic uncertainty has also increased since the July 2023 general elections; there is a risk that policies could have an adverse impact on the economy or the Group. There is also a risk that the impact on financial conditions of political tensions in other European countries could to some extent affect Spain. In Mexico, there is high uncertainty on the impact of the recently approved constitutional reforms, as well as on the policies that will be adopted by the new local government and by the new U.S. administration (in particular, if protective measures become more aggressive and persist over time, which could adversely impact the Group's expectations regarding the country's economic growth). In Turkey, there are increasing signs of normalization in economic policy in general, and monetary policy in particular, since the general elections held in May 2023, which may lead to a gradual correction of the current distortions. Despite the gradual improvement of macroeconomic conditions, the situation remains relatively unstable, characterized by pressures on the Turkish lira, high inflation, a significant trade deficit, low central bank's foreign reserves and high external financing costs. There is also uncertainty about the impact of the geopolitical context in the Middle East on Turkey. In particular, recent regime changes in Syria create opportunities, such as a potential increase in exports and lower migratory pressures, but also risks, which could cause greater volatility of Turkish financial assets, among other possible effects. Continuing unfavorable economic conditions in Turkey may result in a potential deterioration in the purchasing power and creditworthiness of the clients of the Group (both individuals and corporations). In addition, official interest rates, the regulatory and macroprudential policies affecting the banking sector and the currency depreciation have affected and may continue to affect the Group's results. In Argentina, the risk of economic and financial turbulence persists in a context in which the government has substantially modified the economic policy framework and has focused its efforts on implementing strong fiscal and monetary adjustments to reduce inflation. Finally, in Colombia and Peru, climate factors, political tensions and greater social conflict could eventually have a negative impact on the economy.

Any of these factors may have a significant adverse impact on the Group's business, financial condition and results of operations.

– Regulatory and reputational risks

Financial institutions are exposed to a complex and ever-changing regulatory environment defined by governments and regulators. Regulatory activity in recent years has affected multiple areas, including changes in accounting standards; strict regulation of capital, liquidity and remuneration; bank charges (such as the new tax for banks recently implemented in Spain, see Note 38) and taxes on financial transactions; regulations affecting mortgages, banking products and consumers and users; recovery and resolution measures; stress tests; prevention of money laundering and terrorist financing; market abuse; conduct in the financial markets; anti-corruption; and requirements as to the periodic publication of information. Governments, regulatory authorities and other institutions continually make proposals to strengthen the resistance of financial institutions to future crises. Further, there is an increasing focus on the climate-related financial risk management capabilities of banks (see "Environmental, social and governance ("ESG") risks may adversely impact the Group"). Any change in the Group's business that is necessary to comply with any particular regulations at any given time, especially in Spain, Mexico or Turkey, could lead to a considerable loss of income, limit the Group's ability to identify business opportunities, affect the valuation of its assets, force the Group to increase its prices and, therefore, reduce the demand for its products, impose additional costs on the Group or otherwise adversely affect its business, financial condition and results of operations.

The financial sector is under ever closer scrutiny by regulators, governments and society itself. In the course of activities, situations which might cause relevant reputational damage to the Group could arise and might affect the regular course of business.

– New business, operational and legal risks

New technologies and forms of customer relationships: Developments in the digital world and in information technologies pose significant challenges for financial institutions, entailing threats (new competitors, disintermediation, etc.) but also opportunities (new framework of relations with customers, greater ability to adapt to their needs, new products and distribution channels, etc.). Digital transformation is a priority for the Group as it aims to lead digital banking of the future as one of its objectives.

Technological risks and security breaches: The Group is exposed to new threats such as cyber-attacks, theft of internal and customer databases, fraud in payment systems, etc. that require major investments in security from both the technological and human point of view. The Group gives great importance to the active operational and technological risk management and control. Any attack, failure or deficiency in the Group's systems could, among other things, lead to the misappropriation of funds of the Group's clients or the Group itself and the unauthorized disclosure, destruction or use of confidential information, as well as prevent the normal operation of the Group and impair its ability to provide services and carry out its internal management. In addition, any attack, failure or deficiency could result in the loss of customers and business opportunities, damage to computers and systems, violation of regulations regarding data protection and/or other regulations, exposure to litigation, fines, sanctions or interventions, loss of confidence in the Group' s security measures, damage to its reputation, reimbursements and compensation, and additional regulatory compliance expenses and could have a significant adverse impact on the Group' s business, financial condition and results of operations.

Legal risks: The financial sector faces an environment of increasing regulatory and litigious pressure, and thus, the various Group entities are frequently party to individual or collective judicial proceedings (including class actions) resulting from their activity and operations, as well as arbitration proceedings. The Group is also party to government procedures and investigations, such as those carried out by the antitrust authorities in certain countries which, among other things, have in the past and could in the future result in sanctions, as well as lead to claims by customers and others. In addition, the regulatory framework in the jurisdictions in which the Group operates is evolving towards a supervisory approach more focused on the opening of sanctioning proceedings while some regulators are focusing their attention on consumer protection and behavioral risk.

In Spain and in other jurisdictions where the Group operates, legal and regulatory actions and proceedings against financial institutions, prompted in part by certain judgments in favor of consumers handed down by national and supranational courts (with regards to matters such as credit cards and mortgage loans), have increased significantly in recent years and this trend could continue in the future. Legal and regulatory actions and proceedings faced by other financial institutions in relation to these and other matters, especially if such actions or proceedings result in favorable resolutions for the consumer, could also adversely affect the Group.

There are also claims before the Spanish courts challenging the validity of certain revolving credit card agreements. Rulings in these types of proceedings, whether against the Bank or other financial institutions, could negatively affect the Group.

Additionally, in relation to the ESG area, factors that may affect these new business, operational and legal risks have been identified (see "Environmental, social and governance ("ESG") risks may adversely affect the Group").

All of the above may result in a significant increase in operating and compliance costs or even a reduction of revenues, and it is possible that an adverse outcome in any proceedings (depending on the amount thereof, the penalties imposed or the procedural or management costs for the Group) could damage the Group's reputation, generate a knock-on effect or otherwise adversely affect the Group.

It is difficult to predict the outcome of legal and regulatory actions and proceedings, both those to which the Group is currently exposed and those that may arise in the future, including actions and proceedings relating to former Group subsidiaries or in respect of which the Group may have indemnification obligations. Any of such outcomes could be significantly adverse to the Group. In addition, a decision in any matter, whether against the Group or against another credit entity facing similar claims as those faced by the Group, could give rise to other claims against the Group. In addition, these actions and proceedings attract resources from the Group and may occupy a great deal of attention on part of the Group's management and employees.

As of December 31, 2024, the Group had €791 million in provisions for the proceedings it is facing (included in the line "Provisions for taxes and other legal contingencies" in the consolidated balance sheet), of which €610 million correspond to legal contingencies and €181 million to tax related matters. However, the uncertainty arising from these proceedings (including those for which no provisions have been made, either because the probability of an unfavorable outcome for the Group is estimated to be remote, or because it is not possible to estimate them or for other reasons) makes it impossible to guarantee that the possible losses arising from the resolution of these proceedings will not exceed, where applicable, the amounts that the Group currently has provisioned and, therefore, could affect the Group's consolidated results in a given period.

As a result of the above, legal and regulatory actions and proceedings currently faced by the Group or to which it may become subject in the future or which may otherwise affect the Group, whether individually or in the aggregate, if resolved in whole or in part adversely to the Group's interests, could have a material adverse effect on the Group's business, financial condition and results of operations.

Spanish judicial authorities are investigating the activities of *Centro Exclusivo de Negocios y Transacciones*, S.L. ("Cenyt"). Such investigation includes the provision of services by Cenyt to BBVA. On July 29, 2019, BBVA was named as an investigated party (*investigado*) in a criminal judicial investigation (Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court) for alleged facts which could constitute bribery, revelation of secrets and corruption. Certain current and former officers and employees of the Group, as well as former directors, have also been named as investigated parties in connection with this investigation. Since the beginning of the investigation, BBVA has been proactively collaborating with the Spanish judicial authorities, including sharing with the courts information obtained in the internal investigation hired by the entity in 2019 to contribute to the clarification of the facts.

By order of the Criminal Chamber of the National High Court, the pre-trial phase ended on January 29, 2024. On June 20, 2024, the Judge issued an order authorizing the continuation of abbreviated criminal proceedings against the Bank and certain current and former officers and employees of the Bank, as well as against some former directors, for alleged facts which could constitute bribery and revelation of secrets. It is not possible at this time to predict the possible outcomes or implications for the Group of this matter, including any fines, damages or harm to the Group's reputation caused thereby.

— Environmental, social and governance (ESG) risks may adversely impact the Group

ESG factors present risks associated with (i) climate change, including physical risks and transition risks (linked, among others, to changes in regulations, technologies, and market preferences associated with the transition to a less carbon-dependent economy); (ii) other environmental factors, such as biodiversity loss, water stress and other nature-related factors; (iii) social factors, such as human rights, inclusion, diversity and workplace safety; and (iv) corporate governance matters, such as the governance of environmental and social risks.

ESG risks include short, medium and long-term risks that may adversely affect the Group and its customers or counterparties. Such risks are expected to increase and/or evolve over time.

Among others, they include the following:

– Physical risks. The activities of the Group or those of its customers or counterparties could be adversely affected by the physical risks (including acute and chronic) arising from climate change or other environmental challenges. For example, extreme weather events may damage or destroy properties and other assets of the Group or those of its customers or counterparties, make the insurance against certain risks more expensive or unfeasible, result in increased costs, or otherwise disrupt their respective operations (for example, if supply chains are disrupted as a result), diminishing –in the case of the Group's customers or counterparties - their repayment capacity and, if applicable, the value of assets granted as collateral to the Group. The Group is also exposed to potential long-term physical risks arising from climate change and other environmental challenges, such as any ensuing deterioration in economic conditions that results in credit-related costs, or potential impacts on the Group's assets and operations. The Group could also be required to change its business models in response to the foregoing.

– Legal and regulatory risks. Legal and regulatory changes related to how banks are required to manage climate and other ESG risks or otherwise affecting banking practices or disclosure of information may result in higher compliance, operational and credit risks and costs. The Group's customers and counterparties may be exposed to similar risks. Further, legal and regulatory changes may result in legal uncertainty and the existence of overlapping or conflicting regulatory or other requirements. They may also give rise to regulatory asymmetries whereby some persons, including the Group and its customers and counterparties, are more heavily regulated than others, placing such persons at a disadvantage. The Group or its customers or counterparties may be unable to meet any new requirements on a timely basis or at all, including new product and service specifications, governance frameworks and practices and disclosure requirements and standards. In addition, in the case of banks, new regulation could include requirements related to lending, investing, capital and liquidity adequacy and operational resilience. The incorporation of ESG risks in the existing prudential framework is still developing and may result in increased risk weighting of certain assets. Moreover, there are significant risks and uncertainties inherent in the development of adequate risk assessment and modelling capabilities with respect to ESG-related matters and the collection of customer, third party and other data, which may result in the Group's systems or frameworks (or those of its customers and counterparties, where applicable) being inadequate, inaccurate or susceptible to incorrect customer, third party or other data, any of which could adversely affect the Group's disclosure and financial reporting. Further, increased regulation arising from climate change and other ESG-related challenges could result in increased litigation by different stakeholders (including non-governmental organizations (NGOs)) and regulatory investigations and actions.

– Technological risks. Certain of the Group's customers and counterparties may be adversely affected by the progressive transition to a low-carbon economy and/or risks and costs associated with new low-carbon technologies. If the Group's customers and counterparties fail to adapt to the transition to a low-carbon economy, or if the costs of doing so adversely affect their creditworthiness, this could adversely affect the Group's relevant loan portfolios.

– Market risks. The Group and certain of the Group's customers and counterparties may be adversely affected by changes in market preferences due to, among others, increased ESG awareness. Further, the funding costs of businesses that are perceived to be more exposed to climate change or to other ESG-related risks could increase. Any of this could result in the reduced creditworthiness of such customers and counterparties, adversely affecting the Group's relevant loan portfolios. The Group and its customers and counterparties could also be adversely affected by changes in prices resulting from shifts in demand or supply brought by climate change or other ESG-related factors, including prices of energy and raw materials, or by their inability to foresee or hedge any such changes.

– Reputational risks. The perception of climate change and other ESG-related challenges as a risk by society, shareholders, customers, governments and other stakeholders (including NGOs) continues to increase, including in relation to the financial sector's activities. This may result in increased scrutiny of the Group's activities, as well as its ESG-related policies, goals, disclosures or communications. The Group's reputation and ability to attract or retain customers may be harmed if its efforts to reduce ESG-related risks are deemed to be insufficient or if a perception is generated among the different stakeholders that the Group's statements, actions or disclosure do not fairly reflect the underlying sustainability profile of the Group, its products, services, goals and/or policies. At the same time, the Group may refrain from undertaking lending or investing activities or other services that would otherwise have been profitable in order to fulfill its obligations or avoid reputational harm. Further, divergent views on ESG policies may also have a negative impact on the Group's reputation. Increased scrutiny of the Group's activities, as well as its ESG-related policies, goals and disclosure may result in litigation and investigations and supervisory actions (including potential greenwashing claims). The Group has disclosed certain aspirational ESG-related goals and such goals, which are being pursued over the long-term, may prove to be considerably more costly or difficult than currently expected, or even impossible, to achieve, including as a result of changes in regulation and policy, the pace of technological change and innovation and the actions of governments and the Group's customers and competitors. Potential greenwashing claims arising from ESG-related statements, disclosure and/or actions of the Group may also give rise to reputational risks.

Any of these factors may have a material adverse effect on the Group's business, financial condition and results of operations.

5.2 Credit risk

Credit risk is the potential loss assumed by the Bank as a result of the failure by the Bank´s counterparties to meet their contractual obligations.

The general principles governing credit risk management in the BBVA are:

- Risks taken should comply with the general risk policy established by the Board of Directors of BBVA.
- Risks taken should be in line with the level of equity and generation of recurring revenue of the BBVA prioritizing risk diversification and avoiding relevant concentrations.

- Risks taken should be identified, measured and assessed and there should be management and monitoring procedures, in addition to sound mitigation and control mechanisms.
- Risks should be managed in a prudent and integrated manner during their life cycle and their treatment should be based on the type of risk. In addition, portfolios should be actively managed on the basis of a common metric (economic capital).
- The main criterion when granting credit risks is the capability of the borrower or obligor to fulfill on a timely basis all financial obligations with its business income or source of income without depending upon guarantors, bondsmen or pledged assets.
- Improve the financial health of our clients, help them in their decision making and in the daily management of their finances based on personalized advice.
- Help our clients in the transition towards a sustainable future, with a focus on climate change and inclusive and sustainable social development.

Credit risk management in BBVA has an integrated structure for all its functions, allowing decisions to be taken objectively and independently throughout the life cycle of the risk.

At Bank level: frameworks for action and standard rules of conduct are defined for handling risk, specifically, the channels, procedures, structure and supervision.

The risk function has a decision-making process supported by a structure of committees with a solid governance scheme, which describes their purposes and functioning for a proper performance of their tasks.

In addition, credit risk is affected by ESG-related risks, mainly through physical and transition risks that may impact the payment capacity of counterparties and the valuation of the collateral used and, therefore, expected credit losses (see "Environmental, social and governance (“ESG”) risks may adversely impact the Group").

In 2024, the Bank has begun incorporating climate risk factors into the process of calculating expected credit losses for loan portfolios through statistical models that consider both potential damage to collateral and the effect on customers' ability to pay due to physical and transition risk. In particular, transition risk has been assessed using an approach that allows capturing its effect on the probability of default (PD) and the impact on customers' provisions in Stage 2 as well as a transfer of exposures from Stage 1 to Stage 2 for corporate portfolios. For physical risk, an approach has been used that would allow estimating the potential deterioration in the value of collateral (real estate assets in corporate and retail portfolios) and its effect on LGD. As of December 31, 2024, the impact recorded for these risks was not significant. The Bank will continue working to incorporate in these models the information available at all times

Support measures

In previous years, BBVA reported information on the support measures that it provided to its customers under various legislative and sectorial initiatives. These measures included, in particular, those related to the COVID-19 pandemic, which affected several countries and geographical areas where the Group operates. In Spain, it included measures adopted under Royal Decree-Law 6/2022, to alleviate liquidity tensions due to the increases in energy prices and raw materials. These measures have not had any significant impact on the financial statements of the Bank as of and for the year ended December 31, 2024.

In addition, in Spain, the Code of Good Practices regulated by Royal Decree-Law 6/2012, as well as its subsequent amendments, establishes a code of good practices to alleviate the impact of the rise in interest rates on mortgage loans for primary residences, adopting other structural measures to improve the loan market. Up to the date of preparation of these Consolidated Financial Statements, the number and amount of operations granted to clients in compliance with this Code of Good Practices remain reduced.

In 2024, these support measures implemented in Spain were supplemented by those introduced by Royal Decree-Law 6/2024, which adopted urgent measures to address the damage caused by the torrential rains and floods - Isolated Depression in High Levels - (DANA) in various Spanish municipalities between October 28 and November 4, 2024, especially in the Valencian Community. These measures include the granting of state-guaranteed financing and payment deferrals for borrowers meeting specific requirements. The BBVA Group is facilitating the channelling of this financing through the so-called "DANA Guarantee Line" and granting payment in accordance with the provisions of Royal Decree-Law 6/2024. These measures have not had any significant impact on the consolidated financial statements of the Bank as of and for the year ended December 31, 2024.

5.2.1 Measurement of Expected Credit Loss

Bank of Spain Circular 4/2017 requires determining the Expected Credit Loss (hereinafter "ECL") of a financial instrument in a way that reflects an unbiased estimation removing any conservatism or optimism, including the time value of money and a forward looking perspective (including the economic forecast) all this based on the information that is available at a certain point in time and that is reasonable and bearable with respect to future economic conditions.

Therefore, the recognition and measurement of ECL is highly complex and involves the use of significant analysis and estimation including formulation and incorporation of forward-looking economic conditions into the ECL model.

The modeling of the ECL calculation is subject to a governance system that is common to the BBVA. Within this common framework, the necessary adaptations have been made to capture the particularities of BBVA S.A. The methodology, assumptions and observations are reviewed annually, and after a validation and approval process, the outcome of this review is incorporated into the ECL calculations.

Risk parameters by homogeneous groups

Expected losses can be estimated both individually and collectively. Regarding the collective estimate, the instruments are distributed in homogeneous groups (segments) that share similar risk characteristics. Following the guidelines established by the Group for the development of models under the applied norm, the Bank performed the grouping based on the information available, its representativeness or relevance and compliance with the necessary statistical requirements.

Depending on the portfolio or the parameter being estimated, one risk driver or another will apply and different segments will reflect differences in PDs and LGDs. Thus, in each segment, changes in the level of credit risk will respond to the impact of changing conditions on the common range of credit risk drivers. The effect on the Group’s credit risk in response to changes in forward-looking information will be considered as well. Macroeconomic modeling for each segment is carried out using some of the shared risk characteristics.

These segments share credit risk characteristics such that changes in credit risk in a part of the portfolio are not concealed by the performance of other parts of the portfolio. In that sense, the methodology developed for ECL estimation indicates the risk drivers that have to be taken into account for PD segmentation purposes, depending on whether the estimation is for retail or wholesale portfolios.

As an example of the variables that can be taken into consideration to determine the final models, the following stand out:

- PD – Retail: Contractual residual maturity, credit risk scoring, type of product, days past due, forbearance, time on books, time to maturity, nationality of the debtor, sale channel, original term, indicator of credit card activity, percentage of initial drawn balance in credit cards.

- PD – Wholesale: Credit Risk Rating, type of product, watch-list level, forbearance (client), time to maturity, industry sector, updated balance (y/n), written off, grace period.

- LGD – Retail: credit Risk Scoring, segment, type of product, secured / unsecured, type of collateral, sales channel, nationality, business area, debtor’s commercial segment, forbearance (account) EAD (this risk driver could be correlated with the time on books or the LTV so, before including it, an assessment should be done in order to avoid a double counting effect), time on default of the account (for defaulted exposures), geographical location.

- LGD – Wholesale: credit Risk Rating, geographical location, segment, type of product, secured / Unsecured, type of collateral, business area, forbearance (client), debtor’s commercial segment time on default of the deal (for defaulted exposures).

- CCF – Wholesale/retail, percentage of initial drawn balance, debtor’s commercial segment, days past due, forbearance, credit limit activity, time on books.

In BBVA, the expected losses calculated are based on the internal models developed for all the portfolios, unless clients are subject to individualized estimates.

Low Default Portfolios, which include portfolios with high credit quality such as exposures to other credit institutions, sovereign debt or corporates and small client's portfolios with high exposures such as specialized lending or fixed income, are characterized by a low number of defaults, so the Group's historical bases do not contain sufficiently representative information to build impairment models based on them. However, there are external sources of information that, based on broader observations, are capable of providing the necessary inputs to develop models of expected losses. Therefore, based on the rating assigned to these exposures and taking into account the inputs obtained from these sources, the calculations of expected losses are developed internally, including their projection based on the macroeconomic perspectives.

Individual estimation of Expected Credit Losses

The Bank periodically and individually reviews the situation and credit rating of its customers, regardless of their classification, taking into consideration the information deemed necessary to do so. It also has procedures in place within the risk management framework to identify the factors that may lead to increased risk and, consequently, to a greater need for provisions.

The monitoring model established by the Bank consists of continuously monitoring the risks to which it is exposed, which guarantees their proper classification in the different categories of the Standard. The original analysis of the exposures is reviewed through the procedures for updating the rating tools (rating and scoring), which periodically review the financial situation of clients, influencing the classification by stages of exposures.

Within this credit risk management framework, the Bank has procedures that seek to guarantee the review, at least annually, of all its wholesale counterparties through the so-called financial programs, which include the current and proposed positioning of the Bank with the customer in terms of credit risk. This review is based on a detailed analysis of the client's up-to-date financial situation, which is complemented by other information available in relation to individual perspectives on business performance, industry trends, macroeconomic prospects or other public data. As a result of this analysis, the preliminary rating of the client is obtained, which, after undergoing the internal procedure, can be revised down if deemed appropriate (for example, general economic environment or evolution of the sector). These factors in addition to the information that the client can provide are used to review the ratings even before the scheduled financial plan reviews are conducted if circumstances warrant.

Additionally, the Bank has established procedures to identify wholesale customers in the internal Watch List category, which is defined as that risk in which, derived from an individualized credit analysis, an increase in credit risk is observed, either due to economic or financial difficulties or because they have suffered, or are expected to suffer, adverse situations in their environment, without meeting the criteria for classification as impaired risk. Under this procedure, all a customer's Watch List exposures are considered stage 2 regardless of when they originated, if as a result of the analysis the customer is considered to have significantly increased risk.

Finally, the Bank has so-called Workout Committee, which analyze not only the situation and evolution of significant clients in Watch List and impaired situations, but also those significant clients in which, although not on Watch List, may present some stage 2 rated exposure for a quantitative reason (PD comparison from origination). This analysis is carried out in order to decide if, derived from this situation, all the client's exposures should be considered in the Watch List category, which would imply the migration of all the client's operations to stage 2 regardless of the date on which they originated.

With this, the Bank undertakes an individualized review of the credit quality of its wholesale counterparties, identifying the situations in which a change in the risk profile of these clients may have occurred and proceeding, where appropriate, to estimate individualized credit losses. Along with this review, the Group individually estimates the expected losses of those clients whose total exposure exceeds certain thresholds, including those that part of their operations may be classified in stage 1 and part in stage 2. In setting thresholds, each geography determines the minimum amount of a client's exposure whose expected losses must be estimated individually taking into account the following:

- For clients with exposures in *stage* 3. The analysis of clients with total risk above this threshold implies analyzing at least 40% of the total risk of the wholesale portfolio in *stage* 3. Although the calibration of the threshold is done on the wholesale portfolio, clients of other portfolios must be analyzed if they exceed the threshold, staying in *stage* 3.

- For all other situations. The analysis of clients with total risk above this threshold implies analyzing at least 20% of the total risk of the Watch List wholesale portfolio. Although the threshold calibration is carried out on the exposure classified as Watch List, wholesale clients or clients belonging to other portfolios that have exposures classified in *stage* 2 and whose total exposure exceeds the mentioned threshold must be analyzed individually, considering both the exposures classified in *stage* 1 as in *stage* 2.

Regarding the methodology for the individual estimation of expected losses, it should be mentioned, firstly, that these are measured as the difference between the asset's carrying amount and the estimated future cash flows discounted at the financial asset's effective interest rate.

The estimated recoverable amount should correspond to the amount calculated under the following method:

- the present value of estimated future cash flows discounted at the financial asset's original effective interest rate; and

- the estimation of the recoverable amount of a collateralized exposure reflects the cash flows that may result from the settlement of the collateral, as well as prospective information the analyst may implicitly include in the analysis.

The estimated future cash flows depend on the type of approach applied, which can be:

- Going concern scenario: when the entity has updated and reliable information about the solvency and ability of payment of the holders or guarantors. The operating cash flows of the debtor, or the guarantor, continue and can be used to repay the financial debt to all creditors. In addition, collateral may be exercised to the extent it does not influence operating cash flows. The following aspects should be taken into account:

    a. Future operating cash flows should be based on the financial statements of the debtor.

    b. When the projections made on these financial statements assume a growth rate, a constant or decreasing growth rate must be used over a maximum growth period of 3 to 5 years, and subsequently constant cash flows.

    c. The growth rate should be based on the analysis of the evolution of the debtor's financial statements or on a sound and applicable business restructuring plan, taking into account the resulting changes in the structure of the company (for example, due to divestments or the interruption of unprofitable lines of business).

    d. (Re)-investments that are needed to preserve cash flows should be considered, as well as any foreseeable future cash-flow changes (e.g. if a patent or a long-term loan expires).

e. When the recoverability of the exposure relies on the realization of the disposal of some assets by the debtor, the selling price should reflect the estimated future cash flows that may result from the sale of the assets less the estimated costs associated with the disposal.

– Gone concern scenario: when the entity does not have updated and reliable information, it should consider that the estimation of loan receivable flows is highly uncertain. Estimation should be carried out through the estimation of recoverable amounts from the effective real guarantees received. It will not be admissible as effective guarantees, those whose effectiveness depends substantially on the creditworthiness of the debtor or economic group in which it takes part. Under a gone concern scenario, the collateral is exercised and the operating cash flows of the debtor cease. This could be the case if:

a. The exposure has been past due for a long period. There is a rebuttable presumption that the allowance should be estimated under a gone concern criterion when arrears are greater than 18 months.

b. Future operating cash flows of the debtor are estimated to be low or negative.

c. Exposure is significantly collateralized, and this collateral is central to cash-flow generation.

d. There is a significant degree of uncertainty surrounding the estimation of the future cash flows. This would be the case if the earnings before interest, taxes, depreciation and amortization (EBITDA) of the two previous years had been negative, or if the business plans of the previous years had been flawed (due to material discrepancies in the backtesting).

e. Insufficient information is available to perform a going concern analysis.

Significant increase in credit risk

As indicated in Note 2.1, the criteria for identifying the significant increase in risk are applied consistently, distinguishing between quantitative reasons or by comparison of probabilities of default and qualitative reasons (more than 30 days of default, watch list consideration or non-impaired refinancing).

To manage credit risk, the Bank uses all relevant information that is available and that may affect the credit quality of the exposures. This information may come mainly from the internal processes of admission, analysis and monitoring of operations, from the strategy defined by the Bank regarding the price of operations or distribution by geographical areas, products or sectors of activity, from the observance of the macroeconomic environment, from market data such as interest rate curves, or prices of the different financial instruments, or from external sources of credit rating.

This set of information is the basis for determining the rating and scoring (see Note 5.2.4 for more information on rating and scoring systems) corresponding to each of the exposures and which are assigned a probability of default (PD) that, as already mentioned, is subject to an annual review process that assesses its representativeness (backtesting) and is updated with new observations. Furthermore, the projection of these PDs over time has been modeled based on macroeconomic expectations, which allows obtaining the probabilities of default throughout the life of the operations.

Based on this methodology, and in accordance with the provisions of the standard and the EBA guidelines on credit risk management practices, BBVA has established absolute and relative thresholds for identifying whether the expected changes in the probabilities of default have increased significantly compared to the initial moment, adapted to the particularities of each one of them in terms of origination levels, product characteristics, distribution by sectors or portfolios, and macroeconomic situation. To establish the aforementioned thresholds, a series of general principles are considered, such as:

– Uniformity: Based on the rating and scoring systems that, in a homogeneous manner, are implemented in the Group's units.

– Stability: The thresholds must be established to identify the significant increase in risk produced in exposures since their initial recognition and not only to identify those situations in which it is already foreseeable that they will reach the level of impairment. For this reason, it is to be expected that of the total exposures there will always be a representative group for which said increased risk is identified.

– Anticipation: The thresholds must consider the identification of the increased risk in advance with respect to the recognition of the exposures as impaired or even before a real default occurs. The calibration of the thresholds should minimize the cases in which the instruments are classified in *stage* 3 without having previously been recognized as *stage* 2.

– Indicators or metrics: It is expected that the classification of the exposures in *stage* 2 will have sufficient permanence to be able to develop an anticipatory management plan with respect to them before, where applicable, they end up migrating to *stage* 3.

– Symmetry: standard provides for a symmetric treatment both to identify the significant increase in risk and to identify that it has disappeared, so the thresholds also work to improve the credit classification of exposures. In this sense, it is expected that the cases in which the exhibitions that improve from stage 3 are directly classified into stage 1 will be minimal.

- The identification of the significant increase in risk from the comparison of the probabilities of default should be the main reason why exposures in *stage* 2 are recognized.

Specifically, a contract will be transferred to *stage* 2 when the following two conditions are met by comparing the current PD values and the origination PD values:

(Current PD) / (Origination PD) - 1*100 >Relative Threshold (%) and

Current PD – Origination PD > Absolute threshold (bps)

These absolute and relative thresholds are consistently established for each portfolio, taking into account their particularities and based on the principles described. The thresholds are included within the annual review process and, generally speaking, are in the range of 180% to 200% for the relative threshold and from 30 to 100 basis points for the absolute threshold. Specifically, in BBVA, S.A.'s wholesale portfolio the relative threshold is from 180% to 200% and the absolute threshold ranges from 30 to 100 basis points; in the retail portfolio the relative threshold is 200% while the absolute threshold ranges between 50 and 100 basis points.

The establishment of absolute and relative thresholds, as well as their different levels, comply with the provisions of the standard when it indicates that a certain change, in absolute terms, in the risk of a default will be more significant for a financial instrument with a lower initial risk of default compared to a financial instrument with higher initial risk of default.

For existing contracts before the implementation of the standard, given the limitations in the information available on them, the thresholds are calibrated based on the PDs obtained from the prudential or economic models for calculating capital.

Risk Parameters Adjusted by Macroeconomic Scenarios

Expected Credit Loss (ECL) must include forward looking information, in accordance with Circular 4/2017 which states that the comprehensive credit risk information must incorporate not only historical information but also all relevant credit information, also including forward-looking macroeconomic information. BBVA uses the typical credit risk parameters PD, LGD and EAD in order to calculate the ECL for the credit portfolios.

BBVA methodological approach in order to incorporate the forward looking information aims to determine the relation between macroeconomic variables and risk parameters following three main steps:

- Step 1: Analysis and transformation of time series data.
- Step 2: For each dependent variable find conditional forecasting models that are economically consistent.
- Step 3: Select the best conditional forecasting model from the set of candidates defined in Step 2, based on their forecasting capacity.

How economic scenarios are reflected in the calculation of ECL

The forward looking component is added to the calculation of the ECL through the introduction of macroeconomic scenarios as an input. Inputs highly depend on the particular combination of region and portfolio, so inputs are adapted to available data regarding each of them.

Based on economic theory and analysis, the main indicators most directly relevant for explaining and forecasting the selected risk parameters (PD, LGD and EAD) are:

- The net income of families, corporates or public administrations.
- The outstanding payment amounts on the principal and interest on the financial instruments.
- The value of the collateral assets pledged to the loan.

The Bank approximates these variables by using a proxy indicator from the set included in the macroeconomic scenarios provided by the BBVA Research department.

Only a single specific indicator for each of the three categories can be used and only one of the following core macroeconomic indicators should be chosen as first option:

- The real GDP growth for the purpose of conditional forecasting can be seen as the only “factor” required for capturing the influence of all potentially relevant macro-financial scenarios on internal PDs and LGD.
- The most representative short term interest rate (typically the policy rate or the most liquid sovereign yield or interbank rate) or exchange rates expressed in real terms.
- A comprehensive and representative index of the price of real estate properties expressed in real terms in the case of mortgage loans and a representative and real term index of the price of the relevant commodity for corporate loan portfolios concentrated in exporters or producers of such commodity.

Real GDP growth is given priority over any other indicator not only because it is the most comprehensive indicator of income and economic activity but also because it is the central variable in the generation of macroeconomic scenarios.

Multiple scenario approach under Circular 4/2017

Bank of Spain Circular 4/2017 requires calculating an unbiased probability weighted measurement of ECL by evaluating a range of possible outcomes, including forecasts of future economic conditions.

BBVA Research produces forecasts of the macroeconomic variables under the baseline scenario, which are used in the rest of the related processes of the Group, such as budgeting, ICAAP (Internal Capital Adequacy Assessment Process) and Risk Appetite Framework, stress testing, etc.

Additionally, the BBVA Research teams produce alternative scenarios to the baseline scenario so as to meet the requirements under the Circular 4/2017.

Alternative macroeconomic scenarios

- For each of the macro-financial variables, BBVA Research produces three scenarios.
- BBVA Research tracks, analyzes and forecasts the economic environment to provide a consistent forward looking assessment about the most likely scenario and risks that impact BBVA's footprint. To build economic scenarios, BBVA Research combines official data, econometric techniques and expert judgment.
- Each of these scenarios corresponds to the expected value of a different area of the probabilistic distribution of the possible projections of the economic variables.
- The non-linearity overlay is defined as the ratio between the probability-weighted ECL under the alternative scenarios and the baseline scenario, where the scenario's probability depends on the distance of the alternative scenarios from the base one.
- The Bank establishes equally weighted scenarios, being the probability 34% for the baseline scenario, 33% for the unfavorable alternative scenario and 33% for the favorable alternative scenario.

The approach in the BBVA consists on using the scenario that is the most likely scenario, which is the baseline scenario, consistent with the rest of internal processes (ICAAP, Budgeting, etc.) and then applying an overlay adjustment that is calculated by taking into account the weighted average of the ECL determined by each of the scenarios. This effect is calculated taking into account the average weight of the expected loss determined for each scenario.

It is important to note that in general, it is expected that the effect of the overlay is to increase the ECL. It is possible to obtain an overlay that does not have that effect, whenever the relationship between macro scenarios and losses is linear.

On the other hand, BBVA also takes into account the range of possible scenarios when defining its significant increase in credit risk. Thus, the PDs used in the quantitative process to identify the significant increase in credit risk will be those that result from making a weighted average of the PDs calculated under the three scenarios.

Macroeconomic scenarios

The forward-looking information incorporated in the calculation of expected losses is in line with the macroeconomic perspectives published by BBVA Research, which are quarterly updated.

BBVA Research forecasts a maximum of five years for the macroeconomic variables. The following forecasts (favorable, base and unfavorable scenarios) of the Gross Domestic Product (GDP) growth, unemployment rate and House Price Index (HPI), carried out by BBVA Research, were used for the calculation of the ECL as of December 31, 2024:

Main BBVA, S.A. variables.

Date	GDP negative scenario	GDP base scenario	GDP positive scenario	HPI negative scenario	HPI base scenario	HPI positive scenario	Unemployment negative scenario	Unemployment base scenario	Unemployment positive scenario
2024	3.05 %	3.09 %	3.13 %	2.97 %	2.99 %	3.01 %	11.88 %	11.43 %	10.97 %
2025	1.18 %	2.29 %	3.48 %	3.15 %	4.32 %	5.55 %	12.71 %	10.75 %	8.78 %
2026	(1.30) %	1.69 %	5.02 %	(0.53) %	2.99 %	6.98 %	12.50 %	10.35 %	8.17 %
2027	(2.50) %	1.86 %	6.65 %	(2.81) %	2.24 %	7.96 %	12.24 %	9.95 %	7.64 %
2028	(3.11) %	1.80 %	7.05 %	(3.87) %	1.61 %	7.69 %	11.88 %	9.55 %	7.21 %
2029	(2.86) %	1.80 %	6.70 %	(3.55) %	1.41 %	6.81 %	11.53 %	9.25 %	6.96 %

The estimate for the next five years of the following rates, used in the measurement of the expected loss as of December 31, consistent with the latest estimates made public at that date, was:

Main BBVA, S.A. variables.

Date	GDP negative scenario	GDP base scenario	GDP positive scenario	HPI negative scenario	HPI base scenario	HPI positive scenario	Unemployment negative scenario	Unemployment base scenario	Unemployment positive scenario
2023	2.21 %	2.36 %	2.52 %	(2.28) %	(1.93) %	(1.61) %	12.40 %	12.13 %	11.84 %
2024	0.86 %	1.48 %	2.12 %	(2.54) %	(0.92) %	0.89 %	13.23 %	11.80 %	10.32 %
2025	2.25 %	2.47 %	2.70 %	1.00 %	1.94 %	2.96 %	12.77 %	11.20 %	9.58 %
2026	2.48 %	2.53 %	2.55 %	1.22 %	1.74 %	2.11 %	11.98 %	10.40 %	8.81 %
2027	2.30 %	2.34 %	2.34 %	0.93 %	1.69 %	2.14 %	11.34 %	9.63 %	8.22 %
2028	2.09 %	2.13 %	2.13 %	0.67 %	1.43 %	1.88 %	10.57 %	8.98 %	7.67 %

Sensitivity to macroeconomic scenarios

A sensitivity exercise has been carried out on the expected losses due to variations in the key hypotheses as they are the ones that introduce the greatest uncertainty in estimating such losses. As a first step, GDP and the House Price Index have been identified as the most relevant variables. These variables have been subjected to shocks of +/- 100 bps in their entire window with impact of the macro models. Independent sensitivities have been assessed, under the assumption of assigning a 100% probability to each determined scenario with these independent shocks.

Variation in expected loss is determined both by re-staging (that is: in worse scenarios due to the recognition of lifetime credit losses for additional operations that are transferred to *stage* 2 from *stage* 1 where 12 months of losses are valued: or vice versa in improvement scenarios) as well as variations in the collective risk parameters (PD and LGD) of each financial instrument due to the changes defined in the macroeconomic forecasts of the scenario. The variation in the expected loss and the main portfolios is shown below:

Expected loss variation as of December 31, 2024

GDP	Total Portfolio	Companies	Retail
-100pb	28	8	20
+100pb	(26)	(8)	(18)
Housing price			
-100pb			28
+100pb			(27)

Expected loss variation as of December 31, 2023

GDP	Total Portfolio	Companies	Retail
-100pb	61	14	47
+100pb	(58)	(13)	(45)
Housing price			
-100pb			32
+100pb			(32)

Additional adjustments to expected loss measurement

The Bank periodically reviews its individual estimates and its models for the collective estimate of expected losses as well as the effect of macroeconomic scenarios on them. In addition, the Bank may supplement such expected losses to account for the effects that may not be included, either by considering additional risk factors, or by the incorporation of sectorial particularities or particularities that may affect a set of operations or borrowers, following a formal internal approval process established for this purpose, including among others the relevant Global Risk Management Committee (among the GRMC committees) as described in the general risk management and control model chapter of the.

As of December 31, 2023, €227 million were recorded as adjustments in Spain due to the review of the Loss Given Default (LGD) of certain specific operations considered unlikely to pay mainly related to the mortgage portfolio, and €25 million in adjustments were recorded at a contract level in Turkey, due to the reclassification to Stage 2 of the credit exposure recorded in the five cities most affected by the February 2023 earthquake.

As of December 31, 2024, adjustments totaled €33 million at a Group level, and were the result of new adjustments recorded in Spain as result of the damage caused by the torrential rains and floods - Isolated Depression at High Levels (DANA) - in different Spanish municipalities between October 28 and November 4, 2024, the elimination of the adjustments related to Spain referred to in the preceding paragraph, given that the criteria for making such adjustments was incorporated as part of the models for estimating expected loss, following the annual exercise of parameter recalibration for estimating expected loss.

5.2.2 Credit risk exposure

BBVA's maximum credit risk exposure (see definition below) by headings in the balance sheets as of December 31, 2024 and 2023 is provided below. It does not consider the loss allowances and the availability of collateral or other credit enhancements to ensure compliance with payment obligations. The details are broken down by category of financial instruments:

Maximum credit risk exposure (Millions of Euros)

	Notes	December 2024	Stage 1	Stage 2	Stage 3
Financial assets held for trading		**52,762**			
Equity instruments	8	6,457			
Debt securities	8	11,805			
Government		*9,154*			
Credit institutions		*915*			
Other sectors		*1,737*			
Loans and advances	8	34,499			
Non-trading financial assets mandatorily at fair value through profit or loss		**895**			
Equity instruments	9	626			
Debt securities	9	269			
Government		*185*			
Credit institutions		*50*			
Other sectors		*34*			
Loans and advances to customers	9	—			
Financial assets designated at fair value through profit or loss	**10**	**—**			
Derivatives (trading and hedging) (1)		**43,897**			
Financial assets at fair value through other comprehensive income		**14,842**			
Equity instruments	11.2	1,193			
Debt securities	11.3	13,649	13,638		11
Government		*7,796*	*7,796*	—	—
Credit institutions		*585*	*585*	—	—
Other sectors		*5,268*	*5,257*	—	*11*
Financial assets at amortized cost		**300,144**	**276,925**	**15,637**	**7,582**
Debt securities		45,854	45,852	—	2
Loans and advances to central banks		33	33	—	—
Loans and advances to credit institutions		18,782	18,780	—	2
Loans and advances to customers		235,475	212,259	15,637	7,579
Total financial assets risk		**412,540**			
Total loan commitments and financial guarantees		**167,658**	**163,995**	**3,235**	**427**
Loan commitments given	29	108,206	106,046	2,064	96
Financial guarantees given	29	21,811	21,474	237	101
Other commitments given	29	37,641	36,476	935	230
Total maximum credit exposure		**580,198**			

(1) Without considering derivatives whose counterparty are BBVA Group companies.

Maximum credit risk exposure (Millions of Euros)

	Notes	December 2023	Stage 1	Stage 2	Stage 3
Financial assets held for trading		**83,891**			
Equity instruments	8	3,339			
Debt securities	8	11,018			
Government		*9,121*			
Credit institutions		*739*			
Other sectors		*1,158*			
Loans and advances	8	69,534			
Non-trading financial assets mandatorily at fair value through profit or loss		**730**			
Equity instruments	9	507			
Debt securities	9	223			
Government		*130*			
Credit institutions		*49*			
Other sectors		*44*			
Loans and advances	9	—			
Financial assets designated at fair value through profit or loss	**10**	**—**			
Derivatives (trading and hedging) (1)		**39,987**			
Financial assets at fair value through other comprehensive income		**19,426**	**—**	**—**	
Equity instruments	11.2	1,019			
Debt securities	11.3	18,407	18,396	—	11
Government		*12,069*	*12,069*	*—*	*—*
Credit institutions		*683*	*683*	*—*	*—*
Other sectors		*5,655*	*5,644*	*—*	*11*
Financial assets at amortized cost		**266,347**	**235,327**	**22,953**	**8,067**
Debt securities		34,911	34,909	—	2
Loans and advances to central banks		—	—	—	
Loans and advances to credit institutions		13,080	13,079	—	1
Loans and advances to customers		218,356	187,339	22,953	8,065
Total financial assets risk		**410,382**			
Total loan commitments and financial guarantees		**147,464**	**142,477**	**4,385**	**601**
Loan commitments given	29	98,667	95,971	2,586	109
Financial guarantees given	29	18,784	18,120	526	137
Other commitments given	29	30,013	28,386	1,272	355
Total maximum credit exposure		**557,846**			

(1) Without considering derivatives whose counterparty are BBVA Group companies.

The maximum credit exposure presented in the table above is determined by type of financial asset as explained below:

- In the case of financial instruments recognized in the balance sheets, exposure to credit risk is considered equal to its carrying amount (not including loss allowances) with the only exception of trading and hedging derivatives.

- The maximum credit risk exposure on financial commitments and guarantees granted is the maximum that BBVA would be liable for if these guarantees were called in, or the higher amount pending to be disposed from the customer in the case of commitments.

- The calculation of risk exposure for derivatives is based on the sum of two factors: the derivatives fair value and their potential risk (or "add-on").

As of December 31, 2024, there are no financial assets classified as purchased or originated credit impaired in the balance sheets of BBVA S.A.

The breakdown by counterparty of the maximum credit risk exposure, the accumulated allowances recorded, as well as the carrying amount by stages of loans and advances to customers as of December 31, 2024 and 2023 is shown below:

December 2024 (Millions of Euros)

	Gross exposure				Accumulated allowances				Net amount			
	Total	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**
Public administrations	13,196	13,155	17	23	(11)	(4)	—	(7)	13,185	13,152	17	16
Other financial corporations	14,710	14,360	342	7	(17)	(8)	(3)	(6)	14,693	14,352	339	1
Non-financial corporations	109,892	99,370	7,568	2,953	(2,030)	(246)	(272)	(1,513)	107,861	99,125	7,296	1,441
Households	97,678	85,373	7,709	4,595	(2,599)	(252)	(360)	(1,986)	95,079	85,121	7,349	2,609
Loans and advances to customers (1)	**235,475**	**212,259**	**15,637**	**7,579**	**(4,657)**	**(510)**	**(635)**	**(3,512)**	**230,818**	**211,749**	**15,002**	**4,067**
Of which: individual					*(509)*		*(89)*	*(420)*				
Of which: collective					*(4,148)*	*(510)*	*(546)*	*(3,092)*				

(1) The amount of the accumulated impairment includes the provisions recorded for credit risk over the remaining expected lifetime of purchased financial instruments. Those provisions were determined at the moment of the Purchase Price Allocation and were originated mainly in the acquisition of Catalunya Banc, S.A. (as of December 31, 2024, the remained balance was €107 million). These valuation adjustments are recognized in the income statement during the residual life of the relevant instruments or value corrections are made when the losses materialize.

December 2023 (Millions of Euros)

	Gross exposure				Accumulated allowances				Net amount			
	Total	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**
Public administrations	13,261	13,199	37	25	(14)	(4)	(3)	(7)	13,247	13,195	34	18
Other financial corporations	11,671	11,495	168	8	(10)	(3)	(3)	(5)	11,660	11,492	165	3
Non-financial corporations	97,404	84,450	9,924	3,030	(1,808)	(205)	(282)	(1,321)	95,596	84,245	9,642	1,709
Households	96,020	78,194	12,825	5,002	(2,738)	(259)	(432)	(2,048)	93,282	77,936	12,393	2,954
Loans and advances to customers (1)	**218,356**	**187,339**	**22,953**	**8,065**	**(4,571)**	**(470)**	**(719)**	**(3,381)**	**213,786**	**186,869**	**22,234**	**4,683**
Of which: individual					*(552)*		*(130)*	*(422)*				
Of which: collective					*(4,018)*	*(470)*	*(589)*	*(2,959)*				

(1) The amount of the accumulated impairment includes the provisions recorded for credit risk over the remaining expected lifetime of purchased financial instruments. Those provisions were determined at the moment of the Purchase Price Allocation and were originated mainly in the acquisition of Catalunya Banc S.A. (as of December 31, 2023 the remained balance was €142 million). These valuation adjustments are recognized in the income statement during the residual life of the relevant instruments or value corrections are made when the losses materialize.

The breakdown by type of counterparty and product net of loss allowances and the gross carrying amount by type of counterparty as of December 31, 2024 and 2023 is shown below:

December 2024 (Millions of Euros)

	Central banks	**General governments**	**Credit institutions**	**Other financial corporations**	**Non-financial corporations**	**Households**	**Total**	**Gross carrying amount**
On demand and short notice	—	3	—	1	32	40	76	127
Credit card debt	—	—	—	1	160	2,812	2,973	3,099
Commercial debtors	—	987	67	1,237	23,525	34	25,850	26,057
Finance leases	—	107	—	9	6,254	173	6,543	6,664
Reverse repurchase loans	—	—	8,486	44	—	—	8,530	8,532
Other term loans	—	11,976	5,913	10,369	76,996	91,856	197,111	201,270
Advances that are not loans	33	112	4,308	3,031	893	164	8,541	8,541
LOANS AND ADVANCES	**33**	**13,185**	**18,774**	**14,693**	**107,861**	**95,079**	**249,625**	**254,290**
By secured loans								
Of which: mortgage loans collateralized by immovable property		*228*	*—*	*629*	*10,018*	*71,274*	*82,150*	*83,748*
Of which: other collateralized loans	*—*	*—*	*9,450*	*43*	*1,932*	*332*	*11,757*	*11,813*
By purpose of the loan								
Of which: credit for consumption						*16,354*	*16,354*	*17,339*
Of which: lending for house purchase						*71,729*	*71,729*	*72,880*
By subordination								
Of which: project finance loans					*3,435*		*3,435*	*3,498*

December 2023 (Millions of Euros)	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total	Gross carrying amount
On demand and short notice	—	—	—	27	128	30	186	247
Credit card debt	—	1	—	1	162	2,579	2,743	2,851
Commercial debtors	—	947	71	580	19,595	35	21,229	21,368
Finance leases	—	133	—	10	5,751	182	6,076	6,179
Reverse repurchase loans	—	—	4,181	92	—	—	4,273	4,273
Other term loans	—	12,051	3,616	8,740	69,313	90,307	184,027	188,192
Advances that are not loans	—	115	5,206	2,210	646	149	8,325	8,326
Loans and advances	**—**	**13,247**	**13,074**	**11,660**	**95,596**	**93,282**	**226,860**	**231,436**
By secured loans								
Of which: mortgage loans collateralized by immovable property		*240*	*—*	*483*	*8,887*	*70,879*	*80,489*	*82,238*
Of which: other collateralized loans	*—*	*—*	*4,080*	*137*	*1,453*	*369*	*6,039*	*6,101*
By purpose of the loan								
Of which: credit for consumption						*15,174*	*15,174*	*16,163*
Of which: lending for house purchase						*71,184*	*71,184*	*72,389*
By subordination								
Of which: project finance loans					*3,619*		*3,619*	*3,684*

5.2.3 Mitigation of credit risk, collateralized credit risk and other credit enhancements

In certain cases, maximum credit risk exposure is reduced by collateral, credit enhancements and other actions which mitigate the Bank's exposure. The BBVA applies a credit risk hedging and mitigation policy deriving from a banking approach focused on relationship banking. The existence of guarantees could be a necessary but not sufficient instrument for accepting risks, as the assumption of risks by the Bank requires prior evaluation of the debtor's capacity for repayment, or that the debtor can generate sufficient resources to allow the amortization of the risk incurred under the agreed terms.

The policy of accepting risks is therefore organized into three different levels in BBVA:

- analysis of the financial risk of the transaction, based on the debtor's capacity for repayment or generation of funds;
- the constitution of guarantees that are adequate, or at any rate generally accepted, for the risk assumed, in any of the generally accepted forms: monetary, secured, personal or hedge guarantees; and
- assessment of the repayment risk (asset liquidity) of the guarantees received.

This is carried out through a prudent risk policy that consists of the analysis of the financial risk, based on the capacity for reimbursement or generation of resources of the borrower, the analysis of the guarantee, assessing, among others, the efficiency, the robustness and the risk, the adequacy of the guarantee with the operation and other aspects such as the location, currency, concentration or the existence of limitations. Additionally, the necessary tasks for the constitution of guarantees must be carried out - in any of the generally accepted forms (collaterals, personal guarantees and financial hedge instruments) - appropriate to the risk assumed.

The procedures for the management and valuation of collateral are set out in the corporate general policies (retail and wholesale), which establish the basic principles for credit risk management, including the management of collaterals assigned in transactions with customers. The criteria for the systematic, standardized and effective treatment of collateral in credit transaction procedures in BBVA wholesale and retail banking are included in the Specific Collateral Rules.

The methods used to value the collateral are in line with the best market practices and imply the use of appraisal of real-estate collateral, the market price in market securities, the trading price of shares in mutual funds, etc. All the collaterals received must be correctly assigned and entered in the corresponding register. They must also have the approval of the BBVA's legal units.

The valuation of the collateral is taken into account in the calculation of the expected losses. The Bank has developed internal models to estimate the realization value of the collaterals received, the time that elapses until then, the costs for their acquisition, maintenance and subsequent sale, from real observations based on its own experience. This modeling is part of the LGD estimation processes that are applied to the different segments, and is included within the annual review and validation procedures.

The following is a description of the main types of collateral for each financial instrument class:

- Debt instruments held for trading: The guarantees or credit enhancements obtained directly from the issuer or counterparty are implicit in the clauses of the instrument (mainly guarantees of the issuer).

- Derivatives and hedging derivatives: In derivatives, credit risk is minimized through contractual netting agreements, where positive- and negative-value derivatives with the same counterparty are offset for their net balance. There may likewise be other kinds of guarantees and collaterals, depending on counterparty solvency and the nature of the transaction (mainly collaterals).

- The summary of the offsetting effect (via netting and collateral) for derivatives and securities operations as of December 31, 2024 is presented in Note 5.4.2.

- Other financial assets designated at fair value through profit or loss and financial assets at fair value through other comprehensive income: The guarantees or credit enhancements obtained directly from the issuer or counterparty are inherent to the structure of the instrument (mainly personal guarantees).

  As of December 31, 2024 and 2023 BBVA had no credit risk exposure of impaired financial assets at fair value through other comprehensive income (see Note 5.2.2).

- Financial assets at amortized cost:

  a. Loans and advances to credit institutions: These usually have the counterparty's personal guarantee or pledged securities in the case of repos.

  b. Loans and advances to customers: Most of these loans and advances are backed by personal guarantees extended by the customer. There may also be collateral to secure loans and advances to customers (such as mortgages, cash collaterals, pledged securities and other collateral), or to obtain other credit enhancements (bonds or insurances).

  c. Debt securities: The guarantees or credit enhancements obtained directly from the issuer or counterparty are inherent to the structure of the instrument.

- Financial guarantees, other contingent risks and drawable by third parties: these have the counterparty's personal guarantee or other types of collaterals.

The disclosure of impaired loans and advances at amortized cost covered by collateral (see Note 5.2.5), by type of collateral, as of December 31, 2024 and 2023, is the following:

Impaired loans and advances at amortized cost covered by collateral (Millions of Euros)

	Maximum exposure to credit risk	Of which secured by collateral				
		Residential properties	Commercial properties	Cash	Others	Financial
December 2024	7,579	1,810	325	4	6	3
December 2023	8,065	2,166	490	1	5	6

The maximum credit risk exposure of impaired financial guarantees and other commitments as of December 31, 2024 and 2023 amounts to €427 and €601 million (see Note 5.2.2).

5.2.4 Credit quality of financial assets that are neither past due nor impaired

The BBVA has tools that enable it to rank the credit quality of its transactions and customers based on an assessment and its correspondence with the probability of default ("PD") scales. To analyze the performance of PD, the Bank has a series of tracking tools and historical databases that collect the pertinent internally generated information. These tools can be grouped together into scoring and rating models.

Scoring

Scoring is a decision-making model that contributes to both the arrangement and management of retail loans: consumer loans, mortgages, credit cards for individuals, etc. Scoring is the tool used to decide to originate a loan, what amount should be originated and what strategies can help establish the price, because it is an algorithm that sorts transactions by their credit quality. This algorithm enables the BBVA Group to assign a score to each transaction requested by a customer, on the basis of a series of objective characteristics that have statistically been shown to distinguish between the quality and risk of this type of transactions. The advantage of scoring lies in its simplicity and homogeneity: all that is needed is a series of objective data for each customer, and this data is analyzed automatically using an algorithm.

There are three types of scoring, based on the information used and on its purpose:

- Reactive scoring: measures the risk of a transaction requested by an individual using variables relating to the requested transaction and to the customer's socio-economic data available at the time of the request. The new transaction is approved or rejected depending on the score.

- Behavioral scoring: scores transactions for a given product in an outstanding risk portfolio of the entity, enabling the credit rating to be tracked and the customer's needs to be anticipated. It uses transaction and customer variables available internally. Specifically, variables that refer to the behavior of both the product and the customer.

- Proactive scoring: gives a score at customer level using variables related to the individual's general behavior with the entity, and to his/her payment behavior in all the contracted products. The purpose is to track the customer's credit quality and it is used to pre-approve new transactions.

Rating

Rating tools, as opposed to scoring tools, focus on the rating of customers: companies, corporations, SMEs, general governments, etc. A rating tool is an instrument that, based on a detailed financial study, helps determine a customer's ability to meet his/her financial obligations. The final rating is usually a combination of various factors: on one hand, quantitative factors, and on the other hand, qualitative factors. It is a middle road between an individual analysis and a statistical analysis.

The main difference between ratings and scorings is that the latter are used to assess retail products, while ratings use a wholesale banking customer approach. Moreover, scorings only include objective variables, while ratings add qualitative information. And although both are based on statistical studies, adding a business view, rating tools give more weight to the business criterion compared to scoring tools.

For portfolios where the number of defaults is low (sovereign risk, corporates, financial entities, etc.) the internal information is supplemented by "benchmarking" of the external rating agencies (Moody's, Standard & Poor's and Fitch). To this end, each year the PDs compiled by the rating agencies at each level of risk rating are compared, and the measurements compiled by the various agencies are mapped against those of the BBVA master rating scale.

The probability of default of transactions or customers is calibrated with a long-term view, since its purpose is to measure the risk quality beyond its time of estimation, seeking to capture information representative of the behavior of the portfolios during a complete economic cycle (a long-term average probability of default). This probability is mapped to the master scale developed by the Bank in order to facilitate a homogeneous classification of its different risk portfolios.

These different levels and their probability of default were calculated by using as a reference the rating scales and default rates provided by the external agencies Standard & Poor's and Moody's. These calculations establish the levels of probability of default for the BBVA Group's Master Rating Scale. Although this scale is common to the entire Group, the calibrations (mapping scores to PD sections/Master Rating Scale levels) are carried out at tool level for each country in which the Group has tools available.

The table below outlines the distribution of exposure, including derivatives, by default probability and internal ratings, to corporates, financial entities and institutions (excluding sovereign risk), of the main BBVA Group entities as of December 31, 2024 and 2023:

Credit Risk Distribution by Internal Rating

		2024		2023	
	PD	Amount (Millions of Euros)	%	Amount (Millions of Euros)	%
AAA/AA	0 to 5	76,481	17.80 %	137,186	27.20 %
A	5 to 11	139,384	32.50 %	173,710	34.40 %
BBB+	11 to 17	59,714	13.90 %	54,551	10.80 %
BBB	17 to 24	48,218	11.20 %	50,731	10.00 %
BBB-	24 to 39	43,009	10.00 %	38,914	7.70 %
BB+	39 to 67	24,784	5.80 %	14,700	2.90 %
BB	67 to 116	13,882	3.20 %	12,238	2.40 %
BB-	116 to 194	9,438	2.20 %	8,989	1.80 %
B+	194 to 335	4,757	1.10 %	4,786	0.90 %
B	335 to 581	3,057	0.70 %	2,985	0.60 %
B-	581 to 1061	1,565	0.40 %	1,750	0.30 %
C	1061 to 2121	1,983	0.50 %	1,761	0.30 %
D	>2121	2,437	0.60 %	2,528	0.50 %
Total		**428,708**	**100 %**	**504,830**	**100 %**

5.2.5 Impaired loan risks

The breakdown of loans and advances within financial assets at amortized cost by type of counterparty, including their respective gross carrying amount, impaired amount and accumulated impairment as of December 31, 2024 and 2023 is as follows:

December 2024 (Millions of Euros)	Gross carrying amount	Impaired loans and advances	Accumulated impairment
Central banks	33	—	—
General governments	13,196	23	(11)
Credit institutions	18,782	2	(8)
Other financial corporations	14,710	7	(17)
Non-financial corporations	109,892	2,953	(2,030)
Households	97,678	4,595	(2,599)
LOANS AND ADVANCES	**254,290**	**7,581**	**(4,665)**

December 2023 (Millions of Euros)	Gross carrying amount	Impaired loans and advances	Accumulated impairment
Central banks	—	—	—
General governments	13,261	25	(14)
Credit institutions	13,080	1	(6)
Other financial corporations	11,670	8	(10)
Non-financial corporations	97,404	3,030	(1,808)
Households	96,020	5,002	(2,738)
LOANS AND ADVANCES	**231,436**	**8,065**	**(4,576)**

The changes during the years 2024 and 2023 of impaired financial assets and guarantees given are as follows:

Changes in impaired financial assets and contingent risks (Millions of Euros)	2024	2023
Balance at the beginning	**8,557**	**8,075**
Additions	3,258	3,759
Decreases [(1)]	(3,250)	(2,250)
Net additions	**8**	**1,509**
Amounts written-off [(2)]	(427)	(541)
Exchange differences and other	(225)	(487)
Balance at the end	**7,912**	**8,557**
Recoveries on entries (%)	**100%**	**60%**

(1) Reflects the total amount of impaired loans derecognized from the balance sheet throughout the year as a result of mortgage foreclosures and real estate assets received in lieu of payment as well as monetary recoveries (see Note 19).
(2) In 2024, it includes €243 million of debt write-offs.

The changes during the years 2024 and 2023 in financial assets derecognized from the accompanying balance sheet as their recovery is considered unlikely ("write-offs"), is shown below:

Changes in impaired financial assets written-off from the balance sheet (Millions of Euros)

	Notes	2024	2023
Balance at the beginning		**17,316**	**17,155**
Increase		**333**	**830**
Assets of remote collectability		184	541
Past-due and not collected income		149	289
Decrease		**(607)**	**(665)**
Re-financing or restructuring		—	(1)
Cash recovery	42	(207)	(193)
Foreclosed assets		(1)	(3)
Sales [(1)]		(154)	(196)
Debt forgiveness		(241)	(221)
Time-barred debt and other causes		(5)	(51)
Net exchange differences		**2**	**(3)**
Balance at the end		**17,044**	**17,316**

(1) Includes principal and interest.

As indicated in Note 2.2.4, although they have been derecognized from the balance sheet, the BBVA continues to attempt to collect on these written-off financial assets, until the rights to receive them are fully extinguished, either because it is a time-barred financial asset, the financial asset is forgiven, or other reason.

5.2.6 Gross carrying amount and loss allowances

Movements, measured over a 12-month period, in gross accounting balances and accumulated allowances for loan losses during 2024 and 2023 are recorded on the accompanying balance sheet as of December 31, 2024 and 2023, in order to cover the estimated loss allowances in loans and advances and debt securities measured at amortized cost.

Changes in gross carrying amount of loans and advances at amortized cost. Year 2024 (Millions of Euros)

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning	**200,418**	**22,953**	**8,065**	**231,436**
Transfers of financial assets:	795	(1,604)	809	—
from stage 1 to stage 2	*(5,664)*	*5,664*	*—*	*—*
from stage 2 to stage 1	*7,230*	*(7,230)*	*—*	*—*
to stage 3	*(893)*	*(1,195)*	*2,088*	*—*
from stage 3	*122*	*1,157*	*(1,279)*	*—*
Net annual origination of financial assets	29,190	(5,731)	(867)	22,591
Becoming write-offs (1)	—	—	(427)	(427)
Foreign exchange	669	19	1	689
Modifications that do not result in derecognition	—	—	—	—
Other	—	—	—	—
Balance at the end	**231,072**	**15,637**	**7,581**	**254,289**

(1) In 2024 includes €243 million of debt write-offs.

During 2024, the criteria for identifying significant increases in credit risk were reviewed and updated. As part of this update, certain short-term portfolio transactions, as well as those meeting the expanded definition of the low credit risk exception were excluded from transfer based on quantitative criteria. These changes have led to a significant reduction in the Stage 2 during the last quarter of the year.

Changes in allowances of loans and advances at amortized cost. Year 2024 (Millions of Euros)

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning	**476**	**719**	**3,381**	**4,576**
Transfers of financial assets:	(23)	110	304	391
from stage 1 to stage 2	*(27)*	*161*	*—*	*134*
from stage 2 to stage 1	*12*	*(146)*	*—*	*(134)*
to stage 3	*(9)*	*—*	*583*	*574*
from stage 3	*1*	*95*	*(279)*	*(183)*
Net annual origination of allowances	93	(20)	117	190
Becoming write-offs	—	—	(376)	(376)
Other	(29)	(174)	87	(116)
Balance at the end	**517**	**635**	**3,513**	**4,665**

For the year ended December 31,2024, the impairment charges recognized under the heading “Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification" amounted to €741 million (€677 million for the year ended December 31, 2023) (see Note 42).

Changes in gross carrying amount of loans and advances at amortized cost. Year 2023 (Millions of Euros)

	Stage 1	stage 2	Stage 3	Total
Balance at the beginning	**199,328**	**19,678**	**7,461**	**226,467**
Transfers of financial assets:	(7,880)	5,746	2,134	—
from stage 1 to stage 2	*(11,089)*	*11,089*	*—*	*—*
from stage 2 to stage 1	*4,317*	*(4,317)*	*—*	*—*
to stage 3	*(1,167)*	*(1,718)*	*2,885*	*—*
from stage 3	*59*	*692*	*(751)*	*—*
Net annual origination of financial assets	9,211	(2,469)	(989)	5,753
Becoming write-offs	—	—	(541)	(541)
Foreign exchange	(241)	(2)	—	(243)
Modifications that do not result in derecognition	—	—	—	—
Other	—	—	—	—
Balance at the end	**200,418**	**22,953**	**8,065**	**231,436**

Changes in allowances of loans and advances at amortized cost. Year 2023 (Millions of Euros)	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning	**479**	**765**	**3,586**	**4,830**
Transfers of financial assets:	(10)	133	519	642
from stage 1 to stage 2	*(19)*	*209*	*—*	*190*
from stage 2 to stage 1	*16*	*(114)*	*—*	*(98)*
to stage 3	*(7)*	*(20)*	*710*	*683*
from stage 3	*—*	*58*	*(191)*	*(133)*
Net annual origination of allowances	47	(47)	(288)	(288)
Becoming write-offs	—	—	(469)	(469)
Foreign exchange	—	—	—	—
Modifications that do not result in derecognition	—	—	—	—
Other	(40)	(132)	33	(139)
Balance at the end	**476**	**719**	**3,381**	**4,576**

The loss allowances recorded in the attached balance sheet to cover the impairment estimated in the debt securities amounted to €20 and €21 million as of December 31, 2024 and 2023 respectively. The variation is mainly due to changes due to variation in credit risk.

Additionally, the loss allowances recorded in the attached balance sheet to cover the impairment estimated in the commitments and guarantees given amounted to €178 and € 240 million as of December 31, 2024 and 2023 respectively (see Note 21).

5.3 Structural risk

The structural risks are defined, in general terms, as the possibility of suffering losses in the banking book due to adverse movements in market risk factors.

In the BBVA, the following types of structural risks are defined, according to their nature: interest rate risk, credit spread risk, exchange rate risk and equity risk.

The scope of structural risks in the Bank excludes market risks in the trading book that are clearly delimited and separated and make up the type of Market Risks.

The Assets and Liabilities Committee (ALCO) is the main responsible body for the management of structural risks regarding liquidity/funding, interest rate, credit spread, currency, equity and solvency. Every month, with the participation of the CEO and representatives from the areas of Finance, Risks and Business Areas, this committee monitors the structural risks and is presented with proposals with regard to action plans related with its management for its approval. These management proposals are made by the Finance area with a forward-looking focus, maintaining the alignment with the Risk Appetite Framework, trying to guarantee the recurrence of results and financial stability, as well as to preserve the solvency of the entity. All balance sheet management units have a local ALCO, which is permanently attended by members of the Corporate Center, and there is a corporate ALCO where management strategies are monitored and presented in the Group's subsidiaries.

The GRM area acts as an independent unit, ensuring adequate separation between the management and risk control functions, and is responsible for ensuring that the structural risks in the Group are managed according to the strategy approved by the Board of Directors.

Consequently, GRM deals with the identification, measurement, monitoring and control of those risks and their reporting to the corresponding corporate bodies. Through the GRMC, it performs the function of control and risk assessment and is responsible for developing the strategies, policies, procedures and infrastructure necessary to identify, evaluate, measure and manage the significant risks that the BBVA Group faces. To this end, GRM, through the corporate unit of Structural Risks, proposes a scheme of limits that defines the risk appetite set for each of the relevant structural risk types, both at Group level and by management units, which will be reviewed annually, reporting the situation periodically to the Group's corporate bodies as well as to the GRMC.

Additionally, both the management system and the control and measurement system for structural risks are necessarily adjusted to the Group's internal control model, complying with the evaluation and certification processes that comprise it. In this sense, the tasks and controls necessary for its scope of action have been identified and documented, supporting a regulatory framework which includes specific processes and measures for structural risks, from a broad geographical perspective.

Within the three lines of defense scheme in which BBVA's internal control model is based according to the most advanced standards in terms of internal control, the first line of defense is maintained by the Finance area, which is responsible for managing the structural risk.

As a second line of defense, GRM is in charge of identifying risks, and establishing policies and control models, periodically evaluating their effectiveness.

In the second line of defense, there are also the Internal Risk Control units, which independently review the Structural Risk control, and Internal Financial Control, which carries out a review of the design and effectiveness of the operational controls over structural risk management.

The third line of defense is represented by the Internal Audit area, an independent unit within BBVA Group, which is responsible for reviewing specific controls and processes.

5.3.1 Interest rate risk and credit spread in the banking book

The structural interest-rate risk (hereinafter "IRRBB") is related to the potential impact that variations in market interest rates may have on an entity's earnings, through the impact on net interest income and on the valuation of instruments accounted for at fair value, as well as on the equity. In order to properly measure IRRBB, BBVA Group takes into account all the main sources of this risk: repricing risk, yield curve risk, option risk and basis risk.

Furthermore, the credit spread risk in the banking book ("CSRBB") arises from the potential impact on the entity´s earnings and/or the value of equity of the banking book produced by a variation in the level of market credit spreads that are not explained by default or migration risk or by movements in market interest rates.

IRRBB and CSRBB management is carried out from a double perspective, the economic value of equity and earnings, including the management of net interest income and the monitorization of banking book instruments accounted at fair value with an impact on the income statement and/or on equity. In addition, the banking book instruments recorded based on their market value (fair value) are subject to specific monitoring, due to their impact on risk and on capital, through other comprehensive income or the income statement.

The exposure of a financial entity to adverse interest rates and credit spreads movements is a risk inherent to the development of the banking business, which is also, in turn, an opportunity to create economic value. Therefore, interest rate risk must be effectively managed so that they are limited in accordance with the entity's equity and in line with the expected economic result.

In BBVA, the purpose of IRRBB risk management is to maintain the recurrent generation of earnings in the event of market interest rate fluctuations, through the contribution to the net interest income and the control of the potential impacts on the mark-to-market of the fair value accounted portfolios, as well as to limit the capital consumption due to structural interest rate risk. Likewise, the spread risk management in banking book portfolios is aimed at limiting the impact on equity derived from changes in the valuation of fixed income instruments, which are used for balance sheet liquidity and interest rate risk management purposes in order to increase diversification, and maintaining the spread risk at levels aligned with the total volume of the investment portfolio and the equity of the Bank, as well as limiting the impact on earnings when market credit spreads change.

These functions fall to the Global Asset & Liability Management (hereinafter "ALM") unit, within the Finance area, which, through ALCO, aims to guarantee the recurrence of results and preserve the solvency of the entity, always adhering to the risk profile defined by the management bodies of the Bank.

IRRBB management is decentralized, and is carried out in each entity included in the structural balance sheet (banking book) of the Bank with the supervision and coordination from the corporate unit of Global ALM, keeping the exposure to interest rates and credit spreads movements aligned with the strategy and the target risk profile of the Bank, and in compliance with the regulatory requirements of the EBA guidelines.

Nature of interest rate risk and credit spread risk

Repricing risk arises due to the difference between the repricing or maturity terms of the assets and liabilities, and represents the most frequent interest rate risk faced by financial entities. However, other sources of risk such as changes in the slope and shape of the yield curve, the reference to different indexes and the optionality risk embedded in certain banking transactions, are also taken into account by the risk control system.

BBVA's structural interest-rate risk management and control process includes a set of metrics and tools that enable the capture of additional sources to properly monitor the risk profile of the Bank, backed-up by assumptions that aim to characterize the behavior of the balance sheet items with the maximum accuracy.

The IRRBB and CSRBB measurement is carried out on a monthly basis, and includes probabilistic measures based on simulation methods of interest rate curves and credit spread shocks. The corporate methodology enables to capture additional sources of risk to the interest rate parallel shifts, such as the changes in slope shape and the basis of yield curves. Additionally, sensitivity analysis to multiple parallel shocks of different magnitude are also assessed on a regular basis. The process is run separately for each currency to which the Bank is exposed, considering, at a later *stage*, the diversification effect among currencies and business units.

The risk measurement model is complemented by the assessment of ad-hoc scenarios, stress tests and reverse stress. Stress tests incorporate extreme scenarios both in market interest rates and in behavioral assumptions, in addition to the assessment of market scenarios by BBVA Research and the set of prescriptive scenarios defined according to EBA guidelines.

The internal measurement systems and models are subjected to a process of review and continuous improvement in order to keep them aligned with EBA guidelines.

Key assumptions of the model

In order to measure structural interest rate risk, the setting of assumptions on the evolution and behavior of certain balance sheet items is particularly relevant, especially those related to products without an explicit or contractual maturity which characteristics are not established in their contractual terms and must be therefore estimated.

The assumptions that characterize these balance sheet items must be understandable for the areas and bodies involved in risk management and control and remain duly updated, justified and documented. The modeling of these assumptions must be conceptually reasonable and consistent with the evidence based on historical experience, reviewed at least once a year and, if any, the behavior of the customers induced by the business areas. In order to provide the required dynamism to enhance the accuracy of assumptions and reflect specific market or management circumstances, risk models and metrics may incorporate parameters or adjustments based on expert judgment, subject to the internal governance measures established in this regard. Assumptions are regularly subject to a sensitivity analysis to assess and understand the impact of the modelling on the risk metrics.

The approval and update of the IRRBB behavioral models is subject to the corporate governance under the scope of GRM analytics. Thus, all the models must be duly inventoried and catalogued and comply with the requirements for their development, updating and changes management set out in the internal procedures. They are also subject to the corresponding internal validations and follow-up requirements established based on their relevance, as well as to backtesting procedures against experience to ratify the validity of the assumptions applied.

The balance sheet behavioral assumptions stand out those established for the treatment of items without contractual maturity, mainly for demand customer deposits, and those related to the expectations on the exercise of interest rate options, especially relating to loans and deposits subject to prepayment risk.

For the modelling of demand deposits, a segmentation of the accounts in several categories is previously carried out depending on the characteristics of the customer (retail / wholesale) and the product (type of account / transactionality / remuneration), in order to outline the specific behavior of each segment.

In order to establish the remuneration of each segment, the relationship between the evolution of market interest rates and the interest rates of managed accounts is analyzed, with the aim of determining the translation dynamic (percentages and lags) of interest rates variations to the remuneration of the accounts. In this regard, consideration is given to the potential limitations in the repricing of these accounts in scenarios of low or negative rates, with special attention to retail customers, through the establishment of floors in the remuneration.

The behavior assigned to each category of accounts is determined by an analysis of the historical evolution of the balances and the probability of cancellation of the accounts. For this, the volatile part of the balance assigned to a short-term maturity is isolated, thus avoiding fluctuations in the level of risk caused by specific variations in the balances and promoting stability in the management of the balance. Once the stable part is identified, a medium / long term maturity model is applied through a decay distribution based on the average term of the accounts and the conditional cancellation probabilities throughout the life of the product.

In addition, the behavior modeling incorporates, where appropriate, the relationship between the evolution of the balance of deposits and the levels of market interest rates. Consequently, the effect of rate variations on the stability of the deposits as well as the potential migration between the different types of products (on demand and time deposits) in each interest rate scenario are incorporated.

Equally relevant is the treatment of early cancellation options embedded in credit loans, mortgage portfolios and customer deposits. The evolution of market interest rates may condition, along with other variables, the incentive that customers have to prepay loans or deposits, modifying the future behavior of the balance amounts with respect to the forecasted contractual maturity schedule.

The detailed analysis of the historical information related to prepayment data, both partial and total prepayment, combined with other variables such as interest rates, allows estimating future amortizations and, where appropriate, their behavior linked to the evolution of such variables through the relationship between the incentive of the customer to prepay and the early cancellation speed.

At an aggregate level, BBVA continues to maintain a limited risk profile, in accordance with the established objective within an environment of a cycle shift towards lower interest rates, having positive sensitivity to interest rate hikes in the net interest income.

In 2024, the actual and expected evolution of inflation, as well as the response of central banks to it, in addition to geopolitical events, have been the focus of the market's attention. In this sense, expectations regarding the number of rate cuts and their speed have been changing throughout the year, with some episodes of certain volatility.

Thus, while the ECB began its cycle of rate cuts in June and continued at its September, October and December meetings, the Federal Reserve cut rates in September with an initial 50 basis points, followed by an additional 25 basis points at its November meeting. Over the year as a whole, yield curves steepened, generally with falls in the short end and rises in the longer end. Spreads on peripheral curves continued to be well supported and narrowed during the year. The positivity observed in the American and European curves also carried over to Mexico and much of South America. Turkey, for its part, experienced a rebound in both real and nominal rates during the year. All in all, the Group's debt security portfolios performed heterogeneously during the year, with a notable increase in valuations in Spain, while they fell in Turkey.

The most relevant aspects are the following:

– Spain has a balance sheet characterized by a lending portfolio with a high proportion of variable-rate loans (mortgages and corporate lending) and liabilities composed mainly by customer demand deposits. The ALCO portfolio acts as a management lever and hedge for the balance sheet, mitigating its sensitivity to interest rate fluctuations. In an environment of high rates, the exposure of net interest income to movements in interest rates remains limited.

– The reference interest rate in the Eurozone stood at 3.15% at the end of December 2024, the deposit facility rate at 3.00% and the marginal credit facility rate at 3.40%. Additionally, as announced in March 2024, the ECB reduced the differential between the reference interest rate and the deposit facility rate to 15 basis points in September 2024. Regarding reinvestments under the Pandemic Emergency Purchase Program (PEPP), they were ended at the end of 2024.

5.3.2 Equity risk in the banking book

Equity risk in the banking book refers to the possibility of suffering losses in the value of positions in shares and other equity instruments held in the banking book with long or medium term investment horizons due to fluctuations in the value of equity indexes or shares.

BBVA Group's exposure to structural equity risk arises largely from minority shareholdings held on industrial and financial companies, and in new business (innovation). This exposure is modulated in some portfolios with positions held on derivative instruments on the same underlying assets, in order to adjust the portfolio sensitivity to potential changes in equity prices.

The structural equity risk management is aimed at increasing the income-generating capacity of those shares held by the Group, limiting the capital requirements for equity risk and narrowing the impact on the solvency level through a proactive management of the portfolio using hedges. The function of managing the main structural equity portfolios is a responsibility of the specialized units of the corporate areas of Global ALM, Strategy & M&A and Client Solutions (Banking for Growth Companies). Their activity is subject to the corporate structural equity risk management policy, complying with the defined management principles and Risk Appetite Framework.

The structural equity risk metrics, designed by GRM according to the corporate model, contribute to the effective monitoring of the risk by estimating the sensitivity and the capital necessary to cover the possible unexpected losses due to changes in the value of the shareholdings in the Group's investment portfolio, with a level of confidence that corresponds to the objective rating of the entity, taking into account the liquidity of the positions and the statistical behavior of the assets to be considered.

In order to analyze the risk profile in depth, stress tests and scenario analysis of sensitivity to different simulated scenarios are carried out. They are based on both past crisis situations and forecasts made by BBVA Research. These analyses are carried out regularly to assess the vulnerabilities of structural equity exposure not contemplated by the risk metrics and to serve as an additional tool when making management decisions.

Backtesting is carried out on a regular basis on the risk measurement model used.

Equity markets performed very positively in 2024 but with more modest gains in Europe than in the United States, reflecting the differences in economic dynamism in both blocks. The monetary easing cycle initiated by central banks supported stock market increases, but were prevented from converging towards official targets by persistent inflation. The technology sector led the increases in the United States, driven by the adoption of artificial intelligence solutions, while in Europe, the banking sector performed exceptionally well, enabling it to lead the European stock markets. At the local level, the Spanish stock market presented one of the best performances at the European level, although with less dynamism than in 2023.Telefónica, where the Group holds a stake classified as equity in its banking book, performed in line with the evolution of the European telecommunications sector.

Structural equity risk, measured in terms of economic capital, has increased during the last year due to the higher exposure taken. The aggregate sensitivity of the BBVA Group’s consolidated equity to a 1% fall in the price of shares of the companies making up the equity portfolio amounted to €-27 million as of December 31, 2024, compared to €-24 million as of December 31, 2023. This estimation takes into account the exposure in shares valued at market prices, or if not applicable, at fair value (excluding the positions in the Treasury Area portfolios) and the net delta-equivalent positions in derivatives on the same underlyings.

5.4 Market risk

Market risk originates from the possibility of experiencing losses in the value of positions held as a result of movements in market variables that affect the valuation of financial assets and liabilities. Market risk in the Bank's trading portfolios stems mainly from the portfolios originated by Global Markets valued at fair value and held for the purpose of trading and generating short-term results. Market risk in the field of banking book is clearly and distinctly addressed and can be broken down into structural risks relating to interest rate, exchange rate and equity (see Note 5.3).

Additionally, market risk may be affected by ESG factors due to the effect they may have on the Bank, clients and counterparties (see Note 5.1).

5.4.1 Market risk in trading portfolios

The main risks in the trading portfolios can be classified as follows:

- Interest-rate risk: This arises as a result of exposure to movements in the different interest-rate curves involved in trading. Although the typical products that generate sensitivity to the movements in interest rates are money-market products (deposits, interest-rate futures, call money swaps, etc.) and traditional interest-rate derivatives (swaps and interest-rate options such as caps, floors, swaptions, etc.), practically all the financial products are exposed to interest-rate movements due to the effect that such movements have on the valuation of the financial discount.

- Equity risk: This arises as a result of movements in share prices. This risk is generated in spot positions in shares or any derivative products whose underlying asset is a share or an equity index. Dividend risk is a sub-risk of equity risk, arising as an input for any equity option. Its variation may affect the valuation of positions and it is therefore a factor that generates risk on the books.

- Exchange-rate risk: This is caused by movements in the exchange rates of the different currencies in which a position is held. As in the case of equity risk, this risk is generated in spot currency positions, and in any derivative product whose underlying asset is an exchange rate. In addition, the quanto effect (operations where the underlying asset and the instrument itself are denominated in different currencies) means that in certain transactions in which the underlying asset is not a currency, an exchange-rate risk is generated that has to be measured and monitored.

- Credit-spread risk: Credit spread is an indicator of an issuer's credit quality. Spread risk occurs due to variations in the levels of spread of both corporate and government issues, and affects positions in bonds and credit derivatives.

- Volatility risk: This occurs as a result of changes in the levels of implied price volatility of the different market instruments on which derivatives are traded. This risk, unlike the others, is exclusively a component of trading in derivatives and is defined as a first-order convexity risk that is generated in all possible underlying assets in which there are products with options that require a volatility input for their valuation.

The metrics developed to control and monitor market risk in the Bank are aligned with market practices and are implemented consistently across all the local market risk units.

Measurement procedures are established in terms of the possible impact of negative market conditions on the trading portfolio of the Bank's Global Markets units, both under ordinary circumstances and in situations of heightened risk factors.

The standard metric used to measure market risk is Value at Risk (hereinafter "VaR"), which indicates the maximum loss that may occur in the portfolios at a given confidence level (99%) and time horizon (one day).This statistic value is widely used in the market and has the advantage of summing up in a single metric the risks inherent to trading activity, taking into account how they are related and providing a prediction of the loss that the trading book could sustain as a result of fluctuations in equity prices, interest rates, foreign exchange rates and credit spreads. Additionally, for certain positions, other risks need to be considered, such as a credit spread, base, volatility or correlation risk.

With respect to the risk measurement models used by the BBVA, the Supervisor has authorized the use of the internal market risk model to determine bank capital requirements deriving from risk positions on the BBVA S.A.

The current management structure includes the monitoring of market-risk limits, consisting of a scheme of limits based on specific metrics according to market activities, (VaR (Value at Risk), economic capital, as well as stop-loss limits for each of the Bank's business units).

The model used estimates VaR in accordance with the historical simulation methodology, which involves estimating losses and gains that would have taken place in the current portfolio if the changes in market conditions that took place over a specific period of time in the past were repeated. Based on this information, it predicts the maximum expected loss of the current portfolio within a given confidence level. This model has the advantage of reflecting precisely the historical distribution of the market variables and not assuming any specific distribution of probability. The historical period used in this model is two years.

The VaR figures are estimated based on the VaR without smoothing methodology, which awards equal weight to the daily information for the previous two years. This is currently the official methodology for measuring market risks for the purpose of monitoring compliance with risk limits. The VaR stress metric is obtained in an analogous way (99% percentile, with 1-day loss), with a fixed window of 1 year within the established stress period, subject to revision and being specific to each geographical area to represent its stress period.

The use of VaR by historical simulation methodology as a risk metric has many advantages, but also certain limitations, among which it is worth highlighting:

- The estimate of the maximum daily loss of the Global Markets portfolio positions (with a confidence level of 99%) depends on the market movements of the last two years, not picking up the impact of large market events if they have not occurred within that historical window.

– The use of the 99% confidence level does not consider potential losses that can occur beyond this level. To mitigate this limitation, different stress exercises are also performed, as described later.

At the same time, and following the guidelines established by the Spanish and European authorities, BBVA incorporates metrics in addition to VaR with the aim of meeting the Bank of Spain's regulatory requirements with respect to the calculation of bank capital for the trading book. Specifically, the measures incorporated in the Group since December 2011 (stipulated by Basel 2.5) are:

– VaR: In regulatory terms, the VaR charge incorporates the stressed VaR charge, and the sum of the two (VaR and stressed VaR) is calculated. This quantifies the losses associated with the movements of the risk factors inherent to market operations (including interest-rate risk, exchange-rate risk, equity risk and credit risk, among others). Both VaR and stressed VaR are rescaled by a regulatory multiplier (between three and four) and by the square root of ten to calculate the capital charge.

– Specific Risk - Incremental Risk Capital ("IRC"): Quantification of the risks of default and changes of the credit ratings of the bond and derivative positions and debt funds with daily look-through or significant benchmark (correlation > 90%) in the trading portfolio. The IRC charge is exclusively applied in entities in respect of which the internal market risk model is used (i.e. BBVA, S.A. and BBVA Mexico). The IRC charge is determined based on the associated losses (calculated at 99.9% confidence level over a one-year horizon under the hypothesis of constant risk) due to a rating change and/or default of the issuer with respect to an asset. In addition, the price risk is included in sovereign positions for the specified items.

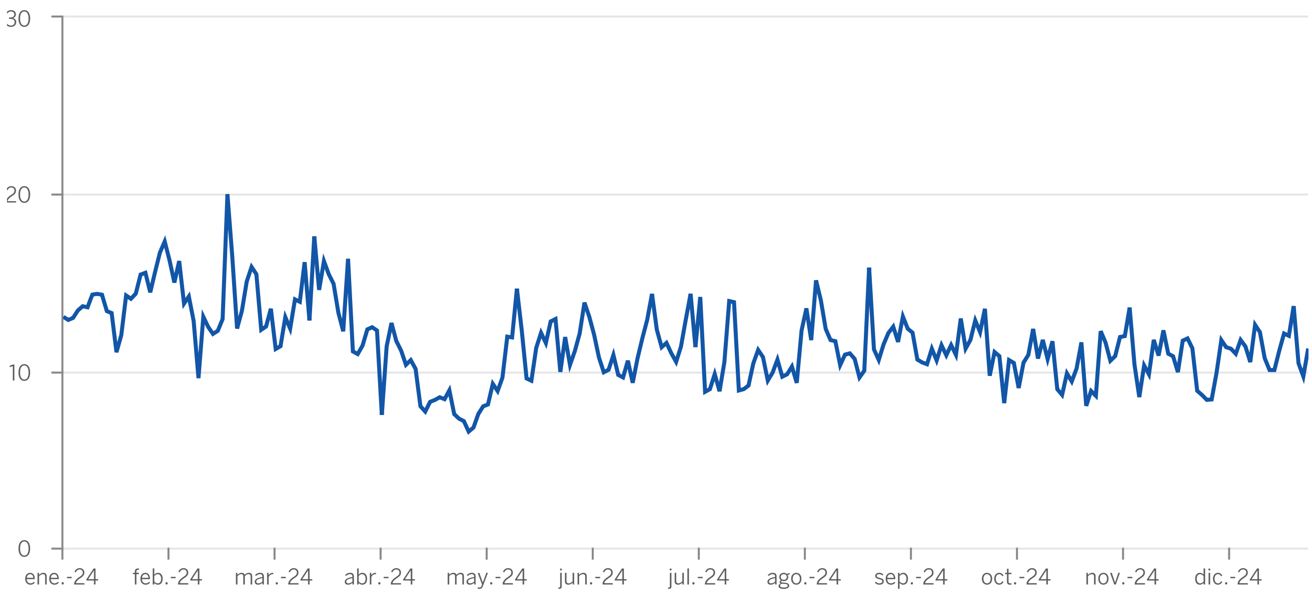
– Specific Risk: Securitization, correlation portfolios and Investment funds without look-through. Capital charges for securitizations and correlation portfolios are assessed based on the potential losses associated with the occurrence of a credit event in the underlying exposures. They are calculated by the standard model. The scope of the correlations portfolios refers to the First To Default (FTD)-type market operation and/or tranches of market CDOs and only for positions with an active market and hedging capacity. Capital charge for Funds include losses associated with volatility and credit risk of the underling positions of the fund. All charges are calculated by the standard model.

Validity tests are performed regularly on the risk measurement models used by the Bank. They estimate the maximum loss that could have been incurred in the assessed positions with a certain level of probability (backtesting), as well as measurements of the impact of extreme market events on risk positions (stress testing). As an additional control measure, backtesting is conducted at a trading desk level in order to enable more specific monitoring of the validity of the measurement models.

Market risk in 2024

The Bank's market risk related to its trading portfolio remained in 2024 at low levels compared to other risks managed by BBVA, particularly credit risk. This is due to the nature of the business. In 2024, the market risk of trading book has decreased versus the previous year and, in terms of VaR, stood at €11 million at the close of the period.

The average VaR for 2024 stood at €12 million, decreasing slightly compared to 2023, with a high for the year on February 19, 2024 at €20 million.



By type of market risk assumed by the Bank's trading portfolio, the main risk factor in BBVA at the end of 2024 is still linked to the interest rates (this figure includes the spread risk) which represents a 63% of the total weight, increasing its relative weight compared to the year end 2023 (60%). The weight associated with the exchange rate and variable income risk is 17% and 7% respectively, at the end of the 2024 financial year, varying compared to the end of the 2023 financial year, where they represented 12% and 9% respectively.

The risk related to volatility and correlation accounts represent 13% of the total weight at the end of 2024, decreasing its proportion with respect to the end of the 2023 (19%).

Market risk by risk factor (Millions of euros)		
	2024	**2023**
Interest + credit spread	13	20
Exchange rate	3	4
Equity	2	3
Volatility	3	6
Diversification effect [1]	(9)	(19)
Total	**11**	**15**
Average VaR	**12**	**12**
Maximum VaR	**20**	**17**
Minimum VaR	**7**	**8**

(1) The diversification effect is the difference between the sum of the average individual risk factors and the total VaR figure that includes the implied correlation between all the variables and scenarios used in the measurement.

Validation of the internal market risk model

The internal market risk model is validated on a regular basis by backtesting in BBVA S.A. The aim of backtesting is to validate the quality and precision of the internal market risk model used by BBVA Group to estimate the maximum daily loss of a portfolio, at a 99% level of confidence and a 250-day time horizon, by comparing the Group's results and the risk measurements generated by the internal market risk model. These tests showed that the internal market risk model of BBVA, S.A. is adequate and precise.

Two types of backtesting have been carried out in 2024 and 2023:

- "Hypothetical" backtesting: the daily VaR is compared with the results obtained, not taking into account the intraday results or the changes in the portfolio positions. This validates the appropriateness of the market risk metrics for the end-of-day position.

- "Real" backtesting: the daily VaR is compared with the total results, including intraday transactions, but discounting the possible minimum charges or fees involved. This type of backtesting includes the intraday risk in portfolios.

In addition, each of these two types of backtesting was carried out at a risk factor or business type level, thus making a deeper comparison of the results with respect to risk measurements.

Between January 1, 2024 and December 31, 2024, and for the year ended December 31, 2024, the backtesting of the internal VaR calculation model was carried out, comparing the daily results obtained to the risk level estimated by the internal VaR calculation model. In that period, there were none negative exception in BBVA S.A.

At the end of the year the comparison showed the internal VaR calculation model was working correctly, thus validating the internal VaR calculation model, as has been the case each year since the internal market risk model was approved for the Bank.

Stress testing analysis

A number of stress tests are carried out on BBVA's trading portfolios. First, global and local historical scenarios are used that replicate the behavior of an extreme past event, such as for example the collapse of Lehman Brothers or the "Tequilazo" crisis. These stress tests are complemented with simulated scenarios, where the aim is to generate scenarios that have a significant impact on the different portfolios, but without being anchored to any specific historical scenario. Finally, for some portfolios or positions, fixed stress tests are also carried out that have a significant impact on the market variables affecting these positions.

Historical scenarios

The historical benchmark stress scenario for BBVA is Lehman Brothers, whose sudden collapse in September 2008 led to a significant impact on the behavior of financial markets at a global level. The following are the most relevant effects of this historical scenario:

- Credit shock: reflected mainly in the increase of credit spreads and downgrades in credit ratings.

- Increased volatility in most of the financial markets giving rise to a great deal of variation in the prices of different assets (currency, equity, debt).

- Liquidity shock in the financial systems, reflected by a major movement in interbank curves, particularly in the shortest sections of the euro and dollar curves.

Simulated scenarios

Unlike the historical scenarios, which are fixed and therefore not suited to the composition of the risk portfolio at all times, the scenario used for the exercises of economic stress is based on resampling methodology. This methodology is based on the use of dynamic scenarios that are recalculated periodically depending on the main risks affecting the trading portfolios. On a data window wide enough to collect different periods of stress (data are taken from January 1, 2008 until the date of the assessment), a simulation is performed by resampling of historic observations, generating a distribution of losses and gains that serve to analyze extreme market events within the selected historical window. The advantage of this methodology is that the period of stress is not predetermined, but depends on the portfolio maintained at each time, and making a large number of simulations (10,000 simulations) allows a greater richness of information for the analysis of expected shortfall than what is available in the scenarios included in the calculation of VaR.

The main features of this approach are: a) the generated simulations respect the correlation structure of the data, b) there is flexibility in the inclusion of new risk factors and c) it allows the introduction of a lot of variability in the simulations (desirable for considering extreme events).

5.4.2 Financial instruments offset

Financial assets and liabilities may be netted in certain cases. In particular, they are presented for a net amount on the balance sheet only when the Bank satisfy the provisions of Bank of Spain Circular 4/2017 and IAS 32, so they have both the legal right to net recognized amounts, and the intention of settling the net amount or of realizing the asset and simultaneously paying the liability.

In addition, the Bank has presented as gross amounts assets and liabilities on the balance sheet for which there are master netting arrangements in place, but for which there is no intention of settling the net amount. The most common types of events that trigger the netting of reciprocal obligations are bankruptcy of the entity, surpassing certain level of indebtedness threshold, failure to pay, restructuring and dissolution of the entity.

In the current market context, derivatives are contracted under different framework contracts being the most widespread the ones developed by the International Swaps and Derivatives Association (“ISDA”) and, for the Spanish market, the Framework Agreement on Financial Transactions (“CMOF”). Almost all portfolio derivative transactions have been concluded under these framework contracts, including in them the netting clauses mentioned in the preceding paragraph as "Master Netting Agreement", greatly reducing the credit exposure on these instruments. Additionally, in contracts signed with counterparties, the collateral agreement annexes called Credit Support Annex (“CSA”) in ISDA and Appendix III in CMOF are included, thereby minimizing exposure to a potential default of the counterparty.

Moreover, many of the transactions involving assets purchased or sold under a repurchase agreement are transacted through clearing houses that articulate mechanisms to reduce counterparty risk, as well as through the signing of various master agreements for bilateral transactions, the most widely used being the Global Master Repurchase Agreement (GMRA), published by the International Capital Market Association (“ICMA”), to which the clauses related to the collateral exchange are usually added within the text of the master agreement itself.

A summary of the effect of offsetting (via netting and collateral) for derivatives and securities operations is presented below as of December 31, 2024 and 2023:

Effect of offsetting for derivatives and securities operation (Millions of Euros)

	2024						2023					
				Gross amounts not offset in the balance sheets						Gross amounts not offset in the balance sheets		
	Gross amounts recognized (A)	Gross amounts offset in the balance sheets (B)	Net amount presented in the balance sheets (C=A-B)	Financial instruments	Cash collateral received/ Pledged	Net amount (1)	Gross amounts recognized (A)	Gross amounts offset in the balance sheets (B)	Net amount presented in the balance sheets (C=A-B)	Financial instruments	Cash collateral received/ Pledged	Net amount (1)
Trading and hedging derivatives	45,551	8,362	37,189	26,664	10,525	—	42,583	8,866	33,717	25,851	7,866	—
Reverse repurchase, securities borrowing and similar agreements	62,083	19,397	42,687	42,687	—	—	73,343	—	73,343	73,343	—	—
Total assets	**107,635**	**27,759**	**79,876**	**69,351**	**10,525**	**—**	**115,926**	**8,866**	**107,059**	**99,194**	**7,866**	**—**
Trading and hedging derivatives	40,185	8,362	31,823	26,664	5,159	—	39,556	8,866	30,690	25,851	4,839	—
Repurchase, securities lending and similar agreements	68,933	19,397	49,537	49,537	—	—	88,768	—	88,768	88,768	—	—
Total liabilities	**109,119**	**27,759**	**81,360**	**76,201**	**5,159**	**—**	**128,324**	**8,866**	**119,458**	**114,619**	**4,839**	**—**

(1) It corresponds to the aggregation of the net amounts presented in the balance sheet, less the gross amount which is not offset in the balance sheet, that records a deficit in this regard.

Financial assets and liabilities are offset, and consequently are presented in the balance sheet at their net value under the derivatives, repurchase agreements and reverse repurchase agreements captions for which the Bank maintains netting agreements and its intention to settle the net amount. Regarding certain repurchase agreements and reverse repurchase agreements, since 2024, the Bank fulfills both conditions. In the event that such agreements do not exist, the balance sheet of those repurchase agreements and reverse repurchase agreements includes the market value of those products.

5.5 Liquidity and Funding risk

Liquidity and funding risk is defined as the incapacity of a bank in meeting its payment commitments due to lack of funds or that, to face those commitments, should have to make use of funding under burdensome terms.

5.5.1 Liquidity and Funding Strategy and Planning

BBVA is a multinational financial institution whose business is focused mainly on retail and commercial banking activities. In addition to the retail business model, which forms its core business, the Group engages in corporate and investment banking, through the global CIB (Corporate & Investment Banking) division.

Liquidity and Funding Risk Management aims to maintain a solid balance sheet structure which allows a sustainable business model. The Group's liquidity and funding strategy is based on the following pillars:

- The principle of the funding self-sufficiency of its subsidiaries, meaning that each of the Liquidity Management Units (hereinafter "LMU") must cover its funding needs independently on the markets where it operates. This avoids possible contagion due to a crisis affecting one or more of the Group's LMU.
- Stable customer deposits as the main source of funding in all the LMU, in accordance with the Group's business model.
- Diversification of the sources of wholesale funding, in terms of maturity, market, instruments, counterparties and currencies, with recurring access to the markets.
- Compliance with regulatory requirements, ensuring the availability of ample liquidity buffers, of high quality, as well as sufficient instruments as required by regulations with the capacity to absorb losses.
- Compliance with the internal Liquidity Risk and Funding metrics, while adhering to the Risk Appetite level established for each LMU at any time.

Liquidity and Funding Risk Management aims, in the short term, to prevent an entity from having difficulties in meeting its payment commitments in due time and form or that, to meet them, it has to resort to obtaining funds in burdensome conditions that deteriorate the image or reputation of the entity.

In the medium term, its objective is to ensure the suitability of the Group's financial structure and its evolution, within the framework of the economic situation, the markets and regulatory changes.

This management of structural and liquidity funding is based on the principle of financial self-sufficiency of the entities that comprise it. This approach helps prevent and limit liquidity risk by reducing the Group's vulnerability during periods of high risk. This decentralized management prevents possible contagion from a crisis affecting only one or a few Group entities, which must act independently to meet their liquidity requirements in the markets where they operate.

Within this strategy, the BBVA Group is organized into eight LMU composed of the parent company and the bank subsidiaries in each geographical area, plus the branches that depend on them.

In addition, the policy for managing liquidity and funding risk is also based on the model's robustness and on the planning and integration of risk management into the budgeting process of each LMU, according to the liquidity and funding risk appetite that it decides to assume in its business.

Liquidity and funding planning is part of the strategic processes for the Group's budgetary and business planning. This objective is to allow a recurrent growth of the banking business with suitable maturities and costs within the established risk tolerance levels by using a wide range of instruments which allow the diversification of the funding sources and the maintenance of a high volume of available liquid assets.

5.5.2 Governance, monitoring and mitigation measures

The responsibility for liquidity and funding management in the development of normal business activity lies with the Finance area as a first line of defense in managing the risks inherent to this activity, in accordance with the principles established by the EBA and in line with the most demanding standards, policies, procedures and controls in the framework established by the governing bodies. Finance, through the Balance-Sheet Management area, plans and executes the funding of the structural long-term gap of each LMU and proposes to the ALCO the actions to be taken on this matter, in accordance with the policies established by the Risk Committee in line with the metrics of the Risk Appetite Framework approved by the Board of Directors.

Finance is also responsible for preparing the regulatory reporting of liquidity, coordinating the necessary processes to cover the requirements at corporate and regulatory level, ensuring the integrity of the information provided.

GRM is responsible for ensuring that the liquidity and financing risk in the Bank is managed in accordance with the framework established by governing bodies. It also deals with the identification, measurement, monitoring and control of such risks and their communication to the relevant corporate bodies. In order to carry out this task properly, the risk function in the Bank has been configured as a single, global function, independent of the management areas.

Additionally, the Bank has, in its second line of defense, an Internal Risk Control unit, which performs an independent review of the control of Liquidity and Funding Risk, and a Financial Internal Control Unit that reviews the design and effectiveness of the controls operations on liquidity management and reporting.

As the third line of defense of the Group's internal control model, Internal Audit is in charge of reviewing specific controls and processes in accordance with a work plan that is drawn up annually.

The Bank's fundamental objectives regarding the liquidity and funding risk are determined through the Liquidity Coverage Ratio (LCR) and through the Loan-to-Stable Customer Deposits (LtSCD) ratio.

The LCR ratio is a regulatory metric that aims to guarantee the resilience of entities in a scenario of liquidity tension within a time horizon of 30 days. Within its risk appetite framework and system of limits and alerts, BBVA has established a required LCR compliance level. The internal levels required are aimed at efficiently meeting the regulatory requirement, at a loose level above 100% as a mitigation measure.

The LtSCD ratio measures the relationship between net lending and stable customer funds. The aim is to preserve a stable funding structure in the medium term, taking into account that maintaining an adequate volume of stable customer funds is key to achieving a sound liquidity profile. In geographical areas with dual-currency balances, the indicator is also controlled by currency to manage the mismatches that might occur.

Stable customer funds are considered to be the financing obtained and managed among their target customers. Those funds are characterized by their low sensitivity to market changes and by their less volatile behavior at aggregated level per operation due to the loyalty of the customer to the entity. The stable resources are calculated by applying to each identified customer segment a haircut determined by the analysis of the stability if the balances by which different aspects are evaluated (concentration, stability, level of loyalty). The main source of stable resources arises from wholesale funding and retail customer funds.

In order to establish the target (maximum) levels of LtSCD and provide an optimal funding structure reference in terms of risk appetite, the Structural Risks of GRM identifies and assesses the economic and financial variables that condition the funding structures.

Additionally, liquidity and funding risk management aims to achieve a proper diversification of the funding structure, avoiding excessive dependence on short-term funding by establishing a maximum level for the short-term funds raised, including both wholesale financing and the least stable proportion of customer funds In relation to long-term financing, the maturity profile does not present significant concentrations, which makes it possible to adapt the schedule of the planned issuance plan to the best financial conditions in the markets. Lastly, concentration risk is monitored with the aim of ensuring a correct diversification of both the counterparty and type of instrument.

One of the fundamental metrics within the general management framework of the liquidity and funding risk is the maintenance of a liquidity buffer consisting of high quality assets free of charges which can be sold or offered as collateral to obtain funding, either under normal market conditions or in stress situations.

The Finance area is responsible for the collateral management and determining the liquidity buffer within BBVA. In addition, the liquidity buffer must be aligned with the liquidity and funding risk tolerance as well as the management limits set and approved for each case.

In this context, the short-term resistance of the liquidity risk profile is promoted, to ensure that each LMU has sufficient collateral to deal with the risk of the closing of wholesale markets. Basic capacity is the internal metric for the management and control of short-term liquidity risk, which is defined as the relationship between the explicit assets available and the maturities of wholesale liabilities and volatile resources, at different time periods up to one year, with special relevance at 30 and 90 days, with the objective of preserving the survival period above 3 months with the available buffer, without considering the balance inflows.

As a fundamental element of the liquidity and financing risk monitoring scheme, stress tests are carried out. They enable to anticipate deviations from the liquidity targets and the limits set in the appetite, and to establish tolerance ranges in the different management areas. They also play a major role in the design of the Liquidity Contingency Plan and the definition of specific measures to be adopted to rectify the risk profile if necessary.

For each scenario, it is checked whether BBVA has a sufficient stock of liquid assets to guarantee its capacity to meet the liquidity commitments/outflows in the different periods analyzed. The analysis considers four scenarios: one central and three crisis-related (systemic crisis; unexpected internal crisis with a considerable rating downgrade and/or affecting the ability to issue in wholesale markets and the perception of business risk by the banking intermediaries and the entity's clients; and a mixed scenario, as a combination of the two aforementioned scenarios). Each scenario considers the following factors: existing market liquidity, customer behavior and sources of funding, the impact of rating downgrades, market values of liquid assets and collateral, and the interaction between liquidity requirements and the development of BBVA's credit quality.

The stress tests conducted on a regular basis by GRM reveal that BBVA maintains a sufficient buffer of liquid assets to deal with the estimated liquidity outflows in a scenario resulting from the combination of a systemic crisis and an unexpected internal crisis, during a period of longer than 3 months in general, including in the scenario of a significant downgrade of the Bank's rating by up to three notches.

Together with the results of the stress tests and the risk metrics, the early warning indicators play an important role within the corporate model and the Liquidity Contingency Plan.

Finance is the area responsible for the elaboration, monitoring, execution and update of the liquidity and funding plan and of the market access strategy to guarantee and improve the stability and diversification of the wholesale funding sources.

In order to implement and establish management in an anticipated manner, limits are set on an annual basis for the main management metrics that form part of the budgeting process for the liquidity and funding plan. This framework of limits contributes to the planning of the joint future performance of:

- The loan book, considering the types of assets and their degree of liquidity, as well as their validity as collateral in collateralized funding.

- Stable customer funds, based on the application of a methodology for establishing which segments and customer balances are considered to be stable or volatile funds based on the principle of sustainability and recurrence of these funds.

- Projection of the credit gap, in order to require a degree of self-funding that is defined in terms of the difference between the loan-book and stable customer funds.

- Incorporating the planning of securities portfolios into the banking book, which include both fixed-interest and equity securities, and are classified as financial assets at fair value through other comprehensive income and at amortized cost, and additionally on trading portfolios.

- The structural gap projection, as a result of assessing the funding needs generated both from the credit gap and by the securities portfolio in the banking book, together with the rest of on-balance-sheet wholesale funding needs, excluding trading portfolios. This gap therefore needs to be funded with customer funds that are not considered stable or on wholesale markets.

As a result of these funding needs, BBVA plans the target wholesale funding structure according to the tolerance set.

Thus, once the structural gap has been identified and after resorting to wholesale markets, the amount and composition of wholesale structural funding is established in subsequent years, in order to maintain a diversified funding mix and guarantee that there is not a high reliance on short-term funding (short-term wholesale funding plus volatile customer funds).

In practice, the execution of the principles of planning and self-funding at the different LMU results in BBVA's main source of funding being customer deposits, which consist mainly of demand deposits, savings deposits and time deposits.

As sources of funding, customer deposits are complemented by access to the interbank market and the domestic and international capital markets in order to address additional liquidity requirements, implementing domestic and international programs for the issuance of commercial paper and medium and long-term debt.

The process of analysis and assessment of the liquidity and funding situation and of the inherent risks is a process carried out on an ongoing basis at BBVA, with the participation of all the Group areas involved in liquidity and funding risk management. This process is carried out at both local and corporate level. It is incorporated into the decision- making process for liquidity and funding management, with integration between the risk appetite strategy and establishment and the planning process, the funding plan and the limits scheme.

The table below shows the liquidity available by instrument as of December 31, 2024 and 2023 for the most significant entities based on prudential supervisor's information (Commission Implementing Regulations (EU) 2017/2114 of November 9, 2017):

December (Millions of Euros)		
	BBVA, S.A.	
	2024	2023
Cash and withdrawable central bank reserves	16,004	43,931
Level 1 tradable assets	50,199	31,606
Level 2A tradable assets	194	919
Level 2B tradable assets	3,762	2,916
Other tradable assets	46,537	44,324
Non tradable assets eligible for central banks	11	—
Cumulated counterbalancing capacity	**116,706**	**123,696**

The Net Stable Funding Ratio (NSFR), defined as the ratio between the amount of stable funding available and the amount of stable funding required, and requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance-sheet activities. This ratio should be at least 100% at all times.

The LCR, NSFR and LtSCD of BBVA at December 31, 2024, is 156%, 119% and 101%, respectively.

Below is a breakdown by contractual maturity of the balances of certain headings in the accompanying balance sheets, excluding any valuation adjustments or loss allowances:

December 2024. Contractual maturities (Millions of Euros)

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	Over 5 years	Total
ASSETS											
Cash, cash balances at central banks and other demand deposits	3,542	14,786	—	—	—	—	—	—	—	—	18,328
Deposits in credit entities	—	233	427	964	494	703	825	332	—	428	4,406
Deposits in other financial institutions	—	1,763	1,083	749	614	895	1,127	1,203	1,091	2,565	11,090
Reverse repo, securities borrowing and margin lending	—	31,340	10,604	5,025	1,911	3,138	5,782	3,675	3,008	122	64,606
Loans and advances	—	17,654	15,274	13,761	8,271	10,398	23,920	19,352	30,351	73,986	212,967
Securities' portfolio settlement	—	346	1,001	916	1,167	3,277	13,535	8,172	15,073	37,860	81,347

December 2024. Contractual maturities (Millions of Euros)

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES											
Wholesale funding	—	1,905	3,653	4,524	2,041	2,857	5,513	7,693	4,701	17,602	50,490
Deposits in financial institutions	1,087	3,368	435	240	60	186	105	77	118	453	6,129
Deposits in other financial institutions and international agencies	5,916	4,338	1,358	846	531	512	1,619	1,447	1,601	4,772	22,940
Customer deposits	198,025	18,049	11,885	5,825	2,204	2,530	997	234	574	695	241,018
Security pledge funding	—	52,526	13,947	5,284	2,299	4,077	2,080	292	561	253	81,319
Derivatives, net	—	(341)	(278)	(90)	(99)	(113)	155	(225)	(149)	(178)	(1,318)

December 2023. Contractual maturities (Millions of Euros)

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	Over 5 years	Total
ASSETS											
Cash, cash balances at central banks and other demand deposits	3,732	42,715	—	—	—	—	—	—	—		46,446
Deposits in credit entities	—	502	251	446	497	450	570	114	—	399	3,229
Deposits in other financial institutions	—	1,191	480	859	270	539	1,803	733	520	2,888	9,283
Reverse repo, securities borrowing and margin lending	—	32,854	21,694	6,706	3,398	2,596	3,319	3,817	2,133	139	76,657
Loans and advances	—	14,474	12,325	12,732	7,858	10,177	23,648	19,555	25,470	71,673	197,913
Securities' portfolio settlement	—	330	3,359	1,316	893	8,649	3,376	9,988	14,629	29,119	71,658

December 2023. Contractual maturities (Millions of Euros)

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES											
Wholesale funding	—	530	3,051	7,030	3,986	3,390	7,624	5,353	7,791	15,420	54,173
Deposits in financial institutions	1,448	2,757	1,000	199	85	89	309	2	89	471	6,449
Deposits in other financial institutions and international agencies	6,967	3,809	2,863	769	774	707	1,456	1,210	1,255	3,755	23,566
Customer deposits	185,072	18,323	6,047	3,948	2,139	3,430	726	642	417	879	221,622
Security pledge funding	—	63,646	30,984	5,913	2,207	1,213	2,456	967	250	551	108,188
Derivatives, net	—	(115)	(193)	(63)	(171)	(412)	(192)	(81)	(272)	(2,569)	(4,069)

With regard to the financing structure, the loan portfolio is mostly financed by retail deposits. The “demand” maturity bucket mainly contains the retail customer sight accounts whose behavior historically showed a high level of stability and little concentration. According to a behavior analysis which is done every year in every entity, this type of account is considered to be stable and for liquidity risk purposes receives a better treatment.

BBVA, S.A. has maintained a position with a large high-quality liquidity buffer, having repaid the entire TLTRO III program, maintaining at all times the regulatory liquidity metrics well above the set minimums. During 2024, commercial activity has shown dynamism, experiencing growth in lending, higher than growth in customer deposits.

The main wholesale financing transactions carried out by BBVA S.A. during 2024 are listed below:

Issuer	Type of issue	Date of issue	Nominal (millions)	Currency	Coupon	Early redemption	Maturity date
BBVA, S.A.	Senior preferred	Jan-24	1,250	EUR	3.875%	—	Jan-34
	Tier 2	Feb-24	1,250	EUR	4.875%	Nov-30 to Feb-31	Feb-36
	Senior preferred	Mar-24	1,000	USD	5.381%	—	Mar-29
	Senior non-preferred	Mar-24	1,000	USD	6.033%	Mar-34	Mar-35
	Senior preferred (green bond)	Mar-24	1,000	EUR	3.500%	—	Mar-31
	Senior preferred	Jun-24	1,000	EUR	3 month Euribor rate + 45 basis points	—	Jun-27
	Senior preferred	Jun-24	750	EUR	3.625%	—	Jun-30
	AT1 (CoCo)	Jun-24	750	EUR	6.875%	Dec-30 to Jun-31	Perpetual
	Tier 2	Aug-24	1,000	EUR	4.375%	May-31 to Aug-31	Aug-36

Additionally, BBVA, S.A. redeemed two capital issuances in 2024: in February 2024, a Tier 2 issuance of subordinated bonds issued in February 2019, for an amount of €750 million and, in March 2024, on its first date of optional redemption, an AT1 issued in 2019, for an amount of €1 billion (see Note 20). Likewise, in December 2024, a redemption of a Tier 2 issuance of subordinated bonds issued in January 2020, for an amount of €1 billion, was announced and it was effectively redeemed in January 2025. Furthermore, on January 14, 2025, BBVA, S.A. issued an AT1 for an amount of USD 1 billion, with an early redemption option after seven years. On January 28, 2025, BBVA announced its irrevocable decision to fully redeem on March 5, 2025, an AT1 issued in 2019 for USD 1 billion (see Note 20.4).

5.5.3 Asset encumbrance

As of December 31, 2024 and 2023, the encumbered (those provided as collateral for certain liabilities) and unencumbered assets are broken down as follows:

Encumbered and unencumbered assets (Millions of Euros)

	Encumbered assets				Unencumbered assets			
	Book value		Fair value		Book value		Fair value	
	2024	2023	2024	2023	2024	2023	2024	2023
Equity instruments	834	592	695	346	7,624	4,454	7,624	4,454
Debt securities	24,289	32,647	21,448	29,434	47,281	31,906	47,183	32,906
Loans and advances and other assets	19,105	21,496	—	—	369,164	399,820	—	—

The committed value of "Loans and Advances and other assets" corresponds mainly to loans linked to the issue of covered bonds, territorial bonds or long-term securitized bonds (see Note 20) as well as, to a lesser extent, those used as a guarantee to access certain funding transactions with central banks. Debt securities and equity instruments correspond to underlying that are delivered in repos with different types of counterparties, mainly clearing houses or credit institutions, and to a lesser extent central banks. Collateral provided to guarantee derivative transactions is also included as committed assets.

As of December 31, 2024 and 2023, collateral pledges received mainly due to repurchase agreements and securities lending, and those which could be committed in order to obtain funding are provided below:

Collateral received (Millions of Euros)

	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance		Fair value of collateral received or own debt securities issued not available for encumbrance	
	2024	2023	2024	2023	2024	2023
Collateral received	**35,460**	**70,988**	**13,819**	**8,297**	**1,151**	**996**
Equity instruments	201	1,009	162	51	—	—
Debt securities	35,259	69,978	13,657	8,245	1,151	996
Own debt securities issued other than own covered bonds or ABSs	**—**	**—**	**66**	**74**	**—**	**—**

The guarantees received in the form of reverse repurchase agreements or security lending transactions are committed by their use in repurchase agreements, as is the case with debt securities.

As of December 31, 2024 and 2023, financial liabilities issued related to encumbered assets in financial transactions as well as their book value were as follows:

Sources of encumbrance (Millions of Euros)

	Matching liabilities, contingent liabilities or securities lent		Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	
	2024	2023	2024	2023
Book value of financial liabilities	**78,380**	**124,125**	**79,396**	**125,204**
Derivatives	11,162	11,034	10,900	10,684
Deposits	59,037	103,998	58,065	104,966
Outstanding subordinated debt	8,182	9,094	10,431	9,554
Other sources	**291**	**237**	**291**	**519**

6. Fair value of financial instruments

Framework and processes control

The process for determining the fair value established in the Bank seeks to ensure that financial assets and liabilities are properly recorded following the fair value criteria, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market, at the measurement date.

BBVA has established, at a geographic level, a structure of Risk Operational Admission and Product Governance Committees responsible for validating and approving new products or types of financial assets and liabilities before being contracted. Local management responsible for valuation, which are independent from the business (see Management Report - Risk) are members of these committees.

These areas are required to ensure, prior to the approval stage, the existence of not only technical and human resources, but also adequate informational sources to measure the fair value of these financial assets and liabilities, in accordance with the rules established by the valuation global area and using models that have been validated and approved by the responsible areas.

Fair value hierarchy

All financial instruments, both assets and liabilities are initially recognized at fair value, which at that point is equivalent to the transaction price, unless there is evidence to the contrary in the market. Subsequently, depending on the type of financial instrument, it may continue to be recognized at amortized cost or fair value through adjustments in the income statement or equity.

When possible, the fair value is determined as the market price of a financial instrument. However, for many of the financial assets and liabilities of the Bank, especially in the case of derivatives, there is no market price available, so its fair value is estimated on the basis of the price established in recent transactions involving similar instruments or, in the absence thereof, by using mathematical measurement models that are sufficiently tried and trusted by the international financial community. The estimates of the fair value derived from the use of such models take into consideration the specific features of the asset or liability to be measured and, in particular, the various types of risk associated with such asset or liability. However, the limitations inherent in the measurement models and possible inaccuracies in the assumptions and parameters required by these models may mean that the estimated fair value of an asset or liability does not exactly match the price for which the asset or liability could be exchanged or settled on the date of its measurement.

Additionally, for financial assets and liabilities that show significant uncertainty in inputs or model parameters used for valuation, criteria are established to measure said uncertainty and activity limits are set based on these. Finally, these measurements are compared, as much as possible, against other sources such as the measurements obtained by the business teams and/or those obtained by other market participants.

The process for determining the fair value requires the classification of the financial assets and liabilities according to the measurement processes used as set forth below:

- Level 1: Valuation using directly the quotation of the instrument, observable and readily and regularly available from independent price sources and referenced to active markets that the entity can access at the measurement date. The instruments classified within this level are fixed-income securities, equity instruments and certain derivatives.

- Level 2: Valuation of financial instruments with commonly accepted techniques that use inputs obtained from observable data in markets.

- Level 3: Valuation of financial instruments with valuation techniques that use significant unobservable inputs in the market. As of December 31, 2024, the affected instruments at fair value accounted for approximately 0.73% of financial assets and 0.35% of the Bank's financial liabilities. Model selection and validation is undertaken by control areas outside the business areas.

6.1. Fair value of financial instruments recognized at fair value, according to valuation criteria

Below are the different elements used in the valuation technique of financial instruments.

Active Market

BBVA considers an active market as a market that allows the observation of bid and offer prices representative of the levels to which the market participants are willing to negotiate an asset, with sufficient frequency and volume.

Furthermore, BBVA considers as traded in an "Organized Market" quotations for assets or liabilities from Over The Counter (OTC) markets when they are obtained from independent sources, observable on a daily basis and fulfil certain conditions.

The fair value of the Group's financial instruments recognized at fair value in the consolidated balance sheets is presented below, broken down according to the valuation method used to determine their fair value, and their respective book value as of December 31, 2024 and 2023:

Fair value of financial instruments recognized at fair value by levels. December 2024 (Millions of Euros)

	Notes	Book value	Fair value		
			Level 1	Level 2	Level 3
ASSETS					
Financial assets held for trading	**8**	**89,167**	**16,857**	**70,449**	**1,861**
Derivatives		36,405	643	35,462	300
Equity instruments		6,457	6,363	76	19
Debt securities		11,806	9,852	1,423	530
Loans and advances		34,500	—	33,488	1,011
Non-trading financial assets mandatorily at fair value through profit or loss	**9**	**895**	**385**	**32**	**479**
Equity instruments		626	200	1	426
Debt securities		269	185	31	53
Loans and advances		—	—	—	—
Financial assets designated at fair value through profit or loss	**10**	**—**	**—**	**—**	**—**
Debt securities		—	—	—	—
Financial assets at fair value through other comprehensive income	**11**	**14,842**	**13,703**	**386**	**753**
Equity instruments		1,193	1,121	—	72
Debt securities		13,649	12,582	386	680
Loans and advances to credit institutions		—	—	—	—
Derivatives – Hedge accounting	**13**	**784**	**—**	**784**	**—**
LIABILITIES					
Financial liabilities held for trading	**8**	**70,943**	**9,861**	**60,171**	**912**
Trading derivatives		30,287	756	29,290	241
Short positions		9,635	9,105	515	15
Deposits		31,022	—	30,366	656
Financial liabilities designated at fair value through profit or loss	**10**	**2,955**	**—**	**2,390**	**564**
Deposits from credit institutions		—			
Customer deposits		2,955	—	2,390	564
Debt certificates issued		—	—	—	—
Other financial liabilities		—	—	—	—
Derivatives – Hedge accounting	**13**	**1,536**	**—**	**1,513**	**23**

Fair value of financial Instruments recognized at fair value by levels. December 2023 (Millions of Euros)

	Notes	Book value	Fair value		
			Level 1	Level 2	Level 3
ASSETS					
Financial assets held for trading	**8**	**116,828**	**13,090**	**101,740**	**1,999**
Derivatives		32,937	144	32,571	222
Equity instruments		3,339	3,321	—	18
Debt securities		11,018	9,625	1,304	89
Loans and advances		69,534	—	67,864	1,669
Non-trading financial assets mandatorily at fair value through profit or loss	**9**	**730**	**160**	**143**	**427**
Equity instruments		507	141	—	366
Debt securities		223	19	143	61
Loans and advances to customers		—	—	—	—
Financial assets designated at fair value through profit or loss	**10**	**—**	**—**	**—**	**—**
Debt securities		—	—	—	—
Financial assets at fair value through other comprehensive income	**11**	**19,426**	**18,350**	**662**	**415**
Equity instruments		1,019	987	—	32
Debt securities		18,407	17,362	662	383
Loans and advances to credit institutions		—	—	—	—
Derivatives – Hedge accounting	**13**	**780**	**—**	**780**	**—**
LIABILITIES					
Financial liabilities held for trading	**8**	**108,349**	**10,495**	**97,177**	**677**
Trading derivatives		28,615	191	28,206	218
Short positions		11,849	10,305	1,501	44
Deposits		67,885	—	67,470	415
Financial liabilities designated at fair value through profit or loss	**10**	**2,361**	**—**	**2,054**	**307**
Deposits from credit institutions		—	—	—	—
Customer deposits		2,361	—	2,054	307
Debt certificates issued		—	—	—	—
Other financial liabilities		—	—	—	—
Derivatives – Hedge accounting	**13**	**2,075**	**—**	**2,036**	**39**

The following table sets forth the main valuation techniques, hypothesis and inputs used in the estimation of fair value of the financial instruments recognized at fair value classified under Levels 2 and 3, based on the type of financial asset and liability and the corresponding balances as of December 31, 2024 and 2023:

Fair Value of financial Instruments by Levels

	Valuation techniques in Levels 2 and 3	Observable inputs in Levels 2 and 3	Unobservable inputs in Levels 2 and 3
ASSETS			
Financial assets held for trading			
Equity instruments	Comparable pricing (Observable price in a similar market) Net asset value	- Brokers quotes - Market operations - NAVs published	NAV provided by the administrator of the fund
Debt securities	Present-value method (Discounted future cash flows) Observed prices in non active markets	- Issuer´s credit risk - Current market interest rates - Non active markets prices	- Prepayment rates - Issuer´s credit risk - Recovery rates
Loans and advances	Present-value method (Discounted future cash flows)	- Issuer´s credit risk - Current market interest rates - Interest rates for the financing of assets - Exchange rates	- Prepayment rates - Issuer´s credit risk - Recovery rates
Derivatives			
Interest rate	Interest rate products (Interest rate Swaps, call money Swaps y FRA): Discounted cash flows Caps/Floors: Black 76 y SABR Bond Options: Black 76 Swaptions: Black 76, SABR y LGM Other Interest rate options: Black, SABR y Libor Market Model Constant maturity Swaps: SABR	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assets prices: shares, funds, commodities - Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- Beta - Implicit correlations between tenors - Interest rates volatility
Equity	Future and Equity Forward: Discounted future cash flows Equity Options: Local Volatility, Balck 76, Momentum adjustment and Heston		- Volatility of volatility - Implicit assets correlations - Long term implicit correlations - Implicit dividends and long term repos
Foreign exchange and gold	Future and Equity forward: Discounted future cash flows Foreign exchange Options: Black 76, Local Volatility, moments adjustment		- Volatility of volatility - Implicit assets correlations - Long term implicit correlations
Credit	Credit Derivatives: Default model and Gaussian copula		- Correlation default - Credit spread - Recovery rates - Interest rate yield - Default volatility
Commodities	Commodities: Momentum adjustment and discounted cash flows		
Non-trading financial assets mandatorily at fair value through profit or loss			
Equity instruments	Comparable pricing (Observable price in a similar market) Net asset value	- Brokers quotes - Market operations - NAVs published	- NAV provided by the administrator of the fund
Debt securities	Present-value method (Discounted future cash flows)	- Issuer credit risk - Current market interest rates	Prepayment rates - Issuer credit risk - Recovery rates
Loans and advances	Specific liquidation criteria regarding losses of the EPA proceedings PD and LGD of the internal models, valuations and specific criteria of the EPA proceedings	- Issuer credit risk - Current market interest rates - Interest rates for the financing of assets - Exchange rates	- Property valuation
Financial assets at fair value through other comprehensive income			
Equity instruments	Comparable pricing (Observable price in a similar market) Net asset value	- Brokers quotes - Market operations - NAVs published	- NAV provided by the administrator of the fund
Debt securities	Present-value method (Discounted future cash flows) Observed prices in non-active markets	- Issuer´s credit risk - Current market interest rates - Non active market prices	- Prepayment rates - Issuer credit risk - Recovery rates
Hedging derivatives			
Interest rate	Interest rate products (Interest rate Swaps, call money Swaps y FRA): Discounted cash flows Caps/Floors: Black 76 y SABR Bond Options: Black 76 Swaptions: Black 76, SABR y LGM Other Interest rate options: Black, SABR y Libor Market Model Constant maturity Swaps: SABR	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assets prices: shares, funds, commodities - Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	
Equity	Future and Equity Forward: Discounted future cash flows Equity Options: Local volatility, Black 76, Momentum adjustment and Heston		
Foreign exchange and gold	Future and Equity Forward: Discounted future cash flows Foreign exchange Options: Black 76, Local volatility, moments adjustment		
Credit	Credit Derivatives: Default model and Gaussian copula		
Commodities	Commodities: Momentum adjustment and Discounted cash flows		

Fair Value of Financial Instruments by Levels

	Valuation techniques in Levels 2 and 3	Observable inputs in Levels 2 and 3	Unobservable inputs in Levels 2 and 3
LIABILITIES			
Financial liabilities held for trading			
Deposits	Present-value method (Discounted future cash flows)	- Interest rate yield - Funding interest rates observed in the market or in consensus services - Exchange rates	- Funding interest rates observed in the market or in consensus services
Derivatives			
Interest rate	Interest rate products (Interest rate Swaps, call money Swaps y FRA): Discounted cash flows Caps/Floors: Black 76 y SABR Bond Options: Black 76 Swaptions: Black 76, SABR y LGM Other Interest rate options: Black, SABR y Libor Market Model Constant maturity Swaps: SABR	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assets prices: shares, funds, commodities - Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- Beta - Correlation between tenors - Interest rates volatility
Equity	Future and Equity Forward: Discounted future cash flows Equity options: Local volatility, momentum adjustment and Heston		- Volatility of volatility - Assets correlation
Foreign exchange and gold	Future and Equity Forward: Discounted future cash flows Foreign exchange options: Black 76, Local volatility, moments adjustment		- Volatility of volatility - Assets correlation
Credit	Credit Derivatives: Default model and Gaussian copula		- Correlation default - Credit spread - Recovery rates - Interest rate yield - Default volatility
Commodities	Commodities: Momentum adjustment and discounted cash flows		
Short positions	Present-value method (Discounted future cash flows)		- Correlation default - Credit spread - Recovery rates - Interest rate yield
Financial liabilities designated at fair value through profit or loss	**Present-value method (Discounted future cash flows)**	**- Prepayment rates - Issuer´s credit risk - Current market interest rates**	**- Prepayment rates - Issuer credit risk - Current market interest rates**
Derivatives – Hedge accounting			
Interest rate	Interest rate products (Interest rate Swaps, call money Swaps y FRA): Discounted cash flows Caps/Floors: Black 76 y SABR Bond Options: Black 76 Swaptions: Black 76, SABR y LGM Other Interest rate options: Black, SABR y Libor Market Model Constant maturity Swaps: SABR	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assets prices: shares, funds, commodities - Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- Beta - Implicit correlations between tenors - interest rates volatility
Equity	Future and Equity forward: Discounted future cash flows Equity options: Local Volatility, Black 76, momentum adjustment and Heston		- Volatility of volatility - Implicit assets correlations - Long term implicit correlations - Implicit dividends and long term repos
Foreign exchange and gold	Future and Equity Forward: Discounted future cash flows Foreign exchange Options: Black 76, local volatility, moments adjustment		- Volatility of volatility - Implicit assets correlations - Long term implicit correlations
Credit	Credit Derivatives: Default model and Gaussian copula		- Correlation default - Credit spread - Recovery rates - Interest rate yield - Default volatility
Commodities	Commodities: Momentum adjustment and discounted cash flows		

Main valuation techniques

The main techniques used for the assessment of the majority of the financial instruments classified in level 3, and its main unobservable inputs, are described below:

- The net present value (net present value method): This technique uses the future cash flows of each financial instrument, which are established in the different contracts, and discounted to their present value. This technique often includes many observable inputs, but may also include unobservable inputs, as described below:

    a. Credit Spread: This input represents the difference in yield of a debt security and the reference rate, reflecting the additional return that a market participant would require to take the credit risk of that debt security. Therefore, the credit spread of the debt security is part of the discount rate used to calculate the present value of the future cash flows.

    b. Recovery rate: This input represents the percentage of principal and interest recovered from a debt instrument that has defaulted.

- Comparable prices (similar asset prices): This input represents the prices of comparable financial instruments and benchmarks used to calculate a reference yield based on relative movements from the entry price or current market levels. Further adjustments to account for differences that may exist between financial instrument being valued and the comparable financial instrument may be added. It can also be assumed that the price of the financial instrument is equivalent to the comparable instrument.

- Net asset value: This technique utilizes certain assumptions to use net asset value as representative of fair value, which is equal to the total value of the assets and liabilities of a fund published by the managing entity.

- Gaussian copula: This model is used to integrate default probabilities of credit instruments referenced to more than one underlying CDS (Credit Default Swaps). The joint density function used to value the instrument is constructed by using a Gaussian copula that relates the marginal densities by a normal distribution, usually extracted from the correlation matrix of events approaching default by CDS issuers.

- Black 76: variant of Black Scholes model, whose main application is the valuation of bond options, cap floors and Swaptions where the behavior of the Forward and not the Spot itself, is directly modeled.

- Black Scholes: The Black Scholes model postulates log-normal distribution for the prices of securities, so that the expected return under the risk neutral measure is the risk free interest rate. Under this assumption, the price of vanilla options can be obtained analytically, so that inverting the Black- Scholes formula, the implied volatility for process of the price can be calculated.

- Heston: This model, typically applied to equity OTC options, assumes stochastic behavior of volatility. According to which, the volatility follows a process that reverts to a long-term level and is correlated with the underlying equity instrument. As opposed to local volatility models, in which the volatility evolves deterministically, the Heston model is more flexible, allowing it to be similar to that observed in the short term today.

- Libor market model: This model assumes that the dynamics of the interest rate curve can be modeled based on the set of forward contracts that compose the underlying interest rate. The correlation matrix is parameterized on the assumption that the correlation between any two forward contracts decreases at a constant rate, beta, to the extent of the difference in their respective due dates. The input “Credit default volatility” is a volatility input of the credit factor dynamic applied in rate/credit hybrid operative. The multifactorial frame of this model makes it ideal for the valuation of instruments sensitive to the slope or curve, including interest rate option.

- Local Volatility: In the local volatility models, the volatility, instead of being static, evolves deterministically over time according to the level of moneyness (i.e. probability that the option has a positive value on its date of expiration) of the underlying, capturing the existence of volatility smiles. The volatility smile of an option is the empirical relationship observed between its implied volatility and its strike price. These models are appropriate for options whose value depends on the historical evolution of the underlying which use Monte Carlo simulation technique for their valuation.

Unobservable inputs

Quantitative information of unobservable inputs used to calculate level 3 valuations is presented below as of December 31, 2024 and 2023:

Unobservable inputs. December 2024

Financial instrument	Valuation technique(s)	Significant unobservable inputs	Min	Average	Max	Units
Debt Securities	Present value method	Credit spread	—	113	3,907	bp
		Recovery rate	0 %	39 %	40 %	%
	Comparable Pricing		0 %	95 %	233 %	%
Equity/Fund instruments (1)	Net Asset Value					
	Comparable Pricing					
Loans and advances	Present value method	Repo funding curve	2.09 %	3.70 %	7.11 %	%
Credit Derivatives	Gaussian Copula	Correlation default	19 %	59 %	92 %	%
	Black 76	Price volatility	—	—	—	Vegas
Equity Derivatives	Option models on equities, baskets of equity, funds	Dividends (2)				
		Correlations	(88 %)	48 %	99 %	%
		Volatility	5.07	30.90	122.35	Vegas
FX Derivatives	Option models on FX underlyings	Volatility	3.93	9.46	14.91	Vegas
IR Derivatives	Option models on IR underlyings	Beta	3.00 %	5.00 %	11.00 %	%
		Correlation rate/credit	(100 %)		100%	%
		Correlation rate/inflation	42 %	74 %	95 %	%

(1) Due to the diversity of valuation models of equity valuations, we would not include all the unobservable inputs or the quantitative ranges of them.
(2) The range of unobservable dividends is too wide range to be relevant.

Unobservable inputs. December 2023

Financial instrument	Valuation technique(s)	Significant unobservable inputs	Min	Average	Max	Units
Debt Securities	Present value method	Credit spread	—	136	4,369	bp
		Recovery rate	0 %	39 %	40 %	%
	Comparable Pricing		0 %	99 %	237 %	%
Equity/Fund instruments (1)	Net Asset Value					
	Comparable Pricing					
Loans and advances	Present value method	Repo funding curve	2.26 %	3.74 %	5.76 %	%
Credit Derivatives	Gaussian Copula	Correlation default	26 %	60 %	85 %	%
	Black 76	Price volatility	—	—	—	Vegas
Equity Derivatives	Option models on equities, baskets of equity, funds	Dividends (2)				
		Correlations	(88 %)	52 %	99 %	%
		Volatility	8.47	29.41	70.94	Vegas
FX Derivatives	Option models on FX underlyings	Volatility	4.31	10.24	18.52	Vegas
IR Derivatives	Option models on IR underlyings	Beta	3.00 %	5.00 %	11.00 %	%
		Correlation rate/credit	(100 %)		100 %	%
		Correlation rate/inflation	52%	60%	74%	%

(1) Due to the diversity of valuation models of equity valuations, we would not include all the unobservable inputs or the quantitative ranges of them.
(2) The range of unobservable dividends is too wide range to be relevant.

Adjustments to the valuation

Under Circular 4/2017, the entity must estimate the value taking into account the assumptions and conditions that market participants would have when setting the price of the asset or liability on the valuation date.

In order to comply with the fair value requirements, the entity applies adjustments to the fair valuation considering inherent and counterparties´ default criteria, funding valuation risk and valuation risks due to valuation uncertainty and related to the prudent valuation criteria aligned with the regulatory requirements and considers the model risk, liquidity risk (Bid/Offer) and price uncertainty risk.

Adjustments to the valuation for risk of default

The fair value of liabilities should reflect the entity's default risk, which includes, among other components, its own credit risk. Taking this into account, the Bank makes valuation adjustments for credit risk in the estimates of the fair value of its assets and liabilities.

These adjustments are calculated by estimating Exposure At Default, Probability of Default and Loss Given Default, which are based on the recovery levels for all derivative products on any instrument, deposits and repos at the legal entity level (all counterparties under a same master agreement), in which BBVA has exposure.

Credit Valuation Adjustment (hereinafter "CVA") and Debit Valuation Adjustments (hereinafter "DVA") are included in the valuation of derivatives, both assets and liabilities, to reflect the impact on the fair value of the counterparty credit risk and its own, respectively. The Bank incorporates in its valuation, for all exposures classified in any of the categories valued at fair value, both the counterparty credit risk and its own. In the trading portfolio, and in the specific case of derivatives, credit risk is recognized through such adjustments.

As a general rule, the calculation of CVA is the sum of the expected positive exposure in time t, the probability of default between t-1 and t, and the Loss Given Default of the counterparty. Consequently, the DVA is calculated as the sum of the expected negative exposure in time t, the probability of default of BBVA between t-1 and t, and the Loss Given Default of BBVA. Both calculations are performed throughout the entire period of potential exposure.

The calculation of the expected positive and negative exposure is done through a Montecarlo simulation of the market variables involved in all trades' valuation under the same legal netting set.

The information needed to calculate the probability of default and the loss given default of a counterparty comes from the credit markets. The counterparty's Credit Default Swaps are used if liquid quotes are available. If a market price is not available, BBVA has implemented a mapping process based on the sector, rating and geography of the counterparty to assign probabilities of default and loss given default calibrated directly to market.

An additional adjustment for Own Credit Adjustment (hereinafter "OCA") is applied to the instruments accounted for by applying the Fair Value Option permitted by the standard.

The amounts recognized in the balance sheet as of December 31, 2024 and 2023 related to "OCA" were €393 million and € 406 million respectively.

The amounts recognized in the balance sheet as of December 31, 2024 and 2023 related to the valuation adjustments to the credit assessment of the derivative asset as "Credit Valuation Adjustments" ("CVA") were €-167 million and €-111 million respectively, and the valuation adjustments to the derivative liabilities as "Debit Valuation Adjustment" (DVA) were €60 million and €64 million respectively. The impact recorded under "Gains (losses) on financial assets and liabilities held for trading, net" in the income statement for the year ended December 31, 2024 and 2023 corresponding to the mentioned adjustments were a net impact of €15 million and €12 million respectively.

As a result of the value variations of the inherent credit risk, which is included in the deposits classified as liabilities designated at fair value through profit and loss, the amount recognized in the heading "Accumulated other comprehensive income" has amounted to €-24 million and €78 million as of December 31, 2024 and 2023, respectively.

Valuation adjustments for financing risk

The fair value of the positions recorded at fair value must reflect the entity's financing risk. Taking into account the above, the Bank makes adjustments for financing risk valuation (Funding Valuation Adjustment FVA) in the estimates of the fair value of its assets and liabilities.

The adjustment to the valuation for financing risk incorporates the cost of financing implicit in the valuation of positions at fair value. This adjustment reflects the cost of funding for non-collateralized or partially collateralized operations.

Additionally, as of December 31, 2024 and 2023, €-19 million and €-16 million related to the "Funding Valuation Adjustments" ("FVA") in derivatives operations, the adjustment has remained stable in the year 2023.

Valuation adjustments for valuation uncertainty

The fair value of the positions recorded at fair value must reflect the valuation risk derived from the uncertainty in the valuation for concepts of pure uncertainty of prices, liquidity risk and model risks. This adjustment is aligned with the regulatory requirements for prudent valuation via valuation adjustments with an impact on CET1, and meets the requirements.

The adjustment to the valuation for liquidity incorporates an adjustment for Bid / Offer spreads in the valuation of positions that do not meet the necessary conditions to be considered a Market Maker operation.

The adjustment to the valuation for model risk captures the uncertainty in the price associated with the products valued with the use of a valuation model ("Mark to Model") given the existence of more than one possible model applicable to the valuation of the product or the calibration of its parameters from the observations of inputs in the market.

The adjustment to the valuation for price uncertainty includes the uncertainty associated with the dispersion in the values observed in the market for the prices taken in the valuation of assets or as inputs in the valuation models.

The impact recorded under "Gains (losses) on financial assets and liabilities held for trading, net" in the consolidated income statement for the year ended December 31, 2024 corresponding to the mentioned adjustments was a net impact of €-50 million (€-50 million in 2023). An adjustment was also made as of December 31, 2024 on financial asset at fair value through other comprehensive income for a total of €-9 million (€-7 million in 2023).

Financial assets and liabilities classified as Level 3

The changes in the balance of Level 3 financial assets and liabilities included in the accompanying balance sheets are as follows:

Financial assets Level 3. Changes in the year (Millions of Euros)

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Balance at the beginning	**2,840**	**1,023**	**2,752**	**1,142**
Changes in fair value recognized in profit and loss (1)	418	273	38	174
Changes in fair value not recognized in profit and loss	11	—	(18)	—
Acquisitions, disposals and liquidations	(34)	160	(132)	(97)
Net transfers to Level 3	(143)	42	200	(196)
Exchange differences and others	—	—	—	—
Balance at the end	**3,092**	**1,499**	**2,840**	**1,023**

(1) Profit or loss that is attributable to gains or losses relating to those financial assets and liabilities held as of December 31, 2024 and 2023. Valuation adjustments are recorded under the heading "Gains (losses) on financial assets and liabilities (net)".

During 2024, there was an increase in positions classified as level 3, mainly concentrated in cash fixed-income positions due to unobservability in market prices applied in their valuation. No significant changes were observed in other positions, such as derivatives, reverse repurchase agreements and cash variable-income positions.

In 2023, as a result of the implementation of the multifactor criteria in the classification, which considered all the risk factors of the exposures, their observability and uncertainty, there was a reduction in exposure to level 3 derivatives, offset by an increase in exposure classified at level 3 in repurchase agreements positions due to unobservability in the inputs used in their valuation. The increase in Level 3 exposure was mainly related to cash positions of variable income and fixed income due to unobservability in their prices.

For the years ended December 31, 2024, and 2023, the profit/loss on sales of financial instruments classified as level 3 recognized in the income statement was not material.

Transfers among levels

The Global Valuation Area has established the rules for an appropriate financial instruments held for trading classification according to the fair value hierarchy defined by international accounting standards.

On a monthly basis, derivative positions, deposits, loans and advances from the portfolio are classified, according to this criterion, by the subsidiaries. Then, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

On a quarterly basis, the positions of equity instruments and debt securities are classified, following these criteria, by the local areas in coordination with Global Markets Valuation.

The financial instruments transferred among the different levels of measurement for the years are at the following amounts in the accompanying balance sheets as of December 31, 2024 and 2023:

Transfer among levels (Millions of Euros)

	2024						2023					
From:	Level 1		Level 2		Level 3		Level 1		Level 2		Level 3	
To:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
ASSETS												
Financial assets held for trading	109	—	482	38	6	160	437	3	55	661	—	460
Non-trading financial assets mandatorily at fair value through profit or loss	—	—	—	—	1	—	—	1	—	33	—	14
Financial assets at fair value through other comprehensive income	—	—	237	—	13	—	85	21	29	11	—	56
Derivatives – Hedge accounting	—	—	—	—	—	—	—	—	—	—	—	—
Total	**109**	**—**	**719**	**38**	**20**	**160**	**522**	**26**	**84**	**705**	**—**	**530**
LIABILITIES												
Financial liabilities held for trading	4	—	389	41	11	101	498	3	36	119	1	251
Financial liabilities designated at fair value through profit or loss	—	—	—	140	—	27	—	—	—	196	—	262
Derivatives – Hedge accounting	—	—	—	—	—	—	—	—	—	—	—	—
Total	**4**	**—**	**389**	**181**	**11**	**128**	**498**	**3**	**36**	**315**	**1**	**513**

The amount of the financial instruments in the fair value portfolio that were transferred among the different valuation levels during 2023 from Level 1 to Level 2 mainly correspond to the review of the classification among levels due to the implementation of a mark to model valuation in the short-term maturities of the listed options, only for those positions for which it is guaranteed that the inputs applied from real OTC market transactions are complied with the corroboration criteria. Additionally, there is a transfer of exposure Level 1 to Level 2 in cash positions in debt securities and equities, partially netted by a transfer of exposure Level 2 to Level 1, all directly related to the observability of the inputs. The volume of positions transferred from Level 2 to Level 3 is partly offset by positions moving from Level 3 to Level 2, mainly in cash positions in debt securities, equities and loans and advances.

The amount of financial instruments that were transferred among levels of valuation during the year ended December 31, 2024 corresponds to the above changes in the classification among levels since such financial instruments modified some of their features. Specifically, transfers among Levels 1 and 2 occurred mainly in derivatives and debt securities. Transfers from Level 2 to Level 3 were mainly related to derivatives and deposits at fair value through profit or loss, and in relation to transfers from Level 3 to Level 2, this generally affected derivatives and loans and advances held for trading.

Sensitivity analysis

Sensitivity analysis is performed on financial instruments with significant unobservable inputs (financial instruments included in level 3), in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out based on the criteria defined by the Global Valuation area in line with the official regulatory requirements for Prudent Valuation metrics, taking into account the nature of the methods used for the assessment and the reliability and availability of inputs and proxies used. In order to establish, with a sufficient degree of certainty, the valuation risk that is incurred in such assets without applying diversification criteria between them.

As of December 31, 2024, the effect on profit for the year and total equity of changing the main unobservable inputs used for the measurement of level 3 financial instruments for other reasonably possible unobservable inputs, taking the highest (most favorable input) or lowest (least favorable input) value of the range deemed probable, would be as follows:

Financial instruments Level 3: sensitivity analysis (Millions of Euros)

	Potential impact on income statement				Potential impact on other comprehensive income			
	Most favorable hypothesis		Least favorable hypothesis		Most favorable hypothesis		Least favorable hypothesis	
	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS								
Financial assets held for trading	**46**	**18**	**(74)**	**(48)**	**—**	**—**	**—**	**—**
Loans and advances	4	2	(4)	(2)	—	—	—	—
Debt securities	36	9	(61)	(22)	—	—	—	—
Equity instruments	—	—	(4)	(17)	—	—	—	—
Derivatives	5	6	(5)	(6)	—	—	—	—
Non-trading financial assets mandatorily at fair value through profit or loss	**9**	**5**	**(85)**	**(114)**	**—**	**—**	**—**	**—**
Loans and advances	—	—	—	—	—	—	—	—
Debt securities	3	3	(7)	(21)	—	—	—	—
Equity instruments	6	2	(78)	(92)	—	—	—	—
Financial assets at fair value through other comprehensive income	**—**	**—**	**—**	**—**	**48**	**34**	**(90)**	**(89)**
Total	**55**	**23**	**(159)**	**(161)**	**48**	**34**	**(90)**	**(89)**
LIABILITIES								
Financial liabilities held for trading	**10**	**12**	**(10)**	**(17)**	**—**	**—**	**—**	**—**
Total	**10**	**12**	**(10)**	**(17)**	**—**	**—**	**—**	**—**

6.2. Fair value of financial instruments recognized at amortized cost according to valuation method

The valuation technique used to calculate the fair value of financial assets and liabilities carried at cost are presented below:

Financial assets

- Cash, balances at central banks and other demand deposits / loans to central banks / short-term loans to credit institutions/ repurchase agreements: in general, their fair value approximates to their book value, due to the nature of the counterparty and because they are mainly short-term balances in which the book value is the most reasonable estimation of the value of the asset.

- Loans to credit institutions which are not short-term and loans to customers: In general, these financial assets will be valued by discounting future cash flows using the interest rate curve adjusted by the market spread at the time of valuation and considering any behavioral hypothesis considered to be relevant (early prepayments, optionality, etc.). Therefore, their valuations will be conditioned by the interest rates and spreads of the portfolios and their durations.

- Debt securities: Fair value estimated based on the available market price or by using internal valuation methodologies.

Financial liabilities

- Deposits from central banks: for recurrent liquidity auctions and other monetary policy instruments of central banks / short-term deposits, from credit institutions / repurchase agreements / short term customer deposits: their book value is considered to be the best estimation of their fair value.

- Deposits of credit institutions which are not short-term and term customer deposits: these deposits are valued by discounting future cash flows using the interest rate curve in effect at the time of the adjustment adjusted by the credit spread and incorporating any behavioral assumptions considered to be relevant (early repayments, optionalities, etc.).

- Debt certificate (Issuances): The fair value estimation of these liabilities is based on the availability of market prices or the present value method: discount of future cash flows, using market interest rates at valuation time and taking into account the credit spread.

The following tables present the fair value of the Bank's financial instruments from the attached balance sheets carried at amortized cost broken down according to the valuation method used to estimate their fair value, and their corresponding book value, as well as the main methods valuation, hypotheses and inputs used in level 2 and level 3 as of December 31, 2024 and 2023:

Fair value of financial instruments recognized at amortized cost by levels. December 2024 (Millions of Euros)

	Notes	Book value	Fair value				
			Carrying amount presented as fair value (1)	Level 1	Level 2	Level 3	Total
ASSETS							
Cash, cash balances at central banks and other demand deposits	7	20,755	20,755	—	—	—	20,755
Financial assets at amortized cost	12	295,471	19,163	42,165	16,993	216,273	294,594
Debt securities		45,846		42,165	3,387	731	46,283
Loans and advances		249,625	19,163	—	13,605	215,542	248,311
LIABILITIES							
Financial liabilities at amortized cost	20	349,381	231,118	40,428	39,050	39,458	350,054
Deposits		292,037	220,860	1,201	30,452	39,458	291,971
Debt certificates issued		47,086		39,227	8,597	—	47,825
Other financial liabilities		10,258	10,258	—	—	—	10,258

(1) Financial instruments whose book value is presented as an approximation to their fair value, mainly short-term financial instruments.

Fair value of financial Instruments recognized at amortized cost by levels. December 2023 (Millions of Euros)

	Notes	Book value	Fair value				
			Carrying amount presented as fair value (1)	Level 1	Level 2	Level 3	Total
ASSETS							
Cash, cash balances at central banks and other demand deposits	7	49,213	49,213	—	—	—	49,213
Financial assets at amortized cost	12	261,765	23,459	29,771	8,556	196,785	258,572
Debt securities		34,905	—	29,771	4,770	616	35,157
Loans and advances		226,860	23,459	—	3,786	196,169	223,415
LIABILITIES							
Financial liabilities at amortized cost	20	339,476	223,401	36,354	77,565	2,451	339,771
Deposits		279,279	213,336	—	63,263	2,451	279,050
Debt certificates issued		50,132	—	36,354	14,303	—	50,657
Other financial liabilities		10,065	10,064	—	—	—	10,064

1) Financial instruments whose book value is presented as an approximation to their fair value, mainly short-term financial instruments

The fair value of the "Financial assets at amortized cost" has been estimated mainly using the valuation techniques of the Present-value method (discounted future cash flows). The main inputs considered for Levels 2 and 3, are the interest rate yield, the prepayment rates and the credit spread.

In the case of "Financial liabilities at amortized cost", the fair value is also obtained mainly through the Present-value method (discounted future cash flows). The main inputs considered for, at levels 2 and 3, the issuer's credit risk, the interest rate yield and the prepayment rate.

7. Cash, cash balances at central banks and other demand deposits

The breakdown of the balance under the heading "Cash, cash balances at central banks and other demand deposits" in the accompanying balance sheets is as follows:

Cash, cash balances at central banks and other demand deposits (Millions of Euros)			
	Notes	2024	2023
Cash on hand		1,027	990
Cash balances at central banks [1]		17,603	45,653
Other demand deposits		2,124	2,570
Total	**6.2**	**20,755**	**49,213**

(1) The variation is mainly due to the evolution of the balances held in the Bank of Spain.

8. Financial assets and liabilities held for trading

8.1 Breakdown of the balance

The breakdown of the balance under these headings in the accompanying balance sheets is as follows:

Financial assets and liabilities held-for-trading (Millions of Euros)			
	Notes	2024	2023
ASSETS			
Derivatives		36,405	32,937
Equity instruments	5.2.2	6,457	3,339
Credit institutions		*466*	*282*
Other sectors		*4,516*	*2,293*
Shares in the net assets of mutual funds		*1,475*	*764*
Debt securities	5.2.2	11,806	11,018
Issued by central banks		—	—
Issued by public administrations		*9,154*	*9,121*
Issued by financial institutions		*915*	*739*
Other debt securities		*1,737*	*1,158*
Loans and advances	5.2.2	34,499	69,534
Loans and advances to central banks		556	2,808
Reverse repurchase agreement		*556*	*2,808*
Loans and advances to credit institutions		19,265	52,441
Reverse repurchase agreement [1]		*19,245*	*52,411*
Loans and advances to customers		14,679	14,285
Reverse repurchase agreement		*14,354*	*13,850*
Total assets	**6.1**	**89,167**	**116,828**
LIABILITIES			
Derivatives		30,287	28,615
Short positions		9,635	11,849
Deposits		31,022	67,885
Deposits from central banks		360	4,698
Repurchase agreement		*360*	*4,698*
Deposits from credit institutions		15,026	42,710
Repurchase agreement [1]		*14,736*	*42,050*
Customer deposits		15,636	20,476
Repurchase agreement		*15,358*	*20,371*
Total liabilities	**6.1**	**70,943**	**108,349**

(1) The variation is mainly due to the evolution of "Reverse repurchase agreement" partially offset by the evolution of "Repurchase agreement".

As of December 31, 2024 and 2023 "Short positions" include €8,899 and €11,219 million, respectively, held with general governments.

8.2 Derivatives

The derivatives portfolio arises from the Bank's need to manage the risks it is exposed to in the normal course of business and also to market products amongst the Bank's customers. As of December 31, 2024 and 2023, most of the derivatives were mainly contracted in over-the-counter (OTC) markets, with counterparties, consisting primarily of credit institutions and other financial institutions. These derivatives are linked to foreign-exchange rate risk, interest-rate risk and changes in equity.

Below is a breakdown by type of risk and market, of the fair value and notional amounts of financial derivatives recognized in the accompanying balance sheets, divided into organized and OTC markets:

Derivatives by type of risk / by product or by type of market (Millions of Euros)

	2024			2023		
	Assets	Liabilities	Notional amount - Total	Assets	Liabilities	Notional amount - Total
Interest rate	**12,602**	**6,772**	**4,422,049**	**12,308**	**8,169**	**4,296,633**
OTC	12,602	6,772	4,407,156	12,308	8,169	4,282,955
Organized market	—	—	14,893	—	—	13,678
Equity instruments	**3,803**	**3,119**	**77,945**	**2,598**	**2,638**	**70,937**
OTC	1,543	1,164	41,603	1,224	1,467	49,289
Organized market	2,260	1,955	36,342	1,374	1,172	21,649
Foreign exchange and gold	**19,626**	**19,972**	**909,642**	**17,491**	**17,281**	**708,553**
OTC	19,626	19,972	909,642	17,491	17,281	708,553
Organized market	—	—	—	—	—	—
Credit	**350**	**374**	**41,256**	**540**	**527**	**29,790**
Credit default swap	348	374	40,784	540	527	29,790
Commodities	**24**	**49**	**1,906**	**—**	**—**	**136**
Other	**—**	**—**	**—**	**—**	**—**	**—**
DERIVATIVES	**36,405**	**30,287**	**5,452,798**	**32,937**	**28,615**	**5,106,049**
Of which: OTC - credit institutions	*23,356*	*22,961*	*1,397,276*	*22,289*	*22,122*	*1,156,636*
Of which: OTC - other financial corporations	*7,485*	*2,671*	*3,868,017*	*6,493*	*2,896*	*3,798,816*
Of which: OTC - other	*3,305*	*2,699*	*135,255*	*2,781*	*2,425*	*115,135*

9. Non-trading financial assets mandatorily at fair value through profit or loss

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Non-trading financial assets mandatorily at fair value through profit or loss (Millions of Euros)

	Notes	2024	2023
Equity instruments	5.2.2	626	507
Debt securities	5.2.2	269	223
Loans and advances	5.2.2	—	—
Total	**6.1**	**895**	**730**

10. Financial assets and liabilities designated at fair value through profit or loss

As of December 31, 2024 and 2023 there was no balance in the heading "Financial assets designated at fair value through profit or loss, has no balance (See Note 5.2.2).

As of December 31, 2024 and 2023 the heading "Financial liabilities designated at fair value through profit or loss" included customer deposits for an amount of €2,955 and €2,361 million respectively.

The recognition of assets and liabilities in these headings is made to reduce inconsistencies (asymmetries) in the valuation of those operations and those used to manage their risk.

11. Financial assets at fair value through other comprehensive income

11.1. Breakdown of the balance

The breakdown of the balance of financial assets at fair value through other comprehensive income by type of financial instrument as of December 31, 2024 and 2023 is as follows:

Financial assets designated at fair value through other comprehensive income (Millions of Euros)	Notes	2024	2023
Equity instruments	5.2.2	1,193	1,019
Debt securities [1]		13,649	18,407
Loans and advances to credit institutions	5.2.2	—	—
Total	**6.1**	**14,842**	**19,426**
Of which: loss allowances of debt securities		*(12)*	*(15)*

1) During financial years 2024 and 2023, there have been no significant reclassifications from the heading “Financial assets at fair value through other comprehensive income” to other headings or from other headings to “Financial assets at fair value through other comprehensive income”.

11.2. Equity instruments

The breakdown of the balance under the heading "Equity instruments" of the accompanying balance sheets as of December 31, 2024 and 2023, is as follows:

Financial assets at fair value through other comprehensive income. Equity instruments (Millions of Euros)	2024	2023
Listed equity instruments		
Spanish companies shares	1,100	987
Foreign companies shares	—	—
Subtotal listed equity instruments	**1,100**	**987**
Unlisted equity instruments		
Spanish companies shares	44	11
Credit institutions	—	—
Other entities	44	11
Foreign companies shares	49	21
The United States	21	—
Other countries	28	21
Subtotal unlisted equity instruments	**93**	**32**
Total	**1,193**	**1,019**

11.3. Debt securities

The breakdown of the balance under the heading "Debt securities" of the accompanying financial statements as of December 31, 2024 and 2023, broken down by issuers, is as follows:

Financial assets at fair value through other comprehensive income. Debt securities (Millions of Euros)

	2024	2023
Domestic debt securities		
Government and other government agency	2,384	6,050
Central banks	—	—
Credit institutions	150	194
Other issuers	124	170
Subtotal	**2,658**	**6,414**
Foreign debt securities		
Mexico	**76**	**103**
Government and other government agency	—	—
Central banks	—	—
Credit institutions	—	—
Other issuers	76	103
The United States	**3,605**	**3,837**
Government and other government agency	1,427	1,389
Central banks	—	—
Credit institutions	—	55
Other issuers	2,178	2,393
Other countries	**7,188**	**8,053**
Other foreign governments and government agency	3,896	4,549
Central banks	89	80
Credit institutions	435	434
Other issuers	2,768	2,990
Subtotal	**10,991**	**11,993**
Total	**13,649**	**18,407**

The credit ratings of the issuers of debt securities as of December 31, 2024 and 2023, are as follows:

Debt securities by rating

	2024		2023	
	Fair value (Millions of Euros)	%	Fair value (Millions of Euros)	%
AAA	635	4.7 %	337	1.8 %
AA+	1,446	10.6 %	1,417	7.7 %
AA	170	1.2 %	197	1.1 %
AA-	479	3.5 %	477	2.6 %
A+	503	3.7 %	1,302	7.1 %
A	1,243	9.1 %	1,130	6.1 %
A-	3,348	24.5 %	7,448	40.5 %
BBB+	1,226	9.0 %	1,621	8.8 %
BBB	4,388	32.1 %	4,171	22.7 %
BBB-	89	0.7 %	178	1.0 %
BB+ or below	22	0.2 %	22	0.1 %
Unclassified	100	0.7 %	106	0.6 %
Total	**13,649**	**100.0%**	**18,407**	**100.0%**

11.4. Gains/losses

The changes in the gains/losses (net of taxes) in December 31, 2024 and 2023 of debt securities recognized under the equity heading "Accumulated other comprehensive income (loss) – Items that may be reclassified to profit or loss – Fair value changes of debt instruments measured at fair value through other comprehensive income" and equity instruments recognized under the equity heading "Accumulated other comprehensive income (loss) – Items that will not be reclassified to profit or loss –Fair value changes of equity instruments measured at fair value through other comprehensive income" in the accompanying balance sheets are as follows:

Other comprehensive income - Changes in the gains / losses (Millions of Euros)

	Notes	Debt securities		Equity instruments	
		2024	2023	2024	2023
Balance at the beginning		**(275)**	**(464)**	**(1,213)**	**(1,256)**
Valuation gains and losses		63	302	146	43
Amounts transferred to income		(47)	(31)	—	—
Income tax and other		(5)	(82)	(8)	—
Balance at the end	**27**	**(264)**	**(275)**	**(1,075)**	**(1,213)**

In 2024 and 2023, equity instruments presented an increase of €138 million and an increase of €42 million, respectively, in the heading "Gains and losses from valuation - Accumulated other comprehensive income - Items that will not be reclassified to profit and loss - Fair value changes of equity instruments measured at fair value through other comprehensive income", mainly due to changes in Telefonica's share price. Likewise, the valuations of debt securities have been affected mainly by the evolution of interest rates.

12. Financial assets at amortized cost

12.1.Breakdown of the balance

The breakdown of the balance under this heading in the balance sheets, according to the nature of the financial instrument, is as follows:

Financial assets at amortized cost (Millions of Euros)	Notes	2024	2023
Debt securities		**45,846**	**34,905**
Government		42,096	31,514
Credit institutions		2,231	2,139
Other financial and non-financial corporations		1,519	1,251
Loans and advances to central banks		**33**	**—**
Loans and advances to credit institutions		**18,774**	**13,074**
Reverse repurchase agreements		8,486	4,181
Other loans and advances		10,288	8,893
Loans and advances to customers	**5.2.2**	**230,818**	**213,786**
Government		13,185	13,247
Other financial corporations		14,693	11,660
Non-financial corporations		107,861	95,596
Other		95,079	93,282
Total	**6.2**	**295,471**	**261,765**
Of which: impaired assets of loans and advances to customers	*5.2.5*	*7,579*	*8,065*
Of which: loss allowances of loans and advances	*5.2.5*	*(4,665)*	*(4,576)*
Of which: loss allowances of debt securities		*(8)*	*(6)*

12.2. Debt securities

The breakdown of the balance under the heading “Debt securities” in the balance sheets, according to the issuer of the debt securities, is as follows:

Financial assets at amortized cost. Debt securities (Millions of Euros)	2024	2023
Domestic debt securities		
Government and other government agencies	35,643	25,838
Credit institutions	1,099	1,028
Other issuers	367	230
Subtotal	**37,108**	**27,095**
Foreign debt securities		
The United States	**2,076**	**1,885**
Government and other government agencies	2,044	1,855
Credit institutions	19	18
Other issuers	13	12
Other countries	**6,662**	**5,925**
Other foreign governments and government agencies	4,409	3,821
Central banks	—	—
Credit institutions	1,113	1,093
Other issuers	1,140	1,010
Subtotal	**8,738**	**7,810**
Total	**45,846**	**34,905**

As of December 31, 2024 and 2023, the distribution according to the credit quality (ratings) of the issuers of debt securities classified as financial assets at amortized cost, was as follows:

Debt securities by rating

	2024		2023	
	Carrying amount (Millions of Euros)	%	Carrying amount (Millions of Euros)	%
AAA	1,779	3.9 %	1,739	5.0 %
AA+	2,965	6.5 %	2,723	7.8 %
AA	65	0.1 %	63	0.2 %
AA-	953.542	2.1 %	—	— %
A+	8	— %	7.731	— %
A	492	1.1 %	439	1.3 %
A-	34,609	75.5 %	24,720	70.8 %
BBB+	1,088	2.4 %	1,105	3.2 %
BBB	3,394	7.4 %	3,774	10.8 %
BBB-	230	0.5 %	99	0.3 %
BB+ or below	264	0.6 %	237	0.7 %
Unclassified	—	— %	—	— %
Total	**45,846**	**100.0%**	**34,905**	**100.0%**

12.3. Loans and advances to customers

The breakdown of the balance under this heading in the accompanying balance sheets, according to their nature, is as follows:

Loans and advances to customers (Millions of Euros)

	2024	2023
On demand and short notice	76	186
Credit card debt	2,973	2,743
Trade receivables	25,783	21,158
Finance leases	6,543	6,076
Reverse repurchase agreements	44	92
Other term loans	191,198	180,411
Advances that are not loans	4,200	3,120
Total	**230,818**	**213,786**

As of December 31, 2024 and 2023, 45.3% and 43,3%, respectively, of "Loans and advances to customers" with maturity greater than one year have fixed-interest rates and 54.7% and 56,7%, respectively, have variable interest rates.

This heading also includes some loans that have been securitized and not derecognized since the risks or substantial benefits related to them are retained because the Bank granted subordinated loans or other types of credit enhancements that substantially keep all the expected credit losses for the transferred asset or the probable variation of its net cash flows. The balances recognized in the accompanying balance sheets corresponding to these securitized loans are as follows:

Securitized loans (Millions of Euros)

	2024	2023
Securitized mortgage assets	19,537	20,406
Other securitized assets	8,702	8,493
Total	**28,239**	**28,899**

The heading of Loans and advances to customers includes a deposit with the Bank of France associated with the contribution to the Single Resolution Fund for the years 2018, 2017 and 2016, which was made in the form of an irrevocable payment commitment, given that its amount is considered to be recoverable as of December 31, 2024. The resolution of the appeal filed with the Court of Justice of the European Union by a financial institution outside the Group against the decision of the Court of Justice of the European Union rejecting the return of amounts deposited is pending. This could lead to a claim by the Single Resolution Board. In any case, BBVA Group balance of this deposit as of December 31, 2024 is not significant.

13. Derivatives – Hedge accounting and fair value changes of the hedged items in portfolio hedges of interest rate risk

The breakdown of the balance of these headings in the accompanying balance sheets is as follows:

Derivatives – Hedge accounting and fair value changes of the hedged items in portfolio hedge of interest rate risk (Millions of Euros)	2024	2023
ASSETS		
Derivatives – hedge accounting	784	780
Fair value changes of the hedged items in portfolio hedges of interest rate risk	(65)	(97)
LIABILITIES		
Derivatives – hedge accounting	1,536	2,075
Fair value changes of the hedged items in portfolio hedges of interest rate risk	—	—

As of December 31, 2024 and 2023, the main positions hedged by the Bank and the derivatives designated to hedge those positions were:

- Fair value hedging:

    a. Fixed-interest debt securities at fair value through other comprehensive income and at amortized cost: The interest rate risk of these debt securities is hedged using interest rate derivatives (fixed-variable swaps) and forward sales.

    b. Long-term fixed-interest debt securities issued by the Bank: The interest rate risk of these debt securities is hedged using interest rate derivatives (fixed-variable swaps).

    c. Fixed-interest loans: The equity price risk of these instruments is hedged using interest rate derivatives (fixed-variable swaps).

    d. Fixed-interest and/or embedded derivative deposit portfolio hedges: It covers the interest rate risk through fixed-variable swaps. The valuation of the borrowed deposits corresponding to the interest rate risk is in the heading "Fair value changes of the hedged items in portfolio hedges of interest rate risk".

- Cash-flow hedges: Most of the hedged items are floating interest-rate loans and asset hedges linked to the inflation of the amortized cost portfolio and the financial assets at fair value through other comprehensive income portfolio. This risk is hedged using foreign-exchange, interest-rate swaps, inflation and FRA ("Forward Rate Agreement").

- Net foreign-currency investment hedges: These hedged risks are foreign-currency investments in the Group's foreign subsidiaries. This risk is hedged mainly with foreign-exchange options and forward currency sales and purchases (see Note 27).

Note 5 analyzes the Bank's main risks that are hedged using these financial instruments.

The details of the net positions by hedged risk of the fair value of the hedging derivatives recognized in the accompanying balance sheets are as follows:

Derivatives - Hedge accounting. Breakdown by type of risk and type of hedge. (Millions of Euros)

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Interest rate	**174**	**82**	**329**	**173**
OTC	174	82	329	173
Organized market	—	—	—	—
Equity instruments	**—**	**—**	**—**	**—**
Foreign exchange and gold	**—**	**—**	**—**	**—**
Credit	**—**	**—**	**—**	**—**
Commodities	**—**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
FAIR VALUE HEDGES	**174**	**82**	**329**	**173**
Interest rate	**542**	**1,332**	**421**	**1,761**
OTC	—	—	—	—
Organized market	542	1,332	421	1,761
Equity instruments	**—**	**—**	**—**	**—**
Foreign exchange and gold	**—**	**—**	**—**	**—**
OTC	—	—	—	—
Organized market	—	—	—	—
Credit	**—**	**—**	**—**	**—**
Commodities	**—**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
CASH FLOW HEDGES	**542**	**1,332**	**421**	**1,761**
HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION	**66**	**122**	**27**	**136**
PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK	**2**	**—**	**3**	**5**
PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK	**—**	**—**	**—**	**—**
DERIVATIVES-HEDGE ACCOUNTING	**784**	**1,536**	**780**	**2,075**
Of which: OTC - credit institutions	*654*	*1,085*	*682*	*1,865*
Of which: OTC - other financial corporations	*130*	*451*	*98*	*211*
Of which: OTC - other	*—*	*—*	*—*	*—*

Below there is a breakdown of the items covered by fair value hedges:

Hedged items in fair value hedges (Millions of Euros)

	Carrying amount		Hedge adjustments included in the carrying amount of assets/ liabilities (1)		Remaining adjustments for discontinued micro hedges including hedges of net positions (1)		Hedged items in portfolio hedge of interest rate risk		Recognized ineffectiveness in profit or loss	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
ASSETS										
Financial assets measured at fair value through other comprehensive income	**7,440**	**9,063**	**(406)**	**(646)**	**152**	**165**	**—**	**—**	**6**	**—**
Debt securities	7,440	9,063	(406)	(646)	152	165	—	—		
Interest rate	*7,440*	*9,063*	*(406)*	*(646)*	*152*	*165*	—	—		
Foreign exchange and gold	—	—	—	—	—	—	—	—		—
Other	—	—	—	—	—	—	—	—		—
Loans and advances	—	—	—	—	—	—	—	—		—
Interest rate	—	—	—	—	—	—	—	—		—
Foreign exchange and gold	—	—	—	—	—	—	—	—		
Other	—	—	—	—	—	—	—	—		
Financial assets measured at amortized cost	**2,514**	**2,675**	**(28)**	**(119)**	**519**	**685**	**753**	**936**	**(4)**	**(8)**
Debt securities	2,232	2,300	(48)	(148)	519	685	—	—		
Interest rate	*2,232*	*2,300*	*(48)*	*(148)*	*519*	*685*	—	—		
Foreign exchange and gold	—	—	—	—	—	—	—	—		
Loans and advances	282	375	20	28	—	—	753	936		
Interest rate	*282*	*375*	*20*	*28*	—	—	*753*	*936*		
Foreign exchange and gold	—	—	—	—	—	—	—	—		
LIABILITIES										
Financial liabilities measured at amortized costs	**38,830**	**42,396**	**95**	**517**	**1**	**—**	**—**	**—**	**(1)**	**3**
Deposits	2,745	8,986	172	(83)	—	—	—	—		
Interest rate	*2,745*	*8,986*	*172*	*(83)*	—	—	—	—		
Foreign exchange and gold	—	—	—	—	—	—	—	—		
Debt certificates	36,086	33,410	(76)	600	—	—	—	—		
Interest rate	*36,086*	*33,410*	*(76)*	*600*	—	—	—	—		
Foreign exchange and gold	—	—	—	—	—	—	—	—		

(1) The balance of discontinued hedges is not significant.

The following is the breakdown, by their notional maturities, of the hedging instruments as of December 31, 2024

Calendar of the notional maturities of the hedging instruments (Millions of Euros)	3 months or less	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
FAIR VALUE HEDGES	**5,160**	**9,795**	**18,863**	**16,576**	**50,394**
Of which: Interest rate	5,160	9,795	18,863	16,576	50,394
CASH FLOW HEDGES	**4,000**	**16,475**	**10,247**	**2,625**	**33,347**
Of which: Interest rate	4,000	16,475	10,247	2,625	33,347
HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION	**12,222**	**861**	**—**	**150**	**13,233**
PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK	**893**	**179**	**1,364**	**406**	**2,842**
PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK	**—**	**—**	**—**	**—**	**—**
DERIVATIVES-HEDGE ACCOUNTING	**22,275**	**27,310**	**30,474**	**19,757**	**99,816**

In 2024 and 2023, there was no reclassification in the accompanying income statements of any amount corresponding to cash flow hedges that was previously recognized in equity (see Note 37). The amount of the derivatives designated as accounting hedges that did not pass the effectiveness test in the years ended December 31, 2024 and 2023 was not material.

14. Investments in joint ventures and associates

14.1. Investments in subsidiaries

The heading "Investments in subsidiaries, joint venture and associates- Subsidiaries" in the accompanying balance sheets includes the carrying amount of the shares of companies forming part of the BBVA Group. The percentages of direct and indirect ownership and other relevant information on these companies are provided in Appendix II.

The breakdown, by currency and listing status, of this heading in the accompanying balance sheets is as follows:

Investments in subsidiaries (Millions of Euros)	2024	2023
Subsidiaries		
By currency	**38,202**	**38,496**
In euros	19,394	19,587
In foreign currencies	18,808	18,909
By share price	**38,202**	**38,496**
Listed	8,148	7,694
Unlisted	30,054	30,802
Loss allowances	**(13,519)**	**(15,859)**
Total	**24,683**	**22,637**

Garanti Bank

In accordance with the accounting standards applicable to the individual financial statements, the Bank maintains the interest in Garanti BBVA A.S. valued at historical cost (weighted average price in euros of the various acquisitions made since 2011) and at each closing the recoverability of the investment in euros is assessed in case of indications of impairment.

In 2024, Garanti's growth expectations in Turkey, which have led to an increase in the value of the stake, together with a lower-than-expected depreciation of the Turkish lira, have led to a recovery of part of the impairment recorded in previous years. This recovery had a positive impact on the Bank's standalone result of €2,221 million in 2024. As of 31 December 2024, the total impairment of the stake in Garanti amounts to €223 million.

In 2023, although the Turkish lira has continued to depreciate, the positive growth expectations of Garanti in Turkey together with the positive effect of the hedges, led to a recovery of part of the impairment recorded in previous years. This recovery had a positive impact on the Bank's individual result of €132 million in 2023 (€647 million in 2022). As of December 31, 2023, the total impairment of the stake in Garanti is €2,445 million.

These impairments or recoveries of the interest in the Bank's individual financial statements had no impact on the consolidated financial statements of the BBVA Group, since foreign currency translation differences are recorded under the heading "Other accumulated comprehensive income" of the Group's Consolidated Net Equity, in accordance with the accounting standards applicable to the consolidated financial statements, therefore the depreciation of the Turkish Lira was already recorded, reducing the consolidated Total Equity of the Group.

Movements

The changes in 2024 and 2023 in the balance under this heading in the balance sheets, disregarding the balance of the loss allowances, are as follows:

Investments in subsidiaries: changes in the year (Millions of Euros)

	2024	2023
Balance at the beginning	**38,496**	**37,621**
Acquisitions and capital increases	660	373
Disposals and capital reductions [1]	(711)	(548)
Transfers	—	—
Exchange differences and others	(243)	1,050
Balance at the end	**38,202**	**38,496**

(1) In 2024 financial year, the movement corresponds mainly to returns of contributions from Anida Grupo Inmobiliario, S.L. for an amount of €281 million and Tree Inversiones Inmobiliarias, S.A.U. for an amount of €140 million. In 2023, the movement corresponded mainly to a return of contributions from Tree Inversiones Inmobiliarias, S.A.U. which represented a reduction of €500 million in the book value of said participation.

Changes in the holdings in Group entities

Significant transactions in 2024

During the year 2024 no significant or relevant corporate operations have been completed, without prejudice to the announcement of the voluntary tender offer for the acquisition of all of the issued shares of Banco de Sabadell, S.A.

Other relevant additional information 2024

Announcement of the voluntary tender offer for the acquisition of all of the issued shares of Banco de Sabadell, S.A.

On April 30, 2024, due to a media report, BBVA published an inside information notice (*información privilegiada*) stating that it had informed the chairman of the Board of Directors of Banco de Sabadell, S.A. (the "Target Company") of the interest of BBVA's Board of Directors in initiating negotiations to explore a possible merger between the two entities. On the same date, BBVA sent to the chairman of the Target Company the written proposal for the merger of the two entities. The content of the written proposal sent to the Board of Directors of the Target Company was published on May 1, 2024 by BBVA through the publication of an inside information notice (*información privilegiada*) with the Spanish Securities and Exchange Commission (hereinafter "CNMV").

On May 6, 2024, the Target Company published an inside information notice (*información privilegiada*) informing of the rejection of the proposal by its Board of Directors.

Following such rejection, on May 9, 2024, BBVA announced, through the publication of an inside information notice (*información privilegiada*) (the "Prior Announcement"), the decision to launch a voluntary tender offer (the "Offer") for the acquisition of all of the issued shares of the Target Company, being a total of 5,440,221,447 ordinary shares with a par value of €0.125 each (representing 100% of the Target Company's share capital). The consideration initially offered by BBVA to the shareholders of the Target Company consisted of one (1) newly issued share of BBVA for each four and eighty-three hundredths (4.83) ordinary shares of the Target Company, subject to certain adjustments in the case of dividend distributions in accordance with what was indicated in the Prior Announcement.

In accordance with the Prior Announcement of the Offer and as a consequence of the interim dividend against the 2024 financial year results in the amount of €0.08 per share paid by the Target Company to its shareholders on October 1, 2024, BBVA proceeded to adjust the Offer consideration. Therefore, after applying the adjustment in the terms set forth in the Prior Announcement, the consideration offered by BBVA to the shareholders of the Target Company under the Offer was adjusted, as result of the dividend payment of the Target Company, to one (1) newly issued ordinary share of BBVA for each five point zero one nine six (5.0196) ordinary shares of the Target Company.

Additionally, as a result of the interim dividend against the 2024 financial year results in the amount of €0.29 per share paid by BBVA to its shareholders on October 10, 2024, BBVA proceeded to adjust again the Offer consideration. Therefore, also in accordance with the provisions of the Prior Announcement, the Offer consideration was adjusted to one (1) newly issued ordinary share of BBVA and €0.29 in cash for every five point zero one nine six (5.0196) ordinary shares of the Target Company.

Pursuant to the provisions of Royal Decree 1066/2007, of July 27, on the rules governing tender offers ("Royal Decree 1066/2007"), the Offer is subject to mandatory clearance by the CNMV ("CNMV Clearance"). Additionally, pursuant to the provisions of Law 10/2014 and Royal Decree 84/2015, the acquisition by BBVA of control of the Target Company resulting from the Offer is subject to the duty of prior notification to the Bank of Spain and the obtention of the non-opposition of the European Central Bank (a condition that was satisfied on September 5, 2024, as described below).

In addition, completion of the Offer is also subject to the satisfaction of the conditions specified in the Prior Announcement, in particular (i) the acceptance of the Offer by a number of shares that allows BBVA to acquire at least more than half of the effective voting rights of the Target Company at the end of the Offer acceptance period (therefore excluding the treasury shares that the Target Company may hold at that time), as this condition was amended by BBVA in accordance with the publication of the inside information notice (*información privilegiada*) dated January 9, 2025, (ii) approval by BBVA's General Shareholders' Meeting of the increase of BBVA's share capital through the issue of new ordinary shares through non-cash contributions in an amount that is sufficient to cover the consideration in shares offered to the shareholders of the Target Company (which condition was satisfied on July 5, 2024, as described below), (iii) the express or tacit authorization of the economic concentration resulting from the Offer by the Spanish antitrust authorities, and (iv) the express or tacit authorization of the indirect acquisition of control of the Target Company's banking subsidiary in the United Kingdom, TSB Bank PLC, by the United Kingdom Prudential Regulation Authority ("PRA") (a condition that was satisfied on September 2, 2024, as described below).

On July 5, 2024, the BBVA's Extraordinary General Shareholders' Meeting resolved to authorize, with 96% votes in favor, an increase in the share capital of BBVA of up to a maximum nominal amount of €551,906,524.05 through the issuing and putting into circulation of up to 1,126,339,845 ordinary shares of €0.49 par value each to cover the consideration in shares offered to the shareholders of the Target Company.

On September 3, 2024, BBVA announced, through the publication of an inside information notice (*información privilegiada*), that, on September 2, 2024, it received the authorization from the PRA for BBVA's indirect acquisition of control of TSB Bank PLC as a result of the Offer.

On September 5, 2024, BBVA announced, through the publication of an inside Information notice (*información privilegiada*), that it received the decision of non-opposition from the European Central Bank to BBVA's taking control of the Target Company as a result of the Offer.

On November 12, 2024, BBVA announced, through the publication of Other Relevant Information notice (*otra información relevante*), that it received the resolution of the Spanish National Markets and Competition authority (CNMC) in which it decided to initiate the second phase of the analysis of the economic concentration resulting from the Offer.

The Offer is subject to approval by the CNMV and to the approval of the economic concentration resulting from the Offer by the Spanish competition authorities. The detailed terms of the Offer will be set out in the prospectus, which was submitted to the CNMV together with the request for the authorization of the Offer on May 24, 2024, and will be published after obtaining CNMV Clearance.

Significant transactions in 2023

During the year 2023 no significant corporate transactions were carried out.

14.2. Investments in joint ventures and associates

The breakdown of the balance of "Joint ventures and associates" in the consolidated balance sheets is as follows:

Joint ventures and associates (Millions of Euros)		
	2024	**2023**
Associates		
By currency	**790**	**650**
In euros	411	271
In foreign currencies	379	379
By share price	**790**	**650**
Listed	388	239
Unlisted	402	411
Loss allowances	**(244)**	**(292)**
Subtotal	**545**	**358**
Joint ventures		
By currency	**24**	**24**
In euros	24	24
In foreign currencies	—	—
By share price	**24**	**24**
Listed	—	—
Unlisted	24	24
Loss allowances	**—**	**—**
Subtotal	**24**	**24**
Total	**569**	**382**

The investments in joint ventures and associates as of December 31, 2024 are shown in Appendix III.

The following is a summary of the gross changes in 2024 and 2023 under this heading in the accompanying balance sheets:

Joint ventures and associates: changes in the year (Millions of Euros)		
	2024	2023
Balance at the beginning	**674**	**621**
Acquisitions and capital increases	164	75
Disposals and capital reductions	(18)	(22)
Balance at the end	**814**	**674**

During the year 2024, the most significant movement in the "Joint ventures and associates" section corresponds to the transfer of 17.3 million Metrovacesa shares from the entity "Anida Operaciones Singulares, S.A." (belonging to the BBVA Group) to BBVA to unify all the Group's participation.

During the year 2023, the most significant changes under the heading "Joint ventures and associates" correspond to capital increases in Atom Holdco Limited.

14.3. Notifications about acquisition of holdings

Appendix IV provides notifications on acquisitions and disposals of holdings in subsidiaries, joint ventures and associates, in compliance with Article 155 of the Corporations Act and Article 125 of the Securities Market Act 4/2015.

14.4. Impairment

The breakdown of the changes in loss allowances in 2024 and 2023 under this heading is as follows:

Impairment (Millions of Euros)			
	Notes	2024	2023
Balance at the beginning		**16,151**	**16,282**
Increase in loss allowances charged to income	43	141	60
Decrease in loss allowances credited to income (1)	43	(2,387)	(178)
Amount used		(74)	(13)
Balance at the end		**13,763**	**16,151**

(1) See Note 14.1

15. Tangible assets

The breakdown of, and changes in, the balances under this heading in the accompanying balance sheets, according to the nature of the related items, is as follows:

Tangible assets. Breakdown by type of assets and changes in the year 2024 (Millions of Euros)

					Right to use asset			
	Notes	Land and Buildings	Work in Progress	Furniture, Fixtures and Vehicles	Tangible asset of own use	Investment Properties	Investment Properties	Total
Revalued cost								
Balance at the beginning		**1,022**	**—**	**2,662**	**3,342**	**237**	**11**	**7,274**
Additions		—	—	132	390	2	—	524
Retirements		—	—	(37)	(177)	(32)	—	(246)
Transfers		2	—	(3)	(44)	44	(11)	(11)
Exchange difference and other		—	—	2	—	—	—	2
Balance at the end		**1,024**	**—**	**2,756**	**3,512**	**251**	**—**	**7,543**
Accrued depreciation								
Balance at the beginning		**199**	**—**	**2,205**	**938**	**93**	**2**	**3,437**
Additions	40	13	—	81	207	19	—	321
Retirements		—	—	(35)	(59)	—	—	(94)
Transfers		1	—	(2)	22	(22)	(2)	(2)
Exchange difference and other		—	—	1	—	—	—	1
Balance at the end		**213**	**—**	**2,251**	**1,108**	**91**	**(1)**	**3,662**
Impairment								
Balance at the beginning		**70**	**—**	**—**	**328**	**61**	**5**	**464**
Additions	44	—	—	2	13	22	—	36
Retirements	44	—	—	—	(30)	(2)	—	(32)
Transfers		—	—	—	—	—	(5)	(5)
Exchange difference and other		—	—	(3)	(96)	—	—	(99)
Balance at the end		**70**	**—**	**(1)**	**214**	**81**	**—**	**364**
Net tangible assets								
Balance at the beginning		**753**	**—**	**456**	**2,077**	**83**	**4**	**3,373**
Balance at the end		**741**	**—**	**506**	**2,189**	**78**	**1**	**3,516**

Tangible assets. Breakdown by type of assets and changes in the year 2023 (Millions of Euros)

					Right to use asset			
	Notes	Land and Buildings	Work in Progress	Furniture, Fixtures and Vehicles	Tangible asset of own use	Investment Properties	Investment Properties	Total
Revalued cost								
Balance at the beginning		**1,028**	**—**	**2,601**	**3,323**	**213**	**12**	**7,177**
Additions		1	—	76	169	10	—	256
Retirements		—	—	(15)	(135)	—	(1)	(150)
Transfers		(7)	—	—	(15)	14	—	(9)
Exchange difference and other		—	—	—	—	—	—	—
Balance at the end		**1,022**	**—**	**2,662**	**3,342**	**237**	**11**	**7,274**
Accrued depreciation								
Balance at the beginning		**187**	**—**	**2,136**	**758**	**69**	**2**	**3,152**
Additions	40	13	—	84	202	21	—	320
Retirements		—	—	(14)	(19)	—	—	(33)
Transfers		(1)	—	—	(3)	3	—	(1)
Exchange difference and other		—	—	(1)	—	—	—	(1)
Balance at the end		**199**	**—**	**2,205**	**938**	**93**	**2**	**3,437**
Impairment								
Balance at the beginning		**70**	**—**	**—**	**369**	**50**	**5**	**494**
Additions	44	—	—	1	5	11	—	17
Retirements	44	—	—	—	(34)	—	—	(34)
Transfers		—	—	—	—	—	—	—
Exchange difference and other		—	—	(1)	(11)	—	—	(12)
Balance at the end		**70**	**—**	**—**	**328**	**61**	**5**	**464**
Net tangible assets								
Balance at the beginning		**771**	**—**	**465**	**2,196**	**94**	**5**	**3,531**
Balance at the end		**753**	**—**	**456**	**2,077**	**83**	**4**	**3,373**

The right to use asset consists mainly of the rental of commercial real estate premises for central services and the network branches. The clauses included in rental contracts correspond to a large extent to rental contracts under normal market conditions.

As of December 31, 2024 and 2023, the cost of fully amortized tangible assets that remained in use were €1,726 million and €1,705 million, respectively.

The main activity of the Bank is carried out through a network of bank branches located geographically as shown in the following table:

Branches by geographical location (Number of branches)

	2024	2023
Spain	1,881	1,882
Rest of the world	24	24
Total	**1,905**	**1,906**

16. Intangible assets

The breakdown of the balance under this heading in the balance sheets as of December 31, 2024 and 2023 relates mainly to the net balance of the disbursements made on the acquisition of computer software. The average life of the Bank's intangible assets is 5 years.

The breakdown of the balance under this heading in the balance sheets, according to the nature of the related items, is as follows:

Other intangible assets (Millions of Euros)

	2024	2023
Transactions in progress	977	875
Accruals	6	19
Total	**983**	**894**

The breakdown of the changes in 2024 and 2023 in the balance under this heading in the balance sheets is as follows:

Other intangible assets. Changes over the year (Millions of Euros)

		2024			2023		
	Notes	Computer software	Other intangible assets	Total of intangible assets	Computer software	Other intangible assets	Total of intangible assets
Balance at the beginning		**875**	**19**	**894**	**825**	**31**	**855**
Additions		417	—	417	382	—	382
Amortization in the year	40	(308)	(13)	(321)	(319)	(12)	(331)
Net variation of impairment through profit or loss	44	(7)	—	(7)	(12)	—	(12)
Balance at the end		**977**	**6**	**983**	**875**	**19**	**894**

17. Tax assets and liabilities

The balance of the heading "Tax Liabilities" in the accompanying balance sheets contains the liability for applicable taxes, including the provision for corporation tax of each year, net of tax with holdings and prepayments for that period, and the provision for current period corporation tax in the case of companies with a net tax liability. The amount of the tax refunds due to Group companies and the tax with holdings and prepayments for the current period are included under "Tax Assets" in the accompanying balance sheets.

Banco Bilbao Vizcaya Argentaria, S.A. and its tax-consolidable subsidiaries file consolidated tax returns. The subsidiaries of Argentaria, which had been in Tax Group 7/90, were included in Tax Group 2/82 from 2000. On December, 30, 2002, the pertinent notification was made to the Ministry of Economy and Finance to extend its taxation under the consolidated taxation regime indefinitely, in accordance with current legislation. Similarly, on the occasion of the acquisition of Unnim Group in 2012, the companies composing the Tax Group No. 580/11 which met the requirements became part of the Tax Group 2/82 from January 1, 2013. On the occasion of the acquisition of Catalunya Banc Group in 2015, the companies composing the Tax Group No. 585/11 which met the requirements became part of the Tax Group 2/82 from January 1, 2016.

In previous years, the Bank has participated in various corporate restructuring operations covered by the special regime for mergers, divisions, transfers of assets and exchange of securities under the terms provided in the Corporate Tax Law in force in each of the years corresponding. These operations are explained in detail in the financial statements, part of the annual accounts for the respective years. Similarly, the information requirements under the above legislation are included in the financial statements corresponding to the year in which the mentioned operations were carried out, as well as in the merger by absorption deed, other official documents or in the internal records of the Bank, available to the tax authorities.

17.1 Years open for review by the tax authorities

As December 31, 2024, the Bank was undergoing inspection in connection with the years 2017 to 2020, with respect to the taxes applicable to it.

Notwithstanding the above, the application of the temporary tax on credit institutions by BBVA, S.A. for the year 2023 is being reviewed by the Tax Administration.

With regard to the coverage, if applicable, of the tax risks identified in the accounting, it may involve either the recording of a provision or a lower deferred tax asset to the extent that the risk being hedged had previously given rise to the registration of a deferred tax asset or tax credit.

In this regard, in the terms indicated in the previous paragraph, the Group has established provisions that, without prejudice to the uncertainty associated with any procedures, it considers appropriate taking into account the identified risks that are covered (in accordance with the evaluation and estimation possibilities of the same) that, in no case, are considered individually significant.

Without prejudice to the foregoing, due to the possible different interpretations that may be given to certain tax regulations, the results of the inspections that, where appropriate, are carried out by the tax authorities are likely to reveal other contingent tax liabilities, the amount of which It is not possible to quantify it objectively at present. However, the Bank estimates that the possibility of these contingent liabilities materializing is remote and, in any case, the tax debt that could arise from them would not significantly affect the accompanying financial statements.

17.2 Reconciliation of the tax expense

The reconciliation of the corporation tax expense resulting from the application of the standard tax rate to the recognized corporation tax expense in the attached income statement is as follows:

Reconciliation of the Corporate Tax Expense Resulting from the Application of the Standard Rate and the Expense Registered by this Tax (Millions of Euros)

	2024	2023
Corporation tax	**3,477**	**1,664**
Increases due to permanent differences	193	130
Decreases due to permanent differences	(2,616)	(1,376)
Tax credits and tax relief at consolidated Companies	(31)	(58)
Other items net	80	86
Net increases (decreases) due to temporary differences	(98)	(94)
Charge for income tax and other taxes	**—**	**—**
Deferred tax assets and liabilities recorded (utilized)	98	94
Income tax and other taxes accrued in the period	**1,105**	**447**
Adjustments to prior years' income tax and other taxes (1)	251	293
Income tax and other taxes	**1,355**	**740**

(1) This is the net of several tax effects that include, among others, i) in 2024, the accounting record of the impact associated with the declaration of unconstitutionality of certain measures relating to Corporate Tax introduced by Royal Decree-Law 3/2016, ii) foreign taxes.

The heading "Decreases due to permanent differences" of the previous table in 2024 includes mainly the tax effect on dividends and capital gains, which are exempt in order to avoid double taxation at 95%, for an amount of €5,869 million and available of non-deductible impairments for an amount of €2,348 million. In 2023, the effect of those concepts were €3,871 and €251 million, respectively.

The Bank avails itself of the tax credits for investments in new fixed assets (in the scope of the Canary Islands tax regime, for a non-material amount), tax relief, R&D tax credits, donation tax credits and double taxation tax credits, in conformity with corporate income tax legislation.

Under the regulations in force until December 31, 2001, the Bank and the savings banks which would form Unnim Banc and Catalunya Banc were available to the tax deferral for reinvestment. The information related to this tax credit can be found in the corresponding annual reports.

From 2002 to 2014, the Bank and the savings banks which would form Unnim Banc and Catalunya Banc were available to the tax credit for reinvestment of extraordinary income obtained on the transfer for consideration of properties and shares representing ownership interests of more than 5%. The information related to this tax credit can be found in the corresponding financial statements.

17.3 Income tax recognized in equity

In addition to the income tax registered in the income statements, at the end of 2024 and 2023 the Bank recognized the following amounts in equity:

Tax recognized in total equity (Millions of Euros)	2024	2023
Charges to total equity		
Debt securities	—	—
Equity instruments	(11)	(3)
Other	(108)	(10)
Subtotal	**(119)**	**(13)**
Credits to total equity		
Debt securities	120	94
Equity instruments	—	—
Other	—	—
Subtotal	**120**	**94**
Total	**1**	**81**

17.4 Tax assets and liabilities

The balance under the heading "Tax assets" in the accompanying balance sheets includes the balances receivable from the tax authorities relating to current and deferred tax assets. The balance under the “Tax liabilities” heading includes the balances payable corresponding to the Bank's various deferred tax liabilities. The details of the most important tax assets and liabilities are as follows:

Tax Assets and Liabilities (Millions of Euros)	2024	2023	Variation
Tax assets-			
Current tax assets	2,890	2,145	745
Deferred tax assets	9,410	10,271	(861)
Pensions	*112*	*123*	*(11)*
Financial Instruments	*149*	*161*	*(12)*
Other assets	*32*	*41*	*(9)*
Impairment losses	*208*	*242*	*(34)*
Other	*503*	*532*	*(29)*
Secured tax assets (1)	*7,979*	*8,534*	*(555)*
Tax losses	*427*	*639*	*(212)*
Total	**12,300**	**12,416**	**(116)**
Tax Liabilities-			
Current tax liabilities	225	197	28
Deferred tax liabilities	912	795	117
Charge for income tax and other taxes	*912*	*795*	*117*
Total	**1,137**	**992**	**145**

(1) The Law guaranteeing the deferred tax assets was approved in Spain in 2013.

Based on the available information, including historical profit levels of benefits and projected results available to the Bank, the Bank has carried out an analysis of its recovery of deferred tax assets and liabilities and it is considered that there is sufficient positive evidence, in excess of the negative evidence, that sufficient positive taxable income will be generated for the recovery of the aforementioned unsecured deferred tax assets when they become deductible in accordance with tax legislation. In this respect, in the specific case of the tax Group in Spain, the Group estimates that it will be able to generate sufficient taxable income to offset the tax loss carryforwards and deductions recorded for accounting purposes within a period under 10 years.

The changes in deferred tax assets and liabilities in 2024 were mainly attributable to:

- The increase of Current tax assets is due to higher debtor Public Treasury due to the return of the 2024 Corporation Tax payments made during the year.

- The increase in assets for deferred tax liabilities related to financial instruments are mainly due to valuation adjustments in Total Equity.

- The other changes in deferred tax assets and liabilities are mainly due to the adjustments on the corporate income tax finally presented for year 2023 and the estimation for 2024.

- The decrease in guaranteed tax assets and tax losses are due to the offset of the Corporate Tax corresponding to the year 2024, as well as due to the effects associated with the declaration of unconstitutionality of certain measures relating to Corporate Tax introduced by Royal Decree Law 3/2016.

On the deferred tax assets and liabilities shown above, those included in Note 17.3 above have been recognized against the entity's equity, and the rest against earnings for the year or reserves.

From the guaranteed tax assets contained in the above table, the detail of the items and amounts guaranteed by the Spanish Government is as follows:

Secured tax assets (Millions of Euros)	2024	2023
Pensions	1,622	1,622
Loss allowances	6,357	6,912
Total	**7,979**	**8,534**

On the other hand, BBVA, S.A., has not recognized for accounting purposes (or, as the case may be, has been subject to a valuation adjustment) certain deferred taxes for an amount of €1.567 million in quota for which, in general, there is no legal period for offsetting, which are mainly originated by Catalunya Banc.

In connection with the above, it should be noted that within the framework of the ongoing process of rationalization of the Group's corporate structure, which, among others, could provide for the future dissolution and liquidation of companies, the materialization of the aforementioned deferred tax assets not recognized for accounting purposes may take place in the Entity, as a consequence of tax adjustments made in the past, associated with the participation being liquidated, which most supposes the materialization of deferred tax assets not recognized in accounting terms either in the entity itself that holds the status of partner, or in the company object of dissolution and liquidation. In addition, BBVA, S.A., in relation to the Branches abroad, has deferred taxes not recognized in accounting for amount of €12.939 thousand in France, €7.573 thousand in Portugal, €2.766 thousand in Japan, €171 thousand in Singapore and €64 thousand in China (all in quota).

17.5 Other contributions and taxes

Temporary tax on credit institutions in Spain

On December 28, 2022, the Law for the establishment of the temporary tax on credit institutions and financial credit establishments was published in the Official State Gazette.

This law establishes an obligation to pay a non-taxable equity benefit of public nature during the years 2023 and 2024 on those credit institutions that operate in Spain whose aggregate interest income and fee and commission income in 2019 was €800 million or more.

The amount of the non-taxable equity benefit to be paid is the result of applying the percentage of 4.8% to the sum of the net interest income and fee and commission income and expense derived from the activity carried out in Spain, as shown in the income statement of the tax consolidation group to which the credit institutions belongs, corresponding to the calendar year prior to the year in which the obligation to make such a payment arose. The payment obligation arises on the first day of the calendar year of fiscal years 2023 and 2024.The impact of the payment required to be made by BBVA on account of this benefit in 2024 amounted to €285 million and was recorded under "Other operating expense" in the consolidated income statement (see Note 38).

Tax on net interest income and commissions of certain financial institutions in Spain

On December 21, 2024, Law 7/2024 was published in the Official State Gazette, the ninth Final Provision of which regulates a new tax on the interest margin and commissions of certain financial entities, including BBVA, S.A. The tax is levied on the interest and commission margin obtained by credit institutions derived from the activity they carry out in Spanish territory and is applicable in the first three consecutive tax periods that begin on January 1, 2024.

Subsequently, Royal Decree-Law 9/2024, which came into force on December 25, 2024, modified certain aspects of the tax approved by Law 7/2024, among other things, the tax period and the accrual of the new tax. However, this Royal Decree-Law has not been validated by the Congress of Deputies so, as of the date of preparation of these Financial Statements, it is repealed.

No impact associated with this tax has been recorded in the Financial Statements for the year ended December 31, 2024.

Complementary tax to ensure a global minimum top up tax for multinational groups and large domestic groups (Pillar Two)

On December 20, 2024, Law 7/2024 of December 20, 2024 was approved in Spain, establishing a Complementary Tax to guarantee an overall minimum level of taxation for multinational groups and large domestic groups, a Tax on the net interest income and fee and commission of certain financial institutions and a Tax on liquids for electronic cigarettes and other tobacco-related products, and amending other tax regulations.

This law transposes Council Directive (EU) 2022/2523 of December 15, 2022, which incorporates the Pillar Two rules into the European legal framework.

The aforementioned Law has been approved with effect for tax periods beginning on or after December 31, 2023. Consequently, at the end of the year 2024, the Group is subject to the Pillar Two rules.

In compliance with current legislation, the Group has calculated the estimated impact of the Complementary Tax based on the Transitional Safe Harbor analysis and on the basis of the figures used in the preparation of the Group's consolidated financial statements in each of its constituent jurisdictions.

As a result of this estimated calculation, it has been determined that most of the jurisdictions in which the Group operates, with the exception of a small number of countries representing an immaterial percentage of the BBVA Group's profit (loss) before tax, exceed the minimum effective tax rate of 15% and, therefore, do not accrue Complementary Tax. For those jurisdictions that do not meet this threshold, BBVA, S.A., as the ultimate parent company of the Group, as of December 31, 2024, has recognized as a current tax expense the corresponding estimated supplementary tax associated with those jurisdictions, the amount of which is very immaterial.

Finally, it should be noted that the BBVA Group applies the mandatory exception to the recognition and disclosure of deferred tax assets and liabilities in relation to Pillar Two.

18. Other assets and liabilities

The breakdown of the balances of these headings of the accompanying balance sheets is as follows:

Other assets and liabilities (Millions of Euros)

	Notes	2024	2023
ASSETS			
Insurance contracts linked to pensions	**22**	**1,260**	**1,321**
Inventories (1)		**1,302**	**132**
Rest of other assets		**1,501**	**569**
Transactions in progress		439	17
Accruals		416	392
Other items		647	161
Total		**4,064**	**2,023**
LIABILITIES			
Transactions in progress		283	96
Accruals		1,097	1,012
Other items		1,072	1,700
Total		**2,454**	**2,808**

(1) The variation compared to 2023 corresponds mainly to the stock of CO2 emission rights.

19. Non-current assets and disposal groups classified as held for sale

The composition of the balances under the headings "Non-current assets and disposal groups classified as held for sale" in the accompanying balance sheets, broken down by the origin of the assets, is as follows:

Non-current assets and disposal groups classified as held for sale: Breakdown by items (Millions of Euros)	2024	2023
Foreclosures and recoveries	408	558
Foreclosures	*373*	*522*
Recoveries from financial leases	*35*	*37*
Assets from tangible assets	175	422
Accrued amortization [(1)]	(34)	(79)
Loss allowances	(219)	(389)
Total non-current assets and disposal groups classified as held for sale	**331**	**512**

(1) Corresponds to the accumulated depreciation of assets before classification as "Non-current assets and disposal groups classified as held for sale".

Non-current assets and disposal groups classified as held for sale

The changes in the balances under this heading in 2024 and 2023 are as follows:

Non-current assets and disposal groups classified as held for sale. Changes in the year (Millions of Euros)

	Notes	Foreclosed assets		From own use assets [(1)]		Business sale - assets		Total	
Cost (1)		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at the beginning		**558**	**728**	**343**	**371**	**—**	**—**	**901**	**1,099**
Additions		121	80		—	—	—	121	80
Retirements (sales and other decreases)		(240)	(227)	(211)	(34)	—	—	(451)	(261)
Transfers, other movements and exchange differences		(31)	(23)	9	6	—	—	(22)	(17)
Balance at the end		**408**	**558**	**141**	**343**	**—**	**—**	**549**	**901**
Impairment (2)									
Balance at the beginning		**176**	**214**	**213**	**234**	**—**	**—**	**389**	**448**
Net variations through profit and loss	46	8	16	19	1	—	—	27	17
Retirements (sales and other decreases)		(50)	(51)	(153)	(22)	—	—	(203)	(73)
Transfers, other movements and exchange differences		—	(3)	5	—	—	—	5	(3)
Balance at the end		**134**	**176**	**84**	**213**	**—**	**—**	**218**	**389**
Balance at the end of Net carrying value (1)-(2)		**274**	**382**	**57**	**130**	**—**	**—**	**331**	**512**

(1) Net of accumulated amortizations until their classification as "Non-current assets and disposable groups of elements that have been classified as held for sale".

As indicated in Note 2.3, "Non-current assets and disposal groups held for sale" and "liabilities included in disposal groups classified as held for sale" are valued at the lower amount between its fair value less costs to sell and its book value. As of December 31, 2024 and 2023, practically all of the carrying amount of the assets recorded at fair value on a non-recurring basis coincides with their fair value.

Assets from foreclosures or recoveries

The table below shows the main non-current assets held for sale from foreclosures or recoveries:

Non-current assets and disposal groups classified as held for sale. From foreclosures or recoveries (Millions of Euros)		
	2024	**2023**
Residential assets	203	278
Industrial assets	66	94
Agricultural assets	3	8
Total	**272**	**380**

The table below shows the length of time for which the main assets from foreclosures or recoveries that were on the balance sheet as of December 31, 2024 and 2023 had been held:

Assets from foreclosures or recoveries. Period of ownership (Millions of Euros)		
	2024	**2023**
Up to one year	31	27
From 1 to 3 years	48	72
From 3 to 5 years	43	91
Over 5 years	150	190
Total	**272**	**380**

In 2024 and 2023, some of the sales of these assets were financed by the Bank. The amount of the loans granted to the buyers of these assets in those years totaled €8 and €11 million respectively, with a mean percentage financed of 69% and 79%, respectively, of the price of sale. The total nominal amount of these loans and receivables, which are recognized under "Financial assets at amortized cost" was €1,368 and €1,393 million, as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, there were no gains not recognized in the income statement from the sale of assets financed by the Bank.

20. Financial liabilities at amortized cost

20.1. Breakdown of the balance

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Financial liabilities measured at amortized cost (Millions of Euros)		
	2024	**2023**
Deposits	292,037	279,279
Deposits from central banks	6,985	10,962
Demand deposits	*657*	*158*
Time deposits and other	*6,328*	*10,804*
Deposits from Credit Institutions	24,686	33,563
Demand deposits	*5,716*	*5,922*
Time deposits and other	*7,451*	*7,222*
Repurchase agreements	*11,519*	*20,419*
Customer deposits	260,366	234,754
Demand deposits	*205,871*	*195,004*
Time deposits and other	*46,931*	*38,519*
Repurchase agreements	*7,564*	*1,231*
Debt certificates	47,086	50,132
Other financial liabilities	10,258	10,065
Total	**349,381**	**339,476**

As of December 31, 2024, all drawdowns of the TLTRO III program have been repaid. As of December 31 2023, the amount recorded in "Deposits from central banks - Time deposits and other" included the drawdowns of the TLTRO III facilities of the ECB, mainly by BBVA, S.A., amounting to €3,490 million.

20.2. Deposits from credit institutions

The breakdown by geographical area and the nature of the related instruments of this heading in the balance sheets is as follows:

Deposits from credit institutions (Millions of Euros)

	Demand deposits	Time deposits and other	Repurchase agreements	Total
December 2024				
Spain	955	2,303	538	3,796
Rest of Europe	2,835	2,095	10,950	15,880
Mexico	177	—	—	177
South America	477	196	—	673
Rest of the world	1,265	2,857	31	4,153
Total	**5,716**	**7,451**	**11,519**	**24,686**
December 2023				
Spain	1,270	1,611	899	3,779
Rest of Europe	2,945	2,087	19,260	24,292
Mexico	286	—	—	286
South America	302	451	—	753
Rest of the world	1,119	3,073	260	4,452
Total	**5,922**	**7,222**	**20,419**	**33,563**

20.3. Customer deposits

The breakdown of this heading in the accompanying balance sheets, by type of instrument and geographical area, is as follows:

Customer deposits (Millions of Euros)

	Demand deposits	Time deposits and other (1)	Repurchase agreements	Total
December 2024				
Spain	188,203	21,054	6,469	215,726
Rest of Europe	13,884	17,657	1,095	32,636
Mexico	172	450	—	622
South America	1,458	1,117	—	2,575
Rest of the world	2,154	6,653	—	8,807
Total	**205,871**	**46,931**	**7,564**	**260,366**
December 2023				
Spain	182,485	16,664	—	199,149
Rest of Europe	10,197	16,892	1,231	28,320
Mexico	146	284	—	430
South America	932	960	—	1,892
Rest of the world	1,244	3,719	—	4,963
Total	**195,004**	**38,519**	**1,231**	**234,754**

(1) Subordinated deposits are included amounting to €8 million as of December 31, 2024. As of December 31, 2023, no subordinated deposits were recorded under this heading.

Previous table includes as of 31, December 2024 and 2023 deposits amounted to €189 and €177 million, respectively, linked to issues of subordinated debt made by BBVA Global Finance Ltd.

20.4. Debt certificates

The breakdown of the balance under this heading, by type of financial instrument and by currency, is as follows:

Debt certificates issued (Millions of Euros)	2024	2023
In Euros	**33,362**	**40,753**
Promissory bills and notes	1,343	5,320
Non-convertible bonds and debentures	17,698	16,675
Mortgage Covered bonds	4,632	5,626
Other securities	1,030	6,182
Accrued interest and others (1)	263	(116)
Subordinated liabilities	8,395	7,066
Convertible perpetual securities	*2,750*	*3,000*
Other non- convertible subordinated liabilities	*5,550*	*4,051*
Valuation adjustments (1)	*95*	*15*
In Foreign Currency	**13,724**	**9,379**
Promissory bills and notes	2,487	145
Non-convertible bonds and debentures	5,195	3,125
Mortgage Covered bonds	93	98
Other securities	1,067	1,479
Accrued interest and others (1)	110	35
Subordinated liabilities	4,771	4,498
Convertible perpetual securities	*2,888*	*2,715*
Other non-convertible subordinated liabilities	*1,868*	*1,768*
Valuation adjustments (1)	*15*	*14*
Total	**47,086**	**50,132**

(1) Accrued interest but pending payment, valuation adjustments and issuance costs included.

As of December 31, 2024 and 2023, 67% and 73% of “Debt certificates” have fixed-interest rates, and 33% and 27% have variable interest rates, respectively.

The total cost of the accrued interest under “Debt securities issued” in 2024 and 2023 totaled €1,546 million and €1,123 million, respectively.

As of December 31, 2024 and 2023 the accrued interest pending payment from promissory notes and bills and bonds and debentures amounted to €613 million and €500 million, respectively.

The heading “Nonconvertible bonds and debentures” as of December 31, 2024 includes several issues, the latest maturing in 2039.

The heading “Mortgage Covered Bonds" as of December 31, 2024 includes issues with various maturities, the latest in 2037.

Subordinated liabilities included in this heading and in Note 20.3, and accordingly, for debt seniority purposes, they rank behind ordinary debt, but ahead of the Bank’s shareholders, without prejudice to any different seniority that may exist between the different types of subordinated debt instruments according to the terms and conditions of each issue. The breakdown of this heading in the accompanying balance sheets, disregarding valuation adjustments, by currency of issuance and interest rate is shown in Appendix VII.

The balance variances are mainly due to the following transactions:

Perpetual Contingent Convertible Securities

The Annual General Shareholders' Meeting of BBVA held on April 20, 2021, resolved, under agenda item five, to authorize the Board of Directors of BBVA, with sub-delegation powers, to issue convertible securities, whose conversion is contingent and which are intended to meet regulatory requirements for their eligibility as capital instruments (CoCo), in accordance with the solvency regulations applicable from time to time, subject to the legal and statutory provisions that may be applicable at any time. The Board of Directors may make issues on one or several times within the maximum term of five years from the date on which this resolution was adopted, up to the maximum overall amount of €8 billion or its equivalent in any other currency. The Board of Directors may also resolve to exclude, either fully or partially, the pre-emptive subscription rights of shareholders within the framework of a concrete issuance, complying in all cases with the legal requirements and limitations established for this purpose at any given time.

Under that delegation, BBVA has made the following contingently convertible issuances that qualify as additional tier 1 capital of the Bank and the Group in accordance with Regulation (EU) 575/2013 throughout the financial years 2023 and 2024:

- On June 21, 2023, BBVA carried out an issuance of perpetual contingent convertible securities with exclusion of shareholders' pre-emptive subscription rights, for a total nominal amount of €1 billion. This issuance is listed in the Global Exchange Market of Euronext Dublin and was targeted only at qualified investors, not being offered or sold to any retail clients.

- On September 19, 2023, BBVA carried out an issuance of perpetual contingent convertible securities with exclusion of shareholders' pre-emptive subscription rights, for a total nominal amount of USD 1 billion. This issuance is listed on the New York Stock Exchange and was targeted only at qualified investors, not being offered or sold to any retail clients.

- On June 13, 2024, BBVA carried out an issuance of perpetual contingent convertible securities with exclusion of shareholders' pre-emptive subscription rights, for a total nominal amount of €750 million. This issuance is listed in the Global Exchange Market of Euronext Dublin and was targeted only at qualified investors, not being offered or sold to any retail clients.

Additionally, on January 14, 2025, BBVA carried out an issuance of perpetual contingent convertible securities with exclusion of shareholders' pre-emptive subscription rights, for a total nominal amount of USD 1 billion. This issuance is listed on the New York Stock Exchange and was targeted only at qualified investors, not being offered or sold to any retail clients.

These perpetual securities issued, where appropriate, must be converted into newly issued ordinary shares of BBVA if the CET 1 ratio of the Bank or the Group is less than 5.125%, in accordance with their respective terms and conditions.

These type of issuances made by the Bank may be fully redeemed at BBVA's option only in the cases contemplated in their respective terms and conditions and, in any case, in accordance with the provisions of the applicable legislation. In particular, throughout the financial years 2023 and 2024 the Bank has early redeemed the following issues:

- On September 24, 2023, the Bank early redeemed the issuance of contingently convertible preferred securities (which qualified as additional tier 1 instruments) carried out by the Bank on September 24, 2018, for an amount of €1 billion on the First Reset Date and once the prior consent from the Regulator was obtained.

- On March 29, 2024, the Bank early redeemed the issuance of contingently convertible preferred securities (which qualified as additional tier 1 instruments) carried out by the Bank on March 29, 2019, for an amount of €1 billion on the First Reset Date and once the prior consent from the Regulator was obtained.

– Additionally, on January 28, 2025, the Bank announced its irrevocable decision to redeem in whole on March 5, 2025, the issuance of contingently convertible preferred securities (which qualified as additional tier 1 instruments) carried out by the Bank on September 5, 2019, for an amount of USD 1 billion on the First Reset Date and once the prior consent from the Regulator was obtained.

Convertible Securities

The Annual General Shareholders' Meeting of BBVA held on March 18, 2022, resolved, under agenda item five, to confer authority on the Board of Directors of BBVA, with sub-delegation powers, to issue securities convertible into new BBVA shares (other than contingently convertible securities, envisaged to meet regulatory requirements for their eligibility as capital instruments (CoCo) referred to in the resolutions adopted by BBVA's Annual General Shareholders' Meeting held on April 20, 2021, under agenda item five), subject to provisions in the law and in BBVA's bylaws that may be applicable at any time, on one or several occasions within the maximum term of five years to be counted as from the date on which the resolution was adopted, up to a maximum total amount of €6 billion, or the equivalent in any other currency. The Board of Directors may also resolve to exclude, either fully or partially, the pre-emptive subscription rights of shareholders within the framework of a specific issuance, limiting power limited to the extent that the nominal amount of the capital increases agreed or executed in order to satisfy conversion of the issues carried out excluding the pre-emptive subscription right by virtue of this power (without prejudice to anti-dilution adjustments) and any agreed or executed in use of the power under the item 4 of the Agenda of the same General Meeting, described in Note 23, excluding the pre-emptive subscription right, do not exceed a maximum aggregated nominal amount of 10% of BBVA's share capital at the time the resolution was adopted.

As of the date hereof the Bank has not made use of the authority granted by the BBVA Annual General Shareholders' Meeting held on March 18, -2022.

20.5. Other financial liabilities

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Other financial liabilities (Millions of Euros)	2024	2023
Lease liabilities	2,795	2,744
Creditors for other financial liabilities	3,473	2,860
Collection accounts	2,432	2,825
Creditors for other payment obligations	1,558	1,636
Total	**10,258**	**10,065**

A breakdown of the maturity of the lease liabilities, due after December 31, 2024 is provided below:

Maturity of future payment obligations (Millions of Euros)	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Operating leases	188	366	362	1,878	2,794

The information required by Final Provision second of Law 31/2014 of December 3, which amends the Corporate Law to improve corporate governance modifies Additional Provision third of Law 15/2010, of July 5, amending the Law 3/2004 of December 29, through which measures for combating late payment in commercial transactions are set, is as follows:

Payments made and pending payments (Millions of Euros)	2024	2023
Average payment period to third parties (days)	28	23
Ratio of outstanding payment transactions (days) (1)	28	23
Ratio outstanding payment transactions (days) (1)	19	18
Total payments	3,028	3,053
Total outstanding payments	166	136

(1) To obtain these ratios, the total number of registered invoices is taken into account.

Including other BBVA Group companies in Spain, the total payments made for the years 2024 and 2023 amounted to 3,033 and 3,058 million.

The data shown in the table above on payments to suppliers refer to those which by their nature are trade creditors for the supply of goods and services, so data relating to "Other financial liabilities - Creditors for other payment obligations " is included in the balance.

As of December 31, 2023, according to Law 18/2022, of September 28, on creation and development of entities, BBVA paid a total of 131,378 invoices (representing 89.6% of the total invoices received) with a total amount of €2,071 million (representing 95.5% of the volume invoiced) in a period less than or equal to the maximum established in the delinquency regulations.

21. Provisions

The breakdown of the balance under this heading in the accompanying balance sheets, based on type of provisions, is as follows:

Provisions: Breakdown by concepts (Millions of Euros)	Notes	2024	2023
Provisions for pensions and similar obligations	22	1,673	1,871
Other long term employee benefits	22	351	404
Provisions for taxes and other legal contingencies		419	396
Provisions for contingent risks and commitments	29	178	240
Other provisions (1)		201	221
Total		**2,823**	**3,131**

(1) Individually non-significant provisions, for various concepts.

Below are the changes in 2024 and 2023 in the balances under this heading:

Provisions for pensions and other post-employment obligations for defined benefit plans and other long term employee benefits. Changes over the year (Millions of Euros)

	2024	2023
Balance at the beginning	**2,275**	**2,518**
Charges to income for the year	35	42
Interest expense and similar charges	*27*	*37*
Personnel expense	*7*	*3*
Provision expense	*2*	*1*
Charges (Credits) to equity [(1)]	22	24
Transfers and other changes	—	—
Benefit payments	(226)	(262)
Employer contributions	(77)	(39)
Unused amounts reversed during the period	(4)	(8)
Balance at the end	**2,024**	**2,275**

(1) Corresponds to actuarial losses (gains) arising from certain post-employment defined-benefit commitments for pensions (see Note 2.12).

Provisions for taxes, legal contingencies and other provisions. Changes over the year (Millions of Euros)

	2024	2023
Balance at beginning	**857**	**866**
Additions	353	328
Unused amounts reversed during the year	(219)	(207)
Amount used and other variations	(193)	(130)
Balance at the end	**798**	**857**

Ongoing legal proceedings and litigation

The financial sector faces an environment of increased regulatory pressure and litigation. In this environment, the various Group entities are often subject to lawsuits and involved in individual or collective legal proceedings and litigation arising from their activity and operations, including proceedings arising from their lending activity, from their labor relations and from other commercial, regulatory or tax issues, as well as in arbitration.

On the basis of the information available, the Group considers that, as of December 31, 2024, the provisions made in relation to judicial proceedings and arbitrations, where so required, are adequate and reasonably cover the liabilities that might arise, if any, from such proceedings and arbitrations. Furthermore, on the basis of the information available and with the exceptions indicated in Note 5.1 "Risk factors", BBVA considers that the liabilities that may arise from the resolution of such proceedings will not have, individually, a significant adverse effect on the Group's business, financial situation or results of operations.

22. Post-employment and other employee benefit commitments

As stated in Note 2.12, the Bank has assumed commitments with employees including short-term employee benefits (Note 39.1), defined contribution and defined benefit plans (see Glossary), healthcare and other long-term employee benefits.

The main Employee Welfare System has been implemented in Spain. Under the collective labor agreement, Spanish banks are required to supplement the social security benefits received by employees or their beneficiary right-holders in the event of retirement (except for those hired after March 8, 1980), permanent disability, death of spouse or death of parent.

The Employee Welfare System in place at the Bank supersedes and improves the terms and conditions of the collective labor agreement for the banking industry; including benefits in the event of retirement, death and disability for all employees, including those hired after March 8, 1980. The Bank externally funded all its pension commitments with active and retired employees pursuant to Royal Decree 1588/1999, of October 15. These commitments are instrumented in external pension plans, insurance contracts with non-Group companies and insurance contracts with BBVA Seguros, S.A. de Seguros y Reaseguros, which is 99.96% owned by the Banco Bilbao Vizcaya Argentaria Group.

The table below shows a breakdown of recorded balance sheet liabilities relating to defined benefit plans as at December 31, 2024 and 2023:

Net defined benefit liability (asset) on the balance sheet (Millions of Euros)	Notes	2024	2023
Pension commitments		2,025	2,108
Early retirement commitments		268	407
Other long-term employee benefits		351	404
Total commitments		**2,644**	**2,919**
Pension plan assets		620	644
Total plan assets		**620**	**644**
Total net liability/asset		**2,024**	**2,275**
Of which: provisions- provisions for pensions and similar obligations	*21*	*1,673*	*1,871*
Of which: provisions-other long-term employee benefits	*21*	*351*	*404*
Other net assets in pension plans		*—*	*—*
Of which: Insurance contracts linked to pensions	*18*	*(1,260)*	*(1,321)*

The following table shows defined benefit post-employment commitments recorded in the income statement for fiscal years 2024 and 2023:

Income Statement and equity impact (Millions of Euros)	Notes	2024	2023
Interest and similar expense		**27**	**37**
Interest expense		27	37
Interest income		—	—
Personnel expense		**65**	**58**
Defined contribution plan expense	39	58	54
Defined benefit plan expense	39	1	1
Other benefit expense		3	3
Provisions or reversal of provisions	**41**	**(2)**	**(5)**
Early retirement expense		—	—
Past service cost expense		—	—
Remeasurements (1)		(2)	(7)
Other provision expense		—	2
Total effects in income statements: debit (credit)		**90**	**90**
Total effects on equity: debit (credit) (2)		**22**	**24**

(1) Actuarial losses (gains) on remeasurement of the net defined benefit liability relating to early retirements in Spain and other long-term employee benefits that are charged to the income statement (see Note 2.12).
(2) Correspond to the update of the valuation of the net obligation for defined benefits arising from pension commitments before their tax effect (see Note 2.12).

22.1 Defined benefit plans

Defined benefit commitments relate mainly to employees who have already retired or taken early retirement, certain closed groups of active employees still accruing defined benefit pensions, and in-service death and disability benefits provided to most active employees. For the latter, the Bank pays the required premiums to fully insure the related liability. The change in these commitments as of December 31, 2024 and 2023 is presented below:

Defined Benefit Plans (Millions of Euros)

	2024				2023			
	Defined benefit obligation	Plan assets	Net liability (asset)	Insurance contracts linked to pensions	Defined benefit obligation	Plan assets	Net liability (asset)	Insurance contracts linked to pensions
Balance at the beginning	**2,515**	**644**	**1,871**	**1,321**	**2,827**	**742**	**2,085**	**1,337**
Current service cost	4	—	4	—	4	—	4	—
Interest income or expense	80	21	59	44	100	26	74	51
Contributions by plan participants	—	—	—	—	—	—	—	—
Employer contributions	—	20	(20)	—	—	28	(28)	—
Past service costs (1)	3	—	3	—	3	—	3	—
Remeasurements:	31	(8)	39	21	60	(10)	70	54
Return on plan assets (2)	*—*	*(8)*	*8*	*21*	*—*	*(10)*	*10*	*54*
From changes in demographic assumptions	*—*	*—*	*—*	*—*	*(2)*	*—*	*(2)*	*—*
From changes in financial assumptions	*35*	*—*	*35*	*—*	*67*	*—*	*67*	*—*
Other actuarial gain and losses	*(4)*	*—*	*(4)*	*—*	*(5)*	*—*	*(5)*	*—*
Benefit payments	(348)	(65)	(283)	(126)	(412)	(75)	(337)	(121)
Settlement payments	—	—	—	—	(74)	(75)	1	—
Business combinations and disposals	—	—	—	—	—	—	—	—
Effect on changes in foreign exchange rates	—	—	—	—	2	2	—	—
Other effects	8	8	—	—	5	6	(1)	—
Balance at the end	**2,293**	**620**	**1,673**	**1,260**	**2,515**	**644**	**1,871**	**1,321**

(1) Including gains and losses arising from settlements.
(2) Excluding interest, which is recorded under "Interest income or expense".

The balance under the heading “Provisions – Pensions and other post-employment defined benefit obligations” of the accompanying balance sheet as of December 31, 2024 includes €200 million for commitments for post-employment benefits maintained with previous members of the Board of Directors and the Bank’s Management Committee (see Note 50).

Both the costs and the present value of the commitments are determined by independent qualified actuaries using the “projected unit credit” method. In order to achieve the good governance of these plans, the Bank has established specific benefits committees. These benefit committees include members from the different areas of the business to ensure that all decisions are made taking into consideration all of the associated impacts.

The following table sets out the key actuarial assumptions used in the valuation of these commitments as of December 31, 2024 and 2023:

Actuarial Assumptions. Commitments in Spain

	2024	2023
Discount rate	3.25%	3.43%
Rate of salary increase	—	—
Mortality tables	PER 2020	PER 2020

The discount rate shown as of December 31, 2024, corresponds to the discount rate for long-term commitments, with the discount rate used for short-term commitments being 2.75%.

The discount rate used to value future benefit cash flows has been determined by reference to Eurozone high quality corporate bonds.

The expected return on plan assets has been set in line with the adopted discount rate.

Assumed retirement ages have been set by reference to the earliest age at which employees are entitled to retire or the contractually agreed age in the case of early retirements.

Changes in the actuarial main assumptions can affect the calculation of the commitments. Should the discount rate have increased or decreased by 50 basis points, an impact on equity for the commitments in Spain would have been registered amounting to approximately an increase or decrease of €7 million net of tax.

In addition to the commitments to employees shown above, the Bank has other less material long-term employee benefits. These include leaves and long-service awards, which consist of either an established monetary award or shares in Banco Bilbao Argentaria A.A. granted to employees when they complete a given number of years of qualifying services. Additionally, this heading included a fund related to the collective layoff procedure that was carried out in the bank in 2021. As of December 31, 2024 and 2023 the value of these commitments amounted to €351 and €404 million respectively. These amounts are recorded under the heading "Provisions - Other long-term employee benefits" of the accompanying balance sheet (see Note 21).

Information on the various commitments is provided in the following sections:

Pension commitments

These commitments relate mainly to retirement, death and disability pension payments. They are covered by insurance contracts, pension funds and internal provisions.

The change in pension commitments as of December 31, 2024 and 2023 is as follows:

Pensions commitments (Millions of Euros)

	2024				2023			
	Defined Benefit Obligation	**Plan Assets**	**Net Liability (asset)**	**Insurance contracts linked to pensions**	**Defined Benefit Obligation**	**Plan Assets**	**Net Liability (asset)**	**Insurance contracts linked to pensions**
Balance at the beginning	**2,108**	**644**	**1,464**	**1,321**	**2,227**	**742**	**1,485**	**1,337**
Net commitments addition	—	—	—	—	—	—	—	—
Current service cost	4	—	4	—	4	—	4	—
Interest income or expense	70	21	49	44	83	26	57	51
Contributions by plan participants	—	—	—	—	—	—	—	—
Employer contributions	—	20	(20)	—	—	28	(28)	—
Past service costs (1)	3	—	3	—	3	—	3	—
Remeasurements:	35	(8)	43	21	67	(10)	77	54
Return on plan assets (2)	*—*	*(8)*	*8*	*21*	*—*	*(10)*	*10*	*54*
From changes in demographic assumptions	*—*	*—*	*—*	*—*	*(2)*	*—*	*(2)*	*—*
From changes in financial assumptions	*33*	*—*	*33*	*—*	*64*	*—*	*64*	*—*
Other actuarial gain and losses	*2*	*—*	*2*	*—*	*5*	*—*	*5*	*—*
Benefit payments	(203)	(65)	(138)	(126)	(209)	(75)	(134)	(121)
Settlement payments	—	—	—	—	(74)	(75)	1	—
Business combinations and disposals	—	—	—	—	—	—	—	—
Defined contribution transformation	—	—	—	—	—	—	—	—
Effect on changes in foreign exchange rates	—	—	—	—	2	2	—	—
Other effects	8	8	—	—	5	6	(1)	—
Balance at the end	**2,025**	**620**	**1,405**	**1,260**	**2,108**	**644**	**1,464**	**1,321**
Of Which: Vested benefit obligation relating to current employees	*1,909*	*—*	*—*	*—*	*1,998*	*—*	*—*	*—*
Of Which: Vested benefit obligation relating to retired employees	*116*	*—*	*—*	*—*	*110*	*—*	*—*	*—*

(1) Including gains and losses arising from settlements.
(2) Excluding interest, which is recorded under "Interest income or expense".

In Spain, local regulation requires that pension and death benefit commitments must be funded, either through a qualified pension plan or an insurance contract.

These pension commitments are insured through policies with the insurer belonging to the Group, and with other unrelated insurers whose policyholder is BBVA. There are also commitments in the Group's insurance company whose policyholder is the BBVA Employment Pension Plan.

All the policies meet the requirements established by the accounting regulations regarding the non-recoverability of contributions. However, the policies whose policyholder is the Entity that have been carried out with BBVA Seguros –a BBVA related party – and consequently these policies cannot be considered plan assets under the applicable standards. For this reason, the liabilities insured under these policies are fully recognized under the heading "Provisions – Pensions and other post-employment defined benefit obligations" of the accompanying balance sheet (see Note 21), while the related assets held by the insurance company are included under the heading “Insurance contracts linked to pensions “.

Additionally, there are commitments in insurance policies of the Pension Plan and with insurance companies not related to the Bank. In this case the accompanying balance sheet reflects the value of the obligations net of the fair value of the qualifying insurance policies. As of December 31, 2024 and 2023, the plan assets related to the aforementioned insurance contracts equaled the amount of the commitments covered; therefore, no amount for this item is included in the accompanying balance sheets.

Pension benefits are paid by the insurance companies with whom BBVA has insurance contracts and to whom all insurance premiums have been paid. The premiums are determined by the insurance companies using “cash flow matching” techniques to ensure that benefits can be met when due, guaranteeing both the actuarial and interest rate risk.

The Bank signed a Social Benefit Standardization Agreement for its employees in Spain. The agreement standardizes the existing social benefits for the different groups of employees and, in some cases where a service was provided, quantified it as an annual amount in cash.

In addition, some overseas branches of the Bank maintain defined-benefit pension commitments with some of their active and inactive personnel. These arrangements are closed to new entrants who instead participate in defined-contribution plans.

Early retirement commitments

In addition, there are commitments with the Bank's early-retired personnel. These commitments to early retirees include the compensation and indemnities and contributions to external pension funds payable during the period of early retirement. As of December 31, 2024 and 2023, the value of these commitments amounted to €268 million and €407 million respectively.

The change in these commitments during financial years 2024 and 2023 is shown below:

Early retirement commitments (Millions of Euros)

	2024			2023		
	Defined Benefit Obligation	Plan assets	Net liability (asset)	Defined benefit obligation	Plan assets	Net liability (asset)
Balance at the beginning	**407**	**—**	**407**	**600**	**—**	**600**
Current service cost	—	—	—	—	—	—
Interest income or expense	10	—	10	17	—	17
Contributions by plan participants	—	—	—	—	—	—
Employer contributions	—	—	—	—	—	—
Past service costs (1)	—	—	—	—	—	—
Remeasurements:	(4)	—	(4)	(7)	—	(7)
Return on plan assets (2)	*—*	*—*	*—*	*—*	*—*	*—*
From changes in demographic assumptions	*—*	*—*	*—*	*—*	*—*	*—*
From changes in financial assumptions	*2*	*—*	*2*	*3*	*—*	*3*
Other actuarial gain and losses	*(6)*	*—*	*(6)*	*(10)*	*—*	*(10)*
Benefit payments	(145)	—	(145)	(203)	—	(203)
Settlement payments	—	—	—	—	—	—
Business combinations and disposals	—	—	—	—	—	—
Defined contribution transformation	—	—	—	—	—	—
Effect on changes in foreign exchange rates	—	—	—	—	—	—
Other effects	—	—	—	—	—	—
Balance at the end	**268**	**—**	**268**	**407**	**—**	**407**

(1) Including gains and losses arising from settlements.
(2) Excluding interest, which is recorded under "Interest income or expense".

The valuation and account treatment of these commitments is the same as that of the pension commitments, except for the treatment of actuarial gains and losses (see Note 2.12).

Estimated benefit payments

As of December 31, 2024 the estimated payments over the next ten years are as follows:

Estimated future payments (Millions of Euros)

	2025	2026	2027	2028	2029	2030 - 2034
Commitments in Spain	422	278	242	210	181	618
Of which: Early retirements	*101*	*73*	*49*	*31*	*18*	*8*

22.2 Defined contribution plans

The Bank sponsors defined contribution plans, in some cases with employees making contributions which are matched by the employer.

These contributions are accrued and charged to the income statement in the corresponding financial year. No liability is therefore recognized in the accompanying balance sheets for this purpose (see Note 2.12).

23. Capital

As of December 31, 2024 and 2023 BBVA's share capital amounted to €2,824,009,877.85 and €2,860,590,786.20 divided into 5,763,285,465 and 5,837,940,380 shares respectively, at €0.49 par value each one, in both periods. The shares were fully subscribed and paid-up registered, all of the same class and series represented through book-entry accounts. The decrease was as of result of the partial executions of the share capital reduction resolution adopted by the Ordinary Annual Shareholders' Meeting of BBVA held on March 17, 2023, under item 3 of the agenda notified on June 2, 2023 and on December 19, 2023 (see Note 3). All of the Bank´s shares carry the same voting and dividend rights, and no single stockholder enjoys special voting rights. Each and every share is part of the Bank's capital.

The Bank's shares are traded on the stock markets of Madrid, Barcelona, Bilbao and Valencia through the S*istema de Interconexión Bursátil Español* (*Mercado Continuo*), as well as on the London and Mexico stock markets. BBVA American Depositary Shares (ADSs) traded on the New York Stock Exchange under the ticker "BBVA".

Additionally, as of December 31, 2024, the shares of Banco BBVA Peru, S.A., BBVA Banco Provincial, S.A., Banco BBVA Colombia, S.A., Banco BBVA Argentina, S.A., and Garanti BBVA A.S., were listed on their respective local stock markets. Banco BBVA Argentina, S.A. was also quoted in the Latin American market (Latibex) of the Madrid Stock Exchange and the New York Stock Exchange. Also, the Depositary Receipts ("DR") of Garanti BBVA, A.S. are listed in the London Stock Exchange. BBVA is also currently included, amongst other indexes, in the IBEX 35® Index, which is made up by the 35 most liquid securities traded on the Spanish Market and, technically, it is a price index that is weighted by capitalization and adjusted according to the free float of each company comprised in the index.

As of December 31, 2024, State Street Bank and Trust Company, JPMorgan Chase, The Bank of New York Mellon and Northern Trust Company, in their capacity as international custodian/depositary banks, held 13.82%, 12.57%, 10.76%, and 3.25% of BBVA common stock, respectively. Of said positions held by the custodian banks, BBVA is not aware of any individual shareholders with direct or indirect holdings greater than or equal to 3% of BBVA common stock outstanding.

On October 4, 2024, Blackrock, Inc. reported to the Spanish Securities and Exchange Commission (CNMV) that it had an indirect holding of BBVA common stock totaling 6.800%, of which 6.680% were voting rights attributed to shares and 0.120% were voting rights held through financial instruments.

On March 26, 2024, Capital Research and Management Company reported to the CNMV that it had an indirect holding of BBVA common stock totaling 5.027 %, corresponding to voting rights attributed to shares.

On November 25, 2024, Europacific Growth Fund reported to the CNMV that it had a direct holding of BBVA common stock totaling 3.010 %, corresponding to voting rights attributed to shares.

BBVA is not aware of any direct or indirect interests through which control of the Bank may be exercised. Furthermore, BBVA has not received any information on stockholder agreements including the regulation of the exercise of voting rights at its Annual General Shareholders' Meetings or restricting or placing conditions on the free transferability of BBVA shares. No agreement is known to BBVA that could give rise to changes in the control of the Bank.

Resolutions adopted by the Annual General Shareholders' Meeting

Capital increase

BBVA's Annual General Shareholders' Meeting held on March 18, 2022 resolved, under agenda item four, to confer authority on the Board of Directors of BBVA to increase BBVA's share capital, on one or several occasions, within the legal term of five years to be counted as from the date on which this resolution was adopted, up to the maximum amount corresponding to 50% of BBVA's share capital at the time of this authorization. Likewise, the Annual General Shareholders' Meeting resolved to confer on the Board of Directors authority to totally or partially exclude shareholders' pre-emptive subscription rights within the framework of a specific issue of shares that may be made thereunder.

However, the power to exclude pre-emptive subscription rights was limited, such that the nominal amount of any share capital increases resolved or effectively carried out with the exclusion of pre-emptive subscription rights and those that may be resolved or carried out to cover the conversion of convertible issuances that may equally be made with the exclusion of pre-emptive subscription rights in use of the authority delegated to issue convertible securities (other than contingently convertible securities, envisaged to meet regulatory requirements for their eligibility as capital instruments (CoCo)) as resolved by BBVA's Annual General Shareholders' Meeting held on March 18, 2022 under agenda item five and which is described in Note 22.4.1 (without prejudice to anti-dilution adjustments), may not exceed the nominal maximum overall amount of 10% of BBVA's share capital at the time of this authorization. This authority repealed the authority conferred by the Annual General Shareholders' Meeting held on March 17, 2017 under its agenda item four, which BBVA did not use.

As of the date of this document, the Bank has not made use of the delegation granted by the General Shareholders' Meeting.

The Extraordinary General Shareholders' Meeting of BBVA held on July 5, 2024 resolved, under item one of the agenda, to authorize an increase in BBVA’s share capital for up to a maximum nominal amount of €551,906,524.05 by issuing and putting into circulation up to 1,126,339,845 ordinary shares with a par value of €0.49 each, of the same class and series, and with the same rights as the outstanding shares at such date, represented in book-entry form, with non-cash contributions for the purposes of covering the consideration of the voluntary tender offer for the acquisition of up to 100% of the shares of Banco de Sabadell, S.A. announced by BBVA (see Note 14), pending its execution as of the date of this document.

Capital Decrease

BBVA's Annual General Shareholders' Meeting held on March 17, 2023 resolved, under agenda item three, to approve the share capital reduction of BBVA by up to a maximum amount of 10% of the share capital on the date of this resolution, through the redemption of own shares acquired derivatively by BBVA by virtue of the authorization granted by the General Shareholders' Meeting held on March 18, 2022 under item six of the agenda, through any mechanism whose objective or purpose is redemption. Pursuant to the resolution, its implementation period ended on the date of the following Annual General Shareholders' Meeting, being rendered null and void from that date in respect of the amount not executed. The Annual General Shareholders' Meeting conferred authority on the Board of Directors of BBVA, with sub-delegation powers, to totally or partially execute the aforementioned share capital reduction, on one or more occasions, repealing the resolution adopted by the Annual General Shareholders' Meeting held on March 18, 2022, under agenda item seven, whose executions are described above.

In the execution of said resolution, (see Note 3), BBVA has executed the following share capital reductions:

- On June 2, 2023, BBVA notified the partial execution of the resolution through the reduction of BBVA’s share capital in a nominal amount of €31,675,343.91 and the consequent redemption, charged to unrestricted reserves, of 64,643,559 own shares of €0.49 par value each acquired derivatively by the Bank in execution of a share buyback program and which were held as treasury shares.

- On December 19, 2023, BBVA notified the second partial execution of the resolution through the reduction of BBVA’s share capital in a nominal amount of €62,490,986.25 and the consequent redemption, charged to unrestricted reserves, of 127,532,625 own shares of €0.49 par value each acquired derivatively by the Bank in execution of a share buyback program and which were held as treasury share.

BBVA Annual General Shareholders' Meeting held on March 15, 2024 resolved, under agenda item three, to approve the share capital reduction of BBVA by up to a maximum amount of 10% of the share capital on the date of this resolution, through the redemption of own shares acquired derivatively by BBVA by virtue of the authorization granted by the General Shareholders' Meeting held on March 18, 2022 under item six of the agenda, through any mechanism whose objective or purpose is redemption. Pursuant to the resolution, its implementation period will end on the date of the following Annual General Shareholders' Meeting, being rendered null and void from that date in respect of the amount not executed. The Annual General Shareholders' Meeting conferred authority on the Board of Directors of BBVA, with sub-delegation powers, to totally or partially execute the aforementioned share capital reduction, on one or more occasions, repealing the resolution adopted by the Annual General Shareholders' Meeting held on March 17, 2023, under agenda item three, whose executions are described above.

In the execution of the Annual General Shareholders' Meeting held on March 15, 2024, BBVA has executed the following share capital reduction (see Note 4):

- On May 24, 2024 BBVA notified the partial execution of the resolution through the reduction of BBVA's share capital in a nominal amount of €36,580,908.35 and the consequent redemption, charged to unrestricted reserves, of 74,654,915 own shares of €0.49 par value each acquired derivatively by the Bank in execution of a share buyback program and which were held as treasury shares.

Convertible and/or exchangeable securities:

Note 20.4 introduces the details of the convertible and/or exchangeable securities.

24. Share premium

As of December 31, 2024 and 2023, the balance under this heading in the accompanying balance sheets was €19,184 million and €19,769 million, respectively (see Note 3).

The amended Spanish Corporation Act expressly permits the use of the share premium balance to increase capital and establishes no specific restrictions as to its use (see Note 23).

25. Retained earnings, revaluation reserves and other reserves

25.1. Breakdown of the balance

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Retained earnings, revaluation reserves and other reserves (Millions of Euros)		
	2024	**2023**
Restricted reserves		
Legal reserve	565	572
Restricted reserve for retired capital	582	561
Revaluation Royal Decree-Law 7/1996	—	—
Voluntary reserves		
Voluntary and others	6,470	5,478
Total	**7,616**	**6,612**

25.2. Legal reserve

Under the amended Spanish Corporations Act, 10% of any profit made each year must be transferred to the legal reserve. The transfer must be made until the legal reserve reaches 20% of the common stock.

The legal reserve can be used to increase the common stock provided that the remaining reserve balance does not fall below 10% of the increased capital. While it does not exceed 20% of the common stock, it can only be allocated to offset losses exclusively in the case that there are not sufficient reserves available.

25.3. Restricted reserves

As of December 31, 2024 and 2023, the Bank's restricted reserves are as follows:

Restricted reserves. Breakdown by concepts (Millions of Euros)		
	2024	**2023**
Restricted reserve for retired capital	531	495
Restricted reserve for Parent Company shares and loans for those shares	49	65
Restricted reserve for redenomination of capital in euros	2	2
Total	**582**	**561**

The restricted reserve for retired capital includes the partial executions of the capital reduction resolutions adopted by BBVA's General Shareholders' Meeting held on March 15, 2024, March 17, 2023 and March 18, 2022, respectively (see Note 23).

The second heading corresponds to restricted reserves related to the amount of shares issued by the Bank in its possession at each date, as well as the amount of customer loans outstanding at those dates that were granted for the purchase of, or are secured by, the parent company shares.

Finally, pursuant to Law 46/1998 on the Introduction of the Euro, a restricted reserve is recognized as a result of the rounding effect of the redenomination of the parent company common stock in euros.

25.4. Revaluation and regularizations of the balance sheet

Prior to the merger, Banco de Bilbao, S.A. and Banco de Vizcaya, S.A. availed themselves of the legal provisions applicable to the regularization and revaluation of balance sheets. Thus, on December 31, 1996, Banco Bilbao Vizcaya, S.A. revalued its tangible assets pursuant to Royal Decree-Law 7/1996 of June 7 by applying the maximum coefficients authorized, up to the limit of the market value arising from the existing valuations. As a result of these updates, the increases in the cost and depreciation of tangible fixed assets were calculated and allocated as follows.

Following the review of the balance of the “Revaluation reserve pursuant to Royal Decree-Law 7/1996 of June 7" account by the tax authorities in 2000, this balance could only be used, free of tax, to offset recognized losses and to increase share capital until January 1, 2007. From that date, the remaining balance of this account can also be allocated to unrestricted reserves, provided that the surplus has been depreciated or the revalued assets have been transferred or derecognized.

The breakdown of the calculation and movement to voluntary reserves under this heading are:

Revaluation and Regularization of the Balance Sheet (Millions of Euros)	
Legal revaluations and regularizations of tangible assets:	—
Cost	187
Less:	
Single revaluation tax (3%)	*(6)*
Balance as of December 31, 1999	**181**
Rectification as a result of review by the tax authorities in 2000	(5)
Transfer to voluntary reserves	(176)
Total as of December 2023 and 2024	**—**

26. Treasury shares

In 2024 and 2023 the Group companies performed the following transactions with shares issued by the Bank:

Treasury shares (Millions of Euros)

	2024		2023	
	Number of Shares	Millions of Euros	Number of Shares	Millions of Euros
Balance at beginning	**4,386,625**	**34**	**5,485,414**	**29**
+ Purchases	154,564,499	1,528	301,882,728	2,166
- Sales and other changes	(152,284,268)	(1,497)	(302,981,517)	(2,161)
Balance at the end	**6,666,856**	**66**	**4,386,625**	**34**
Of which:				
Held by BBVA, S.A.	*410,370*	*7*	*—*	*3*
Held by Corporación General Financiera, S.A.	*6,256,486*	*59*	*4,354,004*	*31*
Held by other subsidiaries	*—*	*—*	*32,621*	*—*
Average purchase price in Euros	9.89	—	7.18	—
Average selling price in Euros (including other changes)	9.89	—	7.14	—
Net gains or losses on transactions (Shareholders' funds-Reserves)		10		1

During the years 2024 and 2023, transactions were recorded for the share buyback program (see Note 3).

The percentages of treasury shares held by BBVA in the years ended 2024 and 2023 are as follows:

Treasury Stock	2024			2023		
	Min	Max	Closing	Min	Max	Closing
% treasury stock	0.076%	1.513%	0.116%	0.038%	2.214%	0.075%

The number of BBVA shares accepted by the Bank in pledge of loans as of December 31, 2024 and 2023 is as follows:

Shares of BBVA accepted in pledge

	2024	2023
Number of shares in pledge	13,308,677	17,492,194
Nominal value (Euros)	0.49	0.49
% of share capital	0.23%	0.29%

The number of BBVA shares owned by third parties but under management of a company within the Group as of December 31, 2024 and 2023 is as follows:

Shares of BBVA Owned by Third Parties but Managed by the Group

	2024	2023
Number of shares owned by third parties	11,834,596	13,258,994
Nominal value (Euros)	0.49	0.49
% of share capital	0.21%	0.23%

27. Accumulated other comprehensive income (loss)

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Accumulated other comprehensive income (loss). Breakdown by concepts (Millions of Euros)

	Notes	2024	2023
Items that will not be reclassified to profit or loss		**(1,140)**	**(1,212)**
Actuarial gains (losses) on defined benefit pension plans		(48)	(54)
Fair value changes of equity instruments measured at fair value through other comprehensive income	11.4	(1,075)	(1,213)
Hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income		—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk		(17)	55
Items that may be reclassified to profit or loss		**(14)**	**(230)**
Hedge of net investments in foreign operations (effective portion)		—	—
Foreign currency translation		—	—
Hedging derivatives. Cash flow hedges (effective portion)		251	45
Fair value changes of debt instruments measured at fair value through other comprehensive income	11.4	(264)	(275)
Hedging instruments (non-designated items)		—	—
Non-current assets and disposal groups classified as held for sale		—	—
Total		**(1,154)**	**(1,443)**

The balances recognized under these headings are presented net of tax.

28. Capital base and capital management

As of December 31, 2024 and 2023, own funds are calculated in accordance with the applicable regulation of each year on minimum capital requirements for Spanish credit institutions –both as individual entities and as consolidated group– that establish how to calculate them, as well as the various required internal capital adequacy assessment processes and the information required to be disclosed to the market.

After the latest SREP (Supervisory Review and Evaluation Process) decision, applicable as from January 1, 2025, the ECB has informed the Bank that it must maintain a total capital ratio of 12.14% and a CET1 capital ratio of 7.98% and at the individual level, including a Pillar 2 requirement of 1.50% (at least 0.84% must be CET1).

A reconciliation of the main figures between the accounting and regulatory own funds as of December 31, 2024 and 2023 is shown below:

Eligible capital resources (Millions of Euros)

	Notes	2024	2023
Capital	23	2,824	2,861
Share premium	24	19,184	19,769
Retained earnings, revaluation reserves and other reserves	25.1	7,616	6,612
Other equity instruments, net		40	40
Treasury shares	26	(7)	(3)
Profit (loss) for the year		10,235	4,807
Attributable dividend		(1,671)	(952)
Total Equity		**38,220**	**33,134**
Accumulated other comprehensive income (loss)		(1,154)	(1,443)
Shareholders´ equity		**37,066**	**31,691**
Intangible assets		(405)	(318)
Fin. treasury shares		(38)	(51)
Deductions		**(443)**	**(369)**
Temporary CET 1 adjustments		—	—
Equity not eligible at solvency level		**—**	**—**
Other adjustments and deductions		**(4,808)**	**(4,810)**
Common Equity Tier 1 (CET 1)		**31,815**	**26,512**
Additional Tier 1 before regulatory adjustments		**5,638**	**5,715**
Tier 1		**37,453**	**32,227**
Tier 2		**5,876**	**5,461**
Total Capital (Total Capital=Tier 1 + Tier 2)		**43,329**	**37,688**
Total Minimum equity required		**28,075**	**26,244**

The Bank’s own funds in accordance with the aforementioned applicable regulation as of December 31, 2024 and 2023 is shown below:

Amount of capital CC1 (Millions of Euros)		
	2024	**2023**
Capital and share premium	22,008	22,629
Retained earnings and equity instruments	8,310	7,306
Other accumulated income and other reserves	(2,042)	(2,226)
Provisional profit (1)	5,207	1,579
Ordinary Tier 1 (CET 1) before other reglamentary adjustments	**33,483**	**29,288**
Goodwill and intangible assets	(405)	(318)
Direct and indirect holdings in equity	(236)	(329)
Deferred tax assets	(427)	(639)
Other deductions and filters (2)	(600)	(1,491)
Total common equity Tier 1 reglamentary adjustments	**(1,668)**	**(2,776)**
Common equity TIER 1 (CET1)	**31,815**	**26,512**
Equity instruments and share premium classified as liabilities	5,638	5,715
Additional Tier 1 (CET 1) before regulatory adjustments	**5,638**	**5,715**
Transitional CET 1 adjustments	—	—
Total regulatory adjustments of additional equity I Tier 1	**—**	**—**
Additional equity Tier 1 (AT1)	**5,638**	**5,715**
Tier 1 (Common equity TIER 1+ additional TIER 1)	**37,453**	**32,227**
Equity instruments and share premium accounted as Tier 2	5,629	5,214
Credit risk adjustments	257	257
Tier 2 before regulatory adjustments	**5,886**	**5,471**
Tier 2 regulatory adjustments	**(10)**	**(10)**
Tier 2	**5,876**	**5,461**
Total capital (Total capital=Tier 1 + Tier 2)	**43,329**	**37,688**
Total RWA's	**232,024**	**216,897**
CET 1 (phased-in)	13.71%	12.22%
Tier 1 (phased-in)	16.14%	14.86%
Total capital (phased-in)	18.67%	17.38%

(1) As of December 31, 2024 the total shareholder remuneration corresponding to the year 2024, including the cash amount and the share repurchase program, is deducted from the foreseeable dividend and subject to its approval at the General Shareholders' Meeting. As of December 31, 2023 the cash dividends approved by their respective General Shareholders' Meetings are deducted form the total shareholder remuneration corresponding to the year 2023.and 2022.
(2) As of December 31, 2023 the amounts of the share repurchase programs, considered as dividends approved by their respective General Shareholders' Meetings, were deducted from the total shareholder remuneration corresponding to the year 2023 (see Note 3).

The Bank's CET1 ratio has increased by 149 basis points mainly by the positive generation of results in the year, net of shareholder remuneration and coupon payments on contingent convertible instruments (CoCos), and by the positive evolution of the rest of the elements that make up the CET1. Offset by the growth of risk-weighted assets (RWAs), derived from the organic growth of the activity.

The Bank's fully-loaded additional Tier 1 capital ratio (AT1) stood at 2.43% as of December 31, 2024, 20 basis points lower than in 2023. During the period, BBVA S.A. issued instruments that could be eventually converted into shares (CoCo) for a value of €750 million in June 2024. Additionally, in March 2024, a call was made to redeem another issue of eventually convertible preferred shares for a nominal amount of €1,000 million.

The Tier 2 fully-loaded ratio stood at 2.53%, which represents an increase of 1 basis points compared to 2023, mainly explained by the subordinated issuances in February and August, worth €1.25 billion and €1 billion, respectively. On the other hand, a subordinated debt issue worth €750 million has been amortized.

As a consequence of the foregoing, the total fully-loaded equity ratio stands at 18.67% as of December 31, 2024.

Additionally, on January 1, 2025, the bulk of the articles of the new Capital Requirements Regulation (Regulation (EU) 2024/1623), more commonly known as "CRR III," came into force, aiming to implement the Basel III framework reform in Europe. At the date of preparation of the Financial Statements, no significant impact is anticipated from its application.

Capital management

The aim of capital management within BBVA and the Group is to ensure that both BBVA and the Group have the necessary capital at any given time to develop the corporate strategy reflected in the Strategic Plan, in line with the risk profile set out in the Group Risk Appetite Framework (RAF).

In this regard, BBVA's capital management is also part of the most relevant forward-looking strategic decisions in the Group's management and monitoring, which include the Budget and the Liquidity and Funding Plan, with which it is coordinated — all with the aim of achieving the Group's overall strategy.

Capital must be allocated optimally in order to meet the need to preserve the solvency of BBVA and the Group at all times. Together with the Group's solvency risk profile included in the RAF, this optimal allocation serves as a guide for the Group's capital management and seeks a solid capital position that makes it possible to:

- anticipate ordinary and extraordinary consumption that may occur, even under stress;
- promote the development of the Group's business and align it with capital and profitability objectives by allocating resources appropriately and efficiently;
- cover all risks —including potential risks— to which it is exposed;
- comply with regulatory and internal management requirements at all times; and
- remunerate BBVA shareholders in accordance with the Shareholder Remuneration Policy in force at any given time.

The areas involved in capital management in the Group shall follow and respect the following principles in their respective areas of responsibility:

- ensuring that capital management is integrated and consistent with the Group's Strategic Plan, RAF, Budget and other strategic-prospective processes, to help achieve the Group's long-term sustainability;
- taking into account both the applicable regulatory and supervisory requirements and the risks to which the Group is —or may be— exposed when conducting its business (economic view), when establishing a target capital level, all while adopting a forward-looking vision that takes adverse scenarios into consideration;
- carrying out efficient capital allocation that promotes good business development, ensuring that expectations for the evolution of activity meet the strategic objectives of the Group and anticipating the ordinary and extraordinary consumption that may occur;
- ensuring compliance with the solvency levels, including the MREL, required at any given time;
- compensating BBVA shareholders in an adequate and sustainable manner; and
- optimizing the cost of all instruments used for the purpose of meeting the target capital level at any given time.

To achieve the aforementioned principles, capital management will be based on the following essential elements:

- an adequate governance and management scheme, both at the corporate body level and at the executive level;
- planning, managing and monitoring capital properly, using the measurement systems, tools, structures, resources and quality data necessary to do so;
- a set of metrics, which is duly updated, to facilitate the tracking of the capital situation and to identify any relevant deviations from the target capital level;
- a transparent, correct, consistent and timely communication and dissemination of capital information outside the Group;
- an internal regulatory body, which is duly updated, including with respect to the regulations and procedures that ensure adequate capital management.

29. Commitments and guarantees given

The breakdown of the off-balance sheet exposures included in the memorandum item is as follows:

Commitments and guarantees given (Millions of Euros)			
	Notes	2024	2023
Loan commitments given		**108,206**	**98,667**
Of which: impaired		*96*	*109*
Central banks		254	—
General governments		3,189	2,765
Credit institutions		13,423	15,582
Other financial corporations		8,408	6,893
Non-financial corporations		70,005	60,670
Households		12,927	12,757
Financial guarantees given		**21,811**	**18,784**
Of which: impaired		*101*	*137*
Central banks		—	—
General governments		74	16
Credit institutions		443	462
Other financial corporations		11,631	9,806
Non-financial corporations		9,575	8,389
Households		88	111
Other commitments given		**37,641**	**30,013**
Of which: impaired		*230*	*355*
Central banks		—	—
General governments		137	81
Credit institutions		4,312	2,016
Other financial corporations		3,323	1,824
Non-financial corporations		29,738	25,974
Households		131	118
Total	**5.2.2**	**167,658**	**147,464**

The amount registered recorded in the balance sheet as of December 31, 2024, for loan commitments given, financial guarantees given and other commitments given is €65 million, €49 million and €63 million, respectively. In 2023 it amounted to €68 million, €52 million and €120 million respectively (see Note 21).

Since a significant portion of the amounts above will expire without any payment being made by the entities, the aggregate balance of these commitments cannot be considered the actual future requirement for financing or liquidity to be provided by the Bank to third parties.

In the years 2024 and 2023, no issuance of debt securities carried out by associates of the BBVA, joint venture entities or non-Group entities have been guaranteed.

30. Other contingent assets and liabilities

As of December 31, 2024 and 2023, there were no material contingent assets or liabilities other than those disclosed in the accompanying Notes to the financial statements.

31. Purchase and sale commitments and future payment obligations

The purchase and sale commitments of BBVA are disclosed in notes 8, 12 and 20.

Future payment obligations mainly correspond to leases payable derived from operating lease contracts, as detailed in Note 20.5, and estimated employee benefit payments, as detailed in Note 22.1.

32. Transactions on behalf of third parties

As of December 31, 2024 and 2023 the details of the relevant transactions on behalf of third parties are as follows:

Transactions on behalf of third parties. Breakdown by concepts (Millions of Euros)

	2024	2023
Financial instruments entrusted by third parties	384,566	333,653
Conditional bills and other securities received for collection	5,862	5,190
Securities lending	7,557	8,206
Total	**397,985**	**347,049**

33. Net interest income

33. 1. Interest and other income

The breakdown of the interest and similar income recognized in the accompanying income statement is as follows:

Interest income. Breakdown by origin (Millions of Euros)

	2024	2023
Financial assets held for trading	3,237	2,628
Financial assets designated at fair value through profit or loss	116	54
Financial assets at fair value through other comprehensive income	383	399
Financial assets at amortized cost	12,200	11,653
Hedging derivatives	320	(192)
Cash flow hedges (effective portion)	*(191)*	*(742)*
Fair value hedges	*511*	*549*
Other assets (1)	1,310	6
Liabilities interest income	19	22
Total	**17,586**	**14,569**

(1) Includes interest on demand deposits at central banks and credit institutions.

The amounts recognized in equity in connection with hedging derivatives for the years ended December 31, 2024 and 2023 and the amounts derecognized from the equity and taken to the income statements during those years are included in the accompanying statements of recognized income and expense.

33.2. Interest expense

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Interest expense. Breakdown by origin (Millions of Euros)

	2024	2023
Financial liabilities held for trading	2,768	2,447
Financial liabilities designated at fair value through profit or loss	180	139
Financial liabilities at amortized cost	7,458	5,783
Hedging derivatives and interest rate risk	751	574
Other liabilities	30	40
Assets interest expense	4	21
Total	**11,190**	**9,005**

34. Dividend income

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Dividend income (Millions of Euros)	2024	2023
Investments in associates	4	3
Investments in joint venture	—	6
Investments in subsidiaries	5,319	3,381
Other shares and dividend income	95	94
Total	**5,417**	**3,483**

35. Fee and commission income

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Fee and commission income. Breakdown by origin (Millions of Euros)	2024	2023
Bills receivables	12	13
Demand accounts	194	212
Credit and debit cards and OPS	575	535
Checks	2	4
Transfers and other payment orders	215	212
Insurance product commissions	236	204
Loan commitments given	172	153
Other commitments and financial guarantees given	245	217
Asset management	220	185
Securities fees	31	36
Custody securities	116	106
Other fees and commissions	918	813
Total	**2,936**	**2,689**

36. Fee and commission expense

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Fee and commission expense. Breakdown by origin (Millions of Euros)	2024	2023
Credit and debit cards	264	236
Transfers and other payment orders	13	18
Custody securities	16	15
Other fees and commissions	402	345
Total	**695**	**613**

37. Gains (losses) on financial assets and liabilities, hedge accounting and exchange differences, net

The breakdown of the balance under this heading, by source of the related items, in the accompanying income statement is as follows:

Gains (losses) on financial assets and liabilities, hedge accounting and exchange differences, net. Breakdown by heading (Millions of Euros)

	2024	2023
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	76	24
Financial assets at amortized cost	*28*	*—*
Other financial assets and liabilities	*48*	*24*
Gains (losses) on financial assets and liabilities held for trading, net	684	(12)
Reclassification of financial assets from fair value through other comprehensive income	*—*	*—*
Reclassification of financial assets from amortized cost	*—*	*—*
Other gains (losses)	*684*	*(12)*
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	77	200
Reclassification of financial assets from fair value through other comprehensive income	*—*	*—*
Reclassification of financial assets from amortized cost	*—*	*—*
Other gains (losses)	*77*	*200*
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	174	16
Gains (losses) from hedge accounting, net	2	(6)
Subtotal gains (losses) on financial assets and liabilities and hedge accounting	**1,014**	**222**
Exchange Differences	258	23
Total	**1,272**	**245**

The breakdown of the balance (excluding exchange rate differences) under this heading in the consolidated income statements by the nature of the financial instrument is as follows:

Gains (losses) on financial assets and liabilities. Breakdown by nature of the financial instrument (Millions of Euros)

	2024	2023
Debt instruments	(18)	84
Equity instruments	518	672
Loans and advances to customers	260	144
Derivatives	157	(595)
Derivatives held for trading	155	(590)
Interest rate agreements	*273*	*377*
Security agreements	*49*	*(418)*
Commodity agreements	*30*	*9*
Credit derivative agreements	*(188)*	*(84)*
Foreign-exchange agreements	*(9)*	*(474)*
Hedging Derivatives Ineffectiveness	2	(6)
Fair value hedges	2	(5)
Hedging derivative	*128*	*(342)*
Hedged item	*(127)*	*337*
Cash flow hedges	—	(1)
Customer deposits	96	(76)
Other	1	(7)
Total	**1,014**	**222**

38. Other operating income and expense

The breakdown of the balance under the heading "Other operating income" and in the accompanying income statements is as follows:

Other operating income (Millions of Euros)	2024	2023
Real estate income	35	41
Financial income from non-financial services	474	358
Other operating income	54	56
Total	**563**	**455**

The breakdown of the balance under the heading "Other operating expense" in the accompanying income statements is as follows:

Other operating expense (Millions of Euros)	Notes	2024	2023
Contributions to guaranteed banks deposits funds (1)	1.7	12	449
Real estate agencies		23	34
Other operating expense (2)		480	322
Total		**516**	**804**

(1) In 2024, no contributions were made to the European Single Resolution Fund (SRF) since the constitution phase of the fund has been completed. Likewise, the Deposits Guarantee Fund of Credit Institutions in Spain reached in 2023 the minimum coverage level established by the European Regulation with respect to covered deposits, so that no additional contribution was necessary for this purpose during 2024, although prior contributions related to the deposited securities are maintained.
(2) For the year ended December 2024 and 2023, it includes €285 and 215 million respectively, corresponding to the total annual amount disbursed under the temporary tax on credit institutions and financial credit establishments, according to Law 38/2022 of December 27, 2022 (See Note 17.5).

39. Administration costs

39.1 Personnel expense

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Personnel expense (Millions of Euros)	Notes	2024	2023
Wages and salaries		1,988	1,867
Social security costs		416	378
Defined contribution plan expense	22	58	54
Defined benefit plan expense	22	1	1
Other personnel expense		150	125
Total		**2,613**	**2,425**

39.1.1 Share-based employee remuneration

The amounts recognized under the heading "Administration costs - Personnel expense - Other personnel expense" in the income statements for the year ended December 31, 2024 and 2023, corresponding to the remuneration plans based on equity instruments in each year, amounted to €22 million and €23 million for BBVA, respectively. These amounts have been recognized with a corresponding entry under the heading "Shareholders' funds - Other equity instruments" in the accompanying balance sheets, net of tax effect.

The characteristics of the Group's remuneration plans based on equity instruments are described below.

Variable remuneration in shares

BBVA has a specific remuneration scheme applicable to those employees whose professional activities have a material impact on the risk profile of BBVA and/or its Group (hereinafter "Identified Staff") involving the delivery of BBVA shares or instruments linked to BBVA shares, designed within the framework of applicable regulations to credit institutions and considering best practices and recommendations at the local and international levels in this matter.

Thus, according to the applicable remuneration policies, the variable remuneration for the variable remuneration for the Identified Staff members is subject, principally, to the following rules:

- The Annual Variable Remuneration for Identified Staff members for each financial year will not accrue or will be reduced upon accrual, if certain profit and capital ratio levels are not achieved.

- A maximum of 40% of the Annual Variable Remuneration for those members of the Identified Staff who receive particularly high amounts of variable remuneration and members of BBVA's Senior Management and 60% for the rest of the Identified Staff (the "Upfront Portion" of the Annual Variable Remuneration) shall vest and be paid, provided the relevant conditions for payment are met, as a general rule, in the first quarter of the following financial year to which the Annual Variable Remuneration corresponds.

- The remaining amount, and at least 60% of the Annual Variable Remuneration for those members of the Identified Staff who receive particularly high amounts of variable remuneration and members of BBVA's Senior Management, and 40% for the rest of the Identified Staff, will be deferred over a period of 4 years (the "Deferred Portion" of the Annual Variable Remuneration). However, for members of BBVA's Senior Management the deferral period shall be 5 years. In both cases, the Deferred Portion will be paid, provided the relevant conditions are met, once each of the years of deferral has elapsed. In no event will this Deferred Portion be paid faster than in a proportionate way.

- Both the Upfront Portion and the Deferred Portion of the Annual Variable Remuneration of each member of the Identified Staff will be paid 50% in cash and 50% in BBVA shares or in instruments linked to BBVA shares. For members of BBVA's Senior Management, the Deferred Portion will be paid 40% in cash and 60% in BBVA shares and/or in instruments linked to BBVA shares.

- Shares or instruments received as Annual Variable Remuneration shall be withheld for one year running from date of delivery. The foregoing shall not apply to those shares that are sold, where appropriate, in order to meet the payment of taxes accruing on delivery of the shares and/or instruments.

- The Deferred Portion of the Annual Variable Remuneration may undergo certain ex post risk adjustments, meaning that it will not vest, or may be reduced, if certain capital and liquidity thresholds are not met.

- Up to 100% of the Annual Variable Remuneration of each member of the Identified Staff corresponding to each financial year, both in cash and in shares or instruments, will be subject to arrangements for the reduction of variable remuneration (malus) and arrangements for the recovery of variable remuneration already paid (clawback), which will remain in effect during the applicable deferral and retention period, and will be applicable in the event of the occurrence of any of the circumstances expressly named in the remuneration policies.

- The cash amounts of the Deferred Portion of the Annual Variable Remuneration that ultimately vest will be updated by applying the consumer price index (CPI) measured as the year-on-year change in prices, or any other criteria established for that purpose by the Board of Directors.

- Identified Staff members may not use personal hedging strategies or insurance in connection with the Annual Variable Remuneration and responsibility that may undermine the effects of alignment with prudent risk management.

- If the members of the Identified Staff are entitled to receive any variable remuneration other than the Annual Variable Remuneration but which qualifies as variable remuneration, such variable remuneration shall be subject to the rules regarding accrual, award, vesting and payment in accordance with the type and nature of the remuneration component itself.

- The variable remuneration of the Identified Staff for a financial year (understood as the sum of all variable remuneration) shall be limited to a maximum amount of 100% of the fixed component (understood as the sum of all fixed remuneration) of the total remuneration, unless the BBVA General Shareholders' Meeting resolves to increase this percentage up to a maximum of 200%.

- In this regard, the General Shareholders' Meeting of BBVA held on March 15, 2024 resolved to increase this limit to a maximum level of 200% of the fixed component of the total remuneration for a given number of the Identified Staff members, in the terms indicated in the report issued for this purpose by the Board of Directors dated February 6, 2024.

In 2024, this remuneration scheme is reflected in the following remuneration policies:

- BBVA Group General Remuneration Policy, approved by the Board of Directors on March 29, 2023, that applies to employees and BBVA Senior Management (excluding BBVA executive directors) and at Group companies with respect to which BBVA exercises control over management. This policy includes the specific rules applicable to the members of the Identified Staff, including BBVA Senior Management.

- BBVA Directors' Remuneration Policy, approved by the General Shareholders' Meeting of BBVA held on March 17, 2023, that is applicable to the members of the Board of Directors of BBVA. The remuneration system for executive directors corresponds, generally, with the applicable system to the Identified Staff, incorporating some particularities of their own, derived from their condition of directors.

The delivery of shares in 2024 to the members of the Identified Staff is derived from the settlement of the Annual Variable Remuneration for 2023 and deferred variable remuneration from previous years, which are subject to the vesting and payment rules established in the remuneration policies applicable in the year to which they correspond.

According to the remuneration policy applicable in 2023, during 2024 a total amount of 1,591,480 BBVA shares or instruments linked to BBVA shares corresponding, mostly, to the Upfront Portion of 2023 Annual Variable Remuneration and to other variable components of remuneration, were delivered.

In addition, according to the remuneration policy applicable in 2018, during 2024 a total amount of 138,172 BBVA shares corresponding to the third and last payment of the Deferred Portion of 2018 Annual Variable Remuneration of the Chair and other members of BBVA's Senior Management, were delivered.

Additionally, according to the remuneration policy applicable in 2019, during 2024 a total amount of 208,019 BBVA shares were delivered, corresponding mostly to the second payment of the Deferred Portion of 2019 Annual Variable Remuneration of the executive directors and other members of BBVA's Senior Management, and to other variable components of remuneration.

Likewise, according to the remuneration policy applicable in 2020, during 2024 a total amount of 1,252,244 BBVA shares were delivered, corresponding, mainly, to the entire Deferred Portion of 2020 Annual Variable Remuneration of certain members of the Identified Staff, as well as to other variable components of remuneration. In 2020, the executive directors and other members of BBVA's Senior Management, as a gesture of responsibility and commitment in response to the exceptional circumstances arising from the COVID-19 crisis, waived their entire 2020 Annual Variable Remuneration.

In accordance with the remuneration policy applicable in 2021, during 2024 a total of 521,098 BBVA shares were delivered, the majority corresponding to the second payment of the Deferred Portion of 2021 Annual Variable Remuneration of the Identified Staff, among which executive directors and other members of BBVA's Senior Management are included, as well as to other variable components of remuneration.

Lastly, according to the remuneration policy applicable in 2022, during 2024 a total amount of 484,856 BBVA shares were delivered, corresponding, mainly, to the first payment of the Deferred Portion of 2022 Annual Variable Remuneration of the Identified Staff, which includes executive directors and the rest of the members of BBVA's Senior Management, as well as to other variable components of remuneration.

Detailed information on the delivery of shares to executive directors and the rest of the members of BBVA's Senior Management who held this position as of December 31, 2024, is included in Note 50.

39.2 Other administrative expense

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Other administrative expense. Breakdown by main concepts (Millions of Euros)	2024	2023
Technology and systems	930	802
Communications	69	55
Advertising	113	106
Property, fixtures and materials	116	119
Taxes	49	69
Surveillance and cash courier services	39	36
Other expense	610	546
Total	**1,927**	**1,733**

40. Amortization

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Amortization (Millions of Euros)	Notes	2024	2023
Tangible assets	15	321	320
For own use		*94*	*97*
Right-of-use assets		*226*	*223*
Intangible assets	16	321	331
Total		**641**	**651**

41. Provisions or reversal of provisions

For the years ended December 31, 2024 and 2023, the net provisions recognized in this income statement line item were as follows:

Provisions or reversal of provisions (Millions of Euros)	Notes	2024	2023
Pensions and other post-employment defined benefit obligations	22	(2)	(5)
Commitments and guarantees given		(66)	(36)
Other Provisions		201	157
Total		**132**	**116**

42. Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification

The breakdown of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification by the nature of those assets in the accompanying income statements is as follows:

Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification (Millions of Euros)	Notes	2024	2023
Financial assets at fair value through other comprehensive income		(3)	(6)
Financial assets at amortized cost		744	682
Of which: Recovery of written-off assets by cash collection	*5.2.5*	*(207)*	*(193)*
Total		**741**	**677**

43. Impairment or reversal of impairment of investments in subsidiaries, joint ventures and associates

The impairment losses on non-financial assets and investments in subsidiaries, joint ventures or associates broken down by the nature of these assets in the accompanying income statements is as follows:

Impairment or reversal of impairment of Investments in subsidiaries, joint ventures and associates (Millions of Euros)	2024	2023
Investments in subsidiaries, joint ventures and associates (1)	(2,246)	(118)
Total	**(2,246)**	**(118)**

(1) Includes reversal of impairment recorded in 2023 and 2024 in Garanti BBVA (see Note 14).

44. Impairment or reversal of impairment on non-financial assets

The impairment losses on non-financial assets broken down by the nature of those assets in the accompanying income statements are as follows:

Impairment or reversal of impairment on non-financial assets (Millions of Euros)	Notes	2024	2023
Tangible assets	15	5	(17)
Intangible assets	16	7	12
Other		—	—
Total		**11**	**(5)**

45. Gains (losses) on derecognition of non-financial assets and investments, net

The heading “Gains (losses) on derecognition of non-financial assets and investments, net” recorded a gain of €50 million in fiscal year 2024. In fiscal year 2023, this heading recorded a gain of €3 million.

46. Gains (losses) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

The main items included in the balance under this heading in the accompanying income statements are as follows:

Gains (losses) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (Millions of Euros)

	Notes	2024	2023
Gains on sale of real estate		13	19
Impairment of non-current assets held for sale	19	(27)	(17)
Gains (losses) on sale of investments classified as non-current assets held for sale		—	—
Total		**(14)**	**2**

47. Statements of cash flows

The table below shows the breakdown of the main cash flows related to financing activities as of December 31, 2024 and 2023:

Main Cash Flows in financing activities 2024 (Millions of Euros)

	December 31, 2024	December 31, 2023	Net Cash Flows	Foreign Exchange movements and other
Subordinated deposits	189	177		
Issuances of subordinated liabilities	13,166	11,564		
Total	**13,355**	**11,741**	**1,250**	**364**

Main cash flows in financing activities 2023 (Millions of Euros)

	December 31, 2023	December 31, 2022	Net Cash Flows	Foreign Exchange movements and other
Subordinated deposits	177	184		
Issuances of subordinated liabilities	11,564	8,922		
Total	**11,741**	**9,106**	**2,529**	**106**

48. Accountant fees and services

The details of the fees for the services contracted by BBVA for the year ended December 31, 2024, with their respective auditors and other audit entities are as follows:

Fees for Audits Conducted and other related services (1) (Millions of Euros)

	2024	0.002023
Audits of the companies audited by firms belonging to the EY worldwide organization and other reports related with the audit (2)	17.2	15.7
Other reports required pursuant to applicable legislation and tax regulations issued by the national supervisory bodies of the countries in which the Group operates, reviewed by firms belonging to the EY worldwide organization	0.3	0.3
Fees for audits conducted by other firms	0.1	0.1

(1) Regardless of the billed period.
(2) Including fees pertaining to annual legal audits (€13.3 million as of December 31, 2024)

In addition, in 2024 the Bank contracted services (other than audits) as follows:

Other services rendered (Millions of Euros)

	2024	2023
Firms belonging to the EY worldwide organization	—	—

This total of contracted services includes the detail of the services provided by Ernst & Young, S.L. to BBVA, S.A. at the date of preparation of these financial statements as follows:

Fees for Audits Conducted (1) (Millions of Euros)

	2024	2023
Legal audit of BBVA,S.A.	7.0	6.3
Other audit services of BBVA, S.A.	5.6	5.4
Limited Review of BBVA, S.A.	2.0	1.9
Reports related to issuances	1.2	1.0
Assurance services and other required by the regulator	1.0	0.6

(1) Services provided by Ernst & Young, S.L. to companies located in Spain, to the branch of BBVA in New York, the branch of BBVA in London and the branch of BBVA in Frankfurt.

Information related to the services provided by Ernst & Young, S.L., to companies controlled by BBVA, S.A., during the year ended December 31, 2024, is in the accompanying Consolidated financial statements as of December 31, 2024.

The services provided by the auditors meet the independence requirements of the external auditor established under Audit of Accounts Law (Law 22/2015) and under the Sarbanes-Oxley Act of 2002 adopted by the SEC.

49. Related-party transactions

As a financial institution, BBVA engages in transactions with related parties in the normal course of business. These transactions are not relevant and are carried out under normal market conditions. As of December 31, 2024 and 2023 the following are the transactions with related parties:

49.1. Transactions with significant shareholders

As of December 31, 2024 and 2023 there were no shareholders considered significant (see Note 23).

49.2. Transactions with BBVA Group entities

The balances of the main captions in the accompanying balance sheets arising from the transactions carried out by the Group companies, which consist of ordinary business and financial transactions carried out under normal market conditions, are as follows:

Balances arising from transactions with BBVA Group entities (Millions of Euros)

	2024	2023
Assets:		
Debt securities	512	424
Loans and advances to credit institutions	753	836
Loans and advances to customers	2,674	4,379
Liabilities:		
Deposits from credit institutions	1,105	1,070
Customer deposits	11,906	24,103
Memorandum accounts:		
Financial guarantees given	9,610	8,472
Contingent commitments	682	767
Other commitments given	1,081	752

The balances of the main captions in the accompanying income statements resulting from transactions carried out by the Bank with Group companies, which consist of ordinary business and financial transactions carried out under normal market conditions, are as follows:

Balances of income statement arising from transactions of BBVA Group entities (Millions of Euros)

	2024	2023
Income statement:		
Financial Incomes	394	366
Financial Costs	1,027	919
Fee and commission income	698	628
Fee and commission expense	190	155

There were no other material effects in the financial statements arising from dealings with these entities, and from the insurance policies to cover pension or similar commitments, which are described in Note 22.

In addition, as part of its normal activity, the Bank has entered into agreements and commitments of various types with shareholders of subsidiaries and associates, which have no material effects on the financial statements.

49.3. Transactions with members of the Board of Directors and Senior Management

The transactions entered into between BBVA or its Group companies with members of the Board of Directors and Senior Management of the Bank or their related parties were within the scope of the ordinary course of business of the Bank and were immaterial, defined as transactions the disclosure of which is not necessary to present a true and fair view of the Bank's equity, financial position and results, and were concluded on normal markets terms or on terms applicable to the rest of employees.

The amount and nature of the main transactions carried out with members of the Board of Directors and Senior Management of the Bank, or their respective related parties, are shown below.

Balance at 31st December of each year (thousands of Euros)

	2024				2023			
	Directors	Related parties of Directors	Senior Management (1)	Related parties of Senior Management	Directors	Related parties of Directors	Senior Management (1)	Related parties of Senior Management
Loans and credits	2,176	210	4,664	668	531	243	5,553	727
Bank guarantees	_	_	10	_	_	_	10	_

(1) Excluding executive directors.

Information on remuneration paid and other benefits granted to members of the Board of Directors and Senior Management of BBVA is provided in Note 50.

50. Remuneration and other benefits for the Board of Directors and members of the Bank's Senior Management

Remuneration of non-executive directors

The remuneration of the non-executive directors corresponding to the financial years 2024 and 2023 is as follows, individually and by remuneration item:

Remuneration of non-executive directors (thousands of Euros) (1)

	Board of Directors	Executive Committee	Audit Committee	Risk and Compliance Committee	Remuneration Committee	Appointments and Corporate Governance Committee	Technology and Cybersecurity Committee	Other positions (2)	Total	
									2024	2023
José Miguel Andrés Torrecillas	129	167	165	—	—	115	—	50	625	593
Jaime Caruana Lacorte	129	167	22	107	—	31	—	—	455	502
Enrique Casanueva Nárdiz (3)	107	—	44	71	—	—	—	—	223	—
Sonia Dulá	129	—	66	107	—	—	—	—	302	223
Raúl Galamba de Oliveira	129	—	—	214	—	46	43	80	512	461
Belén Garijo López	129	167	—	—	36	46	—	—	378	416
Connie Hedegaard Koksbang	129	—	66	—	—	—	—	—	195	173
Lourdes Máiz Carro	129	—	66	—	43	—	—	—	238	238
José Maldonado Ramos (4)	32	42	—	—	—	12	—	—	85	342
Cristina de Parias Halcón (5)	107	—	—	—	—	31	29	—	167	—
Ana Peralta Moreno	129	—	66	—	43	—	—	—	238	238
Juan Pi Llorens(4)	32	—	—	27	—	12	11	—	81	361
Ana Revenga Shanklin	129	—	—	107	86	—	43	—	364	307
Susana Rodríguez Vidarte (6)	—	—	—	—	—	—	—	—	—	112
Carlos Salazar Lomelín (7)	129	—	—	—	43	—	—	—	172	172
Jan Verplancke	129	—	—	—	43	—	43	—	214	214
Total	**1,695**	**542**	**497**	**633**	**293**	**293**	**168**	**130**	**4,250**	**4,350**

(1) Includes amounts corresponding to the positions on the Board and its various Committees, the composition of which was modified on April 26, 2024.
(2) Amounts corresponding to the positions of Deputy Chair of the Board of Directors and Lead Director.
(3) Director appointed by the General Shareholders' Meeting held on March 15, 2024. Remuneration in 2024 corresponding to the term in office in that financial year.
(4) Directors who left office on March 15, 2024. Remuneration in 2024 corresponding to the term in office in that financial year.
(5) Director appointed by the General Shareholders' Meeting held on March 15, 2024. Remuneration in 2024 corresponding to the term in office in that financial year. In addition, the director Cristina de Parias Halcón received in the 2024 and 2023 financial years, €72 thousand and €76 thousand, respectively, as per diems for her attendance to the meetings of the management body of BBVA México, S.A. de C.V. and Grupo Financiero BBVA México, S.A. de C.V. Likewise, in 2024, she received €56 thousand and 14,697 BBVA shares corresponding to the deferred portion of 2018 and 2019 annual variable remuneration accrued in her former condition of BBVA's member of Senior Management, including the update of its cash portion. In 2025, the last payment of the deferred portion of 2019 annual variable remuneration, including the update of its cash portion, is due to this director (€30 thousand and 7,593 BBVA shares).
(6) Director who left office on March 17, 2023. Remuneration in 2023 corresponding to the term in office in that financial year.
(7) In addition, in financial years 2024 and 2023, the director Carlos Salazar Lomelín received €113 thousand and €67 thousand, respectively, as per diems for his attendance to the meetings of the management body of BBVA México, S.A. de C.V. and Grupo Financiero BBVA México, S.A. de C.V. and of the strategy forum of BBVA México, S.A. de CV.

Likewise, during financial years 2024 and 2023, €112 thousand and €123 thousand were paid out, respectively, in healthcare and casualty insurance premiums for non-executive directors.

Remuneration system with deferred delivery of shares for non-executive directors

BBVA has a fixed remuneration system with deferred delivery of shares for its non-executive directors, which was approved by the General Shareholders' Meeting held on March 18, 2006 and extended by resolutions of the General Shareholders' Meetings held on March 11, 2011 and March 11, 2016 for a further five-year period in each case, by the General Shareholders' Meeting held on April 20, 2021 for a further three-year period and by the General Shareholders' Meeting held on March 17, 2023 for a further four-year period.

This system is based on the annual allocation to non-executive directors of a number of theoretical shares of BBVA equivalent to 20% of the total annual fixed allowance in cash received by each director in the previous financial year, calculated according to the average closing price of the BBVA share during the 60 trading sessions prior to the dates of the Annual General Shareholders' Meetings approving the corresponding financial statements for each financial year.

The BBVA shares, in a number equivalent to the theoretical shares accumulated by each non-executive director, will be delivered to each beneficiary, where applicable, after they leave directorship for any reason other than serious breach of their duties.

The theoretical shares allocated to non-executive directors who were beneficiaries of the remuneration system with deferred delivery of shares in the 2024 and 2023 financial years, corresponding to 20% of the total annual fixed allowance in cash received by each of them in the 2023 and 2022 financial years, respectively, were as follows:

	2024		2023	
	Theoretical shares allocated (1)	Theoretical shares accumulated as of December 31	Theoretical shares allocated (1)	Theoretical shares accumulated as of December 31
José Miguel Andrés Torrecillas	13,407	147,455	16,023	134,048
Jaime Caruana Lacorte	11,350	106,310	17,255	94,960
Enrique Casanueva Nárdiz (2)	—	—	—	—
Sonia Dulá (3)	5,042	5,042	—	—
Raúl Galamba de Oliveira	10,423	40,191	10,091	29,768
Belén Garijo López	9,401	110,593	10,603	101,192
Connie Hedegaard Koksbang	3,914	7,177	3,263	3,263
Lourdes Máiz Carro	5,384	76,977	7,237	71,593
José Maldonado Ramos (4)	7,735	—	10,397	146,874
Cristina de Parias Halcón (2)	—	—	—	—
Ana Peralta Moreno	5,384	47,713	7,237	42,329
Juan Pi Llorens (4)	8,157	—	13,943	148,542
Ana Revenga Shanklin	6,947	31,161	8,035	24,214
Susana Rodríguez Vidarte (5)	—	—	13,648	—
Carlos Salazar Lomelín	3,882	21,012	5,218	17,130
Jan Verplancke	4,851	40,623	6,521	35,772
Total	**95,877**	**634,254**	**129,471**	**849,685**

(1) The number of theoretical shares was calculated according to the average closing price of the BBVA share during the 60 trading sessions prior to the dates of the General Shareholders' Meetings of March 15, 2024 and March 17, 2023 which were €8.84 and €6.58 per share, respectively.
(2) Directors appointed by the General Meeting held on March 15, 2024; accordingly, the allocation of theoretical shares is not due until 2025.
(3) Director appointed by the General Meeting held on March 17, 2023; accordingly, the first allocation of theoretical shares was made in 2024.
(4) Directors who left office on March 15, 2024. In application of the system, José Maldonado Ramos and Juan Pi Llorens received a total of 154,609 and 156,699 BBVA shares, respectively, after leaving office, which is equivalent to the total theoretical shares accumulated up to that date by each of them.
(5) Director who left office on March 17, 2023. In application of the system, she received a total of 191,423 BBVA shares, after leaving office, which was equivalent to the total theoretical shares accumulated up to that date.

Remuneration of executive directors

The remuneration of executive directors for financial years 2024 and 2023 indicated below, individually and by remuneration item, are the result of applying the BBVA Directors' Remuneration Policy approved at the General Shareholders' Meeting held on March 17, 2023.

Annual Fixed Remuneration (thousands of Euros)

	2024	2023
Chair	2,924	2,924
Chief Executive Officer	2,179	2,179
Total	**5,103**	**5,103**

In addition, in accordance with the provisions established in the BBVA Directors' Remuneration Policy and contractually, during the 2024 and 2023 financial years the Chair received, each year, the amount of €41 thousand of fixed allowances for vehicle rental and others. Meanwhile, the Chief Executive Officer received, each year, the amount of €654 thousand of fixed remuneration in cash in lieu of pension (equivalent to 30% of his Annual Fixed Remuneration), as he does not receive a retirement benefit (see section on "Pension commitments with executive directors" in this Note), and the amount of €600 thousand for his mobility allowance.

Remuneration in kind (thousands of Euros)

Likewise, the executive directors received remuneration in kind during the financial years 2024 and 2023, including insurance premiums and others, totaling €140 thousand and €172 thousand in the case of the Chair and €128 thousand and €131 thousand in the case of the Chief Executive Officer, respectively.

Variable remuneration

With regard to variable remuneration, the BBVA Directors' Remuneration Policy approved by the General Shareholders' Meeting in 2023 establishes a model whereby the Annual Variable Remuneration ("AVR") of the executive directors comprises two components: a Short-Term Incentive ("STI") and a Long-Term Incentive ("LTI"). The award of both incentives is contingent upon the achievement of the minimum profit and capital ratio thresholds approved by the Board of Directors for this purpose. The sum of the STI and the LTI constitutes the AVR for the year of each executive director.

The STI will be awarded once the reference year for measuring the annual indicators used for its calculation has ended. The amount of the STI will be determined based on the results of these indicators, taking into account the targets, scales of achievement and weightings established for each of them, which may range between 0% and 150% of the “Target STI”. The “Target STI” represents the amount of the STI if 100% of the pre-established targets for these indicators are achieved.

Once the aforementioned minimum profit and capital ratio thresholds have been reached, the right to the LTI will accrue, the final amount of which may range between 0% and 150% of the “Target LTI”. The “Target LTI” represents the amount of the LTI if 100% of the pre-established targets for the long-term indicators approved for its calculation are achieved. The final amount of the LTI will be determined once the last year of the measurement period of the long-term indicators has ended, based on their results and taking into account the targets, scales of achievement and weightings established for each of them.

A percentage not exceeding 40% of the AVR will be vested and paid, provided that the required conditions are met, as a general rule, in the first quarter of the year following the one to which it corresponds (the “Upfront Portion”), in equal parts in cash and BBVA shares. The remaining amount, and at least 60% of the AVR, will be deferred over a five-year period and paid, if conditions are met, at the end of each of the five years of deferral, 40% in cash and 60% in BBVA shares and/or instruments linked to BBVA shares (the “Deferred Portion” or the “Deferred AVR”).

Within said deferral period, the payment of the LTI shall only begin after the expiration of the measurement period of the long-term indicators’ targets, to the result of which its final amount is subject. Therefore, the LTI is part of the Deferred Portion of the AVR of executive directors.

In accordance with the foregoing, in 2024 the executive directors accrued a Short-Term Incentive amounting to €2,871 thousand in the case of the Chair and €2,147 thousand in the case of the Chief Executive Officer.

In addition, the executive directors accrued the right to a Long-Term Incentive for a maximum theoretical amount of €1,929 thousand in the case of the Chair and €1,443 thousand for the Chief Executive Officer, which is equivalent, in both cases, to 150% of their Target LTI. Once the measurement period for the long-term indicators established for their calculation has ended (at the end of 2027), their final amount will be determined, which may range between 0% and 150% of the “Target LTI”. Therefore, if 100% of the pre-established targets are met, this incentive will amount to €1,286 thousand in the case of the Chair and €962 thousand in the case of the Chief Executive Officer.

In addition, the remaining rules applicable to the Annual Variable Remuneration of the executive directors set out in the BBVA Directors’ Remuneration Policy will apply to the Annual Variable Remuneration for financial year 2024, which include: (i) a retention period of one year following delivery of the BBVA shares or instruments linked to BBVA shares received; (ii) the prohibition of hedging strategies or insurance that may undermine the effects of alignment with prudent risk management; (iii) update of the finally vested Deferred Portion in cash in accordance with the CPI; (iv) malus and clawback arrangements throughout the whole periods of deferral and retention of the shares or instruments; and (v) the limitation of variable remuneration to a maximum amount of 200% of the fixed component of total remuneration, in accordance with the resolution approved by the General Shareholders’ Meeting held in 2024.

Taking into account the above, the Upfront Portion of the AVR for the financial years 2024 and 2023 of the executive directors which is due for payment once each of said financial years has ended, in equal parts in cash and BBVA shares, is indicated below.

Annual Variable Remuneration (AVR)

	2024 (1)		2023 (2)	
	In cash (thousands of Euros)	In shares	In cash (thousands of Euros)	In shares
Chair	897	92,803	897	107,835
Chief Executive Officer	671	69,408	671	80,650
Total	**1,568**	**162,211**	**1,568**	**188,485**

(1) Upfront Portion (37%) of the Annual Variable Remuneration, which represents the first payment of the Short-Term Incentive for financial year 2024 and will be paid during the first quarter of financial year 2025, in equal parts in cash and BBVA shares. The remaining amount of the 2024 Annual Variable Remuneration (which includes the 2024 Long-Term Incentive) will be deferred over a 5-year period (40% in cash and 60% in shares and/or instruments linked to shares).

The final amount of the Deferred AVR will depend on the result of the long-term indicators to be used to calculate the 2024 Long-Term Incentive. Likewise, and as an ex post risk adjustment mechanism, the Deferred AVR may be reduced if the capital and liquidity thresholds established to guarantee that payment occurs only if it is sustainable, in accordance with the Bank’s payment capacity, are not reached.

(2) Upfront Portion (37%) of the Annual Variable Remuneration, which represents the first payment of the Short-Term Incentive for financial year 2023 and which was paid in 2024, in equal parts in cash and BBVA shares. The remaining amount of the 2023 Annual Variable Remuneration (which includes the 2023 Long-Term Incentive) was deferred over a 5-year period (40% in cash and 60% in shares and/or instruments linked to shares).

The final amount of the Deferred AVR will depend on the result of the long-term indicators to be used to calculate the 2023 Long-Term Incentive. Likewise, and as an ex post risk adjustment mechanism, the Deferred AVR may be reduced if the capital and liquidity thresholds established to guarantee that payment occurs only if it is sustainable, in accordance with the Bank’s payment capacity, are not reached.

Deferred Annual Variable Remuneration from previous financial years

		2024 (1)		2023 (2)	
	Deferred AVR	In cash (thousands of Euros)	In shares	In cash (thousands of Euros)	In shares
Chair	2023	221	38,821	229	56,941
	2022	236	56,941	222	57,325
	2021	228	57,325	0	0
	2020	0	0	176	45,529
	2019	181	45,529	132	35,795
	2018	—	—	—	—
Subtotal		**867**	**198,616**	**760**	**195,590**
Chief Executive Officer	2023	166	29,034	176	43,793
	2022	181	43,793	169	43,552
	2021	173	43,552	0	0
	2020	0	0	158	40,858
	2019	163	40,858	—	—
	2018	—	—	—	—
Subtotal		**683**	**157,237**	**503**	**128,203**
Total		**1,550**	**355,853**	**1,263**	**323,793**

(1) Deferred remuneration payable after the 2024 year-end, including the update of its cash portion. Payment to the Chair and the Chief Executive Officer will take place in 2025 in accordance with the vesting and payment rules set out in the remuneration policies applicable in each financial year:

- 2023 Deferred AVR: the first payment of the Deferred STI (17.9% of the Deferred Portion) is due to executive directors. Thereafter, the second payment of the Deferred STI (17.9% of the Deferred Portion) and the 2023 LTI (64.2% of the Deferred Portion) will be deferred for both executive directors. The final amount of the 2023 LTI will depend on the result of the long-term indicators approved for its calculation once its measurement period has elapsed (at the end of 2026), which may range between an achievement of 0% to 150%. If the relevant conditions are met, the second payment of the Deferred STI will be made in 2026 and the three payments of the 2023 LTI will be made in 2027, 2028 and 2029.

- 2022 Deferred AVR: the second payment (20% of the Deferred Portion) is due to executive directors. Thereafter, 60% of the 2022 Deferred AVR will be deferred for both executive directors, which, if the relevant conditions are met, will be paid in 2026, 2027, and 2028.

- 2021 Deferred AVR: the third payment (20% of the Deferred Portion) is due to executive directors, after having verified that no reduction had to be made according to the result of the multi-year performance indicators approved in 2021 by the Board of Directors. Thereafter, 40% of the 2021 Deferred AVR will be deferred for both executive directors which, if the relevant conditions are met, will be paid in 2026 and 2027.

- 2020 Deferred AVR: given the exceptional circumstances arising from the COVID-19 crisis, executive directors voluntarily waived the whole of their 2020 AVR.

- 2019 Deferred AVR: the third and final payment (20% of the Deferred Portion) is due to executive directors. Following this, payment to executive directors of the 2019 Deferred AVR will be completed.

(2) Deferred remuneration which was payable after the 2023 year-end, including the update of its cash portion. Its payment to the Chair and/or the Chief Executive Officer took place in 2024, in accordance with the vesting and payment rules set out in the remuneration policies applicable in each financial year:

- 2022 Deferred AVR: in 2024, the first payment (20% of the Deferred Portion) was made to executive directors.

- 2021 Deferred AVR: in 2024, the second payment (20% of the Deferred Portion) was made to executive directors.

- 2020 Deferred AVR: given the exceptional circumstances arising from the COVID-19 crisis, executive directors voluntarily waived the whole of their 2020 AVR.

- 2019 Deferred AVR: in 2024, the second payment (20% of the Deferred Portion) was made to executive directors.

- 2018 Deferred AVR: in 2024, the third and final payment (20% of the Deferred Portion) was made to the Chair. Following this, payment to the Chair of the 2018 Deferred AVR, which was associated with his former position as Chief Executive Officer, was completed.

Pension commitments with executive directors

The Bank has not assumed any pension commitments with non-executive directors.

With regard to the executive directors, the BBVA Directors' Remuneration Policy establishes a pension framework whereby, in the case of the Chair, he is eligible to receive a retirement pension, paid in either income or capital, when he reaches the legally established retirement age, provided that he does not leave his position as a result of serious dereliction of his duties. The amount of this pension will be determined by the annual contributions made by the Bank, together with their corresponding accumulated yields at that date.

The agreed annual contribution to cover the retirement contingency under the defined contribution system for the Chair, as set out in the BBVA Directors' Remuneration Policy, is €439 thousand. The Board of Directors may update this amount during the term of the Policy, in the same manner as it may update the Annual Fixed Remuneration, pursuant to the terms established therein.

A portion of 15% of this annual contribution will be based on variable components and considered "discretionary pension benefits". It will, therefore, be subject to the conditions regarding delivery in shares, withholding, reduction and clawback established in the applicable regulations, as well as any other conditions concerning variable remuneration that may be applicable in accordance with the BBVA Directors' Remuneration Policy.

In the event that the Chair's contractual relationship is terminated before he reaches retirement age for reasons other than serious dereliction of duties, the retirement pension payable to the Chair upon him reaching the legally established retirement age will be calculated based on the funds accumulated through the contributions made by the Bank up to that date, as per the terms set out above, plus the corresponding accumulated yield, with no additional contributions to be made by the Bank as of the time of termination.

With respect to the commitments in favor of the Chair to cover the contingencies of death and disability, the Bank will pay the corresponding annual insurance premiums in order to top up this coverage.

In accordance with the foregoing, in the financial year 2024, an amount of €456 thousand was recorded, comprising the agreed annual contribution to cover the retirement contingency, which is €439 thousand, and a further amount of €17 thousand relating to the upward adjustment of the "discretionary pension benefits" for the financial year 2023, which were declared at the end of that year and which had to be included in the accumulated fund in 2024. Likewise, an amount of €252 thousand was paid in insurance premiums for the death and disability contingencies.

As of December 31, 2024, the total accumulated fund to meet the retirement commitments with the Chair amounted to € 26,893 thousand.

Of the annual contribution for the retirement contingency corresponding to the financial year 2024, 15% (€66 thousand) was recorded in that year as "discretionary pension benefits". Following the end of the financial year, this amount was adjusted by applying the same criteria used to determine the Short-Term Incentive that is part of the Chair's Annual Variable Remuneration for the 2024 financial year and was determined to amount to €83 thousand, which represents an upward adjustment of €17 thousand. These "discretionary pension benefits" will be included in the accumulated fund in the 2025 financial year and will be subject to the conditions established for them in the BBVA Directors' Remuneration Policy.

With regard to the Chief Executive Officer, in accordance with the provisions of the BBVA Directors' Remuneration Policy and those in his contract, the Bank has not undertaken any retirement commitments, although he is entitled to an annual cash sum instead of a retirement pension ("cash in lieu of pension") equal to 30% of his Annual Fixed Remuneration. In accordance with the above, in the 2024 financial year, the Bank paid the Chief Executive Officer the amount of the "cash in lieu of pension" fixed remuneration, as described in the "Remuneration of executive directors" section of this Note.

However, the Bank has undertaken commitments to cover the death and disability contingencies with the Chief Executive Officer, for which the corresponding annual insurance premiums are paid. For these purposes, an amount €221 thousand was recognized in 2024 in this regard.

Pension systems (thousands of Euros)

	Contributions (1)				Funds accumulated	
	Retirement		Death and disability			
	2024	2023	2024	2023	2024	2023
Chair	456	458	252	322	26,893	24,759
Chief Executive Officer	—	—	221	230	—	—
Total	**456**	**458**	**472**	**552**	**26,893**	**24,759**

(1) Contributions recognized to meet the pension commitments with the executive directors in financial years 2024 and 2023. In the case of the Chair, these relate to the sum of the annual retirement pension contribution and the adjustment made to the "discretionary pension benefits" for the financial years 2023 and 2022, the contribution of which to the accumulated fund was to be made in the financial years 2024 and 2023, respectively, as well as to the premiums for the death and disability contingencies. In the case of the Chief Executive Officer, the contributions recognized correspond exclusively to the insurance premiums paid by the Bank in 2024 and 2023 to cover the death and disability contingencies given that, in his case, the Bank has not undertaken any commitments to cover the contingency of retirement.

Payments for termination of the contractual relationship

In accordance with the BBVA Directors' Remuneration Policy, the Bank has no commitments to make severance payments to executive directors.

Remuneration of Senior Management

The remuneration of all Senior Management, excluding executive directors, for financial years 2024 and 2023, as indicated below, broken down by remuneration item, are the result of applying the BBVA Group's General Remuneration Policy approved by the Board of Directors on March 29, 2023.

Fixed remuneration (thousands of Euros)	2024	2023
Senior Management Total (1)	19,928	18,187

(1) 16 members at December 31, 2024 and 15 members at December 31, 2023, excluding executive directors in both cases.

In addition, in accordance with the provisions established in the BBVA Group's General Remuneration Policy and contractually, during the 2024 and 2023 financial years, the members of Senior Management collectively received fixed allowances for vehicle rental and others totaling €347 thousand and €314 thousand, respectively.

Remuneration in kind (thousands of Euros)

During the 2024 and 2023 financial years, remuneration in kind, including insurance premiums and others, totaling €603 thousand and €590 thousand, respectively, was collectively paid to members of Senior Management.

Variable remuneration

With regard to variable remuneration, the BBVA Group's General Remuneration Policy establishes a model whereby the Annual Variable Remuneration ("AVR") for members of Senior Management, like that of executive directors, comprises two components: a Short-Term Incentive ("STI") and a Long-Term Incentive ("LTI"). The award of both incentives is contingent upon the achievement of the minimum profit and capital ratio thresholds approved by the Board of Directors for this purpose. The sum of the STI and the LTI constitutes the AVR for the year of each member of Senior Management.

Under this model, and in the same terms as set out above for the executive directors, in 2024 financial year, all members of Senior Management accrued a Short-Term Incentive for a total combined amount of €7,271 thousand.

In addition, all members of Senior Management accrued the right to a Long-Term Incentive for a maximum theoretical amount of €4,856 thousand, which is equivalent to the sum of 150% of the "Target LTI" of each beneficiary. The final amount of the LTI of each beneficiary will be determined at the end of the measurement period of the long-term indicators established for its calculation (at the end of 2027). This final amount may range between 0% and 150% of the "Target LTI". Therefore, if 100% of the pre-established targets are achieved, it will amount to a total of €3,237 thousand.

Moreover, the remaining rules applicable to the Annual Variable Remuneration of the members of the Senior Management established in the BBVA Group's General Remuneration Policy will apply to the Annual Variable Remuneration for financial year 2024, which include: (i) a retention period of one year following delivery of the BBVA shares or instruments linked to BBVA shares received; (ii) the prohibition of hedging strategies or insurance that may undermine the effects of alignment with prudent risk management; (iii) update of the finally vested Deferred Portion in cash in accordance with the CPI; (iv) malus and clawback arrangements throughout the whole periods of deferral and retention of the shares or instruments; and (v) the limitation of variable remuneration to a maximum amount of 200% of the fixed component of total remuneration, in accordance with the resolution approved by the General Shareholders' Meeting in 2024.

Taking into account the above, the total sum of the Upfront Portion of the AVR for financial years 2024 and 2023 of the members of Senior Management, due for payment once each of said financial years has ended, in equal parts in cash and BBVA shares, is indicated below.

Annual Variable Remuneration (AVR)	2024 (1)		2023 (2)	
	In cash (thousands of Euros)	In shares	In cash (thousands of Euros)	In shares
Senior Management Total (3)	2,272	235,016	2,226	267,550

(1) Upfront Portion of the Annual Variable Remuneration, which represents the first payment of the Short-Term Incentive for financial year 2024 and will be paid during the first quarter of financial year 2025, in equal parts in cash and BBVA shares. The remaining amount of the 2024 Annual Variable Remuneration (which includes the 2024 Long-Term Incentive) will be deferred over a 5-year period (40% in cash and 60% in shares or instruments linked to shares).

The final amount of the Deferred AVR will depend on the result of the long-term indicators to be used to calculate the 2024 Long-Term Incentive. Likewise, and as an ex post risk adjustment mechanism, the Deferred AVR may be reduced if the capital and liquidity thresholds established to guarantee that payment occurs only if it is sustainable, in accordance with the Bank's payment capacity, are not reached.

(2) Upfront Portion of the Annual Variable Remuneration, which represents the first payment of the Short-Term Incentive for financial year 2023 and which was paid in 2024, in equal parts in cash and BBVA shares. The remaining amount of the 2023 Annual Variable Remuneration (which includes the 2023 Long-Term Incentive) was deferred over a 5-year period (40% in cash and 60% in shares and/or instruments linked to shares).

The final amount of the Deferred AVR will depend on the result of the long-term indicators to be used to calculate the 2023 Long-Term Incentive. Likewise, and as an ex post risk adjustment mechanism, the Deferred AVR may be reduced if the capital and liquidity thresholds established to guarantee that payment occurs only if it is sustainable, in accordance with the Bank's payment capacity, are not reached.

(3) 16 members as of December 31, 2024 and 15 members as of December 31, 2023, excluding executive directors in both cases.

Deferred Annual Variable Remuneration from previous financial years

		2024 (1)		2023 (2)	
	Deferred AVR	In cash (thousands of Euros)	In shares	In cash (thousands of Euros)	In shares
Senior Management Total (3)	2023	576	98,636	—	—
	2022	526	125,129	493	122,566
	2021	490	119,207	457	116,528
	2020	56	14,340	1,494	289,020
	2019	314	77,447	303	77,447
	2018	—	—	139	36,454
Total		**1,963**	**434,759**	**2,885**	**642,015**

(1) Deferred remuneration payable after 2024 year-end, including the update of its cash portion. Payment thereof to members of Senior Management who are beneficiaries will take place in 2025 in accordance with the remuneration policies applicable in each financial year and the vesting and payment rules set forth therein applicable to each member of Senior Management, based on when they became such a member:

- 2023 Deferred AVR: the first payment of the Deferred STI is due to members of Senior Management.
- 2022 Deferred AVR: the second payment is due to members of Senior Management.
- 2021 Deferred AVR: the third payment is due to members of Senior Management, after having verified that no reduction had to be made according to the result of the multi-year performance indicators approved in 2021 by the Board of Directors.
- 2020 Deferred AVR: given the exceptional circumstances arising from the COVID-19 crisis, all members of Senior Management voluntarily waived the whole of their 2020 AVR. Without prejudice to the foregoing, the second payment of the deferred portion of a success bonus on the sale of BBVA USA is due to one member of Senior Management — an executive of BBVA USA at that time —.
- 2019 Deferred AVR: the third and final payment is due to the members of Senior Management that are beneficiaries. In addition, the third and final payment of the deferred portion of a retention plan is payable to one member of Senior Management.

(2) Deferred remuneration which was payable after the 2023 year-end, including the update of its cash portion. Payment thereof to members of Senior Management who were beneficiaries took place in 2024 in accordance with the vesting and payment rules set forth in the remuneration policies applicable in each financial year:

- 2022 Deferred AVR: in 2024, the first payment was made to members of Senior Management.
- 2021 Deferred AVR: in 2024, the second payment was made to members of Senior Management.
- 2020 Deferred AVR: given the exceptional circumstances arising from the COVID-19 crisis, all members of Senior Management voluntarily waived the whole of their 2020 AVR. Without prejudice to the foregoing, in 2024 the deferred portion of a success bonus on the sale of BBVA USA was paid to two members of the Senior Management — who were executives of BBVA USA at that time —. In 2024, one of them received the whole of the deferred portion and the other one received the first payment of the deferred portion, in accordance with the vesting and payment rules set out in the remuneration policies applicable to each of them in that financial year.
- 2019 Deferred AVR: in 2024, the second payment was made to the members of Senior Management who were beneficiaries. In addition, the second payment of the deferred portion of a retention plan was paid to a member of Senior Management.

- 2018 Deferred AVR: in 2024, the third and final payment was made to the members of Senior Management who were beneficiaries.

(3) 16 members as of December 31, 2024 and 15 members as of December 31, 2023, excluding executive directors in both cases.

Pension commitments with members of Senior Management

In order to meet the pension commitments made to members of Senior Management (16 members as of December 31, 2024, excluding the executive directors), a total combined amount of €4,226 thousand was recognized in financial year 2024 for the contingency of retirement. This amount is equivalent to the annual contribution agreed to cover the contingency of retirement, plus a further amount of €150 thousand pertaining to the upward adjustment of the “discretionary pension benefits” for financial year 2023, which were declared at the end of that financial year and which had to be included to the accumulated fund in 2024. In addition, an aggregate total amount of €1,181 thousand was paid in premiums to cover the contingencies of death and disability.

As of December 31, 2024, the total accumulated fund to meet the retirement commitments with members of Senior Management amounted to €40,549 thousand.

As in the case of executive directors, 15% of the annual contributions agreed to cover the contingency of retirement for members of Senior Management, will be based on variable components and will be considered “discretionary pension benefits”, and will therefore be subject to the conditions regarding delivery in shares, withholding, reduction and recovery established in the applicable regulations, as well as to any other conditions concerning variable remuneration that may be applicable to them in accordance with the remuneration policy applicable to members of Senior Management.

For these purposes, of the annual contribution for the retirement contingency recognized in the 2024 financial year, a total amount of €587 thousand was recognized in 2024 as “discretionary pension benefits”. Following the end of the financial year, and as in the case of the Chair, this amount was adjusted by applying the same criteria used to determine the Short-Term Incentive that is part of the Annual Variable Remuneration of the members of Senior Management for the 2024 financial year. As a result, the “discretionary pension benefits” for the year, corresponding to all members of Senior Management, have been calculated at a total combined amount of €741 thousand, which represents an upward adjustment of €154 thousand. These “discretionary pension benefits” will be included in the accumulated fund in the 2025 financial year, and will be subject to the conditions established for them in the remuneration policy applicable to members of Senior Management, in accordance with the regulations applicable to the Bank on this matter.

Pension systems (thousands of Euros)

	Contributions (1)				Funds accumulated	
	Retirement		Death and disability			
	2024	2023	2024	2023	2024	2023
Senior Management Total (2)	4,226	3,829	1,181	1,102	40,549	34,069

(1) Contributions recognized to meet pension commitments with all Senior Management in financial years 2024 and 2023, which relate to the sum of the annual retirement pension contributions and the adjustments made to the “discretionary pension benefits” for 2023 and 2022 which were included in the accumulated fund in 2024 and 2023, respectively, and to the insurance premiums paid by the Bank for death and disability contingencies.
(2) 16 members as of December 31, 2024, and 15 members as of December 31, 2023, excluding executive directors in both cases.

Payments for termination of the contractual relationship

Regarding Senior Management, excluding the executive directors, in 2024 the Bank did not make any severance payments arising from the termination of the contractual relationship.

51. Other information

51.1 Environmental impact

Given the activities BBVA entities engage in, the Bank has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on equity, financial situation and profits. Consequently, as of December 31, 2024, there is no item included in the Consolidated Financial Statements that requires disclosure in an environmental information report pursuant to Ministry JUS/616/2022, of June 30, by which the new model for the presentation of consolidated financial statements in the Commercial Register is approved. BBVA's management of environmental impacts and risks is presented in more detail in the attached Management Report.

51.2 Breakdown of agents of credit institutions

Appendix XII contains a list of the Bank's agents as required by article 21 of Royal Decree 84/2015, dated February 13, of the Ministry of Economy and Finance.

51.3 Report on the activity of the Customer Care Service and the Customer Ombudsman

The report on the activity of the Customer Care Service and the Customer Ombudsman, required pursuant to Article 17 of Ministry of Economy Order ECO/734/2004 dated March 11, is included in the Management Report accompanying these financial statements.

51.4 Reporting requirements of the Spanish National Securities Market Commission

Dividends paid

The table below presents the dividends per share paid in cash in 2024 and 2023 (cash basis accounting, regardless of the year in which they are accrued). For a complete analysis of all remuneration awarded to shareholders in 2024 and 2023 (see Note 3).

Paid Dividends

	2024			2023		
	% Over nominal	Euros per share	Amount (Millions of Euros)	% Over nominal	Euros per share	Amount (Millions of Euros)
Ordinary shares	138.78 %	0.68	3,921	95.92 %	0.47	2,812
Rest of shares	—	—	—	—	—	—
Total dividends paid in cash	**138.78 %**	**0.68**	**3,921**	**95.92 %**	**0.47**	**2,812**
Dividends with charge to income	138.78 %	0.68	3,921	95.92 %	0.47	2,812
Dividends with charge to reserve or share premium	—	—	—	— %	—	—
Dividends in kind	—	—	—	—	—	—
Flexible payment	—	—	—	—	—	—

Interest income by geographical area

The breakdown of the balance under the heading “Interest Income and similar income” in the accompanying income statements by geographical area is as follows:

Interest Income. Breakdown by Geographical Area (Millions of Euros)

	Notes	2024	2023
Domestic		14,622	12,461
Foreign		2,964	2,108
European Union		*782*	*558*
Eurozone		*782*	*558*
No Eurozone		—	—
Rest of countries		*2,182*	*1,550*
Total	**33.1**	**17,586**	**14,569**

Number of employees

The breakdown of the average number of employees in the Bank in 2024 and 2023, by gender, is as follows:

Average number of employees	2024		2023	
	Male	Female	Male	Female
Management team	1,224	610	1,181	541
Managers	5,422	4,728	5,166	4,417
Other line personnel and clerical staff	3,980	5,816	3,941	5,937
Branches abroad	748	511	664	467
Total	**11,374**	**11,665**	**10,951**	**11,362**

As of December 31, 2024 BBVA, S.A. in Spain, had 151 handicap employees among the workforce (147 in 2023).

The breakdown of the number of employees in the Bank as of December 31, 2024 and 2023, by category and gender, is as follows:

Number of employees at the end of year. Professional category and gender	2024		2023	
	Male	Female	Male	Female
Management team	1,268	652	1,207	587
Managers	5,479	4,774	5,336	4,656
Other line personnel and clerical staff	3,979	5,814	3,984	5,801
Branches abroad	807	557	691	479
Total	**11,533**	**11,797**	**11,218**	**11,523**

51.5. Responsible lending and consumer credit granting

BBVA has incorporated the best practices of responsible lending and credit granting to Retail Customers, and has policies and procedures that contemplate these practices complying with the provisions of the Central Bank of Spain, ECB and the Ministries of *Asuntos Económicos y Transformación Digital* and *Hacienda y Función Pública*.

Specifically, the Corporate Retail Credit Risk Policy (approved by the Executive Committee of the Board of Directors of the Bank on September 18, 2019) and the Rules and the Operating Frameworks derived from it, establish policies, practices and procedures in relation to responsible granting of loans and credit to Retail Customers.

In compliance with the different Regulation of the Bank of Spain, ECB and the Ministries of *Asuntos Económicos y Transformación Digital* and *Hacienda y Función Pública*, the following summary of those policies contained in the Corporate Retail Credit Risk Policy BBVA is provided:

- The need to adapt payment plans with sources of payment capacity;
- The evaluation requirements of affordability;
- The need when applicable, to take into account the existing financial obligations payments;
- In cases where, for commercial reasons or the type of rate/currency, the offer to the borrowers includes contractual clauses or contracting financial products to hedge interest rate and exchange rate risks.
- The need, when there is collateral, to establish a reasonable relationship between the amount of the loan and its potential extensions and value of collateral, regardless revaluations thereof;
- The need for extreme caution in the use of appraisal values on credit operations that have real estate as an additional borrower's personal guarantee;
- The periodic review of the value of collateral taken to hedge loans;
- A number of elements of management in order to ensure independence in the activity of appraisal companies;
- The need to warn customers of potential consequences in terms of cost by default interest and other expenses that would continue in default;

- Debt renegotiation criteria (refinancing and restructurings);
- The minimum documentation that operations should have in order to be granted and during its term.

In order to maintain an effective monitoring of these policies, BBVA has the following control mechanisms:

- Validations and computer controls built into the workflows of analysis, decision and contracting operations, in order to embed these principles in management;
- Alignment between the specifications of the product catalog with the policies of responsible lending;
- Different areas of sanction to ensure adequate hierarchy decision levels in response to the complexity of operations;
- A reporting scheme that allows to monitor the proper implementation of the policies of responsible lending.

52. Subsequent events

On January 14, 2025, BBVA carried out an issuance of perpetual contingent convertible securities with exclusion of shareholders' pre-emptive subscription rights, for a total nominal amount of USD 1 billion. This issuance is listed on the New York Stock Exchange and was targeted only at qualified investors, not being offered or sold to any retail clients. Likewise, on January 28, 2025, the Bank announced its irrevocable decision to redeem in whole on March 5, 2025, the issuance of contingently convertible preferred securities (which qualified as additional tier 1 instruments) carried out by the Bank on September 5, 2019, for an amount of USD 1 billion on the First Reset Date and once the prior consent from the Regulator was obtained (see Note 20.4).

On January 30, 2025, it was announced that a cash distribution in the amount of €0.41 gross per share to be paid presumably in April 2025 as the final dividend for the year 2024, and the execution of a share buyback program of BBVA for an amount of €993 million were planned to be proposed to the corresponding corporate bodies for consideration as ordinary remuneration to shareholders for 2024, subject to obtaining the corresponding regulatory authorizations and approval by the Board of Directors of the specific terms and conditions of the program, which will be communicated to the market prior to the start of its execution (See Note 3)

From January 1, 2025 to the date of preparation of these financial statements, no other subsequent events not mentioned above in these financial statements have taken place that could significantly affect the Bank’s earnings or its equity position.

53. Explanation added for translation into English

Translation of financial statements originally issued in Spanish and prepared in accordance with Bank of Spain Circular 4/2017, and as amended thereafter, which adapts the EU-IFRS for banks.

Appendices

APPENDIX I. BBVA Group Consolidated Financial Statements

Consolidated balance sheets as of December 31, 2024, 2023 and 2022

ASSETS (Millions of Euros)	2024	2023 (1)	2022 (1)
CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**51,145**	**75,416**	**79,756**
FINANCIAL ASSETS HELD FOR TRADING	**108,948**	**141,042**	**110,671**
Derivatives	36,003	34,293	39,908
Equity instruments	6,760	4,589	4,404
Debt securities	27,955	28,569	24,367
Loans and advances to central banks	556	2,809	1,632
Loans and advances to credit institutions	20,938	56,599	25,231
Loans and advances to customers	16,736	14,182	15,130
NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS	**10,546**	**8,737**	**6,888**
Equity instruments	9,782	7,963	6,511
Debt securities	407	484	129
Loans and advances	358	290	247
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**836**	**955**	**913**
Debt securities	836	955	913
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**59,002**	**62,205**	**65,374**
Equity instruments	1,451	1,217	1,198
Debt securities	57,526	60,963	64,150
Loans and advances to credit institutions	25	26	26
FINANCIAL ASSETS AT AMORTIZED COST	**502,400**	**451,732**	**414,421**
Debt securities	59,014	49,462	36,639
Loans and advances to central banks	8,255	7,151	4,401
Loans and advances to credit institutions	22,655	17,477	16,031
Loans and advances to customers	412,477	377,643	357,351
DERIVATIVES - HEDGE ACCOUNTING	**1,158**	**1,482**	**1,891**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**(65)**	**(97)**	**(148)**
JOINT VENTURES AND ASSOCIATES	**989**	**976**	**916**
Joint ventures	94	93	100
Associates	895	883	816
INSURANCE AND REINSURANCE ASSETS	**191**	**211**	**183**
TANGIBLE ASSETS	**9,759**	**9,253**	**8,737**
Properties, plant and equipment	9,506	9,046	8,441
For own use	8,501	8,295	7,911
Other assets leased out under an operating lease	1,004	751	530
Investment properties	253	207	296
INTANGIBLE ASSETS	**2,490**	**2,363**	**2,156**
Goodwill	700	795	707
Other intangible assets	1,790	1,568	1,449
TAX ASSETS	**18,650**	**17,501**	**16,725**
Current tax assets	4,295	2,860	1,978
Deferred tax assets	14,354	14,641	14,747
OTHER ASSETS	**5,525**	**2,859**	**2,586**
Insurance contracts linked to pensions	—	—	—
Inventories	1,299	276	325
Other	4,226	2,583	2,260
NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	**828**	**923**	**1,022**
TOTAL ASSETS	**772,402**	**775,558**	**712,092**

(1) Presented for comparison purposes only.

BBVA

Consolidated balance sheets as of December 31, 2024, 2023 and 2022 (continued)

LIABILITIES AND EQUITY (Millions of Euros)	2024	2023 [1]	2022 [1]
FINANCIAL LIABILITIES HELD FOR TRADING	**86,591**	**121,715**	**95,611**
Derivatives	33,059	33,045	37,909
Short positions	13,878	15,735	13,487
Deposits from central banks	3,360	6,397	3,950
Deposits from credit institutions	16,285	43,337	28,924
Customer deposits	20,010	23,201	11,341
FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**14,952**	**13,299**	**10,580**
Customer deposits	934	717	700
Debt certificates issued	4,597	3,977	3,288
Other financial liabilities	9,420	8,605	6,592
Memorandum item: Subordinated liabilities	—	—	—
FINANCIAL LIABILITIES AT AMORTIZED COST	**584,339**	**557,589**	**529,172**
Deposits from central banks	14,668	20,309	38,323
Deposits from credit institutions	34,406	40,039	26,935
Customer deposits	447,646	413,487	394,404
Debt certificates issued	69,867	68,707	55,429
Other financial liabilities	17,753	15,046	14,081
Memorandum item: Subordinated liabilities	*19,612*	*15,867*	*12,509*
DERIVATIVES - HEDGE ACCOUNTING	**2,503**	**2,625**	**3,303**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**—**	**—**	**—**
LIABILITIES UNDER INSURANCE AND REINSURANCE CONTRACTS	**10,981**	**12,110**	**10,131**
PROVISIONS	**4,619**	**4,924**	**4,933**
Pensions and other post-employment defined benefit obligations	2,348	2,571	2,632
Other long term employee benefits	384	435	466
Provisions for taxes and other legal contingencies	791	696	685
Commitments and guarantees given	667	770	770
Other provisions	429	452	380
TAX LIABILITIES	**3,033**	**2,554**	**2,935**
Current tax liabilities	575	878	1,415
Deferred tax liabilities	2,458	1,677	1,520
OTHER LIABILITIES	**5,370**	**5,477**	**4,909**
LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	**—**	**—**	**—**
TOTAL LIABILITIES	**712,388**	**720,293**	**661,575**

(1) Presented for comparison purposes only.

BBVA

Consolidated balance sheets as of December 31, 2024, 2023 and 2022 (continued)

LIABILITIES AND EQUITY (Continued) (Millions of Euros)	2024	2023 (1)	2022 (1)
SHAREHOLDERS' FUNDS	**72,875**	**67,955**	**64,535**
Capital	**2,824**	**2,861**	**2,955**
Paid up capital	2,824	2,861	2,955
Unpaid capital which has been called up	—	—	—
Share premium	**19,184**	**19,769**	**20,856**
Equity instruments issued other than capital	**—**	**—**	**—**
Other equity	**40**	**40**	**63**
Retained earnings	**40,693**	**36,237**	**32,711**
Revaluation reserves	**—**	**—**	**—**
Other reserves	**1,814**	**2,015**	**2,345**
Reserves or accumulated losses of investments in joint ventures and associates	(227)	(237)	(221)
Other	2,041	2,252	2,566
Less: treasury shares	**(66)**	**(34)**	**(29)**
Profit or loss attributable to owners of the parent	**10,054**	**8,019**	**6,358**
Less: Interim dividends	**(1,668)**	**(951)**	**(722)**
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	**(17,220)**	**(16,254)**	**(17,642)**
Items that will not be reclassified to profit or loss	**(1,988)**	**(2,105)**	**(1,881)**
Actuarial gains (losses) on defined benefit pension plans	(1,067)	(1,049)	(760)
Non-current assets and disposal groups classified as held for sale	—	—	—
Share of other recognized income and expense of investments in joint ventures and associates	—	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income	(905)	(1,112)	(1,194)
Hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income	—	—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	(17)	55	72
Items that may be reclassified to profit or loss	**(15,232)**	**(14,148)**	**(15,760)**
Hedge of net investments in foreign operations (effective portion)	(2,329)	(2,498)	(1,408)
Foreign currency translation	(12,702)	(11,419)	(13,078)
Hedging derivatives. Cash flow hedges (effective portion)	370	133	(447)
Fair value changes of debt instruments measured at fair value through other comprehensive income	(576)	(357)	(809)
Hedging instruments (non-designated items)	—	—	—
Non-current assets and disposal groups classified as held for sale	—	—	—
Share of other recognized income and expense of investments in joint ventures and associates	5	(8)	(18)
MINORITY INTERESTS (NON-CONTROLLING INTERESTS)	**4,359**	**3,564**	**3,623**
Accumulated other comprehensive income (loss)	(2,730)	(3,321)	(3,109)
Other items	7,089	6,885	6,732
TOTAL EQUITY	**60,014**	**55,265**	**50,517**
TOTAL EQUITY AND TOTAL LIABILITIES	**772,402**	**775,558**	**712,092**

MEMORANDUM ITEM (OFF-BALANCE SHEET EXPOSURES) (Millions of Euros)	2024	2023 (1)	2022 (1)
Loan commitments given	188,515	152,868	136,920
Financial guarantees given	22,503	18,839	16,511
Other commitments given	51,215	42,577	39,137

(1) Presented for comparison purposes only.

Consolidated income statements for the years ended December 31, 2024, 2023 and 2022

CONSOLIDATED INCOME STATEMENTS (Millions of Euros)	2024	2023 (1)	2022 (1)
Interest and other income	61,659	47,850	31,432
Interest expense	(36,392)	(24,761)	(12,309)
NET INTEREST INCOME	**25,267**	**23,089**	**19,124**
Dividend income	120	118	123
Share of profit or loss of entities accounted for using the equity method	40	26	21
Fee and commission income	13,036	9,899	8,260
Fee and commission expense	(5,048)	(3,611)	(2,888)
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	327	76	64
Financial assets at amortized cost	*20*	*41*	*8*
Other financial assets and liabilities	*307*	*35*	*56*
Gains (losses) on financial assets and liabilities held for trading, net	2,458	1,352	562
Reclassification of financial assets from fair value through other comprehensive income	—	—	—
Reclassification of financial assets from amortized cost	—	—	—
Other gains (losses)	*2,458*	*1,352*	*562*
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	179	337	(67)
Reclassification of financial assets from fair value through other comprehensive income	—	—	—
Reclassification of financial assets from amortized cost	—	—	—
Other gains (losses)	*179*	*337*	*(67)*
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	249	96	150
Gains (losses) from hedge accounting, net	5	(17)	(45)
Exchange differences, net	695	339	1,275
Other operating income	623	619	528
Other operating expense	(3,951)	(4,042)	(3,438)
Income from insurance and reinsurance contracts	3,720	3,081	2,622
Expense from insurance and reinsurance contracts	(2,238)	(1,821)	(1,547)
GROSS INCOME	**35,481**	**29,542**	**24,743**
Administration costs	(12,660)	(10,905)	(9,373)
Personnel expense	*(7,659)*	*(6,530)*	*(5,601)*
Other administrative expense	*(5,001)*	*(4,375)*	*(3,773)*
Depreciation and amortization	(1,533)	(1,403)	(1,328)
Provisions or reversal of provisions	(198)	(373)	(291)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification	(5,745)	(4,428)	(3,379)
Financial assets measured at amortized cost	(5,687)	(4,386)	(3,303)
Financial assets at fair value through other comprehensive income	(58)	(42)	(76)
NET OPERATING INCOME	**15,345**	**12,432**	**10,372**
Impairment or reversal of impairment of investments in joint ventures and associates	63	(9)	42
Impairment or reversal of impairment on non-financial assets	1	(54)	(27)
Tangible assets	*29*	*(16)*	*53*
Intangible assets	*(15)*	*(26)*	*(25)*
Other assets	*(13)*	*(12)*	*(55)*
Gains (losses) on derecognition of non-financial assets and subsidiaries, net	14	28	(11)
Negative goodwill recognized in profit or loss	—	—	—
Gains (losses) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(17)	22	(108)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**15,405**	**12,419**	**10,268**
Tax expense or income related to profit or loss from continuing operations	(4,830)	(4,003)	(3,505)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**10,575**	**8,416**	**6,763**
Profit (loss) after tax from discontinued operations	—	—	—
PROFIT (LOSS)	**10,575**	**8,416**	**6,763**
ATTRIBUTABLE TO MINORITY INTERESTS (NON-CONTROLLING INTERESTS)	**521**	**397**	**405**
ATTRIBUTABLE TO OWNERS OF THE PARENT	**10,054**	**8,019**	**6,358**

(1) Presented for comparison purposes only.

Consolidated income statements for the years ended December 31, 2024, 2023 and 2022 (continued)

EARNINGS (LOSSES) PER SHARE (Euros)	2024	2023 (1)	2022 (1)
EARNINGS (LOSSES) PER SHARE (Euros)	**1.68**	**1.29**	**0.98**
Basic earnings (losses) per share from continuing operations	1.68	1.29	0.98
Diluted earnings (losses) per share from continuing operations	1.68	1.29	0.98
Basic earnings (losses) per share from discontinued operations	—	—	—
Diluted earnings (losses) per share from discontinued operations	—	—	—

Consolidated statements of recognized income and expense for the years ended December 31, 2024, 2023 and 2022

CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE (Millions of Euros)	2024	2023 [1]	2022 [1]
PROFIT (LOSS) RECOGNIZED IN INCOME STATEMENT	**10,575**	**8,416**	**6,763**
OTHER RECOGNIZED INCOME (EXPENSE)	**(414)**	**1,175**	**789**
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**79**	**(223)**	**190**
Actuarial gains (losses) from defined benefit pension plans	(78)	(358)	354
Non-current assets and disposal groups held for sale	—	—	—
Share of other recognized income and expense of entities accounted for using the equity method	—	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income, net	236	100	(121)
Gains (losses) from hedge accounting of equity instruments at fair value through other comprehensive income, net	—	—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	(102)	(24)	100
Income tax related to items not subject to reclassification to income statement	23	59	(143)
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**(493)**	**1,398**	**599**
Hedge of net investments in foreign operations (effective portion)	**169**	**(1,095)**	**(1,172)**
Valuation gains (losses) taken to equity	169	(1,095)	(1,172)
Transferred to profit or loss	—	—	—
Other reclassifications	—	—	—
Foreign currency translation	**(646)**	**1,379**	**3,413**
Translation gains (losses) taken to equity	(646)	1,378	3,413
Transferred to profit or loss	—	1	—
Other reclassifications	—	—	—
Cash flow hedges (effective portion)	**331**	**832**	**72**
Valuation gains (losses) taken to equity	331	832	91
Transferred to profit or loss	—	—	(19)
Transferred to initial carrying amount of hedged items	—	—	—
Other reclassifications	—	—	—
Debt securities at fair value through other comprehensive income	**(398)**	**752**	**(2,498)**
Valuation gains (losses) taken to equity	(217)	757	(2,528)
Transferred to profit or loss	(181)	(5)	30
Other reclassifications	—	—	—
Non-current assets and disposal groups held for sale	**—**	**—**	**—**
Valuation gains (losses) taken to equity	—	—	—
Transferred to profit or loss	—	—	—
Other reclassifications	—	—	—
Entities accounted for using the equity method	**16**	**12**	**(7)**
Income tax relating to items subject to reclassification to income statements	**36**	**(482)**	**791**
TOTAL RECOGNIZED INCOME (EXPENSE)	**10,161**	**9,591**	**7,552**
Attributable to minority interests (non-controlling interests)	**1,108**	**184**	**1,352**
Attributable to the parent company	**9,053**	**9,407**	**6,200**

(1) Presented for comparison purposes only.

Consolidated statements of changes in equity for the years ended December 31, 2024, 2023 and 2022

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Millions of Euros)

2024	Capital	Share Premium	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income (loss)	Minority interests: Accumulated other comprehensive income (loss)	Minority interests: Other	Total
Balances as of January 1, 2024 (1)	**2,861**	**19,769**	**—**	**40**	**36,237**	**—**	**2,015**	**(34)**	**8,019**	**(951)**	**(16,254)**	**(3,321)**	**6,885**	**55,265**
Effect of changes in accounting policies	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Adjusted initial balance	**2,861**	**19,769**	**—**	**40**	**36,237**	**—**	**2,015**	**(34)**	**8,019**	**(951)**	**(16,254)**	**(3,321)**	**6,885**	**55,265**
Total income/expense recognized	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**10,054**	**—**	**(1,001)**	**587**	**521**	**10,161**
Other changes in equity	**(37)**	**(585)**	**—**	**(1)**	**4,457**	**—**	**(201)**	**(32)**	**(8,019)**	**(717)**	**35**	**4**	**(317)**	**(5,413)**
Issuances of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuances of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Settlement or maturity of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Conversion of debt on equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital reduction	(37)	(585)	—	—	29	—	(189)	781	—	—	—	—	—	—
Dividend distribution	—	—	—	—	(2,245)	—	—	—	—	(1,668)	—	—	(345)	(4,258)
Purchase of treasury shares	—	—	—	—	—	—	—	(1,528)	—	—	—	—	—	(1,528)
Sale or cancellation of treasury shares	—	—	—	—	—	—	10	716	—	—	—	—	—	725
Reclassification of other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers among components of equity	—	—	—	9	7,059	—	(38)	—	(8,019)	951	35	4	—	—
Increase/Reduction of equity due to business combinations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share based payments	—	—	—	(26)	—	—	—	—	—	—	—	—	—	(26)
Other increases or (-) decreases in equity	—	—	—	16	(386)	—	16	—	—	—	—	—	28	(326)
Balance as of December 31, 2024	**2,824**	**19,184**	**—**	**40**	**40,693**	**—**	**1,814**	**(66)**	**10,054**	**(1,668)**	**(17,220)**	**(2,730)**	**7,089**	**60,014**

(1) Balances as of December 31, 2023 as originally reported in the consolidated Financial Statements for the year 2023.

Consolidated statements of changes in equity for the years ended December 31, 2024, 2023 and 2022 (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Millions of Euros)

2023 (1)	Capital	Share Premium	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income (loss)	Minority interests		Total
												Accumulated other comprehensive income (loss)	Other	
Balances as of January 1, 2023 (2)	**2,955**	**20,856**	**—**	**63**	**32,536**	**—**	**2,345**	**(29)**	**6,420**	**(722)**	**(17,432)**	**(3,112)**	**6,736**	**50,615**
Effect of changes in accounting policies (3)	**—**	**—**	**—**	**—**	**175**	**—**	**—**	**—**	**(62)**	**—**	**(210)**	**4**	**(4)**	**(98)**
Adjusted initial balance	**2,955**	**20,856**	**—**	**63**	**32,711**	**—**	**2,345**	**(29)**	**6,358**	**(722)**	**(17,642)**	**(3,109)**	**6,732**	**50,517**
Total income/expense recognized	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**8,019**	**—**	**1,388**	**(213)**	**397**	**9,591**
Other changes in equity	**(94)**	**(1,087)**	**—**	**(22)**	**3,526**	**—**	**(331)**	**(5)**	**(6,358)**	**(228)**	**—**	**1**	**(244)**	**(4,842)**
Issuances of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuances of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Settlement or maturity of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Conversion of debt on equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital reduction	(94)	(1,087)	—	—	75	—	(316)	1,422	—	—	—	—	—	—
Dividend distribution	—	—	—	—	(1,857)	—	—	—	—	(951)	—	—	(263)	(3,071)
Purchase of treasury shares	—	—	—	—	—	—	—	(2,166)	—	—	—	—	—	(2,166)
Sale or cancellation of treasury shares	—	—	—	—	—	—	1	739	—	—	—	—	—	741
Reclassification of other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers among components of equity	—	—	—	2	5,651	—	(17)	—	(6,358)	722	—	1	(1)	—
Increase/Reduction of equity due to business combinations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share based payments	—	—	—	(41)	—	—	—	—	—	—	—	—	—	(41)
Other increases or (-) decreases in equity	—	—	—	17	(344)	—	2	—	—	—	—	—	20	(305)
Balance as of December 31, 2023	**2,861**	**19,769**	**—**	**40**	**36,237**	**—**	**2,015**	**(34)**	**8,019**	**(951)**	**(16,254)**	**(3,321)**	**6,885**	**55,265**

(1) Presented for comparison purposes only.
(2) Balances as of December 31, 2022 as originally reported in the consolidated Financial Statements for the year 2022.
(3) The headings "Transfers among components of equity" and "Other increases or decreases in equity" include the effects of the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" in the subsidiaries in Turkey (see Note 2.2.18 in the consolidated Financial Statements) for amounts of €1,873 million in "Retained earnings", €1,862 million in "Accumulated other comprehensive income (loss)" and, under the heading of "Minority interests" include, €1,621 million in "Other" and €1,480 million in "Accumulated other comprehensive income (loss)".

Consolidated statements of changes in equity for the years ended December 31, 2024, 2023 and 2022 (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Millions of Euros)

2022 [1]	Capital	Share Premium	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income (loss)	Minority interests: Accumulated other comprehensive income (loss)	Minority interests: Other	Total
Balances as of January 1, 2022 [2]	3,267	23,599	—	60	31,841	—	(1,857)	(647)	4,653	(532)	(16,476)	(8,414)	13,267	48,760
Effect of changes in accounting policies [3]	—	—	—	—	178	—	—	—	—	—	(186)	1	(6)	(12)
Adjusted initial balance	3,267	23,599	—	60	32,019	—	(1,857)	(647)	4,653	(532)	(16,662)	(8,413)	13,261	48,748
Total income/expense recognized	—	—	—	—	—	—	—	—	6,358	—	(158)	947	405	7,552
Other changes in equity	(313)	(2,743)	—	3	692	—	4,202	617	(4,653)	(190)	(822)	4,358	(6,935)	(5,783)
Issuances of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuances of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Settlement or maturity of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Conversion of debt on equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital reduction	(313)	(2,743)	—	—	250	—	(355)	3,160	—	—	—	—	—	—
Dividend distribution	—	—	—	—	(1,463)	—	—	—	—	(722)	—	—	(185)	(2,370)
Purchase of treasury shares	—	—	—	—	—	—	—	(2,966)	—	—	—	—	—	(2,966)
Sale or cancellation of treasury shares	—	—	—	—	—	—	9	423	—	—	—	—	—	432
Reclassification of other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers among components of equity [4]	—	—	—	—	2,231	—	2,712	—	(4,653)	532	(822)	4,358	(4,358)	—
Increase/Reduction of equity due to business combinations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share based payments	—	—	—	(22)	—	—	—	—	—	—	—	—	—	(22)
Other increases or (-) decreases in equity [4]	—	—	—	25	(326)	—	1,836	—	—	—	—	—	(2,392)	(857)
Balance as of December 31, 2022	2,955	20,856	—	63	32,711	—	2,345	(29)	6,358	(722)	(17,642)	(3,109)	6,732	50,517

(1) Presented for comparison purposes only.
(2) Balances as of December 31, 2021 as originally reported in the consolidated Financial Statements for the year 2021.

Consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022

CONSOLIDATED STATEMENTS OF CASH FLOWS (Millions of Euros)	2024	2023 [1]	2022 [1]
A) CASH FLOWS FROM OPERATING ACTIVITIES	**(18,190)**	**(721)**	**23,718**
Of which hyperinflation effect from operating activities (see Note 2.2.18)	2,593	1,884	2,692
Profit for the year	**10,575**	**8,416**	**6,763**
Adjustments to obtain the cash flow from operating activities	**14,817**	**12,150**	**11,746**
Depreciation and amortization	1,533	1,403	1,328
Other adjustments	13,283	10,747	10,418
Net increase/decrease in operating assets	**(54,265)**	**(77,408)**	**(42,900)**
Financial assets held for trading	28,452	(27,884)	14,658
Non-trading financial assets mandatorily at fair value through profit or loss	(2,813)	(1,288)	(421)
Other financial assets designated at fair value through profit or loss	119	(42)	179
Financial assets at fair value through other comprehensive income	(1,124)	2,512	(1,014)
Financial assets at amortized cost	(76,759)	(51,182)	(55,754)
Other operating assets	(2,140)	476	(548)
Net increase/decrease in operating liabilities	**16,314**	**61,473**	**51,343**
Financial liabilities held for trading	(32,695)	24,435	2,907
Other financial liabilities designated at fair value through profit or loss	2,647	2,003	293
Financial liabilities at amortized cost	45,970	36,127	48,161
Other operating liabilities	392	(1,092)	(17)
Collection/payments for income tax	**(5,631)**	**(5,353)**	**(3,234)**
B) CASH FLOWS FROM INVESTING ACTIVITIES	**(1,423)**	**(1,419)**	**(3,911)**
Of which hyperinflation effect from investing activities (see Note 2.2.18)	753	772	759
Investment	**(2,039)**	**(1,912)**	**(4,506)**
Tangible assets	(1,195)	(1,129)	(1,812)
Intangible assets	(816)	(690)	(630)
Investments in joint ventures and associates	(1)	(93)	(81)
Subsidiaries and other business units	(28)	—	(1,389)
Non-current assets classified as held for sale and associated liabilities	—	—	(594)
Other settlements related to investing activities	—	—	—
Divestments	**617**	**492**	**596**
Tangible assets	104	92	29
Intangible assets	—	—	—
Investments in joint ventures and associates	32	58	127
Subsidiaries and other business units	73	21	—
Non-current assets classified as held for sale and associated liabilities	408	321	440
Other collections related to investing activities	—	—	—
C) CASH FLOWS FROM FINANCING ACTIVITIES	**(2,567)**	**(1,842)**	**(7,563)**
Of which hyperinflation effect from financing activities (see Note 2.2.18)	—	—	—
Payments	**(8,773)**	**(7,224)**	**(7,996)**
Dividend distribution (shareholders remuneration)	(3,913)	(2,808)	(2,185)
Subordinated liabilities	(2,599)	(1,629)	(2,258)
Treasury share amortization	(37)	(94)	(313)
Treasury share acquisition	(1,492)	(2,072)	(2,670)
Other items relating to financing activities	(732)	(622)	(571)
Collections	**6,205**	**5,383**	**434**
Subordinated liabilities	5,514	4,672	—
Treasury shares increase	—	—	—
Treasury shares disposal	691	711	434
Other items relating to financing activities	—	—	—
D) EFFECT OF EXCHANGE RATE CHANGES	**(2,091)**	**(357)**	**(288)**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(24,271)**	**(4,339)**	**11,957**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**75,416**	**79,756**	**67,799**
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (E+F)	**51,145**	**75,416**	**79,756**

COMPONENTS OF CASH AND EQUIVALENTS AT END OF THE YEAR (Millions of Euros)	2024	2023 [1]	2022 [1]
Cash	8,636	7,751	6,533
Balance of cash equivalent in central banks	35,306	60,750	67,314
Other financial assets	7,202	6,916	5,909
Less: Bank overdraft refundable on demand	—	—	—
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**51,145**	**75,416**	**79,756**

(1) Presented for comparison purposes only.
(2) In fiscal year 2021, the balance of Group companies in the United States included in the sale to PNC is included.

This Appendix is an integral part of Note 1.8 of the financial statements for the year ended December 31, 2024.

APPENDIX II. Additional information on subsidiaries and structured entities composing the BBVA Group as of December 31, 2024

			% share of participation (1)			Millions of Euros (2) Affiliate entity data		
Company	Location	Activity	Direct	Indirect	Total	Net carrying amount	Equity excluding profit (loss) 31.12.2024	Profit (loss) 31.12.2024
ACTIVOS MACORP SL	SPAIN	REAL ESTATE	50.64	49.36	100.00	3	3	—
ADQUIRA MEXICO SA DE CV	MEXICO	SERVICES	—	100.00	100.00	10	6	4
ALCALA 120 PROMOC. Y GEST.IMMOB. S.L.	SPAIN	REAL ESTATE	—	100.00	100.00	19	19	—
ANIDA GRUPO INMOBILIARIO SL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	941	916	36
ANIDA INMOBILIARIA, S.A. DE C.V.	MEXICO	INVESTMENT COMPANY	—	100.00	100.00	16	15	1
ANIDA OPERACIONES SINGULARES, S.A.	SPAIN	REAL ESTATE	—	100.00	100.00	874	860	14
ANIDA PROYECTOS INMOBILIARIOS, S.A. DE C.V.	MEXICO	REAL ESTATE	—	100.00	100.00	14	13	1
ANIDAPORT INVESTIMENTOS IMOBILIARIOS, UNIPESSOAL, LTDA	PORTUGAL	REAL ESTATE	—	100.00	100.00	22	13	3
ANTHEMIS BBVA VENTURE PARTNERSHIP LLP	UNITED KINGDOM	INVESTMENT COMPANY	—	100.00	100.00	11	12	—
ARRAHONA NEXUS, S.L.	SPAIN	REAL ESTATE	—	100.00	100.00	56	62	—
ARRELS CT FINSOL, S.A.	SPAIN	REAL ESTATE	—	100.00	100.00	59	75	—
ARRELS CT PATRIMONI I PROJECTES, S.A.	SPAIN	REAL ESTATE	—	100.00	100.00	22	22	1
ARRELS CT PROMOU SA	SPAIN	REAL ESTATE	—	100.00	100.00	17	24	6
BANCO BBVA ARGENTINA S.A.	ARGENTINA	BANKING	40.01	26.54	66.55	158	597	1,350
BANCO BBVA PERÚ SA (3)	PERU	BANKING	—	47.13	47.13	1,606	2,942	465
BANCO BILBAO VIZCAYA ARGENTARIA URUGUAY SA	URUGUAY	BANKING	100.00	—	100.00	110	254	76
BANCO OCCIDENTAL SA	SPAIN	BANKING	49.43	50.57	100.00	17	19	1
BANCO PROVINCIAL OVERSEAS NV	CURAÇAO	BANKING	—	100.00	100.00	53	46	7
BANCO PROVINCIAL SA - BANCO UNIVERSAL	VENEZUELA	BANKING	1.46	53.75	55.21	46	267	-6
BBV AMERICA SL	SPAIN	INVESTMENT COMPANY	99.80	0.20	100.00	—	659	93
BBVA (SUIZA) SA	SWITZERLAND	BANKING	100.00	—	100.00	115	153	9
BBVA AGENCIA DE SEGUROS COLOMBIA LTDA	COLOMBIA	INSURANCES SERVICES	—	100.00	100.00	—	—	—
BBVA ASSET MANAGEMENT ARGENTINA SAU SOCIEDAD GERENTE DE FONDOS COMUNES DE INVERSIÓN	ARGENTINA	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	29	—	28
BBVA ASSET MANAGEMENT MEXICO SA DE CV, SOC.OPERADORA DE FONDOS DE INVERSION, GRUPO FRO. BBVA MEXICO	MEXICO	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	38	10	29
BBVA ASSET MANAGEMENT SA SAF	PERU	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	8	6	2
BBVA ASSET MANAGEMENT SA SGIIC	SPAIN	INVESTMENT FUND MANAGEMENT	100.00	—	100.00	36	-84	156
BBVA ASSET MANAGEMENT SA SOCIEDAD FIDUCIARIA (BBVA FIDUCIARIA)	COLOMBIA	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	29	18	11
BBVA BOLSA SOCIEDAD AGENTE DE BOLSA S.A.	PERU	SECURITIES DEALER	—	100.00	100.00	6	4	3
BBVA BRASIL BANCO DE INVESTIMENTO SA	BRAZIL	BANKING	100.00	—	100.00	14	19	-8
BBVA BROKER ARGENTINA SA	ARGENTINA	INSURANCES SERVICES	—	99.96	99.96	—	3	11
BBVA BROKER CORREDURIA DE SEGUROS Y REASEGUROS SA	SPAIN	FINANCIAL SERVICES	99.94	0.06	100.00	—	4	7
BBVA COLOMBIA SA	COLOMBIA	BANKING	78.12	18.22	96.34	740	1,592	-84
BBVA CONSUMER FINANCE ENTIDAD DE DESARROLLO A LA PEQUEÑA Y MICRO EMPRESA EDPYME SA (BBVA CONSUMER FINANCE - EDPYME)	PERU	IN LIQUIDATION	—	100.00	100.00	5	4	—
BBVA DISTRIBUIDORA DE SEGUROS S.R.L.	URUGUAY	FINANCIAL SERVICES	—	100.00	100.00	7	2	4
BBVA FUNDOS S.GESTORA FUNDOS PENSOES SA	PORTUGAL	PENSION FUND MANAGEMENT	100.00	—	100.00	11	9	2
BBVA GLOBAL FINANCE LTD	CAYMAN ISLANDS	OTHER ISSUANCE COMPANIES	100.00	—	100.00	—	6	—
BBVA GLOBAL MARKETS BV	NETHERLANDS	OTHER ISSUANCE COMPANIES	100.00	—	100.00	—	—	—

(1) In accordance with Article 3 of Royal Decree 1159/2010, of September 17, in order to determine the state, the voting power relating to subsidiaries was added to the voting power directly held by the parent. Therefore, the number of votes corresponding to the parent company (including indirect control subsidiaries), corresponds to each subsidiary holding a direct ownership interest.
(2) Amount without considering the interim dividends of the year, according to the provisional financial statements of each company, generally as of December 31, 2024. In the carrying amount (net of provision and hedge in foreign operations), the Group´s ownership percentage has been applied, without considering the impairment of goodwill. Information on individual companies and foreign companies at exchange rate as of December 31, 2024. The data of the companies in Turkey and Argentina are prior to the application of hyperinflation accounting.
(3) Full consolidation method is used according to accounting rules (see Glossary).

Additional information on subsidiaries and structured entities composing the BBVA Group as of December 31, 2024 (Continued)

			% share of participation (1)			Millions of Euros (2)		
						Affiliate entity data		
Company	Location	Activity	Direct	Indirect	Total	Net carrying amount	Equity excluding profit (loss) 31.12.2024	Profit (loss) 31.12.2024
BBVA GLOBAL SECURITIES, B.V.	NETHERLANDS	COMPANIES	100.00	—	100.00	—	—	—
BBVA GLOBAL WEALTH ADVISORS INC	UNITED STATES	FINANCIAL SERVICES	100.00	—	100.00	7	16	(10)
BBVA HOLDING CHILE SA	CHILE	INVESTMENT COMPANY	61.22	38.78	100.00	158	290	18
BBVA INSTITUIÇAO FINANCEIRA DE CREDITO SA	PORTUGAL	FINANCIAL SERVICES	49.90	50.10	100.00	39	63	2
BBVA LEASING MEXICO SA DE CV	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	51	257	31
BBVA MEDIACION OPERADOR DE BANCA-SEGUROS VINCULADO, S.A.	SPAIN	FINANCIAL SERVICES	99.99	0.01	100.00	11	(17)	33
BBVA MEXICO SA INSTITUCION DE BANCA MULTIPLE GRUPO FINANCIERO BBVA MEXICO	MEXICO	BANKING	—	100.00	100.00	16,766	12,067	4,699
BBVA OPERADORA MEXICO SA DE CV	MEXICO	SERVICES	100.00	—	100.00	72	68	7
BBVA PENSIONES MEXICO, S.A. DE C.V., GRUPO FINANCIERO BBVA MEXICO	MEXICO	INSURANCES SERVICES	—	100.00	100.00	348	273	74
BBVA PENSIONES SA ENTIDAD GESTORA DE FONDOS DE PENSIONES	SPAIN	PENSION FUND MANAGEMENT	100.00	—	100.00	13	14	12
BBVA PERU HOLDING SAC	PERU	INVESTMENT COMPANY	100.00	—	100.00	149	1,404	219
BBVA PREVISION AFP SA ADM.DE FONDOS DE PENSIONES	BOLIVIA	PENSION FUND MANAGEMENT	75.00	5.00	80.00	2	5	(1)
BBVA PROCESSING SERVICES INC.	UNITED STATES	FINANCIAL SERVICES	100.00	—	100.00	1	2	—
BBVA RE INHOUSE COMPAÑIA DE REASEGUROS, S.E.	SPAIN	INSURANCES SERVICES	100.00	—	100.00	63	60	5
BBVA SECURITIES INC	UNITED STATES	FINANCIAL SERVICES	100.00	—	100.00	233	243	15
BBVA SEGUROS ARGENTINA SA	ARGENTINA	INSURANCES SERVICES	87.78	12.22	100.00	11	30	25
BBVA SEGUROS CA	VENEZUELA	INSURANCES SERVICES	—	100.00	100.00	10	9	—
BBVA SEGUROS COLOMBIA SA	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	10	29	10
BBVA SEGUROS DE VIDA COLOMBIA SA	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	14	131	50
BBVA MEXICO	MEXICO	INSURANCES SERVICES	—	100.00	100.00	674	110	564
BBVA SEGUROS SA DE SEGUROS Y REASEGUROS	SPAIN	INSURANCES SERVICES	99.96	—	99.96	713	377	251
BBVA MEXICO.	MEXICO	INSURANCES SERVICES	—	100.00	100.00	28	22	6
BBVA SERVICIOS ADMINISTRATIVOS MEXICO, S.A. DE C.V.	MEXICO	SERVICES	—	100.00	100.00	25	23	2
BBVA SERVICIOS, S.A.	SPAIN	COMMERCIAL	—	100.00	100.00	—	—	—
BBVA SOCIEDAD TITULIZADORA S.A.	PERU	COMPANIES	—	100.00	100.00	1	1	—
BBVA TECHNOLOGY AMERICA SA	MEXICO	SERVICES	100.00	—	100.00	219	249	17
BBVA TECHNOLOGY SLU	SPAIN	SERVICES	100.00	—	100.00	44	46	7
BBVA TRADE, S.A.	SPAIN	INVESTMENT COMPANY	—	100.00	100.00	9	9	1
BBVA VALORES COLOMBIA SA COMISIONISTA DE BOLSA	COLOMBIA	SECURITIES DEALER	—	100.00	100.00	14	11	4
BILBAO VIZCAYA INVESTMENTS SA UNIPERSONAL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	482	510	41
CARTERA E INVERSIONES SA	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	92	137	1
CASA DE BOLSA BBVA MEXICO SA DE CV	MEXICO	SECURITIES DEALER	—	100.00	100.00	85	41	44
CATALUNYACAIXA IMMOBILIARIA SA	SPAIN	REAL ESTATE	100.00	—	100.00	159	145	13
CATALUNYACAIXA SERVEIS SA	SPAIN	SERVICES	100.00	—	100.00	2	2	—
CIDESSA DOS, S.L.	SPAIN	INVESTMENT COMPANY	—	100.00	100.00	2	2	—
CIERVANA SL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	53	83	2
COMERCIALIZADORA CORPORATIVA SAC	PERU	FINANCIAL SERVICES	—	50.00	50.00	—	—	—

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Additional information on subsidiaries and structured entities composing the BBVA Group as of December 31, 2024 (Continued)

			% share of participation (1)			Millions of Euros (2)		
							Affiliate entity data	
Company	Location	Activity	Direct	Indirect	Total	Net carrying amount	Equity excluding profit (loss) 31.12.2024	Profit (loss) 31.12.2024
COMERCIALIZADORA DE SERVICIOS FINANCIEROS, S.A.	COLOMBIA	SERVICES	—	100.00	100.00	5	5	—
SL	SPAIN	INVESTMENT COMPANY	99.97	0.03	100.00	221	268	8
CONSOLIDAR A.F.J.P SA	ARGENTINA	IN LIQUIDATION	46.11	53.89	100.00	1	—	—
CONTENTS AREA, S.L.	SPAIN	SERVICES	—	100.00	100.00	5	5	—
BV	NETHERLANDS	FINANCIAL SERVICES	—	100.00	100.00	—	—	—
SAU	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	510	939	67
CREA MADRID NUEVO NORTE SA	SPAIN	REAL ESTATE	—	75.54	75.54	349	466	(5)
DEUTSCHE BANK MEXICO SA FIDEICOMISO F/1859	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	—	—	—
DEUTSCHE BANK MEXICO SA FIDEICOMISO F/1860	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	—	—	—
DIGITAL INVESTMENTS SL	SPAIN	SUBSIDIARIES	99.98	0.03	100.01	92	42	—
ECASA, S.A.	CHILE	FINANCIAL SERVICES	—	100.00	100.00	27	26	1
EMPRENDIMIENTOS DE VALOR S.A.	URUGUAY	FINANCIAL SERVICES	—	100.00	100.00	3	3	(1)
EUROPEA DE TITULIZACION SA SGFT	SPAIN	FINANCIAL SERVICES	88.24	—	88.24	2	20	3
F/11395 FIDEICOMISO IRREVOCABLE DE ADMINISTRACION CON DERECHO DE REVERSION (3)	MEXICO	REAL ESTATE	—	42.40	42.40	—	1	—
F/253863 EL DESEO RESIDENCIAL	MEXICO	REAL ESTATE	—	65.00	65.00	—	1	—
FIDEICOMISO 28991-8 TRADING EN LOS MCADOS FINANCIEROS	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	4	3	—
LIQUIDADOR DE OPERACIONES FINANCIERAS DERIVADAS	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	99	87	12
FIDEICOMISO F/403112-6 DE ADMINISTRACION DOS LAGOS	MEXICO	REAL ESTATE	—	100.00	100.00	—	—	—
FIDEICOMISO HARES BBVA BANCOMER F/ 47997-2	MEXICO	REAL ESTATE	—	100.00	100.00	1	—	1
FIDEICOMISO INMUEBLES CONJUNTO RESIDENCIAL HORIZONTES DE VILLA CAMPESTRE	COLOMBIA	REAL ESTATE	—	100.00	100.00	—	1	—
FIDEICOMISO LOTE 6.1 ZARAGOZA	COLOMBIA	REAL ESTATE	—	59.99	59.99	—	2	—
FIDEICOMISO SCOTIABANK INVERLAT S A F100322908	MEXICO	REAL ESTATE	—	100.00	100.00	—	—	—
CONJUNTOS RESIDENCIALES S.L. EN LIQUIDACION	SPAIN	IN LIQUIDATION	—	60.00	60.00	—	—	—
SA	PERU	SERVICES	—	100.00	100.00	1	1	—
FORUM DISTRIBUIDORA DEL PERU SA	PERU	FINANCIAL SERVICES	—	100.00	100.00	8	9	(1)
FORUM DISTRIBUIDORA, S.A.	CHILE	FINANCIAL SERVICES	—	100.00	100.00	56	47	7
FORUM SERVICIOS FINANCIEROS, S.A.	CHILE	FINANCIAL SERVICES	—	100.00	100.00	228	218	11
G NETHERLANDS BV	NETHERLANDS	INVESTMENT COMPANY	—	100.00	100.00	393	323	—
GARANTI BANK SA	ROMANIA	BANKING	—	100.00	100.00	252	400	27
GARANTI BBVA AS	TURKEY	BANKING	85.97	—	85.97	7,534	6,743	2,468
GARANTI BBVA DIJITAL VARLIKLAR ANONIM SIRKETI	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	36	33	(3)
GARANTI BBVA EMEKLILIK AS	TURKEY	INSURANCES SERVICES	—	84.91	84.91	147	69	114
GARANTI BBVA FACTORING AS	TURKEY	FINANCIAL SERVICES	—	81.84	81.84	71	47	39
GARANTI BBVA FILO AS	TURKEY	SERVICES	—	100.00	100.00	205	147	56
TEKNOLOJILER AS	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	30	35	1
GARANTI BBVA LEASING AS	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	319	213	106
GARANTI BBVA PORTFOY YONETIMI AS	TURKEY	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	43	15	29

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(3) Full consolidation method is used according to accounting rules (see Glossary).

Additional information on subsidiaries and structured entities composing the BBVA Group as of December 31, 2024 (Continued)

			% share of participation (1)			Millions of Euros (2)		
						Affiliate entity data		
Company	Location	Activity	Direct	Indirect	Total	Net carrying amount	Equity excluding profit (loss) 31.12.2024	Profit (loss) 31.12.2024
GARANTI BBVA YATIRIM AS	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	270	148	122
GARANTI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY	CAYMAN ISLANDS	OTHER ISSUANCE COMPANIES	—	100.00	100.00	—	(11)	(1)
GARANTI FILO SIGORTA ARACILIK HIZMETLERI A.S.	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	—	1	1
GARANTI HOLDING BV	NETHERLANDS	INVESTMENT COMPANY	—	100.00	100.00	643	393	—
GARANTI KONUT FINANSMANI DANISMANLIK HIZMETLERI AS (GARANTI MORTGAGE)	TURKEY	SERVICES	—	100.00	100.00	—	—	—
GARANTI KULTUR AS	TURKEY	SERVICES	—	100.00	100.00	—	—	—
GARANTI ODEME SISTEMLERI AS (GOSAS)	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	19	10	11
GARANTI ODEME VE ELEKTRONIK PARA HIZMETLERI ANONIM SIRKETI	TURKEY	PAYMENT ENTITIES	—	100.00	100.00	13	17	(5)
GARANTI YATIRIM ORTAKLIGI AS (3) (4)	TURKEY	INVESTMENT COMPANY	—	3.61	3.61	—	2	—
GARANTIBANK BBVA INTERNATIONAL N.V.	NETHERLANDS	BANKING	—	100.00	100.00	931	751	101
GESCAT GESTIO DE SOL SL	SPAIN	REAL ESTATE	100.00	—	100.00	7	8	(1)
GESCAT LLEVANT, S.L.	SPAIN	REAL ESTATE	—	100.00	100.00	1	1	—
GESCAT LLOGUERS SL	SPAIN	REAL ESTATE	100.00	—	100.00	—	—	—
GESCAT VIVENDES EN COMERCIALITZACIO SL	SPAIN	REAL ESTATE	100.00	—	100.00	32	29	3
GESTION DE PREVISION Y PENSIONES SA	SPAIN	PENSION FUND MANAGEMENT	60.00	—	60.00	9	16	6
GESTION Y ADMINISTRACION DE RECIBOS, S.A. - GARSA	SPAIN	SERVICES	—	100.00	100.00	1	2	—
GRAN JORGE JUAN SA	SPAIN	REAL ESTATE	100.00	—	100.00	424	461	16
GRUPO FINANCIERO BBVA MEXICO SA DE CV	MEXICO	FINANCIAL SERVICES	99.98	—	99.98	9,395	14,614	5,419
HANS FACTORY SL	SPAIN	FINANCIAL SERVICES	—	100.00	100.00	5	5	(2)
INMUEBLES Y RECUPERACIONES BBVA SA	PERU	REAL ESTATE	—	100.00	100.00	39	39	—
INVERAHORRO SL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	335	339	(4)
INVERSIONES ALDAMA, C.A.	VENEZUELA	IN LIQUIDATION	—	100.00	100.00	—	—	—
INVERSIONES BANPRO INTERNATIONAL INC NV (3)	CURAÇAO	INVESTMENT COMPANY	48.00	—	48.00	16	48	7
INVERSIONES BAPROBA CA	VENEZUELA	FINANCIAL SERVICES	100.00	—	100.00	—	—	—
INVERSIONES P.H.R.4, C.A.	VENEZUELA	INACTIVE	—	60.46	60.46	—	—	—
MADIVA SOLUCIONES, S.L.	SPAIN	SERVICES	—	100.00	100.00	4	3	1
MOTORACTIVE IFN SA	ROMANIA	FINANCIAL SERVICES	—	100.00	100.00	34	39	4
MOTORACTIVE MULTISERVICES SRL	ROMANIA	SERVICES	—	100.00	100.00	—	4	—
MOVISTAR CONSUMER FINANCE COLOMBIA SAS	COLOMBIA	IN LIQUIDATION	—	50.00	50.00	—	16	(10)
MULTIASISTENCIA, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	—	100.00	100.00	69	40	29
OPENPAY ARGENTINA SA	ARGENTINA	PAYMENT ENTITIES	—	100.00	100.00	7	5	(2)
OPENPAY COLOMBIA SAS	COLOMBIA	PAYMENT ENTITIES	—	100.00	100.00	2	3	(2)
OPENPAY PERÚ SA	PERU	PAYMENT ENTITIES	—	100.00	100.00	17	7	(6)
OPENPAY SA DE CV	MEXICO	PAYMENT ENTITIES	—	100.00	100.00	41	35	(16)
OPENPAY SERVICIOS S.A. DE C.V.	MEXICO	SERVICES	—	100.00	100.00	—	—	—
OPERADORA DOS LAGOS S.A. DE C.V.	MEXICO	SERVICES	—	100.00	100.00	—	—	—
OPPLUS OPERACIONES Y SERVICIOS SA	SPAIN	SERVICES	100.00	—	100.00	1	42	8

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(3) Full consolidation method is used according to accounting rules (see Glossary).
(4) The percentage of voting rights owned by the Group entities in this company is 99.97%.

Additional information on subsidiaries and structured entities composing the BBVA Group as of December 31, 2024 (Continued)

			% share of participation (1)			Millions of Euros (2)		
						Affiliate entity data		
Company	Location	Activity	Direct	Indirect	Total	Net carrying amount	Equity excluding profit (loss) 31.12.2024	Profit (loss) 31.12.2024
PECRI INVERSION SL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	68	69	(1)
PROMOTORA DEL VALLES, S.L.	SPAIN	REAL ESTATE	—	100.00	100.00	15	20	1
PRONORTE UNO PROCAM, S.A.	SPAIN	REAL ESTATE	—	100.00	100.00	1	1	—
PROPEL EXPLORER FUND I LP	UNITED STATES	INVESTMENT COMPANY	—	99.50	99.50	39	41	(2)
PROPEL EXPLORER FUND II LP	UNITED STATES	INVESTMENT COMPANY	—	99.50	99.50	8	9	(1)
PROPEL VENTURE PARTNERS BRAZIL US LP	UNITED STATES	INVESTMENT COMPANY	—	99.80	99.80	13	22	(7)
PROPEL VENTURE PARTNERS GLOBAL US, LP	UNITED STATES	INVESTMENT COMPANY	—	99.50	99.50	154	211	2
PROPEL VENTURE PARTNERS US FUND I, L.P.	UNITED STATES	VENTURE CAPITAL	—	99.50	99.50	160	233	(9)
PROPEL XYZ I LP	UNITED STATES	INVESTMENT COMPANY	—	99.40	99.40	21	18	3
PRO-SALUD, C.A.	VENEZUELA	INACTIVE	—	58.86	58.86	—	—	—
PROVINCIAL DE VALORES CASA DE BOLSA CA	VENEZUELA	SECURITIES DEALER	—	90.00	90.00	1	1	—
PROVINCIAL SDAD.ADMIN.DE ENTIDADES DE INV.COLECTIVA CA	VENEZUELA	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	1	1	—
PROVIVIENDA ENTIDAD RECAUDADORA Y ADMIN.DE APORTES, S.A.	BOLIVIA	PENSION FUND MANAGEMENT	—	100.00	100.00	—	1	—
FINANCIERA SA	ARGENTINA	BANKING	—	50.00	50.00	13	11	15
RALFI IFN SA	ROMANIA	FINANCIAL SERVICES	—	100.00	100.00	36	10	(4)
RPV COMPANY	CAYMAN ISLANDS	OTHER ISSUANCE COMPANIES	—	100.00	100.00	—	—	—
SATICEM GESTIO SL	SPAIN	REAL ESTATE	100.00	—	100.00	2	2	—
SATICEM HOLDING SL	SPAIN	REAL ESTATE	100.00	—	100.00	5	5	—
SOCIEDAD DE ESTUDIOS Y ANALISIS FINANCIERO SA	SPAIN	SERVICES	100.00	—	100.00	19	19	—
SOCIEDAD PERUANA DE FINANCIAMIENTO SAC	PERU	FINANCIAL SERVICES	—	50.00	50.00	3	6	(2)
SPORT CLUB 18 SA	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	20	11	9
TREE INVERSIONES INMOBILIARIAS SA	SPAIN	REAL ESTATE	100.00	—	100.00	1,230	195	85
TRIFOI REAL ESTATE SRL	ROMANIA	REAL ESTATE	—	100.00	100.00	1	1	—
UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS SA	SPAIN	REAL ESTATE	100.00	—	100.00	516	367	110
URBANIZADORA SANT LLORENC SA	SPAIN	INACTIVE	60.60	—	60.60	—	—	—
VOLKSWAGEN FINANCIAL SERVICES COMPAÑIA FINANCIERA SA	ARGENTINA	BANKING	—	51.00	51.00	27	21	32

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This Appendix is an integral part of Note 14.1 of the financial statements for the year ended December 31, 2024.

APPENDIX III. Additional information on investments joint ventures and associates in the BBVA Group as of December 31, 2024

Most significant companies are included, which together represent 99.5% of the total investment in this group.

			% share of participation			Millions of Euros (1)				
						Affiliate entity data				
Company	Location	Activity	Direct	Indirect	Total	Consolidated Net carrying amount	Assets 31.12.2024	Liabilities 31.12.2024	Equity excluding profit (loss) 31.12.2024	Profit (loss) 31.12.2024
ASSOCIATES										
ADQUIRA ESPAÑA, S.A.	SPAIN	SERVICES	—	44.44	44.44	5	19	9	10	1
ATOM HOLDCO LIMITED	UNITED KINGDOM	INVESTMENT COMPANY	49.45	—	49.45	222	9,209	8,709	491	9
BBVA ALLIANZ SEGUROS Y REASEGUROS, S.A.	SPAIN	INSURANCES SERVICES	—	50.00	50.00	265	1,053	488	543	23
COMPAÑIA PERUANA DE MEDIOS DE PAGO SAC (VISANET PERU)	PERU	PAYMENT ENTITIES	—	20.20	20.20	2	290	281	5	4
CORPORACION SUICHE 7B CA	VENEZUELA	FINANCIAL SERVICES	—	19.80	19.80	2	16	4	6	6
FIDEICOMISO F/00185 FIMPE - FIDEICOMISO F/00185 PARA EXTENDER A LA SOCIEDAD LOS BENEFICIOS DEL ACCESO A LA INFRAESTRUCTURA DE LOS MEDIOS DE PAGO ELECTRONICOS	MEXICO	FINANCIAL SERVICES	—	28.50	28.50	1	5	—	3	2
METROVACESA SA	SPAIN	REAL ESTATE	20.85	—	20.85	300	2,456	884	1,581	(8)
PROMOCIONS TERRES CAVADES, S.A.	SPAIN	REAL ESTATE	—	39.11	39.11	1	3	—	3	—
REDSYS SERVICIOS DE PROCESAMIENTO SL	SPAIN	FINANCIAL SERVICES	24.90	—	24.90	20	157	78	74	5
ROMBO COMPAÑIA FINANCIERA SA	ARGENTINA	BANKING	—	40.00	40.00	10	88	64	7	17
SBD CREIXENT, S.A.	SPAIN	REAL ESTATE	—	23.05	23.05	1	6	—	6	—
SEGURIDAD Y PROTECCION BANCARIAS SA DE CV	MEXICO	SERVICES	—	26.14	26.14	1	4	—	4	1
SERVICIOS ELECTRONICOS GLOBALES SA DE CV	MEXICO	SERVICES	—	46.14	46.14	43	93	—	68	25
SERVIRED SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO SA	SPAIN	FINANCIAL SERVICES	28.72	—	28.72	8	73	45	25	3
SISTEMAS DE TARJETAS Y MEDIOS DE PAGO SA	SPAIN	PAYMENT ENTITIES	20.61	—	20.61	2	482	474	6	2
TELEFONICA FACTORING ESPAÑA SA (2)	SPAIN	FINANCIAL SERVICES	30.00	—	30.00	3	80	63	7	10
TF PERU SAC	PERU	FINANCIAL SERVICES	—	24.30	24.30	1	7	1	4	2
VERIDAS DIGITAL AUTHENTICATION SOLUTIONS S.L.	SPAIN	SERVICES	—	29.38	29.38	5	28	12	11	4
JOINT VENTURES										
ALTURA MARKETS SOCIEDAD DE VALORES SA	SPAIN	SECURITIES DEALER	50.00	—	50.00	38	1,749	1,673	62	14
COMPAÑIA MEXICANA DE PROCESAMIENTO SA DE CV	MEXICO	SERVICES	—	50.00	50.00	6	11	—	13	(2)
CORPORACION IBV PARTICIPACIONES EMPRESARIALES, S.A. (3)	SPAIN	INVESTMENT COMPANY	—	50.00	50.00	29	62	4	58	—
F/ 5356 FIDEICOMISO IRREVOCABLE DE ADM. INMOBILIARIA CON DERECHO DE REVERSIÓN- FIDEICOMISO SELVA	MEXICO	REAL ESTATE	—	42.40	42.40	7	17	—	17	—
FIDEICOMISO 1729 INVEX ENAJENACION DE CARTERA (3)	MEXICO	REAL ESTATE	—	44.09	44.09	9	179	—	179	—
INVERSIONES PLATCO CA	VENEZUELA	FINANCIAL SERVICES	—	50.00	50.00	6	13	1	13	(1)
RCI COLOMBIA SA COMPAÑIA DE FINANCIAMIENTO	COLOMBIA	FINANCIAL SERVICES	—	49.00	49.00	37	780	704	76	—

(1) In foreign companies the exchange rate of December 31, 2024 is applied.
(2) Financial Statements as of December 31, 2023.
(3) Classified as Non-current asset held for sale.

This Appendix is an integral part of Note 14.2 of the financial statements for the year ended December 31, 2024.

APPENDIX IV. Changes and notifications of participations in the BBVA Group in 2024

Acquisitions or increases of interest ownership in consolidated subsidiaries

Company [1]	Type of transaction	Total voting rights controlled after the disposal	Effective date for the last transaction (or notification Date)
BANCO BBVA PERÚ SA	ACQUISITION	47.13	17-Sep-24
BBVA COLOMBIA SA	CAPITAL INCREASE	96.35	12-Sep-24

(1) Variations of less than 0.1% have not been considered due to immateriality.

Disposals or reduction of interest ownership in consolidated subsidiaries

Company [1]	Type of transaction	Total voting rights controlled after the disposal	Effective date for the last transaction (or notification Date)
OPCION VOLCAN, S.A.	MERGER	_	19-Nov-24
CONTRATACION DE PERSONAL, S.A. DE C.V.	MERGER	_	19-Nov-24
MULTIASISTENCIA SERVICIOS S.A. DE C.V.	MERGER	_	25-Jan-24
MULTIASISTENCIA OPERADORA S.A. DE C.V.	MERGER	_	25-Jan-24
MISAPRE, S.A. DE C.V.	LIQUIDATION	_	10-Dec-24
SERVICIOS CORPORATIVOS DE SEGUROS, S.A. DE C.V.	MERGER	_	19-Nov-24
FINANCIERA AYUDAMOS S.A. DE C.V., SOFOMER	LIQUIDATION	_	27-Jun-24
DATA ARCHITECTURE AND TECHNOLOGY MEXICO SA DE CV	MERGER	_	15-Oct-24
DATA ARQUITECTURE AND TECHNOLOGY OPERADORA SA DE CV	MERGER	_	15-Oct-24
BBVA SERVICIOS CORPORATIVOS MEXICO, S.A. DE C.V.	MERGER	_	19-Nov-24
SERVICIOS EXTERNOS DE APOYO EMPRESARIAL, S.A DE C.V.	MERGER	_	19-Nov-24
BBVA NEXT TECHNOLOGIES, S.A. DE C.V.	MERGER	_	15-Oct-24
BBVA NEXT TECHNOLOGIES OPERADORA, S.A. DE C.V.	MERGER	_	15-Oct-24
MOMENTUM SOCIAL INVESTMENT HOLDING, S.L.	LIQUIDATION	_	31-Oct-24
APLICA NEXTGEN SERVICIOS S.A. DE C.V	MERGER	_	15-Oct-24
APLICA NEXTGEN OPERADORA S.A. DE C.V.	MERGER	_	15-Oct-24
ARRAHONA IMMO, S.L.	LIQUIDATION	_	11-Jul-24
CATALONIA PROMODIS 4, S.A.	LIQUIDATION	_	29-Nov-24
PROMOU CT OPENSEGRE, S.L.	LIQUIDATION	_	30-Nov-24
PORTICO PROCAM, S.L.(EN LIQUIDACIÓN)	LIQUIDATION	_	16-May-24
CAIXA MANRESA IMMOBILIARIA ON CASA SL	LIQUIDATION	_	30-Nov-24
SATICEM IMMOBLES EN ARRENDAMENT SL (EN LIQUIDACIÓN)	LIQUIDATION	_	16-May-24

(1) Variations of less than 0.1% have not been considered due to immateriality.

Changes and notifications of participations in the BBVA Group in 2024

Business combinations and other acquisitions or increases of interest ownership in associates and joint-ventures accounted for under the equity method

Company [(1)]	Type of transaction	Total voting rights controlled after the disposal	Effective date for the last transaction (or notification Date)
PLAY DIGITAL SA	CAPITAL INCREASE	12.16	31-Dec-24

(1) Variations of less than 0.1% have not been considered due to immateriality.

Disposal or reduction of interest ownership in associates and joint-ventures companies accounted for under the equity method

Company [(1)]	Type of transaction	Total voting rights controlled after the disposal	Effective date for the last transaction (or notification Date)
DESARROLLO SA	AGREEMENT	16.67	01-May-24
AUREA, S.A. (CUBA)	LIQUIDATION	—	01-Mar-24
TELEFONICA FACTORING MEXICO SA DE CV	LIQUIDATION	—	04-Sep-24
NUEVO MARKETPLACE, S.L. (EN LIQUIDACIÓN)	LIQUIDATION	—	01-Feb-24
VERIDAS DIGITAL AUTHENTICATION SOLUTIONS S.L.	DILUTION PARTIC.	29.38	12-Jan-24
SOLARIS SE	DILUTION PARTIC.	14.70	31-Mar-24
EURO LENDERT, S.L. (EN LIQUIDACIÓN)	LIQUIDATION	—	02-May-24

(1) Variations of less than 0.1% have not been considered due to immateriality.

This Appendix is an integral part of Note 14.3 of the financial statements for the year ended December 31, 2024.

APPENDIX V. Fully consolidated subsidiaries with more than 10% owned by non-Group shareholders as of December 31, 2024

		% of voting rights controlled by the Bank		
Company	**Activity**	**Direct**	**Indirect**	**Total**
BANCO BBVA PERÚ SA	BANKING	—	47.13	47.13
BANCO PROVINCIAL SA - BANCO UNIVERSAL	BANKING	1.46	53.75	55.21
INVERSIONES BANPRO INTERNATIONAL INC NV	INVESTMENT COMPANY	48.00	—	48.00
PRO-SALUD, C.A.	NO ACTIVITY	—	58.86	58.86
INVERSIONES P.H.R.4, C.A.	NO ACTIVITY	—	60.46	60.46
COMERCIALIZADORA CORPORATIVA SAC	FINANCIAL SERVICES	—	50.00	50.00
CREA MADRID NUEVO NORTE SA	REAL ESTATE	—	75.54	75.54
GESTION DE PREVISION Y PENSIONES SA	PENSION FUND MANAGEMENT	60.00	—	60.00
SOCIEDAD PERUANA DE FINANCIAMIENTO SAC	FINANCIAL SERVICES	—	50.00	50.00
F/253863 EL DESEO RESIDENCIAL	REAL ESTATE	—	65.00	65.00
VOLKSWAGEN FINANCIAL SERVICES COMPAÑIA FINANCIERA SA	BANKING	—	51.00	51.00
FIDEICOMISO LOTE 6.1 ZARAGOZA	REAL ESTATE	—	59.99	59.99
F/11395 FIDEICOMISO IRREVOCABLE DE ADMINISTRACION CON DERECHO DE REVERSION	REAL ESTATE	—	42.40	42.40
MOVISTAR CONSUMER FINANCE COLOMBIA SAS	IN LIQUIDATION	—	50.00	50.00
GARANTI BBVA EMEKLILIK AS	INSURANCES	—	84.91	84.91
FOMENTO Y DESARROLLO DE CONJUNTOS RESIDENCIALES S.L. EN LIQUIDACION	IN LIQUIDATION	—	60.00	60.00
PSA FINANCE ARGENTINA COMPAÑIA FINANCIERA SA	BANKING	—	50.00	50.00

APPENDIX VI. BBVA Group's structured entities as of December 31, 2024. Securitization funds

Securitization fund (consolidated)	Company	Origination date	Millions of Euros Total securitized exposures at the origination date	Total securitized exposures as of December 31, 2024
TDA 19 MIXTO FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	27-Feb-04	600	23
TDA 22 MIXTO FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	09-Dec-04	592	32
HIPOCAT 9 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	25-Nov-05	1,016	81
HIPOCAT 10 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	05-Jul-06	1,526	120
AYT HIP MIXTO V	BANCO BILBAO VIZCAYA ARGENTARIA SA	21-Jul-06	120	62
TDA 27 MIXTO FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	22-Dec-06	275	104
BBVA RMBS 1 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	19-Feb-07	2,500	445
HIPOCAT 11 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	09-Mar-07	1,628	137
BBVA RMBS 2 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	26-Mar-07	5,000	838
BBVA-6 FTPYME FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	10-Jun-07	1,500	23
BBVA LEASING 1 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	24-Jun-07	2,500	85
BBVA RMBS 3 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	22-Jul-07	3,000	809
TDA 28 MIXTO FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	23-Jul-07	250	75
TDA TARRAGONA 1 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	30-Nov-07	397	43
GAT VPO	BANCO BILBAO VIZCAYA ARGENTARIA SA	25-Jun-09	780	8
BBVA RMBS 14 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	24-Nov-14	700	244
BBVA CONSUMER AUTO 2018-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	18-Jun-18	800	62
BBVA CONSUMO 10 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	08-Jul-19	2,000	324
BBVA CONSUMER AUTO 2020-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	15-Jun-20	1,100	321
BBVA CONSUMO 11 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	12-Mar-21	2,500	505
BBVA RMBS 20 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	14-Jun-21	2,500	1,751
BBVA RMBS 21 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	17-Mar-22	12,400	8,884
BBVA CONSUMER AUTO 2022-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	13-Jun-22	1,200	532
BBVA RMBS 22 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	28-Nov-22	1,400	1,190
BBVA CONSUMO 12 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	13-Mar-23	3,000	1,675
BBVA CONSUMER AUTO 2023-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	08-Jun-23	800	557
BBVA LEASING 3 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	27-Nov-23	2,400	1,421
BBVA CONSUMO 13 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	11-Mar-24	2,000	1,520
BBVA CONSUMER 2024-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	20-May-24	800	664
BBVA RMBS 23 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	13-Jun-24	5,450	5,181
BBVA CONSUMER AUTO 2024-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	16-Sep-24	1,000	948

APPENDIX VII. Details of the outstanding subordinated debt and preferred securities issued by the Bank or entities in the Group consolidated as of December 31, 2024 and 2023

Issue Type and data (Millions of Euros)	2024	2023	Interest rate in force in 2024	Fix (F) or variable (V)	Maturity date
Non-convertible					
mar-07	75	74	4.24%	V	Perpetual
mar-08	125	125	6.03%	V	March-33
feb-17	999	1,000	3.50%	F	February-27
feb-17	99	99	4.00%	F	February-32
mar-17	65	65	4.00%	F	February-32
mar-17	53	53	4.33%	V	March-27
mar-17	116	109	5.70%	F	March-32
may-17	21	22	1.60%	F	May-27
may-17	150	150	2.54%	F	May-27
may-18	287	269	5.25%	F	May-33
feb-19	—	750	—%	V	February-29
ene-20	994	994	1.00%	V	January-30
jul-20	362	345	3.10%	V	July-31
jun-23	745	741	5.75%	V	September-33
ago-23	361	345	8.25%	V	November-33
nov-23	722	679	7.88%	V	November-34
feb-24	1,248	—	4.88%	V	February-36
ago-24	996	—	4.38%	V	August-36
Subordinated debt - convertible					
nov-17	963	905	6.13%	V	Perpetual
mar-19	—	1,000	—%	V	Perpetual
sep-19	963	905	6.50%	V	Perpetual
jul-20	1,000	1,000	6.00%	V	Perpetual
jun-23	1,000	1,000	8.38%	V	Perpetual
sep-23	963	905	9.38%	V	Perpetual
jun-24	750	—	6.88%	V	Perpetual
Subtotal	**13,057**	**11,535**			
Subordinated deposits	**189**	**177**			
Total	**13,246**	**11,712**			

This Appendix is an integral part of Note 20.4 of the financial statements for the year ended December 31, 2024.

APPENDIX VIII. Balance sheets held in foreign currency as of December 31, 2024 and 2023

BALANCE SHEET HELD IN FOREIGN CURRENCY (Millions of Euros)	USD	Pounds sterling	Other currencies	Total
December 2024				
Assets				
Financial assets held for trading	18,209	2,914	942	22,065
Non-trading financial assets mandatorily at fair value through profit or loss	592	—	46	638
Financial assets designated at fair value through other comprehensive income	4,794	183	260	5,237
Financial assets at amortized cost	38,641	3,466	4,294	46,401
Investments in subsidiaries, joint ventures and associates	256	222	18,288	18,766
Tangible assets	109	14	10	133
Other Assets	8,374	199	1,065	9,638
Total	**70,975**	**6,998**	**24,905**	**102,878**
Liabilities				
Financial assets held for trading	13,995	1,644	497	16,136
Other financial liabilities designated at fair value through profit or loss	2,180	51	399	2,630
Financial liabilities at amortized cost	49,492	3,168	2,473	55,133
Other Liabilities	658	45	55	758
Total	**66,325**	**4,908**	**3,424**	**74,657**

BALANCE SHEET HELD IN FOREIGN CURRENCY (Millions of Euros)	USD	Pounds sterling	Other currencies	Total
December 2024				
Assets				
Financial assets held for trading	22,542	2,077	611	25,230
Non-trading financial assets mandatorily at fair value through profit or loss	401	5	176	582
Financial assets designated at fair value through other comprehensive income	5,243	211	987	6,441
Financial assets at amortized cost	28,919	2,914	3,205	35,038
Investments in subsidiaries, joint ventures and associates	—	—	16,617	16,617
Tangible assets	62	13	7	82
Other Assets	5,065	116	1,016	6,197
Total	**62,232**	**5,336**	**22,619**	**90,187**
Liabilities				
Financial assets held for trading	22,566	890	590	24,046
Other financial liabilities designated at fair value through profit or loss	1,633	102	503	2,238
Financial liabilities at amortized cost	38,686	3,709	3,708	46,103
Other Liabilities	319	34	93	446
Total	**63,204**	**4,735**	**4,894**	**72,833**

This Appendix is an integral part of Note 2.16 of the financial statements for the year ended December 31, 2024.

APPENDIX IX. Income statement corresponding to the first and second half of 2024 and 2023

INCOME STATEMENTS (Millions of Euros)	Six months ended June 30, 2024	Six months ended June 30, 2023	Six months ended December 31, 2024	Six months ended December 31, 2023
Interest income	8,990	2,155	8,596	3,577
Financial assets and liabilities at fair value through other comprehensive income	*202*	*182*	*181*	*316*
Financial assets at amortized cost	*6,053*	*180*	*6,148*	*3,615*
Other interest income	*2,735*	*343*	*2,267*	*(354)*
Interest expense	(5,757)	(428)	(5,434)	(1,521)
NET INTEREST INCOME	**3,233**	**1,727**	**3,163**	**2,056**
Dividend income	4,891	898	526	1,984
Fee and commission income	1,431	1,183	1,505	1,289
Fee and commission expense	(311)	(204)	(384)	(255)
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	76	61	(1)	2
Financial assets at amortized cost	*28*	*(1)*	*(1)*	*—*
Other financial assets and liabilities	*48*	*(1)*	*—*	*2*
Gains (losses) on financial assets and liabilities held for trading, net	195	229	489	223
Reclassification of financial assets from fair value through other comprehensive income	*—*	*—*	*—*	*—*
Reclassification of financial assets from amortized cost	*—*	*—*	*—*	*—*
Other gains or losses	*195*	*215*	*489*	*223*
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	(8)	79	86	(3)
Reclassification of financial assets from fair value through other comprehensive income	*—*	*—*	*—*	*—*
Reclassification of financial assets from amortized cost	*—*	*—*	*—*	*—*
Other gains or losses	*(8)*	*(48)*	*86*	*(3)*
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	174	42	—	47
Gains (losses) from hedge accounting, net	—	(28)	2	(3)
Exchange differences, net	105	28	152	(182)
Other operating income	285	89	277	174
Other operating expense	(426)	(264)	(90)	(318)
GROSS INCOME	**9,647**	**3,840**	**5,726**	**5,014**
Administrative expense	(2,182)	(1,816)	(2,358)	(1,947)
Personnel expense	*(1,237)*	*(1,086)*	*(1,376)*	*(1,177)*
Other administrative expense	*(944)*	*(729)*	*(982)*	*(771)*
Depreciation and amortization	(319)	(322)	(322)	(322)
Provisions or reversal of provisions	(33)	(939)	(98)	(39)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification	(372)	(326)	(368)	(337)
Financial assets at amortized cost	*(372)*	*(166)*	*(372)*	*(338)*
Financial assets at fair value through other comprehensive income	*—*	*(17)*	*3*	*1*
NET OPERATING INCOME	**6,740**	**437**	**2,579**	**2,369**
Impairment or reversal of impairment of investments in subsidiaries, joint ventures and associates	192	(35)	2,054	8
Impairment or reversal of impairment on non-financial assets	(1)	(155)	(10)	(41)
Tangible assets	*4*	*47*	*(9)*	*(26)*
Intangible assets	*(5)*	*(1)*	*(2)*	*(15)*
Other assets	*—*	*1*	*—*	*—*
Gains (losses) on derecognition of non - financial assets and subsidiaries, net	37	3	13	(1)
Negative goodwill recognized in profit or loss	—	—	—	—
Gains (losses) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(13)	110	(1)	(16)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**6,954**	**360**	**4,636**	**2,320**
Tax expense or income related to profit or loss from continuing operations	(742)	208	(613)	(107)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**6,213**	**568**	**4,022**	**2,212**
Profit (loss) after tax from discontinued operations	—	277	—	—
PROFIT(LOSS) FOR THE YEAR	**6,213**	**845**	**4,022**	**2,212**

APPENDIX X. Risks related to the developer and real-estate sector in Spain

a. Policies and strategies established by the Group to deal with risks related to the developer and real-estate sector

BBVA has teams specializing in the management of the Real-Estate Sector risk, given its economic importance and specific technical component. This specialization is not only in the Risk-Acceptance teams, but throughout the handling, commercial, problematic management legal, etc. Specialization has been increased and the management teams in the areas of recovery and the Real Estate Unit itself have been reinforced.

The portfolio management policies, established to address the risks related to the developer and real-estate sector, aim to accomplish, among others, the following objectives: to avoid concentration in terms of customers, products and regions; to estimate the risk profile for the portfolio; and to anticipate possible worsening of the portfolio.

Specific policies for analysis and admission of new real estate developer risk transactions

There are guidelines for action that most of the operations follow, among which the contrast of the commercialization that guarantees the economic and financial viability of the project is of special importance.

In this context, the strategy with clients in the development sector is subject, to an asset allocation limit and to an action framework that allows defining a target portfolio, both in volume and in credit quality specifications.

Risk monitoring policies

Monitoring Committees are held on a monthly basis in which the evolution of the real estate portfolio is reviewed, with a review of its credit quality, the ratings given to customers and the entries in arrears that have occurred.

Monitoring Committees are held on a quarterly basis with the risk areas of the countries in which the development of all financed projects, their correct evolution in terms of works and sales, and compliance with the expected delivery schedules are analyzed.

As for the policies relating to risk refinancing with the developer and real-estate sector, they are the same as the general policies used for all of the Group's risks (Appendix XI). In the developer and real estate sector, they are based on clear solvency and viability criteria for projects, being demanding in obtaining additional guarantees and legal compliance with a refinancing tool that standardizes the criteria and variables to be considered in any refinancing.

b. Quantitative information on activities in the real-estate market in Spain

Lending for real estate development according to the purpose of the loans as of December 31, 2024 and 2023 is shown below:

Financing Allocated to Construction and Real Estate Development and its Coverage (Millions of Euros)

	Gross amount		Drawn over the guarantee value		Accumulated impairment	
	2024	2023	2024	2023	2024	2023
Financing to construction and real estate development (including land) (Business in Spain)	**2,207**	**2,105**	**473**	**482**	**(108)**	**(126)**
Of which: Impaired assets	136	183	45	53	(90)	(105)
Memorandum item:	—	—	—	—	—	—
Write-offs	2,100	2,097				
Memorandum item:	—	—	—	—	—	—
Total loans and advances to customers, excluding the Public Sector (Business in Spain)	179,899	174,280				
Total consolidated assets (total business)	468,295	490,883				
Impairment and provisions for normal exposures	(1,253)	(1,344)				

The following is a description of the real estate credit risk based on the types of associated guarantees:

Financing allocated by credit institutions to Construction and Real Estate Development and lending for house purchase (Millions of Euros)

	2024	2023
Without secured loan	**408**	**359**
With secured loan	**1,799**	**1,746**
Terminated buildings	832	857
Homes	*656*	*685*
Other	*177*	*172*
Buildings under construction	869	749
Homes	*843*	*731*
Other	*26*	*18*
Land	97	139
Urbanized land	*76*	*92*
Rest of land	*22*	*47*
Total	**2,207**	**2,105**

As of December 31, 2024 and 2023, 37.7% and 40.7% of loans to developers were guaranteed with buildings (78.8% and 79.9%, are homes), and only 4.4% and 6.6% by land, of which 78.4% and 66.2% are in urban locations, respectively.

The table below provides the breakdown of the financial guarantees given as of December 31, 2024 and 2023:

Financial guarantees given (Millions of Euros)

	2024	2023
Houses purchase loans	53	36
Without mortgage	2	3

The information on the retail mortgage portfolio risk (housing mortgage) as of December 31, 2024 and 2023 is as follows:

Financing Allocated by credit institutions to Construction and Real Estate Development and lending for house purchase (Millions of Euros)

	Gross amount		Of which: impaired loans	
	2024	**2023**	**2024**	**2023**
Houses purchase loans	71,709	71,144	2,889	3,267
Without mortgage	*1,416*	*1,415*	*9*	*10*
With mortgage	*70,294*	*69,730*	*2,880*	*3,257*

The loan to value (LTV) ratio of the above portfolio is as follows:

LTV Breakdown of mortgage to households for the purchase of a home (Business in Spain) (Millions of Euros)"

	Total risk over the amount of the last valuation available (Loan To Value-LTV)					
	Less than or equal to 40%	**Over 40% but less than or equal to 60%**	**Over 60% but less than or equal to 80%**	**Over 80% but less than or equal to 100%**	**Over 100%**	**Total**
December 2024						
Gross amount	18,584	21,171	23,193	4,643	2,702	70,294
of which: Impaired loans	*314*	*502*	*622*	*539*	*904*	*2,880*
December 2023						
Gross amount	17,201	20,302	22,850	5,856	3,519	69,729
of which: Impaired loans	*307*	*464*	*642*	*617*	*1,227*	*3,257*

Outstanding home mortgage loans for house purchase as of December 31, 2024 and 2023 had an average LTV of 41% and 42% respectively.

The breakdown of foreclosed, acquired, purchased or exchanged assets from debt from loans relating to business in Spain, as well as the holdings and financing to non-consolidated entities holding such assets is as follows:

Information about Assets Received in Payment of Debts (Business in Spain) (Millions of Euros)

	Gross Value		Provisions		Of which: Valuation adjustments on impaired assets, at the time of foreclosure		Carrying Amount	
	2024	2023	2024	2023	2024	2023	2024	2023
Real estate assets from loans to the construction and real estate development sectors in Spain.	**1**	**16**	**(1)**	**(14)**	**—**	**(2)**	**—**	**2**
Terminated buildings	—	1	—	—	—	—	—	—
Homes	—	—	—	—	—	—	—	—
Other	—	*1*	—	—	—	—	—	—
Buildings under construction	—	—	—	—	—	—	—	—
Homes	—	—	—	—	—	—	—	—
Other		—		—		—		—
Land	1	15	(1)	(14)	—	(2)	—	1
Urbanized land	*1*	*15*	*(1)*	*(14)*	—	*(2)*	—	*1*
Rest of land		—		—		—		—
Real estate assets from mortgage financing for households for the purchase of a home	**382**	**528**	**(202)**	**(289)**	**(66)**	**(90)**	**180**	**239**
Rest of foreclosed real estate assets	**283**	**364**	**(194)**	**(231)**	**(61)**	**(76)**	**88**	**133**
Equity instruments, investments and financing to non-consolidated companies holding said assets	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**666**	**909**	**(398)**	**(535)**	***(127)***	***(169)***	***268***	**374**

The gross book value of real-estate assets from mortgage lending to households for home purchase as of December 31, 2024 and 2023 amounted to €382 and €527 million, respectively, with an average coverage ratio of 52.9% and 54.6%, respectively.

As of December 31, 2024 and 2023, the gross book value total real-estate assets (business in Spain), including other real-estate assets received as debt payment, was €667 and €908 million, respectively. The coverage ratio was 59.7% and 58.8%, respectively.

This Appendix is an integral part of Note 5 of the financial statements for the year ended December 31, 2024.

APPENDIX XI. Refinanced and restructured operations and other requirements under Bank of Spain Circular 6/2012

a) Policies and strategies established by the Group to deal with risks related to refinancing and restructuring operations.

Refinancing and restructuring transactions (see definition in the Glossary) are carried out with customers who have requested such a transaction in order to meet their current loan payments if they are expected, or may be expected, to experience financial difficulty in making the payments in the future.

The basic aim of a refinancing and restructuring transaction is to provide the customer with a situation of financial viability over time by adapting repayment of the loan incurred with the Group to the customer's new situation of fund generation. The use of refinancing and restructuring for other purposes, such as to delay loss recognition, is contrary to BBVA Group policies.

The BBVA Group's refinancing and restructuring policies are based on the following general principles:

- Refinancing and restructuring is authorized according to the capacity of customers to pay the new installments. This is done by first identifying the origin of the payment difficulties and then carrying out an analysis of the customers' viability, including an updated analysis of their economic and financial situation and capacity to pay and generate funds. If the customer is a company, the analysis also covers the situation of the industry in which it operates.

- With the aim of increasing the solvency of the transaction, new guarantees and/or guarantors of demonstrable solvency are obtained where possible. An essential part of this process is an analysis of the effectiveness of both the new and original guarantees.

- This analysis is carried out from the overall customer or group perspective.

- Refinancing and restructuring transactions do not in general increase the amount of the customer's loan, except for the expense inherent to the transaction itself.

- The capacity to refinance and restructure a loan is not delegated to the branches, but decided on by the risk units.

- The decisions made are reviewed from time to time with the aim of evaluating full compliance with refinancing and restructuring policies.

These general principles are adapted in each case according to the conditions and circumstances of each geographical area in which the Group operates, and to the different types of customers involved.

In the case of retail customers (private individuals), the main aim of the BBVA Group's policy on refinancing and restructuring a loan is to avoid default arising from a customer's temporary liquidity problems by implementing structural solutions that do not increase the balance of the customer's loan. The solution required is adapted to each case and the loan repayment is made easier, in accordance with the following principles:

- Analysis of the viability of transactions based on the customer's willingness and ability to pay, which may be reduced, but should nevertheless be present. Therefore, in all cases the customer shall at least make interest payments, with certain limited exceptions where grace periods are afforded in respect of both principal and interest payments.

- Refinancing and restructuring of transactions is only allowed on those loans in which the BBVA Group originally entered into.

- Customers subject to refinancing and restructuring transactions are excluded from marketing campaigns of any kind.

In the case of non-retail customers (mainly companies, enterprises and corporates), refinancing/restructuring is authorized according to an economic and financial viability plan based on:

- Forecasted future income, margins and cash flows to allow entities to implement cost adjustment measures (industrial restructuring) and a business development plan that can help reduce the level of leverage to sustainable levels (capacity to access the financial markets).

- Where appropriate, the existence of a divestment plan for assets and/or operating segments that can generate cash to assist the deleveraging process.

- The capacity of shareholders to contribute capital and/or guarantees that can support the viability of the plan.

In accordance with the Group's policy, the conclusion of a loan refinancing and restructuring transaction does not mean the loan is reclassified from "impaired" or "significant increase in credit risk" to normal risk. The reclassification to "significant increase in credit risk" or normal risk categories must be based on the analysis mentioned earlier of the viability, upon completion of the probationary periods described below.

The Group maintains the policy of including risks related to refinanced and restructured loans as either:

- "Impaired assets", as although the customer is up to date with payments, they are classified as unlikely to pay when there are significant doubts that the terms of their refinancing may not be met; or

- "Significant increase in credit risk" until the conditions established for their consideration as normal risk are met.

The assets classified as "Impaired assets" should comply with the following conditions in order to be reclassified to "Significant increase in credit risk":

- The customer has to have paid a significant part of the pending exposure.

- At least one year must have elapsed since the later of: i) the time at which the restructuring measures were extended,

- The customer does not have past due payments and objective criteria, demonstrating the borrower´s ability to pay, have been verified.

The conditions established for assets classified as “Significant increase in credit risk” to be reclassified out of this category are as follows:

- The customer must have paid past-due amounts (principal and interest) since the date of the renegotiation or restructuring of the loan or other objective criteria, demonstrating the borrower´s ability to pay, have been verified; none of its exposures is more than 30 days past-due.

- At least two years must have elapsed since completion of the renegotiation or restructuring of the loan or, if later, the date of reclassification from the deteriorated category. Regular payments must have been made during at least half of this probation period. They may be reclassified to normal risk as long as the significant increase in credit risk has been reversed within two years, although they must remain identified as refinanced/restructured until the minimum two-year trial period ends.

- It is unlikely that the customer will have financial difficulties and, therefore, it is expected that the customer will be able to meet its loan payment obligations (principal and interest) in a timely manner.

Renewals and renegotiations are classified as normal risk, provided that there is no significant increase in risk. This classification is applicable initially, and in the event of any deterioration, the criteria established in the existing policy are followed. In this sense, the aforementioned conditions are considered, including, among others, the requirement that the facility is not more than 30 days past due and that it has not been identified as 'unlikely to pay'.

The BBVA Group’s refinancing and restructuring policy provides for the possibility of two modifications in a 24 month period for loans that are not in compliance with the payment schedule.

The internal models used to determine allowances for loan losses consider the restructuring and renegotiation of a loan, as well as re-defaults on such a loan, by assigning a lower internal rating to restructured and renegotiated loans than the average internal rating assigned to non-restructured/renegotiated loans. This downgrade results in an increase in the probability of default (PD) assigned to restructured/renegotiated loans (with the resulting PD being higher than the average PD of the non- renegotiated loans in the same portfolios).

In any case, a restructuring will be considered impaired when the reduction in the present net value of the financial obligation is greater than 1%.

b) Quantitative information on refinancing and restructuring operations

BALANCE OF FORBEARANCE
(Millions of Euros)"

	TOTAL													
	Unsecured loans				Secured loans								Accumulated impairment or accumulated losses in fair value due to credit risk	
	Number of operations		Gross carrying amount		Number of operations		Gross carrying amount		Maximum amount of secured loans that can be considered					
									Real estate mortgage secured		Rest of secured loans			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Credit institutions														
General Governments	36	49	14	31	4	24	1	7	—	5	—	—	4	6
Other financial corporations and individual entrepreneurs (financial business)	269	259	6	16	18	20	4	6	3	5	—	—	3	4
Non-financial corporations and individual entrepreneurs (corporate non-financial activities)	37,442	35,691	2,011	2,228	3,705	4,451	936	1,283	478	712	10	59	1,026	1,093
Of which: financing the construction and property (including land)	*71*	*85*	*12*	*12*	*377*	*474*	*128*	*194*	*56*	*101*	*2*	*—*	*74*	*98*
Rest homes	51,157	53,064	729	789	33,095	36,511	3,632	3,947	2,564	2,817	—	2	1,120	1,254
Total	**88,904**	**89,063**	**2,760**	**3,064**	**36,822**	**41,006**	**4,573**	**5,243**	**3,045**	**3,539**	**10**	**61**	**2,153**	**2,357**

of which: IMAPAIRED

	TOTAL													
	Unsecured loans				Secured loans								Accumulated impairment or accumulated losses in fair value due to credit risk	
	Number of operations		Gross carrying amount		Number of operations		Gross carrying amount		Maximum amount of secured loans that can be considered					
									Real estate mortgage secured		Rest of secured loans			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Credit institutions														
General Governments	23	25	9	14	4	4	1	2	—	1	—	—	4	4
Other financial corporations and individual entrepreneurs (financial business)	157	183	4	5	11	14	1	1	—	1	—	—	3	2
Non-financial corporations and individual entrepreneurs (corporate non-financial activities)	26,074	27,869	1,211	1,275	2,579	3,308	614	781	225	335	6	6	920	947
Of which: financing the construction and property (including land)	*63*	*81*	*12*	*12*	*280*	*370*	*86*	*134*	*23*	*49*	*—*	*—*	*68*	*90*
Rest homes	31,456	38,088	484	586	19,836	23,689	2,209	2,622	1,376	1,721	—	1	991	1,141
Total	**57,710**	**66,165**	**1,708**	**1,880**	**22,430**	**27,015**	**2,825**	**3,406**	**1,602**	**2,058**	**6**	**7**	**1,919**	**2,094**

c) Loans and advances to customers by activity (carrying amount)

December 2024 (Millions of euros)

							Collateralized loans and receivables -Loans and advances to customers. Loan to value									
							Less than or equal to 40%		Over 40% but less than or equal to 60%		Over 60% but less than or equal to 80%		Over 80% but less than or equal to 100%		Over 100%	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
General governments	13,089	13,304	*228*	*240*	—	*172*	124	129	68	86	34	21	34	173	1	2
Other financial institutions and financial individual entrepreneurs	25,912	22,697	*632*	*487*	*16,683*	*14,285*	209	123	341	351	248	48	248	10,101	8,086	4,148
Non-financial institutions and non-financial individual entrepreneurs	110,917	99,406	*10,706*	*9,620*	*2,143*	*2,030*	5,090	4,674	3,893	3,304	1,662	1,743	1,662	833	1,296	1,098
Construction and property development	*1,876*	*1,759*	*1,693*	*1,598*	*5*	*6*	*940*	*917*	*602*	*480*	*98*	*125*	*98*	*25*	*18*	*57*
Construction of civil works	*5,089*	*5,071*	*420*	*482*	*213*	*218*	*199*	*217*	*158*	*185*	*83*	*75*	*83*	*22*	*185*	*200*
Other purposes	*103,952*	*92,576*	*8,592*	*7,541*	*1,925*	*1,806*	*3,951*	*3,540*	*3,134*	*2,639*	*1,481*	*1,543*	*1,481*	*785*	*1,093*	*840*
Large companies	78,907	68,012	*3,849*	*2,828*	*1,401*	*1,256*	1,780	1,445	1,313	814	687	724	687	594	793	507
SMEs (2) and individual entrepreneurs	25,045	24,564	*4,743*	*4,713*	*525*	*550*	2,172	2,096	1,821	1,825	794	819	794	191	300	333
Rest of households and NPISHs (***)	91,377	89,545	*70,581*	*70,141*	*242*	*257*	19,620	18,175	21,605	20,905	23,174	22,902	23,174	5,555	2,132	2,861
Housing	*71,729*	*71,184*	*69,840*	*69,325*	*78*	*88*	*19,367*	*17,898*	*21,418*	*20,701*	*23,017*	*22,767*	*23,017*	*5,442*	*1,930*	*2,605*
Consumption	*16,354*	*15,174*	*64*	*78*	*95*	*104*	*53*	*54*	*39*	*57*	*27*	*26*	*27*	*16*	*25*	*29*
Other purposes	*3,293*	*3,187*	*677*	*739*	*70*	*66*	*200*	*224*	*148*	*147*	*130*	*109*	*130*	*97*	*176*	*228*
TOTAL	**241,296**	**224,952**	***82,147***	***80,488***	***19,069***	***16,743***	**25,043**	**23,101**	**25,906**	**24,645**	**25,118**	**24,715**	**25,118**	**16,662**	**11,515**	**8,108**
MEMORANDUM:																
Forbearance operations (4)	*5,179*	*5,950*	*3,436*	*3,970*	*34*	*64*	*817*	*872*	*795*	*887*	*721*	*792*	*721*	*608*	*651*	*875*

(1) The amounts included in this table are net of loss allowances.
(2) Small and medium enterprises
(3) Nonprofit institutions serving households.
(4) Net of provisions.

d) Concentration of risks by activity and geographical area (carrying amount)

Concentration of exposures by activity and geographical area

	TOTAL (1)		Spain		Rest of the European Union		America		Rest of the world	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Credit institutions	98,589	152,727	17,332	51,219	29,301	56,130	24,338	19,386	27,617	25,992
General governments	72,523	66,512	54,556	50,853	12,437	9,827	4,298	4,029	1,233	1,802
Central Administration	*57,751*	*51,224*	*41,061*	*36,920*	*11,724*	*9,167*	*4,130*	*3,798*	*835*	*1,338*
Other	*14,772*	*15,288*	*13,494*	*13,933*	*713*	*660*	*167*	*232*	*398*	*464*
Other financial institutions and financial individual entrepreneurs	71,023	61,221	11,660	11,216	28,056	27,195	18,372	16,810	12,935	6,000
Non-financial institutions and non-financial individual entrepreneurs	167,656	148,032	89,603	84,753	28,848	22,953	28,870	23,327	20,335	16,999
Construction and property development	*2,835*	*2,621*	*2,835*	*2,621*	—	—	—	—	—	—
Construction of civil works	*9,205*	*8,798*	*6,187*	*6,230*	*1,077*	*842*	*710*	*748*	*1,232*	*978*
Other purposes	*155,616*	*136,613*	*80,581*	*75,902*	*27,772*	*22,111*	*28,160*	*22,579*	*19,103*	*16,020*
Large companies	*128,028*	*110,076*	*54,722*	*50,293*	*26,995*	*21,571*	*27,989*	*22,428*	*18,322*	*15,784*
SMEs and individual entrepreneurs	*27,588*	*26,537*	*25,859*	*25,609*	*776*	*540*	*172*	*152*	*781*	*236*
Other households and NPISHs	91,693	89,850	90,506	88,513	926	1,027	72	78	189	233
Housing	*71,730*	*71,184*	*70,761*	*70,073*	*745*	*839*	*57*	*65*	*167*	*207*
Consumer	*16,354*	*15,174*	*16,271*	*15,111*	*62*	*43*	*13*	*12*	*9*	*9*
Other purposes	*3,609*	*3,492*	*3,474*	*3,329*	*119*	*145*	*2*	*1*	*14*	*17*
TOTAL	**501,484**	**518,343**	**263,657**	**286,554**	**99,569**	**117,132**	**75,949**	**63,631**	**62,309**	**51,026**

(1) The definition of risk for the purpose of this statement includes the following items on the public balance sheet: "Loans and advances to credit institutions", "Loans and advances", "Debt securities", "Equity instruments", "Other equity securities", "Derivatives and hedging derivatives", "Investments in subsidiaries, joint ventures and associates" and "Guarantees given". The amounts included in this table are net of loss allowances.

December 2023 - Spain (Millions of euros)	TOTAL [1]		Andalucia		Aragon		Asturias		Baleares		Canarias		Cantabria		Castilla La Mancha		Castilla y León		Cataluña	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Credit institutions	17,332	51,219	1,705	1,006	23	688	—	—	37	28	—	—	1,879	1,558	—	1	—	—	188	241
Government agencies	54,555	50,853	2,044	1,655	270	404	352	393	215	408	842	905	5	7	174	331	1,481	1,221	1,645	1,707
Central Administration	*41,061*	*36,920*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	*13,494*	*13,933*	*2,044*	*1,655*	*270*	*404*	*352*	*393*	*215*	*408*	*842*	*905*	*5*	*7*	*174*	*331*	*1,481*	*1,221*	*1,645*	*1,707*
Other financial institutions and financial individual entrepreneurs	11,660	11,216	109	92	56	56	14	16	108	18	3	3	—	—	2	2	4	6	417	365
Non-financial institutions and non-financial individual entrepreneurs	89,603	84,753	7,861	7,650	2,090	1,974	1,428	1,268	2,586	2,371	2,476	2,397	534	526	1,782	1,663	1,646	1,589	14,233	14,553
Construction and property development	*2,835*	*2,621*	*472*	*380*	*60*	*27*	*37*	*32*	*37*	*24*	*105*	*91*	*19*	*10*	*57*	*62*	*25*	*23*	*525*	*584*
Construction of civil works	*6,187*	*6,230*	*612*	*572*	*156*	*113*	*49*	*48*	*120*	*137*	*119*	*114*	*47*	*49*	*234*	*216*	*106*	*95*	*959*	*1,008*
Other purposes	*80,581*	*75,902*	*6,776*	*6,698*	*1,874*	*1,834*	*1,342*	*1,188*	*2,429*	*2,210*	*2,252*	*2,192*	*468*	*468*	*1,491*	*1,385*	*1,515*	*1,471*	*12,749*	*12,961*
Large companies	*54,722*	*50,293*	*2,488*	*2,483*	*1,109*	*1,109*	*1,037*	*881*	*1,758*	*1,493*	*1,124*	*1,056*	*272*	*270*	*595*	*534*	*694*	*653*	*6,886*	*7,113*
SMEs and individual entrepreneurs	*25,859*	*25,609*	*4,288*	*4,215*	*765*	*725*	*305*	*307*	*671*	*717*	*1,128*	*1,137*	*196*	*197*	*896*	*851*	*821*	*818*	*5,864*	*5,848*
Other households and NPISHs	90,506	88,514	14,191	13,593	1,393	1,377	1,251	1,231	1,976	1,961	3,982	3,896	874	858	2,598	2,539	3,016	2,932	26,665	26,577
Housing	*70,761*	*70,073*	*11,017*	*10,647*	*1,064*	*1,078*	*901*	*890*	*1,568*	*1,588*	*2,731*	*2,739*	*708*	*698*	*1,881*	*1,880*	*2,279*	*2,238*	*21,770*	*21,912*
Consumer	*16,271*	*15,111*	*2,820*	*2,596*	*293*	*266*	*286*	*279*	*381*	*347*	*1,153*	*1,061*	*137*	*131*	*657*	*601*	*616*	*577*	*3,826*	*3,610*
Other purposes	*3,474*	*3,329*	*353*	*350*	*37*	*33*	*64*	*61*	*27*	*27*	*98*	*96*	*29*	*30*	*60*	*57*	*121*	*116*	*1,069*	*1,055*
TOTAL	**263,657**	**286,554**	**25,910**	**23,995**	**3,833**	**4,500**	**3,044**	**2,908**	**4,922**	**4,786**	**7,304**	**7,201**	**3,291**	**2,949**	**4,556**	**4,534**	**6,147**	**5,748**	**43,147**	**43,443**

(1) The definition of risk for the purpose of this statement includes the following items on the public balance sheet: "Loans and advances to credit institutions", "Loans and advances", "Debt securities", "Equity instruments", "Other equity securities", "Derivatives and hedging derivatives", "Investments in subsidiaries, joint ventures and associates" and "Guarantees given". The amounts included in this table are net of loss allowances.

December 2023 - Spain (Millions of euros)	Extremadura		Galicia		Madrid		Murcia		Navarra		Comunidad Valenciana		País Vasco		La Rioja		Ceuta y Melilla	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Credit institutions	—	—	32	393	12,206	44,610	—	—	—	—	1,129	2,400	132	293	—	—	—	—
Government agencies	114	267	820	755	3,119	3,277	57	95	302	303	546	696	1,390	1,362	79	82	39	67
Central Administration	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	*114*	*267*	*820*	*755*	*3,119*	*3,277*	*57*	*95*	*302*	*303*	*546*	*696*	*1,390*	*1,362*	*79*	*82*	*39*	*67*
Other financial institutions and financial individual entrepreneurs	2	1	30	28	10,016	9,936	5	2	3	—	7	5	884	684	—	—	—	—
Non-financial institutions and non-financial individual entrepreneurs	1,023	989	3,014	2,802	34,391	30,474	1,626	1,718	1,084	1,041	6,607	5,908	6,755	7,372	353	342	115	116
Construction and property development	*9*	*10*	*68*	*59*	*1,145*	*994*	*55*	*47*	*2*	*3*	*152*	*146*	*59*	*122*	*6*	*4*	*1*	*2*
Construction of civil works	*52*	*53*	*344*	*333*	*2,710*	*2,795*	*89*	*109*	*55*	*55*	*304*	*302*	*187*	*209*	*30*	*10*	*13*	*14*
Other purposes	*962*	*926*	*2,602*	*2,410*	*30,536*	*26,685*	*1,482*	*1,562*	*1,027*	*984*	*6,151*	*5,460*	*6,508*	*7,041*	*318*	*328*	*100*	*100*
Large companies	*429*	*403*	*1,611*	*1,448*	*25,872*	*22,366*	*769*	*806*	*737*	*686*	*3,789*	*3,010*	*5,386*	*5,826*	*153*	*139*	*13*	*17*
SMEs and individual entrepreneurs	*533*	*524*	*991*	*963*	*4,664*	*4,319*	*713*	*755*	*290*	*297*	*2,362*	*2,451*	*1,122*	*1,214*	*165*	*189*	*87*	*83*
Other households and NPISHs	1,549	1,474	3,268	3,270	14,931	14,240	2,026	1,979	499	487	8,172	8,075	3,018	2,937	337	333	761	755
Housing	*1,124*	*1,084*	*2,412*	*2,378*	*11,827*	*11,494*	*1,511*	*1,502*	*386*	*380*	*6,280*	*6,318*	*2,431*	*2,374*	*259*	*261*	*612*	*613*
Consumer	*384*	*352*	*731*	*688*	*2,114*	*1,928*	*478*	*442*	*98*	*92*	*1,679*	*1,552*	*416*	*397*	*65*	*60*	*137*	*130*
Other purposes	*41*	*38*	*126*	*204*	*990*	*818*	*37*	*34*	*15*	*15*	*212*	*206*	*171*	*165*	*13*	*12*	*12*	*11*
TOTAL	**2,688**	**2,732**	**7,164**	**7,248**	**74,664**	**102,538**	**3,714**	**3,794**	**1,887**	**1,831**	**16,462**	**17,084**	**12,178**	**12,648**	**770**	**757**	**914**	**937**

Appendix XII. Agency Network

JON MIKEL LEJONA DE SOLA	MARIA TERESA SEGURA MASSOT	GERARD MARTINEZ ALCAÑIZ
EMILIO GUSTAVO GONZALEZ GUTIERREZ	MERCEDES LOZANO CALVO	LLUIS CASAS CASTELLA
GESTION ESTUDIO Y AUDITORIA DE EMPRESAS GEA S.R.L.	CRISTINA RUBIO SEGARRA	MARIA CARMEN OJEDA OSA
MARIA GUTIERREZ FERNANDEZ	AROA ATIENZA QUINTERO	MARIA ISABEL GONZALEZ ALVAREZ
SIRA ASUNCION ORUE BARASOAIN	MARIA CRISTINA FERREIRO GARCIA	JOSE MANUEL PAZO GARCIA
CREACIONES CARLINA S.L.	PEDRO PRIGMAN RUIZ	ROLO GESTION E INVERSION SOCIEDAD LTDA.
FERNANDO PEGUERO LANZOS	ELISABET BATET CASAÑAS	JORGE SANZ ARIÑO
EASY MODE S C	J RETA ASOCIADOS S.L.	DAVID LLOPIS GINESTRA
GONZALO CASTEJON DE LA ENCINA	DAVID REYES HERNANDO	ALEXANDRA MANGRANE RAMOS
CARLOS VELEZ GOMEZ	SERGIO DIENTE ALONSO	LAURA BARBAZAN DURAN
FRANCISCO JAVIER MARIN ALFONSO	EMASFA S.L.	NATALIA FERNANDEZ DEL VISO GARCIA
ANTONIO MANUEL MOLERO YEPES	TELEMEDIDA Y GAS S.L.	NURIA NOGUERON MATAMOROS
JAVIER CANALES FUENTE	BEGOÑA MONICA FERNANDEZ QUILEZ	ORIOL MURIA GALLEGO
ANA GAROZ DURO	FRANCISCO JAVIER SMITH BASTERRA	MARIA GLORIA TENA BISTUE
CRISTINA ACEBES PEREZ	JOSE IGNACIO DE PRADO MANEIRO	MARIA PILAR CALVET REVERTE
PATRICIA LOPEZ SANCHEZ	MARIA ENCARNACION MARTINEZ MEZQUITA	MIGUEL BELLO NAVARRO
ALPHALYNX CAPITAL S.L.	LAURA GISTAU LATRE	MARIA DOLORES SUBIRATS ESPUNY
CARLOS GOMEZ EBRI	MARIA ISABEL PIÑERO MARTINEZ	JOSE JOAQUIN GIMENO PLA
EZEQUIEL AND SANCHEZ CONSULTORES S.L.	LAURA SOTOCA SANCHEZ	MEDONE SERVEIS S.L.
LEONILA PLUS S.L.	JOSEFA FOLCRA MARTIN	DAVID SOTERAS MORERA
MARIANO PELLICER BARBERA	JULIAN FERREIRA FRAGA	FERNANDO MARIA ARTAJO JARQUE
TERESA VERNET VILLAGRASA	ANA MARIA CARO MARTIN	JUAN MIRANDA COSTA
ELISENDA FERNANDEZ RAMON	ACOFI S.L.	DIEGO TORRES PARRA
CARLES BOSOM MORA	SERGIO GONZALEZ RUIZ	JOSE JUAN LAFUENTE ALMELA
JESUS MARTOS LOPEZ	FRANCISCO JAVIER GOMEZ CARRILLO	FRANCIAMAR S L U
NOELIA TORRELLAS GRAMAJE	JERONIMO ESTEBAN VERA RIOS	INVERSIONES IZARRA 2000, S.L.
MARIA LOPEZ GALINDO	ASESORES FINANCIEROS R V SABIO S L U	FERNANDO MARIA ORTEGA ALTUNA
CATALINA MARIA RAMIS BOYERAS	LINA CAYUELA	ALFONSO MARTINEZ PUJANTE
ARRILUCEA 2017 S.L.	MARIA ESMERALDA RUIZ ALMIRON	ASESORES FINANCIEROS PADRON
CHILCO GESTION S.L.	JOSE IGNACIO ARIAS HERREROS	INVAL 02 S.L.
KOLDOBIKA HORNA VALDIVIELSO	ASIER LARREA ORCOYEN	SAENZ DE TEJADA ASESORES SL
MANUEL SALGADO FEIJOO	JUAN CARLOS RODRIGUEZ HERNANDEZ	MARTA MARIA GOMEZ DE MAINTENANT
DORLETA LOPEZ LOPEZ	ESPERANZA MACARENA POZO GONZALEZ	TERESA BARRENENGOA MENENDEZ
SARA ROBLES ALONSO	GESTION Y SERVICIOS SAN ROMAN DURAN S.L.	ANTONIO HUMERA FERNANDEZ
BEATRIZ MARIA PACHA PRIOR	SANDRA BERRAL PLATERO	INVERSIONES SUAREZ IBAÑEZ S.L.
GESTION FINANCIERA MIGUELTURRA S.L.	ALEXIA MARIA GONZALEZ LANZA	MARIA DEL PILAR FERNANDEZ VERGARA
PEDRO CRUCERA GARCIA	ALEJANDRO NUEVO DIAZ	LLUIS CERVERA SABALLS
MARIA ISABEL CALVO SANCHEZ	CAPAFONS Y CIA S.L.	ESTELA MOLINA SANCHEZ
MANUEL ANTONIO DE LAS MORENAS LOPEZ ASTILLERO	PUENTE B GESTION INTEGRAL S.L.	ASESORIA LEMA Y GARCIA S.L.

FRANCISCO JAVIER SANCHEZ PARRA	JAVIER GARCIA LORENZO	LETICIA GARCIA CAMAFREITA
EMPRENDE SERVICIOS FINANCIEROS S.L.	CELSO GOMIS VIVES	ESTHER ROIG BRAVO
FRANCISCO EULOGIO ORTIZ MARTIN	ROCIO BLANCO PEREIRA	ESTIBALIZ REBOLLO GARCIA
BLANMED ASESORES SOCIEDAD COOP.	JUAN LOPEZ MARTINEZ	FAMILYSF SALUFER S.L.
ALVARO LLUSAR ESCOBAR	VICENTE MONTESINOS CONTRERAS	FEM AGENTS SCP
LEOPOLDO MARTINEZ BERMUDEZ	IGNACIO VALLS BENAVIDES	IVAN CALLES VAQUERO
BENJAMIN MONFORT GUILLAMON	MIGUEL IZQUIERDO DOLS	VICENC COMAS VICENS
MONICA MIGUEL MOLINA	JOSE MARIA GOMEZ CIDONCHA	DIEGO LOPEZ PRO
NURIA VAZQUEZ CARRASCO	ISABEL ALVAREZ CALDERON	NANOBOLSA S.L.
CATARINA PARDIÑAS SUAREZ	DEBCO ESTRUCTURA PROFESIONAL S L P	SERVICIOS FINANCIEROS AZMU S.L.
MIGUEL SUAREZ RODRIGUEZ	MIGUEL DIAZ GARCIA FUENTES E R L	CRISTINA CEBALLOS URCELAY
MARIA TERESA DE ZAYAS CAMPOS	FINFORYOU ADVISORS S.L.	JAVIER ALAYON FUMERO
JOSE LUIS GARCIA PRIETO	PERALTA Y ARENSE ASESORES Y CONSULTORES S.L.	JOSE ANDRES RAMOS SOBRIDO
JOSE MIGUEL LOPEZ DAZA	ANTONIO FERMIN LUNA GARCIA MINA	FATIMA ROMERO FORMOSO
AF ABELENDA S.L.	JARAIZ SELECCION S.L.	PAULA REY FERRIN
BELEN FIRVIDA PLAZA	CECILIA PEREZ PIQUERAS GOMEZ	JESUS CARLOS LOPEZ MARTIN
SILVIA ATANES GONZALEZ	MARIA JESUS LOPEZ RASCON	JOSE MARIA GUILLAMON CAMARERO
PAULA BARCIA PEREZ	AULES ASESORES SL	URBANSUR GLOBAL S.L.
MARIA LOPEZ PEREZ	VALDELASIERRA ASESORES S.L.	ESCRIVA DE ROMANI S.L.
ANABEL VARELA PAZ	JOSE DEL OLMO LOZANO	ISABEL SOTO DE PRADO
PAZGRANDIO S.L.	STRAFY 4 ASSET MANAGEMENT S.L.	EDUARDO ESCRIBANO DE LA ROSA
MARIA JOSE RODRIGUEZ PEREZ	ISAAC OLIVA RUIZ	A E S T E S.L.
JOSE MANUEL LOPEZ IRIARTE	ANTONIO RUIZ SORIA	RAUL ANTELO JALLAS
DANIEL FERNANDEZ ONTAÑON	ARAN PALLARS ASSESSORS S.L.	HECTOR JAVIER LAGIER MATEOS
ENRIQUE MATA SANTIN	ASEFINSO SC	ARTURO MARIA GOMEZ JUEZ
JESUS MARIA TEMPRANO NODRID	EDUARD RECASENS BLANCH	ALEJANDRO PEREZ ANDREU
JULIAN CALVO FERNANDEZ	DAVID MUÑOZ GALVE	JORGE LUIS RAMOS ROMAN
XESCONTA ASESORIA DE EMPRESAS SOCIEDAD LTDA.	LUIS ALBERTO LARA GARCIA	DIEGO HERNANDEZ QUERO
FRANCISCO MANUEL GOMEZ RODRIGUEZ	LUIS DURO DOMENE	MARBELLA CASADO RODRIGUEZ
MIGUEL ANGEL LANERO PEREZ	JUAN ANTONIO ASTORGA SANCHEZ	ESTHER SIERRA SIERRA
JAVIER ANTONIO GONZALEZ GOMEZ	PEDRO RAFAEL MARTINEZ GARCIA	JUAN CARLOS DUQUE MEDRANO
ALZO CAPITAL S.L.	NOCOC INVESTMENTS S C	VIRGINIA GARCIA DEL HOYO
FRANCISCO JAVIER REZA MONTES	ZARIZA CONSULTORES S.L.	ALERCIA INTERNATIONAL WEALTH MANAGEMENT S.L.
JOSE ANTONIO SANCHEZ SANCHEZ	MANUEL LUIS DEL BARCO ASENCIO	VANESA SERRANO GALLEGO
VERONICA RIUS VIÑALS	CECILIA VERONICA CRUZ SANTANA	ANTONIO LOPEZ GARCIA
CRISTINA MODOL RUIZ	MONTSERRAT COSTA CALAF	MEDINA FINANZAS S.L.
MARIA DEL PILAR LEON CABRERA	JOSEP GIBERT GATELL	CORCUERA ABOGADOS Y ASESORES DE PATRIMONIO S.L.
JUAN FRANCISCO DIAZ FLORES	TAMARA MARTIN ARQUELLADA	JULIO MARCO MORERA CELDRAN
ALVARO FUENTE VILLARAN	SALVADOR CASELLAS GASSO	IVAN RODRIGUEZ CIFUENTES
REBECA GUTIERREZ FERNANDEZ	FRANCESC VICENÇ RODON MARTINEZ	DARIO ALFONSO GINES LAHERA
BERNARDO ANDRES GIRALDO CHALARCA	RUBEN SANTOS MAYORDOMO	JESUS ANGEL ZUECO GIL
MSJN FINANCIAL ADVISORS S.L.	RAMON LINARES LOPEZ	ELENA PATRICIA ALVARO LOPEZ
ESTHER MONTOYA CARRASCO	MARTIN GUERRERO ARPI	ALBA ASENSIO REIG
JUAN DIOS COBLER FERNANDEZ	ANA CAÑAS BLANCO	JUAN LORENZO S.L.
MARIA CISTERO BOFARULL	LUIS ALBERTO GRAÑON LOPEZ	BEATRIZ INMACULADA JUNQUERA FRESCO
ANNA DURAN VIDAL	GALARRETA Y PROVEDO S.L.	MORILLO-MUÑOZ CB

MARIA ANGELS MIRO SALA	ESTUDIOS FISCALES Y FINANCIEROS RIOJANOS S.L.	ANGEL ENRIQUE EUGENIO CUBEROS
OKAPI SES SALINES S.L.	CLUSTER CAPITAL S.L.	GONZALO CAMPOS BRAVO
RAQUEL SANCHEZ MUÑOZ	TIO CODINA ASSESSORS D INVERSIONS S.L.	FRANCISCO JOSE DIEGO MARTI
MARIA ROSARIO SANCHEZ PALACIOS	PAU CASAS AMBLAS	PABLO GAGO COMES
LUIS FELIPE ALVAREZ BURON	GESTORA PAMASA SL	IGNACIO JORDAN CHIVELI
LAFUENTE SERVICIOS EXTERNOS S.L.	TRUC PEBE SALLENT S.L.	EDUARDO BALLESTER GOMILA
PADIAN GESTORES ADMINISTRATIVOS S L P	CRISTINA BLASCO PRATS	JAVIER FRANCISCO TEN PEREZ
MONTE AZUL CASAS S.L.	ANGEL GARCIA DESCALZO	MIGUEL JOSE FERNANDEZ MARDOMINGO BARRIUSO
JESUS CARRASCO MORA	JOSE RAMON MORSO PELAEZ	MALGOFRE S.L.
JAVIER ALOSETE MINGUEZ	ROCIO ARCONES GARCIA	SERFINESPO S.L.
JOSE LUIS ORTUÑO CAMARA	ENDOR INVERSIONES S.L.	AFIN 7 BAGES S.L.
XAVIER FABREGAS MARTORI	MITJAVILA Y ASOCIADOS ESTUDIO JURIDICO FISCAL S.L.	MARCOS GIL TEJADA
MARC TERMES MIRANDA	REGINA MARIA ARESTI MUGICA	JOAN ALBERT ROS
BEATRIZ MARIN ROBLES	DACEZA SOLUCIONES S L U	LAURA RIERA GARCIA

Glossary

Additional Tier 1 Capital	Includes: Preferred stock and convertible perpetual securities and deductions.
Adjusted acquisition cost	The acquisition cost of the securities less accumulated amortizations, plus interest accrued, but not net of any other valuation adjustments.
Amortized cost	The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus, the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.
Associates	Companies in which the Group has a significant influence, without having control. Significant influence is deemed to exist when the Group owns 20% or more of the voting rights of an investee directly or indirectly.
Baseline macroeconomic scenarios	IFRS 9 requires that an entity must evaluate a range of possible outcomes when estimating provisions and measuring expected credit losses, through macroeconomic scenarios. The baseline macroeconomic scenario presents the situation of the particular economic cycle.
Basic earnings per share	Calculated by dividing "Profit attributable to Parent Company" corresponding to ordinary shareholders of the entity by the weighted average number of shares outstanding throughout the year (i.e., excluding the average number of treasury shares held over the year).
Basis risk	Risk arising from hedging exposure to one interest rate with exposure to a rate that reprices under slightly different conditions.
Building Block Approach (BBA)	This is one of the three measurement models for the valuation of technical provisions for insurance contracts. This model is used by default and is mandatory except when the conditions are met to apply the other two methods: Variable Fee Approach or Premium Allocation Approach.
Business combination	A business combination is a transaction, or any other event, through which a single entity obtains the control of one or more businesses.
Business Model	The assessment as to how an asset shall be classified is made on the basis of both the business model for managing the financial asset and the contractual cash flow characteristic of the financial asset (SPPI Criterion). Financial assets are classified on the basis of its business model for managing the financial assets. The Group's business models shall be determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective and generate cash flows.
Cash flow hedges	Those that hedge the exposure to variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss.
Commissions	Income and expenses relating to commissions and similar fees are recognized in the income statement using criteria that vary according to their nature. The most significant income and expense items in this connection are: · Fees and commissions relating linked to financial assets and liabilities measured at fair value through profit or loss, which are recognized when collected. · Fees and commissions arising from transactions or services that are provided over a period of time, which are recognized over the life of these transactions or services. · Fees and commissions generated by a single act are accrued upon execution of that act.
Consolidation method	Method used for the consolidation of the accounts of the Group's subsidiaries. The assets and liabilities of the Group entities are incorporated line-by-line on the consolidate balance sheets, after conciliation and the elimination in full of intragroup balances, including amounts payable and receivable. Group entity income statement income and expense headings are similarly combined line by line into the consolidated income statement, having made the following consolidation eliminations: a) income and expenses in respect of intragroup transactions are eliminated in full. b) profits and losses resulting from intragroup transactions are similarly eliminated. The carrying amount of the parent's investment and the parent's share of equity in each subsidiary are eliminated.
Contingencies	Current obligations of the entity arising as a result of past events whose existence depends on the occurrence or non-occurrence of one or more future events independent of the will of the entity.
Contingent commitments	Possible obligations of the entity that arise from past events and whose existence depends on the occurrence or non-occurrence of one or more future events independent of the entity's will and that could lead to the recognition of financial assets.
Control	An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. An investor controls an investee if and only if the investor has all the following: a) Power; An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns. b) Returns; An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. The investor's returns can be only positive, only negative or both positive and negative. c) Link between power and returns; An investor controls an investee if the investor not only has power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's returns from its involvement with the investee.
Correlation risk	Correlation risk is related to derivatives whose final value depends on the performance of more than one underlying asset (primarily, stock baskets) and indicates the existing variability in the correlations between each pair of assets.

Credit Valuation Adjustment (CVA)	An adjustment to the valuation of OTC derivative contracts to reflect the creditworthiness of OTC derivative counterparties.
Current service cost	Current service cost is the increase in the present value of a defined benefit obligation resulting from employee service in the current period.
Current tax assets	Taxes recoverable over the next twelve months.
Current tax liabilities	Corporate income tax payable on taxable profit for the year and other taxes payable in the next twelve months.
Debit Valuation Adjustment (DVA)	An adjustment made by an entity to the valuation of OTC derivative liabilities to reflect within fair value the entity's own credit risk.
Debt certificates	Obligations and other interest-bearing securities that create or evidence a debt on the part of their issuer, including debt securities issued for trading among an open group of investors, that accrue interest, implied or explicit, whose rate, fixed or benchmarked to other rates, is established contractually, and take the form of securities or book-entries, irrespective of the issuer.
Default	An asset will be considered as defaulted whenever it is more than 90 days past due.
Deferred tax assets	Taxes recoverable in future years, including loss carry forwards or tax credits for deductions and tax rebates pending application.
Deferred tax liabilities	Income taxes payable in subsequent years.
Defined benefit plans	Post-employment obligation under which the entity, directly or indirectly via the plan, retains the contractual or implicit obligation to pay remuneration directly to employees when required or to pay additional amounts if the insurer, or other entity required to pay, does not cover all the benefits relating to the services rendered by the employees when insurance policies do not cover all of the corresponding post-employees benefits.
Defined contribution plans	Defined contribution plans are retirement benefit plans under which amounts to be paid as retirement benefits are determined by contributions to a fund together with investment earnings thereon. The employer's obligations in respect of its employees current and prior years' employment service are discharged by contributions to the fund.
Deposits from central banks	Deposits of all classes, including loans and money market operations, received from the Bank of Spain and other central banks.
Deposits from credit institutions	Deposits of all classes, including loans and money market operations received, from credit entities.
Deposits from customers	Redeemable cash balances received by the entity, with the exception of debt certificates, money market operations through counterparties and subordinated liabilities, which are not received from either central banks or credit entities. This category also includes cash deposits and consignments received that can be readily withdrawn.
Derivatives	The fair value in favor (assets) or again (liabilities) of the entity of derivatives not designated as accounting hedges.
Derivatives - Hedging derivatives	Derivatives designated as hedging instruments in an accounting hedge. The fair value or future cash flows of those derivatives is expected to offset the differences in the fair value or cash flows of the items hedged.
Diluted earnings per share	Calculated by using a method similar to that used to calculate basic earnings per share; the weighted average number of shares outstanding, and the profit attributable to the parent company corresponding to ordinary shareholders of the entity, if appropriate, is adjusted to take into account the potential dilutive effect of certain financial instruments that could generate the issue of new Bank shares (share option commitments with employees, warrants on parent company shares, convertible debt instruments, etc.).
Dividends and retributions	Dividend income collected announced during the year, corresponding to profits generated by investees after the acquisition of the stake.
Domestic activity	Domestic balances are those of BBVA´s Group entities domiciled in Spain, which reflect BBVA´s domestic activities, being the allocation of assets and liabilities based on the domicile of the Group entity at which the relevant asset or liability is accounted for.
Early retirements	Employees that no longer render their services to the entity but which, without being legally retired, remain entitled to make economic claims on the entity until they formally retire.
Economic capital	Methods or practices that allow banks to consistently assess risk and attribute capital to cover the economic effects of risk-taking activities.
Effective interest rate (EIR)	Discount rate that exactly equals the value of a financial instrument with the cash flows estimated over the expected life of the instrument based on its contractual period as well as its anticipated amortization, but without taking the future losses of credit risk into consideration.
Employee expenses	All compensation accrued during the year in respect of personnel on the payroll, under permanent or temporary contracts, irrespective of their jobs or functions, irrespective of the concept, including the current costs of servicing pension plans, own share based compensation schemes and capitalized personnel expenses. Amounts reimbursed by the state Social Security or other welfare entities in respect of employee illness are deducted from personnel expenses.
Equity	The residual interest in an entity's assets after deducting its liabilities. It includes owner or venturer contributions to the entity, at incorporation and subsequently, unless they meet the definition of liabilities, and accumulated net profits or losses, fair value adjustments affecting equity and, if warranted, non-controlling interests.
Equity instruments	An equity instrument that evidences a residual interest in the assets of an entity, that is after deducting all of its liabilities.

Equity instruments issued other than capital	Includes equity instruments that are financial instruments other than “Capital” and “Equity component of compound financial instruments”.
Equity Method	It is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor’s share of the investee’s net assets. The investor’s profit or loss includes its share of the investee’s profit or loss and the investor’s other comprehensive income includes its share of the investee’s other comprehensive income.
Exchange/translation differences	Exchange differences (P&L): Includes the earnings obtained in currency trading and the differences arising on translating monetary items denominated in foreign currency to the functional currency. Exchange differences (valuation adjustments): those recorded due to the translation of the financial statements in foreign currency to the functional currency of the Group and others recorded against equity.
Expected Credit Loss (ECL)	Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Hence, credit losses are the present value of expected cash shortfalls. The measurement and estimate of these expected credit losses should reflect: 1. An unbiased and probability-weighted amount. 2. The time value of money by discounting this amount to the reporting date using a rate that approximates the EIR of the asset, and 3. Reasonable and supportable information that is available without undue cost or effort. The expected credit losses must be measured as the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate or an approximation thereof (forward looking).
Exposure at default	EAD is the amount of risk exposure at the date of default by the counterparty.
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Fair value hedges	Derivatives that hedge the exposure to changes in the fair value of assets and liabilities or firm commitments that have not be recognized, or of an identified portion of said assets, liabilities or firm commitments, attributable to a specific risk, provided it could affect the income statement.
Financial Assets at Amortized Cost	Financial assets that do not meet the definition of financial assets designated at fair value through profit or loss and arise from the financial entities' ordinary activities to capture funds, regardless of their instrumentation or maturity.
Financial Assets at fair value through other comprehensive income	Financial instruments with determined or determinable cash flows and in which the entire payment made by the entity will be recovered, except for reasons attributable to the solvency of the debtor. This category includes both the investments from the typical lending activity as well as debts contracted by the purchasers of goods, or users of services, that form part of the entity’s business. It also includes all finance lease arrangements in which the subsidiaries act as lessors.
Financial guarantees	Contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument, irrespective of its instrumentation. These guarantees may take the form of deposits, technical or financial guarantees, insurance contracts or credit derivatives.
Financial guarantees given	Transactions through which the entity guarantees commitments assumed by third parties in respect of financial guarantees granted or other types of contracts.
Financial instrument	A financial instrument is any contract that gives rise to a financial asset of one entity and to a financial liability or equity instrument of another entity.
Financial liabilities at amortized cost	Financial liabilities that do not meet the definition of financial liabilities designated at fair value through profit or loss and arise from the financial entities' ordinary activities to capture funds, regardless of their instrumentation or maturity.
Foreign activity	International balances are those of BBVA´s Group entities domiciled outside of Spain, which reflect our foreign activities, being the allocation of assets and liabilities based on the domicile of the Group entity at which the relevant asset or liability is accounted for.
Goodwill	Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not able to be individually identified and separately recognized.
Hedges of net investments in foreign operations	Foreign currency hedge of a net investment in a foreign operation.
Held for trading (assets and liabilities)	Financial assets and liabilities acquired or incurred primarily for the purpose of profiting from variations in their prices in the short term. This category also includes financial derivatives not qualifying for hedge accounting, and in the case of borrowed securities, financial liabilities originated by the firm sale of financial assets acquired under repurchase agreements or received on loan (“short positions”).
Immunized portfolios	This is considered to be the portfolios on which "cash flow matching" is carried out, that is, balance sheet management with the aim of trying to mitigate the risk derived from the different maturities and interest rates between assets and liabilities.

Impaired financial assets	An asset is credit-impaired according to IFRS 9 if one or more events have occurred and they have a detrimental impact on the estimated future cash flows of the asset. Evidence that a financial asset is credit-impaired includes observable data about the following events: a. significant financial difficulty of the issuer or the borrower, b. a breach of contract (e.g. a default or past due event), c. a lender having granted a concession to the borrower – for economic or contractual reasons relating to the borrower's financial difficulty – that the lender would not otherwise consider, d. it becoming probable that the borrower will enter bankruptcy or other financial reorganization, e. the disappearance of an active market for that financial asset because of financial difficulties, or f. the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
Income from equity instruments	Dividends and income on equity instruments collected or announced during the year corresponding to profits generated by investees after the ownership interest is acquired. Income is recognized gross, i.e., without deducting any withholdings made, if any.
Insurance contracts linked to pensions	The fair value of insurance contracts written to cover pension commitments.
Inventories	Assets, other than financial instruments, under production, construction or development, held for sale during the normal course of business, or to be consumed in the production process or during the rendering of services. Inventories include land and other properties held for sale at the real estate development business.
Investment properties	Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for own use or sale in the ordinary course of business.
Joint arrangement	An arrangement of which two or more parties have joint control.
Joint control	The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Joint operation	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets of the arrangement and obligations for the liabilities. A joint venturer shall recognize the following for its participation in a joint operation: a) its assets, including any share of the assets of joint ownership; b) its liabilities, including any share of the liabilities incurred jointly; c) income from the sale of its share of production from the joint venture; d) its share of the proceeds from the sale of production from the joint venturer; and e) its expenses, including any share of the joint expenses. A joint venturer shall account for the assets, liabilities, income and expenses related to its participation in a joint operation in accordance with IFRS applicable to the assets, liabilities, income and expenses specific question.
Joint venture	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.
Leases	A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time, a stream of cash flows that is essentially equivalent to the combination of principal and interest payments under a loan agreement. a) A lease is classified as a finance lease when it substantially transfers all the risks and rewards incidental to ownership of the asset forming the subject-matter of the contract. b) A lease will be classified as operating lease when it is not a financial lease.
Lease liability	Lease that represents the lessee's obligation to make lease payments during the lease term.
Liabilities included in disposal groups classified as held for sale	The balance of liabilities directly associated with assets classified as non-current assets held for sale, including those recognized under liabilities in the entity's balance sheet at the balance sheet date corresponding to discontinued operations.
Liabilities under insurance contracts	The technical reserves of direct insurance and inward reinsurance recorded by the entities to cover claims arising from insurance contracts in force at period-end.
Loans and advances to customers	Loans and receivables, irrespective of their type, granted to third parties that are not credit entities.
Loss given default (LGD)	It is the estimate of the loss arising in the event of default. It depends mainly on the characteristics of the counterparty, and the valuation of the guarantees or collateral associated with the asset.
Mortgage-covered bonds	Financial asset or security created from mortgage loans and backed by the guarantee of the mortgage loan portfolio of the entity.
Non Performing Loans (NPL)	The balance of non performing risks, whether for reasons of default by customers or for other reasons, for exposures on balance loans to customers. This figure is shown gross: in other words, it is not adjusted for value corrections (loan loss reserves) made.
Non-controlling interests	The net amount of the profit or loss and net assets of a subsidiary attributable to associates outside the group (that is, the amount that is not owned, directly or indirectly, by the parent), including that amount in the corresponding part of the earnings for the period.
Non-current assets and disposal groups held for sale	A non-current asset or disposal group, whose carrying amount is expected to be realized through a sale transaction, rather than through continuing use, and which meets the following requirements: a) it is immediately available for sale in its present condition at the balance sheet date, i.e. only normal procedures are required for the sale of the asset. b) the sale is considered highly probable.

Non-monetary assets	Assets and liabilities that do not provide any right to receive or deliver a determined or determinable amount of monetary units, such as tangible and intangible assets, goodwill and ordinary shares subordinate to all other classes of capital instruments.
Non-trading financial assets mandatorily at fair value through Profit or loss	The financial assets registered under this heading are assigned to a business model whose objective is achieved by obtaining contractual cash flows and / or selling financial assets but which the contractual cash flows have not complied with the SPPI test conditions.
Option risk	Risks arising from options, including embedded options.
Other financial assets/ liabilities at fair value through profit or loss	Instruments designated by the entity from the inception at fair value with changes in profit or loss. An entity may only designate a financial instrument at fair value through profit or loss, if doing so more relevant information is obtained, because: a) It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes called "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. It might be acceptable to designate only some of a number of similar financial assets or financial liabilities if doing so a significant reduction (and possibly a greater reduction than other allowable designations) in the inconsistency is achieved. b) The performance of a group of financial assets or financial liabilities is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity´s key management personnel. These are financial assets managed jointly with “Liabilities under insurance and reinsurance contracts” measured at fair value, in combination with derivatives written with a view to significantly mitigating exposure to changes in these contracts' fair value, or in combination with financial liabilities and derivatives designed to significantly reduce global exposure to interest rate risk. These headings include customer loans and deposits effected via so-called unit-linked life insurance contracts, in which the policyholder assumes the investment risk.
Other Reserves	This heading is broken down as follows: i) Reserves or accumulated losses of investments in subsidiaries, joint ventures and associate: include the accumulated amount of income and expenses generated by the aforementioned investments through profit or loss in past years. ii) Other: includes reserves different from those separately disclosed in other items and may include legal reserve and statutory reserve.
Other retributions to employees long term	Includes the amount of compensation plans to employees long term.
Own/treasury shares	The amount of own equity instruments held by the entity.
Past service cost	It is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits.
Post-employment benefits	Retirement benefit plans are arrangements whereby an enterprise provides benefits for its employees on or after termination of service.
Premium Allocation Approach (PAA)	This is one of the three measurement models for the valuation of technical provisions for insurance contracts. This model is mandatory for contracts with direct participation of the policyholder
Probability of default (PD)	It is the probability of the counterparty failing to meet its principal and/or interest payment obligations. The PD is associated with the rating/scoring of each counterparty/transaction.
Property, plant and equipment/tangible assets	Buildings, land, fixtures, vehicles, computer equipment and other facilities owned by the entity or acquired under finance leases.
Provisions	Provisions include amounts recognized to cover the Group’s current obligations arising as a result of past events, certain in terms of nature but uncertain in terms of amount and/or cancellation date.
Provisions for contingent liabilities and commitments	Provisions recorded to cover exposures arising as a result of transactions through which the entity guarantees commitments assumed by third parties in respect of financial guarantees granted or other types of contracts, and provisions for contingent commitments, i.e., irrevocable commitments which may arise upon recognition of financial assets.
Provisions for pensions and similar obligation	Constitutes all provisions recognized to cover retirement benefits, including commitments assumed vis-à-vis beneficiaries of early retirement and analogous schemes.
Provisions or (-) reversal of provisions	Provisions recognized during the year, net of recoveries on amounts provisioned in prior years, with the exception of provisions for pensions and contributions to pension funds which constitute current or interest expense.
Refinanced Operation	An operation which is totally or partially brought up to date with its payments as a result of a refinancing operation made by the entity itself or by another company in its group.
Refinancing Operation	An operation which, irrespective of the holder or guarantees involved, is granted or used for financial or legal reasons related to current or foreseeable financial difficulties that the holder(s) may have in settling one or more operations granted by the entity itself or by other companies in its group to the holder(s) or to another company or companies of its group, or through which such operations are totally or partially brought up to date with their payments, in order to enable the holders of the settled or refinanced operations to pay off their loans (principal and interest) because they are unable, or are expected to be unable, to meet the conditions in a timely and appropriate manner.

Renegotiated Operation	An operation whose financial conditions are modified when the borrower is not experiencing financial difficulties, and is not expected to experience them in the future, i.e. the conditions are modified for reasons other than restructuring.
Repricing risk	Risks related to the timing mismatch in the maturity and repricing of assets and liabilities and off-balance sheet short and long-term positions.
Restructured Operation	An operation whose financial conditions are modified for economic or legal reasons related to the holder's (or holders') current or foreseeable financial difficulties, in order to enable payment of the loan (principal and interest), because the holder is unable, or is expected to be unable, to meet those conditions in a timely and appropriate manner, even if such modification is provided for in the contract. In any event, the following are considered restructured operations: operations in which a haircut is made or assets are received in order to reduce the loan, or in which their conditions are modified in order to extend their maturity, change the amortization table in order to reduce the amount of the installments in the short term or reduce their frequency, or to establish or extend the grace period for the principal, the interest or both; except when it can be proved that the conditions are modified for reasons other than the financial difficulties of the holders and, are similar to those applied on the market on the modification date for operations granted to customers with a similar risk profile.
Retained earnings	Accumulated net profits or losses recognized in the income statement in prior years and retained in equity upon distribution.
Right of use asset	Asset that represents the lessee's right to use an underlying asset during the lease term.
Securitization fund	A fund that is configured as a separate equity and administered by a management company. An entity that would like funding sells certain assets to the securitization fund, which, in turn, issues securities backed by said assets.
Share premium	The amount paid in by owners for issued equity at a premium to the shares' nominal value.
Shareholders' funds	Contributions by stockholders, accumulated earnings recognized in the income statement and the equity components of compound financial instruments.
Short positions	Financial liabilities arising as a result of the final sale of financial assets acquired under repurchase agreements or received on loan.
Significant increase in credit risk	In order to determine whether there has been a significant increase in credit risk for lifetime expected losses recognition, the Group has developed a two-prong approach: a) Quantitative criterion: based on comparing the current expected probability of default over the life of the transaction with the original adjusted expected probability of default. The thresholds used for considering a significant increase in risk take into account special cases according to geographic areas and portfolios. b) Qualitative criterion: most indicators for detecting significant risk increase are included in the Group's systems through rating/scoring systems or macroeconomic scenarios, so quantitative analysis covers the majority of circumstances. The Group will use additional qualitative criteria when it considers it necessary to include circumstances that are not reflected in the rating/score systems or macroeconomic scenarios used.
Significant influence	Is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If an entity holds, directly or indirectly (i.e. through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (i.e. through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence. The existence of significant influence by an entity is usually evidenced in one or more of the following ways: a) representation on the board of directors or equivalent governing body of the investee; b) participation in policy-making processes, including participation in decisions about dividends or other distributions; c) material transactions between the entity and its investee; d) interchange of managerial personnel; or e) provision of essential technical information.
Solely Payments of Principle and Interest (SPPI)	The assessment as to how an asset shall be classified is made on the basis of both the business model for managing the financial asset and the contractual cash flow characteristic of the financial asset (SPPI Criterion). To determine whether a financial asset shall be classified as measured at amortized cost or FVOCI, a Group assesses (apart from the business model) whether the cash flows from the financial asset represent, on specified dates, solely payments of principal and interest on the principal amount outstanding (SPPI).
Stages	IFRS 9 classifies financial instruments into three categories, which depend on the evolution of their credit risk from the moment of initial recognition. The first category includes the transactions when they are initially recognized - without significant increase in credit risk (Stage 1); the second comprises the operations for which a significant increase in credit risk has been identified since its initial recognition - significant increase in credit risk (Stage 2) and the third one, the impaired operations Impaired (Stage 3). The transfer logic is defined in a symmetrical way, whenever the condition that triggered a transfer to Stage 2 is no longer met, the exposure will be transferred to Stage 1. In the case of forbearances transferred to stage 2, as long as the loan is flagged as forbearance it will keep its status as Stage 2. However, when the loan is not flagged as forbearance it will be transferred back to Stage 1.

Statements of cash flows	The indirect method has been used for the preparation of the statement of cash flows. This method starts from the entity's profit and adjusts its amount for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with cash flows classified as investment or finance. As well as cash, short-term, highly liquid investments subject to a low risk of changes in value, such as cash and deposits in central banks, are classified as cash and equivalents. When preparing these financial statements, the following definitions have been used: · Cash flows: Inflows and outflows of cash and equivalents. · Operating activities: The typical activities of credit institutions and other activities that cannot be classified as investment or financing activities. · Investing activities: The acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents or in operating activities. · Financing activities: Activities that result in changes in the size and composition of the Group's equity and of liabilities that do not form part of operating activities.
Statements of changes in equity	The statements of changes in equity reflect all the movements generated in each year in each of the headings of the equity, including those from transactions undertaken with shareholders when they act as such, and those due to changes in accounting criteria or corrections of errors, if any. The applicable regulations establish that certain categories of assets and liabilities are recognized at their fair value with a charge to equity. These charges, known as "Valuation adjustments" (see Note 31), are included in the Group's total equity net of tax effect, which has been recognized as deferred tax assets or liabilities, as appropriate.
Statements of recognized income and expenses	The statement of recognized income and expenses reflect the income and expenses generated in each fiscal year, distinguishing between those recognized in the profit and loss accounts and the "Other recognized income and expenses"; which are recorded directly in the equity. The "Other recognized income and expenses" includes the variations that have occurred in the period in "accumulated other comprehensive income", detailed by concepts. The sum of the variations recorded in the "accumulated other comprehensive income" caption of the equity and the profit for the year represents the "Total income and expenses".
Structured credit products	Special financial instrument backed by other instruments building a subordination structure.
Structured Entities	A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: a) restricted activities. b) a narrow and well-defined objective, such as to effect a tax-efficient lease, carry out research and development activities, provide a source of capital or funding to an entity or provide investment opportunities for investors y passing on risks and rewards associated with the assets of the structured entity to investors. c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support. d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).
Subordinated liabilities	Financing received, regardless of its instrumentation, which ranks after the common creditors in the event of a liquidation.
Subsidiaries	Companies over which the Group exercises control. An entity is presumed to have control over another when it possesses the right to oversee its financial and operational policies, through a legal, statutory or contractual procedure, in order to obtain benefits from its economic activities. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of an entity's voting power, unless, exceptionally, it can be clearly demonstrated that ownership of more than one half of an entity's voting rights does not constitute control of it. Control also exists when the parent owns half or less of the voting power of an entity when there is: a) an agreement that gives the parent the right to control the votes of other shareholders; b) power to govern the financial and operating policies of the entity under a statute or an agreement; power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; c) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.
Tangible book value	Tangible Book Value represents the tangible equity's value for the shareholders as it does not include the intangible assets and the minority interests (non-controlling interests). It is calculated by discounting intangible assets, that is, goodwill and the rest of consolidated intangibles recorded under the public balance sheet (goodwill and intangible assets of companies accounted for by the equity method or companies classified as non-current assets for sale are not subtracted). It is also shown as ex-dividends.
Tax liabilities	All tax related liabilities except for provisions for taxes.
Territorial bonds	Financial assets or fixed asset security issued with the guarantee of portfolio loans of the public sector of the issuing entity.

Tier 1 Capital	Mainly includes: Common stock, parent company reserves, reserves in companies, non-controlling interests, deductions and others and attributed net income.
Tier 2 Capital	Mainly includes: Subordinated, preferred shares and non- controlling interest.
Unit-link	This is life insurance in which the policyholder assumes the risk. In these policies, the funds for the technical insurance provisions are invested in the name of and on behalf of the policyholder in shares of Collective Investment Institutions and other financial assets chosen by the policyholder, who bears the investment risk.
Write- off	When the recovery of any recognized amount is considered to be remote, this amount is removed from the balance sheet, without prejudice to any actions taken by the entities in order to collect the amount until their rights extinguish in full through expiry, forgiveness or for other reasons.
Value at Risk (VaR)	Value at Risk (VaR) is the basic variable for measuring and controlling the Group's market risk. This risk metric estimates the maximum loss that may occur in a portfolio's market positions for a particular time horizon and given confidence level VaR figures are estimated following two methodologies: a) VaR without smoothing, which awards equal weight to the daily information for the immediately preceding last two years. This is currently the official methodology for measuring market risks vis-à-vis limits compliance of the risk. a. VaR with smoothing, which weighs more recent market information more heavily. This is a metric which supplements the previous one. b. VaR with smoothing adapts itself more swiftly to the changes in financial market conditions, whereas VaR without smoothing is, in general, a more stable metric that will tend to exceed VaR with smoothing when the markets show less volatile trends, while it will tend to be lower when they present upturns in uncertainty.
Variable Fee Approach (VFA)	This is one of the three measurement models for the valuation of technical provisions for insurance contracts. This model is optional and is used for short-term insurance contracts or those contracts whose results are similar to those of the Building Block Approach.
Yield curve risk	Risks arising from changes in the slope and the shape of the yield curve.

Legal disclaimer

This document is provided for informative purposes only and is not intended to provide financial advice and, therefore, does not constitute, nor should it be interpreted as, an offer to sell, exchange or acquire, or an invitation for offers to acquire securities issued by any of the aforementioned companies, or to contract any financial product. Any decision to purchase or invest in securities or contract any financial product must be made solely and exclusively on the basis of the information made available to such effects by the relevant company in relation to each such specific matter. The information contained in this document is subject to and should be read in conjunction with all other publicly available information of the issuer.

This document contains forward-looking statements that constitute or may constitute "forward-looking statements" (within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995) with respect to intentions, objectives, expectations or estimates as of the date hereof, including those relating to future targets of both a financial and non-financial nature (such as environmental, social or governance ("ESG") performance targets).

Forward-looking statements may be identified by the fact that they do not refer to historical or current facts and include words such as "believe", "expect", "estimate", "project", "anticipate", "duty", "intend", "likelihood", "risk", "VaR", "purpose", "commitment", "goal", "target" and similar expressions or variations of those expressions. They include, for example, statements regarding future growth rates or the achievement of future targets, including those relating to ESG performance.

The information contained in this document reflects our current expectations, estimates and targets, which are based on various assumptions, judgments and projections, including non-financial considerations such as those related to sustainability, which may differ from and not be comparable to those used by other companies. Forward-looking statements are not guarantees of future results, and actual results may differ materially from those anticipated in the forward-looking statements as a result of certain risks, uncertainties and other factors. These factors include, but are not limited to, (1) market conditions, macroeconomic factors, domestic and international stock market conditions, exchange rates, inflation and interest rates; (2) regulatory, oversight, political, governmental, social and demographic factors; (3) changes in the financial condition, creditworthiness or solvency of our clients, debtors or counterparties, such as changes in default rates, as well as changes in consumer spending, savings and investment behavior, and changes in our credit ratings; (4) competitive pressures and actions we take in response thereto; (5) performance of our IT, operations and control systems and our ability to adapt to technological changes; (6) climate change and the occurrence of natural or man-made disasters, such as an outbreak or escalation of hostilities; (7) our ability to appropriately address any ESG expectations or obligations (related to our business, management, corporate governance, disclosure or otherwise), and the cost thereof; and (8) our ability to successfully complete and integrate acquisitions. In the particular case of certain targets related to our ESG performance, such as, decarbonization targets or alignment of our portfolios, the achievement and progress towards such targets will depend to a large extent on the actions of third parties, such as clients, governments and other stakeholders, and may therefore be materially affected by such actions, or lack thereof, as well as by other exogenous factors that do not depend on BBVA (including, but not limited to, new technological developments, regulatory developments, military conflicts, the evolution of climate and energy crises, etc.). Therefore, these targets may be subject to future revisions.

The factors mentioned in the preceding paragraphs could cause actual future results to differ substantially from those set forth in the forecasts, intentions, objectives, targets or other forward-looking statements included in this document or in other past or future documents. Accordingly, results, including those related to ESG performance targets, among others, may differ materially from the statements contained in the forward-looking statements.

Recipients of this document are cautioned not to place undue reliance on such forward-looking statements.

Past performance or growth rates are not indicative of future performance, results or share price (including earnings per share). Nothing in this document should be construed as a forecast of results or future earnings.

BBVA does not intend, and undertakes no obligation, to update or revise the contents of this or any other document if there are any changes in the information contained therein, or including the forward-looking statements contained in any such document, as a result of events or circumstances after the date of such document or otherwise except as required by applicable law.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. 2024

Management Report

Contents

1. BBVA in brief

Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, the "Bank" or "BBVA") is a private-law entity governed by the rules and regulations applicable to banks operating in Spain.

BBVA S.A is a bank founded in 1857 and constitutes the parent company of the BBVA Group (hereafter, the Group or the Bank), a global financial services group with a vision focused on the customer and significant presence in the traditional banking business of retail banking, asset management and wholesale banking.

During its 165-year history, BBVA has stood out for its leadership in the transformation of the financial industry, which is clearly reflected in the Group's Purpose: **"To bring the age of opportunity to everyone"**. BBVA wants to help people, families, entrepreneurs, the self-employed, businessmen, employees and society in general to take advantage of the opportunities provided by innovation and technology.

BBVA, S.A., as the parent company of the BBVA Group, operates internationally, which is why it is affected by economic and regulatory trends in all the geographical areas where it operates through the entities of the BBVA Group. More information related to the economic and sector environment and perspectives, as well as a summary of the significant aspects of the regulatory environment, are included in the chapter "Macroeconomic and regulatory environment" of the BBVA Group Consolidated Management Report.

2. Non-financial Information Statement

In accordance with the provisions of the Commercial Code and the Capital Companies Act, this Non-financial Information Statement (hereafter "NFIS") includes, among other matters, the information necessary to understand the Bank's performance, results and situation; and the impact of its activity with respect to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as those relating to personnel. This Non-financial Information Statement of Banco Bilbao Vizcaya Argentaria, SA, which forms part of its individual management report, is presented in addition to the consolidated Non-financial Information Statement included in the BBVA Group 's consolidated management report and includes references to the sections of the latter when said sections contain other information to obtain a better understanding of the Bank, the BBVA Group and their respective actions in the matters described above.

The NFIS has been prepared, in all its significant aspects, in accordance with the contents included in the commercial regulations in force as of December 31, 2024, taking as guidelines some selected GRI standards and following the European Commission Guidelines on non-financial reporting. In preparing the non-financial information contained in this Non-Financial Information Statement, BBVA has taken as a reference the double materiality analysis prepared for the Group, based on the Commission Delegated Regulation 2023/2772 which complements the European Corporate Sustainability Reporting Directive (CSRD). For more information on the double materiality analysis carried out at the BBVA Group level, which is also applicable to the Bank, see the "Materiality analysis" section in chapter "2.7 Additional information" of this report.

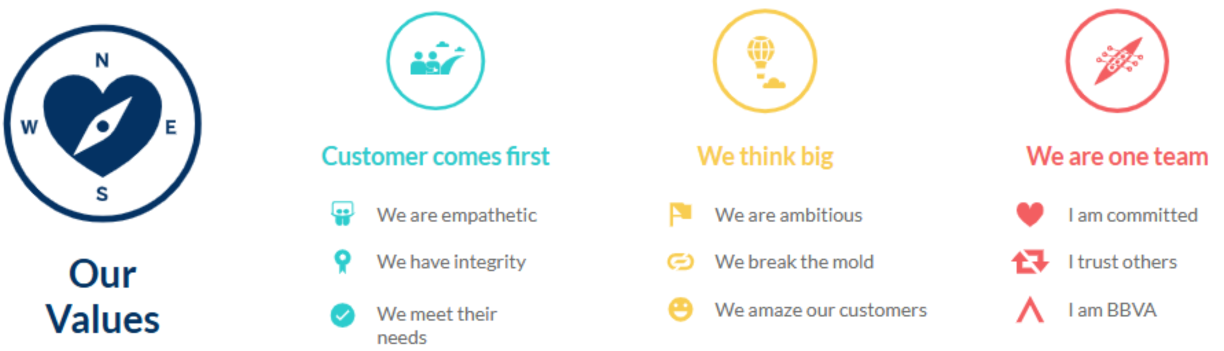
The information included in the Non-Financial Information Statement has been verified by Ernst & Young Auditores, SL, in its capacity as independent provider of verification services, within the scope indicated in its Verification Report.

2.1 General information

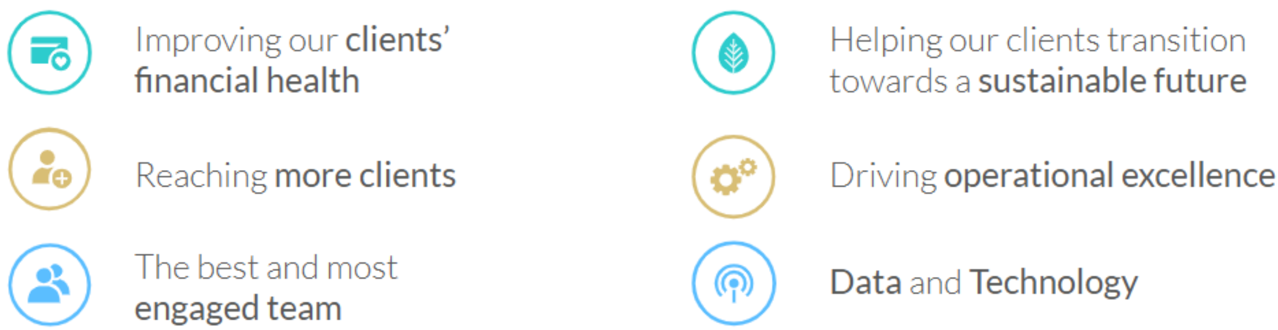
BBVA's strategy and business model encompasses the entire Group, including BBVA SA, and revolves around a single Purpose: "Bringing the opportunities of this new era to everyone," always keeping the customer at the center of the BBVA Group's activity. the Group is also based on solid values: the customer comes first, we think big, and we are one team.

BBVA's values and associated behaviors are integrated into the key models and levers that promote the Group's transformation, as well as into global people management processes: from the selection of new employees, role assignment processes, evaluation, people development and training to incentives for meeting annual objectives.

These values, together with the Purpose and strategic priorities, guide all decisions and are in the DNA of all the people who are part of the BBVA Group:



Guided by its Purpose and Values, BBVA's strategy is built around six strategic priorities:



Information regarding progress in the execution of the strategy and objectives is broken down in the section "BBVA in brief - BBVA Group strategy" of the BBVA Group Consolidated Management Report.

2.2 Information on customers

Driven by its value "The customer comes first", the BBVA Group places its retail customers at the center of its activity, so much so that it considers them to be one of its six strategic priorities. The relationship with customers goes beyond the provision of services and is aimed at helping them in their transition towards sustainability, improving their financial health and, in short, accompanying them in the fulfillment of their objectives. In order to respond to the needs of its customers, while maintaining responsible conduct, BBVA has developed a differential value proposition thanks to innovation and new technologies that promote a transparent, clear and accessible customer experience, while strengthening and reinforcing security in the existing interactions with its customers.

Conduct with customers

The BBVA Group places customers at the center of its activity, with the aim of building long-lasting relationships based on mutual trust and the contribution of value, as set out in the Code of Conduct. The principles and guidelines set out in this Code are complemented, developed and specified in policies, rules and procedures whose purpose is to adequately address the interests of customers when services are provided to them or products are offered or recommended to them, through any distribution channels, and also considering the life cycle of the product or service.

The Customer Conduct and Product Governance Policy establishes that BBVA will base its relationship with customers on the following principles:

- Appropriate and responsible offering of products and services.
- Transparency in advertising and in the information provided to customers about products and services by providing information before any product or service is arranged, as well as post-contractual information directed to customers and advertising and promotion activities for products and services.
- Managing any potential conflicts of interest that are identified and that may undermine the interests of customers.
- Financial inclusion and customer accessibility to the products and services offered by BBVA, taking into account their personal circumstances and avoiding any unjustified discrimination.
- Prompt and diligent attention and resolution of customer queries, complaints and claims.
- Adequate training of personnel involved in the manufacturing and distribution of products and in the provision of services to customers.

The Policy applies to all BBVA Group entities when they design or distribute products to customers, provide services or manage collective investment vehicles. For more information on the policy and actions in the area of information transparency, see the chapter "Consumers and end users - Transparency in information to customers about products and services" within the section "Social information" of the BBVA Group Consolidated Management Report.

Responsible use of data and cybersecurity

Responsible use of data

The BBVA Group integrates data protection as an essential pillar of its management and is committed to complying with the legislation in this area, including the General Data Protection Regulation ("GDPR"). This regulation not only applies to data controllers established in the European Union, but also to those who, although not established in the European Union, process personal data derived from an offer of goods or services aimed at citizens of the Union.

In line with the above, the Group considers the fundamental right to data protection as one of its priorities in its relations with its customers, shareholders, suppliers, employees and third parties (hereinafter, the "Interested Parties"), who, as owners of their personal data, deserve the effective application of the highest standards of protection and control over them. This fundamental principle is present in all of the Group's strategic and business decisions, and is the basis of the General Data Protection Policy and the Corporate Standard on personal data protection that develops it, and which describe how the Group 's entities must treat the personal data of interested parties to ensure their protection.

For more information on collaboration with clients in the area of personal data protection and other actions in this area, see the chapter "Consumers and end users - Responsible use of data" within the section "Social information" of the BBVA Group Consolidated Management Report.

Cybersecurity

Digital transformation and new emerging technologies mean an increase in the threats that organizations must face, as well as in the surface area of exposure to risk, which entails new challenges that affect security, privacy and, in general, digital trust, all key aspects for the better development and stability of the digital economy.

Based on this, BBVA designed and implemented a series of procedures, actions and measures in the area of information security and cybersecurity that aim to ensure the protection of assets and information and, therefore, the protection of its customers' finances, as well as maintaining their trust in the Group.

For BBVA, information security is not only an essential element in ensuring operational resilience, but also one of the cornerstones in its strategy. Information security is structured around four fundamental areas of action: **(I) Cybersecurity, (II) Data security, (III) Physical security and (IV) Security in business processes and fraud**. A program has been designed for each of these pillars with the aim of reducing the risks to which the Group is exposed. These programs, which consider the best practices provided for in internationally recognized security standards, are periodically reviewed to assess progress and the effective impact in mitigating such risks.

For more information on actions and initiatives in this area, see the chapter “Consumers and end users - Cybersecurity” within the section “Social information” of the BBVA Group Consolidated Management Report.

Customer experience

Providing a differentiated customer experience and improving their financial health is one of the Group's strategic priorities. An experience characterized by its simplicity, convenience and agility, always accompanied by all the necessary information and tailored advice that helps the customer make a decision tailored to their financial needs at all times.

To this end, the Group has implemented new ways of working, with multidisciplinary and multi-country teams that, in a synchronized manner, develop and implement a value proposition focused on the real needs of customers through three fundamental axes:

- Helping customers make the right financial decisions by providing relevant information;
- Providing the best solutions that generate confidence in customers, in a way that is clear, transparent and complete, and all of this;
- Through an easy and convenient experience, using digital channels or human interaction according to the customer's needs.

To achieve this efficiently and satisfactorily for the customers, it is essential to listen to them. For this reason, for more than a decade, the Group has been using the globally recognized Net Promoter Score (NPS) methodology, which allows for comprehensive management of customer and non-customer feedback, collected through various channels during the year. This methodology is included in the internal regulations applicable in all countries.

For years now, the NPS has been part of the strategic indicators that are monitored monthly at the Senior Management level, both at the Group level and locally, being subject to a global governance procedure and model and included in the incentive model for all Group employees.

The Group internalizes and applies this methodology by continuously collecting feedback, analyzing it monthly to identify strengths and areas for improvement, and disseminating it to the Management Committees. This allows it to establish tactical and strategic action plans, while also monitoring the impact of the improvements made. It also provides a common language, both internally and with customers, which encourages the involvement of everyone and ensures that the customer voice is integrated into all of the Group's actions right from the outste.

For more information on customer experience management, see the chapter “Consumers and end users - Customer experience” within the “Social information” section of the BBVA Group Consolidated Management Report.

Accessibility

Accessibility to products and services, through digitalization, is a key part of the BBVA Group's strategy. Throughout 2024, significant progress was made in this area, by promoting access to inclusive and sustainable financial services and products for all customers, regardless of their characteristics, capabilities or location.

Improving customer experience, accessibility and inclusion through digitalization is a business strategy that has been embraced in the Strategic Plan (the “Plan”), developed over a 5 year horizon and which guides for the development and promotion of the digitalization of the Group's customers and future customers, as one of the main aspects developed by the Plan.

Digitalization also stands out as an important lever to promote financial inclusion in the different geographies in which the Group operates with various digital products and services.

For more information on how BBVA uses digitization as a lever to become a more accessible and sustainable bank, see the chapter “Consumers and end users - Accessibility to services and products” within the “Social information” section of the BBVA Group Consolidated Management Report.

Customer care

BBVA makes various customer service channels available to customers and non-customers alike (physical, telephone and digital) in order to facilitate, in the most efficient and convenient way for each user, the communication and management of any type of need, query, comment or disagreement they may have in relation to a service, product or banking transaction. To ensure that they are known, all BBVA employees are obliged, as established in the Group's Code of Conduct, to direct users to the resolution channels enabled by the Group. The Group periodically communicates the availability of these channels, which are permanently updated and available to any user, customer or non-customer, on the home page of the online banking platform specific to each geography.

Additionally, and in order to facilitate the exercise of the right to file a claim that every user of the financial services provided by BBVA has, a specific section for claims is included in the contracts, which indicates the channels available and the process to follow. Claims are managed by our own teams, all of which are governed by a model based on two key aspects: a quick resolution and, most importantly, the analysis and elimination of the origin of the causes that cause them. This model is deployed at the level of each geography, where internal guidelines are adapted to collect those aspects necessary to comply with the corresponding local regulations in relation to the attention, treatment and resolution of claims (Ministerial Order ECO / 734/2004, of March 11, of the Ministry of Economy in Spain). This model is considered to add value when it comes to improving the customer experience, generating peace of mind and strengthening customer trust, providing a quick resolution to their problems, through a simple and agile experience, and with a clear and personalized response.

In compliance with the above, BBVA has a Customer Support Service in each of its geographies with banks, functioning as an internal service with sufficient autonomy so that its decisions cannot be affected by conflicts of interest. The service has technological and human resources enabling it to handle and swiftly resolve complaints received from customers and record all related information; a process that allows the Group to then identify improvements, both at the level of the management model itself, as well as specific improvements regarding the response process, cause analysis, etc.

Information on the trend in the volume of complaints, response times, main reasons and root causes of these, among others, is regularly presented to:

- the Board of Directors of the BBVA Group in the annual report;
- Senior Management in each region for monitoring and decision-making;
- the relevant regulators and supervisors (for example, at Group level in the semi-annual reports to the Bank of Spain and the European Central Bank).

Customer Care Service and Customer Ombudsman in Spain

The activities of the Customer Support Service (CSS) and the Customer Ombudsman in 2024 were carried out in accordance with Article 17 of Ministerial Order (OM) ECO/734/2004, of March 11, of the Ministry of Economy and in compliance with the competencies and procedures set out in the Group's Customer Protection Regulation in Spain, approved on July 23, 2004 by the Group's Board of Directors and successive modifications (the last one on February 25, 2021). Article 5 that this Regulation states that the CSS and the Customer Ombudsman must present, to the BBVA Board of Directors within the first quarter of each year, a joint or separate explanatory report for all the entities of the BBVA Group included in the scope of this Regulation, containing statistical summaries, the general criteria contained in the decisions issued in relation to the most frequently complained about matters and recommendations and suggestions to improve the service provided to customers and avoid bad banking practices.

Based on the aforementioned regulations, the SAC is entrusted with the function of attending to and resolving complaints and claims received from customers in relation to products and services marketed and sold in Spanish territory by BBVA Group entities.

Meanwhile, and also based on the aforementioned regulations, the Customer Ombudsman hears and resolves, in the first instance, the complaints and claims submitted by members and beneficiaries of pension plans, as well as those relating to insurance and other financial products that the BBVA Group's CSS sees fit to transfer due to the amount involved or particular complexity, as established in Article 4 of the Customer Protection Regulation. In the second instance, it hears and resolves complaints and claims, within the quantitative limits established by the Regulation, that customers decide to submit for its consideration after their claim hsa been rejected by the CSS.

Activity report on the Customer Care Service in Spain

At BBVA, customer protection is considered a fundamental priority, and despite the best efforts made and the control measures in place, this is not an error-free activity. Therefore, it is essential to anticipate the possibility of such errors occurring and to proceed proactively to correct them. To do so, the relevant protocols and delegations must be implemented so that this process is as quick as possible without the need to file a claim.

To this end, the CSS is responsible for internally transferring the criteria and recommendations that regulators make clear in their reports, promoting compliance with applicable regulations on transparency and customer protection. The service also ensures compliance with the good banking practices and customs applied at BBVA. To this end, it participates in the various internal communication channels aimed at the commercial network or in the committees that authorize the creation of new products and services, among many other forums.

The CSS is also tasked with addressing and resolving complaints from BBVA Group customers in Spain in a timely manner. It thus constitutes an early alert mechanism for problems arising from the marketing of products or services and/or the relationship between the bank and its customers.

The management of these claims leads to actions aimed not only at solving the particular case, but also at detecting the causes that give rise to the claim. The CSS continuously analyses data on the management of claims in order to identify and address recurring or systemic problems, along with potential legal, operational and conduct risks.

As a result of this analysis and evaluation work, the SAC coordinates and heads up various committees and working groups in which BBVA's recurring, systemic or potential problems are highlighted and in which solutions aimed at the continuous improvement of the service provided by BBVA are studied, assessed and promoted.

The CSS, in line with BBVA's values, provides coherence and meaning to all operations, playing an essential role in BBVA's relationship with its customers.

The number of user complaints received by the BBVA, S.A. Customer Care Service (SAC) in Spain in 2024 amounted to 264,527 (162,861 in 2023), of which 155,370 were admitted (135,302 in 2023). On the other hand, 110,146 files were not admitted for processing due to not meeting the requirements set out in OM ECO/734 (including complaints pending at the end of 2023).

During the same period, 162,041 complaints were resolved by the Customer Care Service (SAC) (including complaints pending at the end of 2023). 3,328 complaints remained pending analysis as of December 31, 2024.

The increase in claims is mainly due to the increase in claims related to the costs of formalizing mortgage loans.

The average resolution time for claims in 2021 was 11 days[1], well below the legal term required.

The main types of claims received in 2023 were those related to checking accounts and mortgage loans.

Additional complaints data points as of December 31, 2024 and 2023 are provided below:

COMPLAINTS HANDLED BY THE CUSTOMER CARE SERVICE BY COMPLAINT TYPE (BBVA, S.A. PERCENTAGE)

Type	2024	2023
Resources	17	25
Credit cards	36	24
Fraud	18	21
Assets products	10	11
Financial counselling and quality service	5	6
Collection and other services	3	4
Insurances	3	2
Securities and equity portfolios	1	1
Other	7	6
Total	**100**	**100**

COMPLAINTS HANDLED BY THE CUSTOMER CARE SERVICE ACCORDING TO RESOLUTION (BBVA, S.A. NUMBER)

	2024	2023
In favor of the person submitting the complaint	44,034	42,774
Partially in favor of the person submitting the complaint	5,938	6,545
In favor of the BBVA Group	112,069	80,333
Total	**162,041**	**129,652**

Activity report of the Customer Ombudsman in Spain

In 2024, In 2024, 2,065 customer complaints were submitted to the Customer Ombudsman's Office (1,233 in 2023). Of these, 40 were not admitted for processing due to not meeting the requirements set out in OM ECO/734/2004, and 51 remained pending as of December 31, 2024.

26.97% of customers who filed a complaint with the Customer Ombudsman in 2024 obtained some form of satisfaction, total or partial, from a resolution by the Customer Ombudsman's Office in 2024 (31.70% in 2023). Customers who are not satisfied with the response from the Customer Ombudsman can contact the official supervisory bodies (Bank of Spain, CNMV and Directorate General of Insurances and Pensions Funds). 139 complaints were submitted by customers to the supervisory bodies in 2024 (124 in 2023).

BBVA continues to make progress in implementing the various recommendations and suggestions made by the Customer Ombudsman regarding the suitability of products to the profile of customers and the need for transparent, clear and responsible information. Throughout 2024, due to the type of complaints received, the Ombudsman's suggestions focused on the need to adopt measures to improve customer service protocols, especially in matters such as pension plans and blocking, and, as in previous years, to reinforce and improve the measures that the Bank is adopting to prevent and raise awareness among customers about cyber fraud.

[1] The claims considered for the calculation of the average resolution time include the claims resolved during the 2024 financial year, including claims pending resolution at the end of 2023.

The data on claims managed by the Ombudsman's branch by type of claim, at the end of 2024 and 2023, are detailed below:

COMPLAINTS HANDLED BY THE CUSTOMER OMBUDSMAN OFFICE BY COMPLAINT TYPE (BBVA, S.A. NUMBER)		
Type	**2024**	**2023**
Insurance and welfare products	—	—
Assets operations	28	72
Investment services	31	24
Liabilities operations	128	73
Other banking products (credit card, ATMs, etc.)	316	482
Collection and payment services	492	362
Other	163	220
Total	**1,158**	**1,233**

The categorization of the complaints handled in the above table follows the criteria established by the Complaints Department of the Bank of Spain, in its requests for information.

The data on complaints handled by the Customer Ombudsman by outcome, at the close of 2024 and 2023, are as follows:

COMPLAINTS HANDLED BY THE CUSTOMER OMBUDSMAN OFFICE ACCORDING TO RESOLUTION (BBVA, S.A. NUMBER)		
	2024	**2023**
Formal resolution	—	—
Estimate (in whole or in part)	310	402
Dismissed	800	865
Processing suspended	0	1
Total	**1,110**	**1,268**

2.3 Information on employees

BBVA has one Purpose: “To bring the age of opportunity to everyone”. A Purpose that seeks to help all stakeholders, customers, shareholders and also its employees, to meet their life goals. The aim as an organization is to have the best and most engaged team, which is one of BBVA’s six strategic priorities (see “BBVA Group Strategy”). Therefore, BBVA must be able to attract, motivate, train and retain the best talent, aligned with the Group’s values.

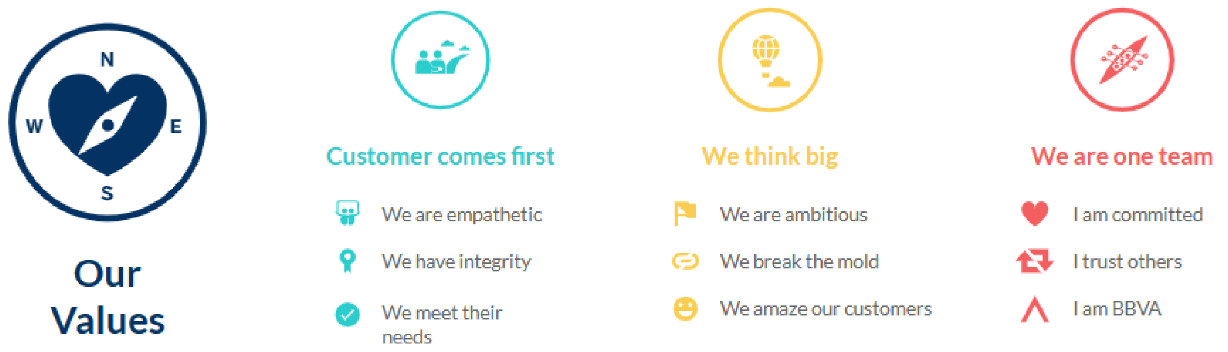
BBVA's people management strategy is based on three strategic principles:

- A culture and values of inspiration and connection
- A winning team in our businesses
- The best environment of our talent

The comprehensive management of these three principles had a positive impact on the Group's employees engagement in 2024, as shown by the results of the 2024 Gallup survey, where BBVA obtained a score of 4.46 (+0.03 compared to 2023), ranking in the 78th percentile in relation to all companies participating in the survey (+2% compared to 2023), consolidating its position among the top 25% companies.

In 2024, BBVA has continued to promote employee initiatives that have enabled progress in different areas of people management, aligned with the three strategic principles.

BBVA's values and behaviors guide employees in their day-to-day decision-making and help them achieve this Purpose of “To bring the age of opportunity to everyone.” Values and behaviors are the hallmark of everyone who works in the Group and define BBVA's actions.



BBVA's values are integrated into the key models and levers that promote the Group's transformation. They are also embedded in global people management processes, from the selection of new employees to incentives for meeting annual objectives, including processes for assigning roles, evaluation, people development and training.

Professional development

Talent attraction

BBVA seeks to offer a unique value proposition through a common brand as a global and digital entity. The Group has clear policies at a global level that strengthen transparency, trust and flexibility for all stakeholders in the process. Innovation and technology are the fundamental levers of BBVA's transformation.

In 2024, BBVA evolved its global model for attracting talent and internal mobility, redefining its organizational, operational and process model to boost proactive candidate searches and expand its presence in strategic niches in technology and investment banking. In addition, the technological transformation carried out enabled selection teams to be equipped with cutting-edge tools, promoting an analytical and personalized approach that places the candidate experience at the center of each process.

This progress was complemented by new capabilities in attraction and branding, designed to strengthen BBVA's global positioning as a benchmark employer. These initiatives improve the connection with the most dynamic and competitive markets, as well as reinforcing BBVA's proposition as a place where talent finds the best environment to give its best. In this way, BBVA aims to position itself at the forefront of talent acquisition and in building a more innovative and sustainable future.

Development

BBVA offers its employees quality employment that materializes in different areas.

One of them is professional development, in which the Group has a corporate model of professional development that provides employees with autonomy, information and tools to make the best professional decisions for their growth and development. It is a global model that places the person at the center of their professional development and is based on the criteria of trust, empowerment and transparency, which govern the relationship between BBVA and its employees. In this way, at BBVA employees are responsible for their own professional development and have the role of the manager as their main support to accompany and guide them throughout their journey at BBVA.

The fact that **BBVA** has an **advanced development model** has a positive impact on the level of employee commitment to the Group, a strategic objective of the Talent & Culture area and, which is measured annually through the Gallup survey.

During 2024, BBVA continued to promote the role of the manager as a key figure in BBVA's transformation, defining the characteristics of a good manager and the key competencies they must possess in order to periodically evaluate them and develop and implement personalized growth plans that allow them to continue growing professionally. This leadership approach seeks to empower and demand teams to give their best while fostering inspirational and honest leaders who achieve business objectives, live BBVA's values and develop their teams. **Managers play a key role within the organization in driving transformation.**

This professional development model is implemented at BBVA, SA and there are Talent and Culture teams responsible for its periodic implementation, monitoring and subsequent feedback collection. For more information on professional development and its elements, see the chapter “Own workforce - Quality employment” in the BBVA Group Consolidated Management Report.

Training[2]

BBVA's training model places employees at the center of their professional development, using data to define a personalized value proposition with the aim of providing them with the necessary resources to be the protagonists of their learning experience and thus be able to make decisions that accelerate their professional growth.

In 2024, BBVA has continued to boost the strategic capabilities needed to face the challenges of the future, prioritizing key areas such as cybersecurity, data, design and behavioral economics which are described in the chapter “Own workforce – Quality employment” of the BBVA Group Consolidated Management Report.

The basic training data for 2024 and 2023 are shown below:

BASIC TRAINING DATA (BBVA, S.A.)

	2024	2023
Total investment in training (millions of euros)	25.8	23.0
Investment in training per employee (euros) (1)	1,106	1,011
Employees who received training (%) (2)	99.1	99.0
Satisfaction with the training (rating out of 10)	9.7	9.7
Amounts received from FORCEM for training in Spain (millions of euros)	1.7	1.5

(1) Ratio calculated considering the BBVA´s workforce at the end of each year (23,330 in 2024 and 22,741 in 2023).

(2) Ratio calculated by dividing the total training hours for the entire year by the Group's total workforce at closing, with access to the training platform.

[2] The quantitative data in the "Training" section correspond to BBVA, S.A. employees. in Spain.

TRAINING DATA BY PROFESSIONAL CATEGORY AND GENDER [1] (BBVA, S.A. 2024)

	Number of employees with training			Training hours (thousands)		
	Total	Male	Female	Total	Male	Female
Management team [2]	2,238	1,501	737	87.72	57.10	30.61
Managers	10,742	5,793	4,949	638.83	324.53	314.30
Rest of employees	10,144	4,171	5,973	589.98	256.25	333.73
Total	**23,124**	**11,465**	**11,659**	**1316.53**	**637.89**	**678.64**

[1] Data including the Bank's total workforce at closing.

[2] The management team includes the highest range of the Bank´s management.

TRAINING DATA BY PROFESSIONAL CATEGORY AND GENDER [1] (BBVA, S.A. 2023)

	Number of employees with training			Training hours (thousands)		
	Total	Male	Female	Total	Male	Female
Management team [2]	2,056	1,400	656	65	41	24
Managers	10,371	5,585	4,786	590	300	290
Rest of employees	10,099	4,140	5,959	684	294	391
Total	**22,526**	**11,125**	**11,401**	**1,339**	**635**	**704**

[1] Data including the Bank's total workforce at closing

[2] The management team includes the highest range of the Bank´s management.

Diversity and inclusion

BBVA **is committed to diversity and inclusion, which is a key part of its mission and values,** promoting equal opportunities among all its employees so that its team faithfully represents the society in which it operates. Having diverse teams allows BBVA to understand and respond more effectively to the needs of its customers, recognizing that each person contributes valuable perspectives that enrich both the organization and society as a whole.

In terms of equal opportunities, BBVA has worked hard to promote gender equality. In this regard, in recent years it has approved in recent years objectives for achieving a minimum proportion of women at the highest levels of the organization. Thus, after having already achieved the target of 40% women on the Board of Directors in 2023, another milestone was reached in 2024 having 35% of women on the management team by 2024, a target committed to in 2022.

Following the achievement of these milestones, BBVA's commitment remains unchanged and further efforts are being made to increase this percentage to values closer to parity. In this regard, a new objective of 36.8% of women in management positions by the end of 2026 was set in February 2024, as announced when communicating the objectives associated with long-term variable remuneration for2023.

In 2022, BBVA published its **"Diversity Guidelines**", a document that constitutes the general guide of action regarding diversity, inclusion and equity, taking as a fundamental basis the BBVA Purpose: "To bring the age of opportunity to everyone.". This document, approved by the Global Head of Talent & Culture, embodies at an institutional level BBVA's commitment to diversity, inclusion and equity where respect for differences is part of the strategy.

This commitment to equal opportunities involves **promoting and living diversity in BBVA's relationship with its different stakeholders** (customers, partners, employees, etc.) by promoting a culture that embraces the differences that exist in the BBVA community, where the uniqueness of each person is the driving force that encourages them to develop their full potential.

The guidelines explicitly prohibit discrimination based on race, sex, age, or any other circumstance and define the five groups with which BBVA works:

- Gender diversity.
- LGBTQI+ diversity.
- Generational diversity.
- People with disabilities.
- Cultural and ethnic diversity.

BBVA makes these guidelines known to its employees through various communication channels.

Further regulations also linked to equal opportunities include the BBVA Code of Conduct, which expressly prohibits any type of discrimination based on sex, race, age or sexual condition, and the Equality Plan, signed in Spain with employee representatives in 2023. Likewise, BBVA has prevention and action protocols in place against sexual harassment in the main geographies in which it is present, which expressly set out its rejection of any behavior of a sexual nature or connotation that has the intention or produces the effect of attacking the dignity of a person. BBVA applies this protocol as a means of preventing, detecting, correcting and sanctioning any such conduct within the company.

BBVA counts with the participation of its stakeholders in the so called Employee Resource Groups (ERGs). These ERGs, due to their identity in terms of diversity, inclusion and equity, are two-way spaces for communication, interaction and learning on how to approach diversity at BBVA. They are made up of employees who, voluntarily, unpaid and in their free time, decide to put their knowledge and experience at the service of diversity at BBVA. ERGs have been set up in the five lines of work on diversity (gender, LGBTIQ+, generational, people with disabilities and cultural and ethnic).

These groups work in a coordinated manner alongside BBVA's diversity teams, to whom they provide feedback from colleagues, advice and specialized help on their areas of expertise, and they take part in the various events that the Group organizes around diversity. Periodic meetings of the diversity team are organized with representatives of the different ERGs and they are also invited to the biweekly meetings of the Community of Practice. The effectiveness of this collaboration with employees and the results obtained are demonstrated by the high number of initiatives launched and the significant number of employees impacted by the initiatives.

Diversity initiatives, including those developed for BBVA, SA, are described in the chapter “Own workforce - Equal opportunities” of the BBVA Group Consolidated Management Report.

As of December 31, 2024, BBVA, S.A. had 151 [3] people with disabilities on the staff (147 in 2023).

BBVA in Spain also favors inclusion and diversity by engaging services through "special employment centers" (CEEs, for its acronym in Spanish). These are sheltered employment companies where the labor integration of people with disabilities is promoted. During the 2024 financial year, the turnover of CEEs to the Bank amounted to approximately 2.4 million euros (2.5 million euros in 2023).

Main employee metrics

EMPLOYEES BY COUNTRIES AND GENDER (BBVA, S.A. NUMBER)

	2024			2023		
	Nº of employees	Male	Female	Nº of employees	Male	Female
Spain	21,965	10,726	11,239	21,571	10,527	11,044
The United States	348	232	116	288	193	95
France	77	53	24	75	53	22
United Kingdom	234	150	84	154	103	51
Italy	85	51	34	65	35	30
Germany	62	38	24	47	32	15
Belgium	16	9	7	19	11	8
Portugal	344	181	163	350	181	169
Hong Kong	120	68	52	104	60	44
China	34	7	27	27	6	21
Japan	8	6	2	6	5	1
Singapore	16	3	13	16	4	12
United Arab Emirates	1	1	—	1	1	—
India	2	1	1	2	1	1
Indonesia	2	1	1	2	1	1
South Korea	2	1	1	2	1	1
Taiwan	14	5	9	12	4	8
Total	**23,330**	**11,533**	**11,797**	**22,741**	**11,218**	**11,523**

EMPLOYEES AVERAGE AGE AND DISTRIBUTION BY AGE STAGES (BBVA, S.A. YEARS AND PERCENTAGE)

	2024				2023			
	Average age	<30	30-50	>50	Average age	<30	30-50	>50
Total	45.6	7.4	62.0	30.6	45.4	6.5	66.7	26.9

EMPLOYEES DISTRIBUTION BY PROFESSIONAL CATEGORY AND GENDER (BBVA, S.A. PERCENTAGE)

	2024			2023		
	Total	Male	Female	Total	Male	Female
Management team [(1)]	9.6	67.1	32.9	9.1	68.2	31.8
Managers	46.2	53.9	46.1	45.8	53.8	46.2
Rest of employees	44.2	41.0	59.1	45.1	41.0	59.0
Total	**100.0**	**49.4**	**50.6**	**100.0**	**49.3**	**50.7**

[(1)] The management team includes the highest range of the Bank´s management.

[3] This is the data from BBVA, S.A. (without the branches of the foreign network or Portugal).

EMPLOYEE DISTRIBUTION BY TYPE OF CONTRACT AND GENDER (BBVA, S.A. PERCENTAGE)

	2024			2023		
	Total	Male	Female	Total	Male	Female
Permanent employee full-time	99.9	49.4	50.6	99.9	49.3	50.7
Permanent employee part-time	—	—	100.0	—	—	—
Temporary employee	0.1	57.9	42.1	0.1	53.9	46.2
Total	**100.0**	**49.4**	**50.6**	**100.0**	**49.3**	**50.7**

EMPLOYEE DISTRIBUTION BY TYPE OF CONTRACT AND AGE STAGES (BBVA, S.A. PERCENTAGE)

	2024				2023			
	Total	<30	30-50	>50	Total	<30	30-50	>50
Permanent employee full-time	99.9	7.3	62.1	30.6	99.9	6.4	66.7	26.9
Permanent employee part-time	—	—	75.0	25.0	—	—	100.0	—
Temporary employee	0.1	89.5	10.5	—	0.1	88.5	11.5	—
Total	**100.0**	**7.4**	**62.0**	**30.6**	**100.0**	**6.5**	**66.6**	**26.9**

EMPLOYEE DISTRIBUTION BY PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (BBVA, S.A. PERCENTAGE)

	2024			2023		
	Permanent employee full-time	Permanent employee part-time	Temporary employee	Permanent employee full-time	Permanent employee part-time	Temporary employee
Management team [(1)]	100.0	—	—	100.0	—	—
Managers	100.0	—	—	100.0	—	—
Rest of employees	99.8	—	0.2	99.8	—	0.2
Media BBVA	**99.9**	**—**	**0.1**	**99.9**	**—**	**0.1**

[(1)] The management team includes the highest range of the Bank´s management.

In 2024, the annual average of full-time permanent contract, part-time permanent contract and temporary contract was 99.9%, 0.0% and 0.1%%, respectively (in 2023, 99.9%, 0.0% and 0.1%, respectively)[4].

DISCHARGE OF EMPLOYEES BY DISCHARGE TYPE AND GENDER (BBVA S.A. NUMBER)

	2024			2023		
	Total	Male	Female	Total	Male	Female
Retirement and early retirement	205	135	70	179	104	75
Voluntary redundancies	17	13	4	30	18	12
Resignations	322	175	147	331	178	153
Dismissals	54	39	15	62	43	19
Others [(1)]	409	169	240	348	118	230
Total	**1,007**	**531**	**476**	**950**	**461**	**489**

[(1)] Others include permanent termination and death.

DISCHARGE OF EMPLOYEES BY DISCHARGE TYPE AND AGE (BBVA S.A. NUMBER)

	2024				2023			
	Total	<30	30-50	>50	Total	<30	30-50	>50
Retirement and early retirement	205	—	2	203	179	—	4	175
Voluntary redundancies	17	—	6	11	30	—	8	22
Resignations	322	129	176	17	331	119	189	23
Dismissals	54	3	32	19	62	2	34	26
Others [(1)]	409	117	206	86	348	63	224	61
Total	**1,007**	**249**	**422**	**336**	**950**	**184**	**459**	**307**

[(1)] Others include permanent termination and death.

[4] The annual average data are not disclosed by gender, age and professional category since the annual average does not differ significantly from the staff data at the end of the financial year provided.

DISMISSALS BY PROFESSIONAL CATEGORY AND AGE STAGES (BBVA S.A. PERCENTAGE)	2024				2023			
	Total	<30	30-50	>50	Total	<30	30-50	>50
Management team [1]	16.7	—	33.3	66.7	22.6	—	21.4	78.6
Managers	37.0	—	80.0	20.0	48.4	3.3	73.3	23.3
Rest of employees	46.3	12.0	52.0	36.0	29.0	5.6	50.0	44.4
Total	**100.0**	**5.6**	**59.3**	**35.2**	**100.0**	**3.2**	**54.8**	**41.9**

[1] The management team includes the highest range of the Bank´s management.

Working environment

BBVA continues to make progress in its transformation process, anticipating and redefining the aspects which are key for motivating and protecting its teams, and making it easier for them to work together. Below are the actions and/or policies that the Group has in place in the area of working conditions and employee rights, work/life balance and occupational health and safety.

Work organization

In 2024, BBVA maintained the **flexible work model** in those functions where it is viable, with a general model that consists of working a minimum of 60% of the working day in person and a maximum of 40% remotely, although there are adaptations to this model, depending, among other factors, on the local legislation of each country or by the type of function performed.

This voluntary work model, which is generally reversible for both BBVA and the employee, is based on flexibility, responsibility and trust in people. While respecting the flexibility to specify the days of remote work, efforts are made to coordinate the people who make up the work teams so as to help make sure that they work together at the same time, in the belief that closeness between people is key to building solid and cohesive teams.

BBVA believes that this benefit also allows for better organization of work, since the employee distributes his work time in a more efficient way, with a positive influence on his satisfaction, commitment and productivity.

Digital disconnection

The right to digital disconnection is included in the different regulations and internal policies of each country. It is recognized it as a fundamental right for achieving a better organization of working time in order to respect private and family life, to improve the reconciliation of personal, family and work life and to help optimize of workers' occupational health.

To promote disconnection, initiatives have been carried out such as not sending emails, not calling meetings after certain hours in the afternoon or during weekends and holidays or not calling meetings one afternoon a week to dedicate that time to task planning and individual work. Workers are reminded of these measures through regular communications.

Maternity and paternity leave

In **Spain (BBVA, S.A.)**, in order to protect the period of pregnancy and child care, affected workers may shorten their working hours by reducing the time of a midday break or reducing the work day by one hour. The enjoyment of leave for infant care is improved, so that if this is through a reduction in working hours, the time of the reduction is extended from half an hour to one hour, and if it is enjoyed in the form of accumulated leave, the period for taking this leave is extended until the child is twelve months old instead of nine. During maternity or paternity leave, BBVA supplements the economic benefits up to 100% of the usual salary, and upon return, both the mother and the non-gestational parent can convert their split shift day into a continuous one until the child is twelve months old (an option that also extends to cases of adoption of a child up to five years of age. The period to be able to enjoy a reduction in working hours is extended from when the child turns twelve until the end of the school year. And in the event of the birth or adoption of a disabled child, employees may have twenty-two days' leave, reduce their working hours or have additional flexibility to that which generally exists in working hours.

Additionally, BBVA offers its employees the possibility of enjoying certain permits to care for family members for health reasons, with varying degrees of coverage depending on the specifics of local legislation and public systems. In this regard, Spain has a range of licenses/leaves that can be taken for this purpose with different levels of remuneration, as well as specific financial aid.

Freedom of association and representation

100% of the Group's employees in Spain (with the exception of Senior Management) are subject to the provisions of sector-specific collective agreements, which are sometimes supplemented by company-level collective agreements that develop and improve upon the provisions of said agreements, and which are signed with the employees' representatives at those companies that have such representation. It is the responsibility of the negotiating parties to establish the duration of the agreements.

In Spain, all workers have the right to freely join a union and to engage in union activities. Any rule or decision that entails any type of discrimination based on membership or non-membership of a union, or the exercise of union activities in general, will be null and void. Workers' representatives are elected every four years by personal, free, direct and secret suffrage, and are informed of any relevant changes that may occur in the working organization at the company, in accordance with the terms provided for in current legislation.

Occupational safety and health

BBVA considers the positive contribution to the safety, health and physical integrity of its employees as a basic principle for improving the work environment.

Prevention of occupational risks

The Group's occupational risk prevention model is regulated by local rules, conventions and agreements in the geographies in which BBVA is present. In all cases, employees have the right to consult and get involved in these matters, which is exercised and articulated through union or stakeholder representation on the various existing committees.

BBVA's Occupational Risk Prevention Management System: (1) identifies and assesses risks, establishes the criteria, methods and resources that ensure the effectiveness of the management system; (2) analyzes the results obtained; and (3) implements actions to improve processes and the system. This system complies with the requirements of the OSHAS 18001:2007 standard.

As a cornerstone of this system, the Group has an Occupational Risk Prevention Plan, which is integrated into the Group's general management system. It has also an occupational risk prevention policy implemented annually through actions and with specific objectives for action in this area. Among these actions, BBVA includes: occupational risk assessments (including psychosocial risks); specific assessments of particularly sensitive personnel and pregnant workers; training and information for workers; safety inspections, investigation and reporting of accidents; actions to coordinate business activities for works and services; health surveillance through medical examinations; preventive health campaigns as well as satisfaction surveys.

There is also an Emergency Action Plan that includes guidelines for dealing with possible emergencies, determines the necessary people who, duly organized and trained, guarantee speed and efficiency in the actions to be undertaken and offer information to the users of the facilities on how they should act in the event of an emergency, while also ensuring coordination with external services.

Health and well-being program

BBVA's Health and Wellbeing program is made up of two pillars: Work Better and Enjoy life. The tagline “You Move Us” is a set of initiatives that aim to care for the people who are part of BBVA, providing the necessary empowerment for them to be the protagonists of their own health.

The “Work Better” axis fosters a culture based on engagement, trust and respect for others’ time to achieve the best productivity and efficiency and optimal use of working time. Digital disconnection, work flexibility, active listening and efficient meetings are promoted.

The "Enjoy Life" axis focuses on the comprehensive health and well-being of the staff, in line with the United Nations and WHO 2030 Agenda, and has been undertaken through two main pillars:

1. **Mind** (mental health / stress management). Various initiatives have been carried out: informative conferences, workshops and courses on emotional management and the implementation of a psychological support program for employees and their cohabiting family members, which has proved to be very popular. Workshops have been held on anxiety management, help with digital disconnection, positive psychology, mindfulness, a reading club, knitting, etc. Additionally, adequate sleep hygiene has been promoted among employees through conferences, courses, workshops and sleep studies.
2. **Body**. Campaigns have been carried out cancer prevention, food and nutrition, and to promote physical exercise, prevent neurodegenerative diseases, address migraines in the workplace, prevent diabetes, and vaccinate against influenza, Covid, dengue, etc., reinforced with courses, workshops and conferences delivered by renowned experts in the field. These events have had greater emphasis when they have coincided with the celebration of the corresponding World Days.

In addition, in Spain in 2024, pays special attention to the early detection of different types of cancer. During 2024, the prostate-specific antigen tests for the detection of prostate cancer and the dermatoscopic study for the detection of skin cancer were notable examples. Tonometry and retinographies for the early detection of eye pathologies and nutritional campaigns were also carried out so that each employee can know their body composition and receive specific recommendations on how to improve it. Additionally, a genetic campaign for hereditary diseases has been carried out, permanent preventive campaigns were carried out on the control of modifiable cardiovascular risk factors (smoking cessation, control of hypertension, diabetes, obesity, etc.), stroke prevention, vaccination and blood donation campaigns, alongside with official bodies.

Below are the basic data on occupational health and safety of BBVA, S.A.:

OCCUPATIONAL HEALTH MAIN DATA (BBVA, S.A. NUMBER)

	2024	2023
Employees represented in health and safety committees (%)	100	100
Number of total absences (absences due to common illness plus absences due to work accidents (including in itinere))	6,414	6,264
Number of calendar days of total absenteeism in the year due to illness or work accident (including in itinere) (1)	253,122	172,455
Absenteeism rate (%)	3.2	3.6

General note: BBVA, S.A. data is included (without the branches of the foreign network or Portugal).

(1) Does not include in itinere accidents, working days of absenteeism are considered and the calculation of the absenteeism rate is based on the number of working hours lost.

OCCUPATIONAL ACCIDENT INJURIES BY GENDER (BBVA S.A.)

	2024			2023		
	Total	Male	Female	Total	Male	Female
Number of occupational accidents (without in itinere) (1)	45	14	31	266	91	175
Severity rate for occupational accidents (%)	0.04	0.03	0.06	0.12	0.08	0.16
Frequency rate (%)	1.22	0.78	1.63	2.70	1.79	3.57

General note: Data for BBVA, S.A. (excluding branches of the foreign network and Portugal) are included.

(1) The number of occupational accidents in 2023 also includes the number of accidents in itinere (with and without leave).

In BBVA S.A. there were no cases of occupational diseases among internal personnel, but there was one death considered an occupational accident, due to an acute myocardial infarction.

Remuneration

The corporate governance system defined by the Board of Directors, which guarantees sound management and supervision of the entity, includes gender-neutral remuneration policies and practices, compatible with prudent and effective risk management, aimed at encouraging responsible conduct and fair treatment of customers, while helping to avoid conflicts of interest and promoting competitive remuneration.

BBVA has the following remuneration policies in place, designed within the framework of the specific regulations applicable to credit institutions and taking into account best practices and recommendations on matters of remuneration both locally and internationally (the "Remuneration Policies"):

- **The General Remuneration Policy of the BBVA Group**, which applies, in general, to all Group employees, including BBVA's Senior Management, with the exception of BBVA's executive directors, (the "General Remuneration Policy of the BBVA Group" or the "Policy").

- **The BBVA Directors' Remuneration Policy** (which applies to both non-executive and executive directors).

Both Remuneration Policies are based on the same general principles and are geared towards the recurrent generation of value for the Group, the alignment of the interests of its employees and shareholders, prudent risk management and the development of the defined strategy.

For more information on the general principles on which the Remuneration Policies are based and the applicable corporate variable remuneration model, see the chapter “Own workforce - Quality employment and competitive remuneration” of the BBVA Group Consolidated Management Report.

Average remunerations

Below is the table with the average remuneration of BBVA employees:

AVERAGE REMUNERATION (1) BY PROFESSIONAL CATEGORY, AGE STAGES AND GENDER (BBVA, S.A. EUROS)

	2024			2023 (2)		
	Management team (3)	Managers	Rest of employees	Management team (3)	Managers	Rest of employees
< 30 years						
Male	—	48,301	36,174	—	51,010	33,761
Female	—	48,848	34,829	—	44,426	31,980
30-50 years						
Male	148,787	60,364	43,618	141,037	57,558	42,900
Female	122,346	54,291	42,184	114,404	52,045	41,125
> 50 years						
Male	177,562	67,216	51,266	179,365	66,129	50,848
Female	144,305	61,060	48,592	142,450	60,348	47,846

(1) Considering fixed remuneration and salary allowances (except mobility, housing and expatriation allowances).

(2) Data for 2023 differs from that published in the 2023 Consolidated Statement of Non-Financial Information, as the age brackets have been aligned with ESRS requirements.

(3) This Group does not include the BBVA Top Management.

The differences observed in the average remuneration of some professional categories derive from the varied composition of the same and from other factors such as seniority in the entity or in the position. The average remuneration of each category is influenced by aspects such as the different distribution of men and women in the highest-paid positions.

In the case of executive directors and other members of BBVA Senior Management who held their positions on December 31, 2024, the information on their remuneration is included in Note 50 of the accompanying consolidated financial statements. The remuneration paid to executive directors is individualized and itemized, while for the other members of Senior Management the amounts are presented as an aggregate. The average total compensation of BBVA's senior management (excluding executive directors) in 2024 was 2,442 thousand euros for men (2,437 thousand euros in 2023) and 1,953 thousand euros for women (1,981 thousand euros in 2023).

Pay gap

Remuneration Policies are gender neutral, reflecting equal remuneration for the same functions or functions of equal value, and do not differentiate or discriminate on the basis of gender. The remuneration model takes into account the level of responsibility, the functions carried out and the professional career of each employee, ensuring internal equity and external competitiveness, as well as equal remuneration for men and women.

This model defines a number of positions on which remuneration is based. Each of these positions has a unique theoretical value depending on different factors, such as the level of responsibility, the complexity of the function, the impact on results, and so on. Each position has a unique value linked to the achievement of previously established objectives.

The adjusted salary gap compares the total remuneration received by men and women in equal positions in the Group.

For each of the positions described above, BBVA calculates the average total remuneration received by all the men and women who occupy these positions. BBVA calculates the job-adjusted salary gap as the percentage resulting from dividing the difference of the average of men's salaries minus the average of women's salaries by the average of men's salaries. BBVA Group's adjusted salary gap is calculated as the weighted average of the gaps obtained in each of the positions.

The total remuneration considered includes basic annual remuneration (or base salary), salary supplements (except for mobility, housing and expatriation supplements) and target variable remuneration (or target bonus). BBVA does not include in its calculation elements such as allowances, social benefits, etc., whose amount is very unrepresentative within the total remuneration of employees, and whose award criteria and amounts are clearly defined, not discriminating between men and women.

Based on 2024 and 2023 data, the adjusted pay gap[5] is 0.9% and 2.1% respectively. The calculation of the adjusted gap includes 87.4% of BBVA, S.A. employees. The rest of the employees cannot be incorporated into the calculation because they are associated with positions in which there is no representation of both sexes.

[5] For this calculation, the median is used, since this statistical indicator is less affected by the presence of biases in the distribution of extreme values and better represents the real situation of the Bank.

Pensions and other benefits

BBVA has social welfare systems that are differentiated according to the geographical areas and coverage offered to different groups of employees, with no differences based on gender or personal differences of any other kind. In general, the social welfare system is a defined contribution system for the retirement contingency. The Group's Employee Benefit/Commitment Policy is compatible with the Entity's business strategy, objectives and long-term interests.

Contributions to the social security systems of the Bank's employees are made within the framework of labor regulations and individual or collective agreements applicable to each entity, sector or geographical area. The calculation bases on which the benefits revolve (commitments for retirement, death and disability) reflect fixed annual amounts, with no temporary fluctuations derived from variable components or individual results.

As for the rest of the benefits, the Bank has a benefits package for employees within its specific remuneration scheme, without applying differences based on gender or personal differences of any other type.

2.4 Information on social matters

Contribution to the Community

When it comes to contributing to the inclusive growth of the societies in which the Group is present, BBVA established the 2025 Community Investment Goal, through which it would allocate **550 million euros to social initiatives** to support inclusive growth and **reach 100 million people** between 2021 and 2025.

Both objectives were met, ahead of schedule, on December 31, 2024, with 594 million euros allocated to social programs and almost 106 million people reached.

This plan is structured around three major areas of action and seeks to contribute to the fulfillment of certain Sustainable Development Goals (SDG):

- Reducing inequalities and promoting entrepreneurship (SDGs 8 and 10): includes initiatives that provide access to basic goods and services necessary to improve people's social well-being; training in financial education and digital skills to empower the population, improve their financial resilience and promote financial inclusion, employability and digital security. It also includes support for vulnerable entrepreneurs through the activities of the BBVA Microfinance Foundation[6] and other programs to support SMEs and entrepreneurs.
- Creating opportunities for all through education (SDG 4): includes programs to reduce the digital education gap, scholarships to support access to quality education, programs for the development of values and competencies, programs to support higher education and vocational training. It also includes initiatives for collaboration with public education systems and the creation of free, quality content that is disseminated through various channels of the Group, and
- Supporting research and culture (SDG 9 and 11): includes initiatives to support researchers and creators in the fields of science, culture or economy, support for leading cultural institutions and scientific dissemination.

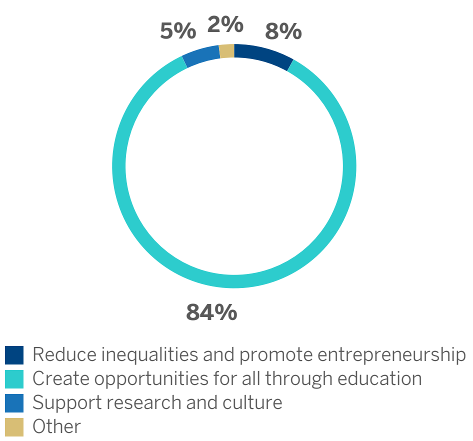
Additionally, in 2024 BBVA launched a social response plan following the flash floods that struck the Spanish regions of Valencia, Castilla la Mancha and Andalusia on October 29, in order to help alleviate the effects of the humanitarian emergency. Among the measures adopted, 4 million euros in favor of the Spanish Red Cross (delivered in January 2025), as well as the launch of a donation campaign in favor of said entity, which has channeled donations from employees, customers and non-customers worth about 7.4 million euros through Bizum.

In 2024, BBVA S.A. allocated 28.6 million euros[7] to community investment (27.8 million euros in 2023). Through this contribution, 33 million people[8] have been reached (33.2 million in 2023)[9].

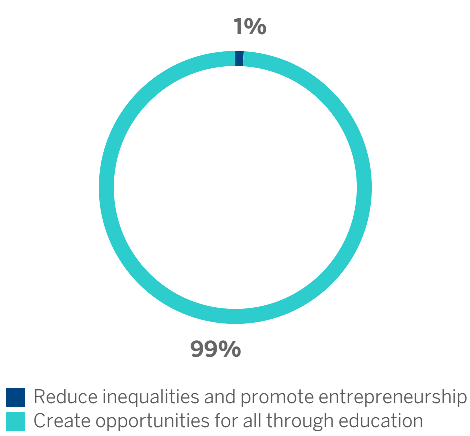
BBVA also carries out other notable initiatives to contribute to the community, such as community service activities, alliances with environmental organizations, support for non-profit entities, the promotion of corporate responsibility through its involvement in different working groups and in initiatives (SDG 17).

Below, the investment and people reached (in percentage) of the Commitment to the Community in 2024 are broken down by focus of action, which have been described at the beginning of this section:

CONTRIBUTION TO THE COMMUNITY (INVESTMENT) BY FOCUS. 2024



CONTRIBUTION TO THE COMMUNITY (PEOPLE REACHED) BY FOCUS. 2024



[6] Entity that is not part of the BBVA Group's consolidated scope
[7] The total figure is an estimated figure, of which 86% is the actual investment figure as of November 30, 2024 and 14% corresponds to the estimated investment made in the month of December 2024.
[8] The number of people reached is an estimate, 93% of the figure is the actual number of people reached as of November 30, 2024 and 7% corresponds to the estimate of people reached in December 2024.
[9] The data for 2023 differ from those published in the previous Non-Financial Information Statement because the estimates included at the end of the 2023 financial year have been replaced by the actual data available after the publication of said report.

Below is a breakdown by type of people reached of the Community Contribution in 2024 and 2023 by focus of action:

PEOPLE REACHED BREAKDOWN BY TYPE AND FOCUS AREAS (MILLIONS OF PEOPLE) [1]

	Direct beneficiaries [2]		Indirect beneficiaries [3]		Unique users [4]	
Focus area/Type of people reached	**2024**	**2023 [5]**	**2024**	**2023 [5]**	**2024**	**2023 [5]**
Reduce inequalities and promote entrepreneurship	0.07	0.13	0.09	0.10	—	0.04
Create opportunities for all through education	0.13	0.10	—	—	32.70	32.84
Support research and culture	0.03	0.03	—	—	0.02	0.02

[1] The data of people reached are estimates, 93% of the figure is the actual number of people reached as of November 30, 2024 and 7% corresponds to the estimate of people reached in December 2024.

[2] People who participate directly in the programs and initiatives developed or promoted by BBVA and who therefore receive a direct benefit.

[3] People who are related to the participant of the initiatives and programs promoted and developed by BBVA and who receive an indirect benefit.

[4] People who access free and quality content on various BBVA platforms.

[5] The data for 2023 differ from those published in the previous Non-Financial Information Statement because the estimates included at the end of the 2023 financial year have been replaced by the actual data available after the publication of said report.

Other contributions to society [10]

In relation to contributions to foundations and non-profit organizations, the figure for BBVA S.A in 2024 was 9.6 million euros (11 million euros in 2023). In 2024, BBVA made:

- 49 donations to foundations and other non-profit social entities with a social purpose in the amount of 1.5 million euros including both one-off contributions and those contributing to social programs (in 2023, 50 donations in the amount of 3.4 million euros).
- 74 contributions (not donations) to foundations and other non-profit social entities in the amount of 1.7 million euros (in 2023, 70 contributions in the amount of 1.5 million euros), including partnership and sponsorship actions.
- 305 non-social contributions (dues, institutional contributions and commercial sponsorships) to foundations, business associations, lobbies, think-tanks and other non-profit entities in the amount of 6.4 million euros (in 2023, 294 non-social contributions in the amount of 6.1 million euros).

Volunteer work

In its General Sustainability Policy, BBVA expresses its desire to promote a corporate culture of social and environmental support by enabling its employees to carry out volunteering activities. This policy applies in all countries where the Group is present.

BBVA's corporate community service initiatives encourage employee collaboration to generate a significant social impact, increase sense of pride in belonging, satisfaction and productivity, and position BBVA as a benchmark company when it comes to corporate volunteering, thus increasing its appeal to both existing and potential employees.

Volunteering is a key element in developing the approaches and lines of work of the 2025 Community Investment Goal (explained above in the section "Contribution to the community"). In fact, the 2030 Agenda for Sustainable Development has explicitly recognized volunteering as a vehicle for sustainable development and volunteer groups as actors in achieving the seventeen SDGs.

Furthermore, volunteering activities are aligned with BBVA's Purpose and values.

Overall, 2,118 BBVA S.A. employees participated in volunteering initiatives during 2024 (1,988 in 2023), having dedicated 9,754 hours (68% during working hours and 32% outside working hours). The time dedicated by employees in 2024 is equivalent to a contribution of 326,523 euros (194,443 euros in 2023).

[10] The data for 2023 differ from those published in the previous Non-Financial Information Statement because the estimates included at the end of the 2023 financial year have been replaced by the actual data available after the publication of said report.

Compliance

The BBVA Group is firmly committed to carrying out all its activities and small businesses in strict compliance with the laws in force at all times and in accordance with strict standards of ethical behavior. BBVA offers a detailed description of the key elements of its compliance system (such as mission and scope of action, organization, internal governance and management model, as well as established policies and procedures, among other things) as well as the procedures, processes and policies applicable to conduct in the securities markets, protection of personal data, other standards of conduct and the criminal prevention model. These elements are described in the chapter “Business Conduct” within the section “Information on Governance” of the BBVA Group Consolidated Management Report and are developed in the Bank through local functions in Spain.

Prevention of money laundering and terrorist financing

Money laundering and financing of terrorism are global phenomena that represent a significant threat to socio-economic development and the well-being of society. Advances in financial information, technology and communications have facilitated the instantaneous transfer of money flows globally, making their control more complex.

BBVA recognizes the fundamental role that financial institutions must play in preventing these illicit activities and is committed to actively contributing to their eradication, complying with the regulations and standards applicable in each jurisdiction in which it operates.

In this regard, the prevention of money laundering and terrorist financing is an essential requirement for preserving BBVA's corporate integrity. It is also key to maintaining the trust of the stakeholders with whom the Group interacts (mainly customers, employees, shareholders and suppliers) in the different jurisdictions where it is present, as well as contributing to the socioeconomic well-being of society as a whole.

The description of the management model for the prevention of money laundering and the financing of terrorism (PBCyFT), technology and data management, as well as the supervision and review model is included in the section “Prevention of money laundering and the financing of terrorism” in the chapter “Business conduct” within the section “Information on governance” of the BBVA Group Consolidated Management Report.

In 2024, BBVA, SA resolved 13,903 investigation files that gave rise to 4,519 communications of suspicious transactions sent to the corresponding authorities in Spain.

When it comes to training in the field of AML/FT, each BBVA Group entity has an annual training plan for employees. This plan, defined on the basis of identified needs, sets out training actions such as face-to-face or e-learning courses, videos and brochures both for new recruits and for current employees. Likewise, the content of each training action is adapted to the group to which it is addressed, including general training derived from applicable internal and external AML/FT regulations, as well as specific training relating to the functions performed by the group being trained. In 2024 in Spain, 13,942 attendees participated in AML/FT training activities.

Anti-corruption information

BBVA, S.A. applies the Group's General Anti-Corruption Policy (whose update was approved by the Board of Directors in 2023), which is the standard on which the Corruption Prevention Program is based and develops the principles and guidelines contained therein. For further information on this Policy, the Program, the specific procedures that establish guidelines for action and precautionary measures in situations in which the risk of corruption could materialize, as well as the training programs in the fight against corruption and bribery, see the chapter “Business Conduct - Corruption and Bribery” in the section “Information on Governance” of the BBVA Group's Consolidated Management Report.

In relation to the evaluation of corruption risk in the Bank, different types of operations have been evaluated: (i) 13,903 operations out of a total of 13,903 (138.98%)[11] in relation to AML/CFT risk (for the number of communications made to the corresponding authorities, see the previous section); (ii) with respect to internal fraud risk, a total of 1,630 (100%) operations have been analyzed; and (iii) from the dimension of risk of PBC&FT and Corruption, 1,387 third parties have been evaluated in the provisioning processes (100%).

In addition, in recent years, anti-corruption risk assessments have been carried out at the Bank. Based on the overall result of this analysis, it has been concluded that the corruption risk control framework is adequate.

In relation to the training program on corruption prevention, BBVA has a corporate online course that is mandatory and recurring for all BBVA members. At the end of the 2024 financial year, this course had been taken by a total of 21,707 (97.7%) employees in Spain.

[11] % of resolution greater than 100% due to the fact that during 2024 the stock of operations pending resolution since December 2023 has been reduced.

Tax contribution

The principles that guide BBVA's tax actions are not removed from its responsible and sustainable way of understanding finance and banking. In the tax area, in addition to providing legitimate added value to investors, BBVA's actions must also address other stakeholders and must align with the values and commitments that it has undertaken with society in order to bring the age of opportunities to everyone.

As such, the principles that guide its actions are:

- Integrity. in the tax sphere, integrity is defined as the observance of the letter and spirit of the law and the maintenance of a cooperative and good faith relationship with the various tax administrations.
- Prudence. In the tax context, BBVA assesses the implications of its decisions beforehand, including, among other assessments, the impact that its activity may have in the geographical areas in which we operate.
- Transparency. In the tax area, BBVA provides information on its activity and its approach to taxation to customers and other stakeholders in a clear and accurate manner.
- Achievement of a profitable and sustainable business in the long term. The tax function will provide proactive support to the Group's business areas, taking into account the explicit commitment to the payment of taxes, respect for human rights, prudence in risk management, and a horizon of generating recurring and sustainable results over time.
- Long-term value creation for its stakeholders. The tax function is aware of the impact of its decisions not only for the BBVA Group, but also for society as a whole, and will therefore take into consideration, from a tax perspective, the interests of its different stakeholders.
- Compliance with applicable legislation at all times.

BBVA is committed to transparency in paying taxes and this is the reason why, for yet another year, the it voluntarily breaks down the total tax contribution in countries in which it has a significant presence.

The total tax contribution of BBVA, S.A. (Total Tax Contribution - TTC Report) includes both own and third-party payments made by BBVA, S.A. and its branches abroad for corporate income tax, VAT, local taxes and rates, personal income tax withholdings, social security taxes, as well as payments made during the year for tax litigation relating to the aforementioned taxes.

GLOBAL TAX CONTRIBUTION (BBVA SPAIN. MILLIONS OF EUROS)

	2024	2023
Own taxes	2,712	2,118
Third-party taxes	1,808	1,378
Total tax contribution	**4,520**	**3,496**

Offshore financial centers

As a result of the express policy on activities in permanent establishments domiciled in offshore financial centers, the Bank closed in 2018 the branch it had in the Cayman Islands and, therefore, does not have activities in offshore financial centers.

Other tax information by countries

TAX INFORMATION BY COUNTRIES (BBVA, S.A. MILLIONS OF EUROS)						
	2024			2023		
	CIT payments cash basis	CIT expense consol	Profit (loss) before CIT	CIT payments cash basis	CIT expense consol	Profit (loss) before CIT
Germany	8	11	39	21	4	25
Argentina	12	—	—	4	—	—
Belgium	—	2	6	1	1	5
Chile	1	—	—	2	—	—
China [(1)]	4	4	27	1	5	31
Colombia	14	—	—	4	—	—
Spain [(2)]	1,257	1,139	10,789	828	600	4,918
Of which:						
Tax Group	—	6	803	—	6	370
Subsidiaries	—	103	5,282	—	78	2,984
Impairment of Garanti	—	—	2,221	—	—	132
The United States	79	84	307	66	53	191
France	24	20	36	27	17	79
Italy	22	52	158	50	32	95
Japan	—	—	(3)	—	—	(3)
Netherlands	—	—	—	2	—	—
Paraguay				—	—	—
Peru	5	—	—	5	—	—
Portugal	14	20	64	7	1	66
The United Kingdom	22	16	117	19	23	101
Switzerland	—	—	—	4	—	—
Singapore	4	6	45	2	4	26
Taiwan	9	1	5		—	13
Turkey	16	—	—	18	—	—
Total	**1,491**	**1,355**	**11,590**	**1,076**	**740**	**5,547**

[(1)] Includes Hong Kong and Shanghai branches.

[(2)] Including dividends from foreign subsidiaries which are taxed in their home country. See Note 4 of Dividends of the Financial Statements.

The amounts of "Corporate income tax cash payments" are highly conditioned and derive fundamentally from the methodology for calculating the installment payments provided for in the regulations governing corporate income tax in the different geographical areas, producing differences between the installment payments made in the current year and the refund of installment payments from previous years that may result once the definitive tax returns have been filed. In this respect, it should also be noted that it is normal for there to be differences between the amounts of "Corporate income tax cash payments" and "Corporate income tax expense", since the tax paid in the year is not necessarily directly related to the pre-tax profit existing in a jurisdiction, but takes into account the tax payments (and refunds) in respect of the profits obtained in previous years, as well as the installment payments made in the current year and the withholding of input taxes. However, the "Corporate income tax expense" for the current year is more directly related to the pre-tax profit for a given year.

In 2024, the BBVA Group has not received any significant public aid to the financial sector aimed at promoting the development of banking activity. This statement is made for the purposes of the provisions of Article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June (on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms) and its transposition into Spanish law through Law 10/2014 on the Regulation, Supervision and Solvency of Credit Institutions of 26 June.

Respect of human rights

As described in the chapter “Sustainability governance model - Human Rights due diligence” of the Consolidated Non-Financial Information Statement, the Group, including BBVA, SA, aims to contribute to the respect for Human Rights. This is why it frames this willpower in the Group's General Sustainability Policy and aligns it with its Code of Conduct. In this regard, this policy is aligned with the International Bill of Human Rights, the Guidelines of the Organization for Economic Cooperation and Development (hereinafter, OECD) for Multinational Business, or the fundamental conventions of the International Labor Organization, among others.

Specifically, as provided in the General Sustainability Policy, the Group ensures compliance with all applicable laws and respect for internationally recognized human rights in all its relations with employees, customers, shareholders, suppliers and, in general, with the communities in which it conducts its businesses and activities.

In 2024, BBVA has continued to take an active role in the field of future EU legislative initiatives in this area, participating in the Working Groups on Sustainable Finance of the European Banking Federation (EBF), the Financial Markets Association of Europe and the European Financial Services Roundtable. BBVA contributes its opinion to the development of sectoral positions on various EU initiatives. In this context, it is worth highlighting the work of dialogue and support with the European regulator in relation to the development of the directive on corporate due diligence in matters of sustainability.

BBVA identifies the social and labor risks that arise from its activity in the different areas and countries in which it operates in order to manage the potential impacts generated, through the entity's ordinary risk management processes, or through standards and existing processes that integrate the human rights perspective, such as the Equator Principles. For more information on the Equator Principles, see the section “Management of indirect environmental and social impacts”.

Furthermore, the methodology for assessing reputational risk at BBVA covers issues related to Human Rights. For more information, see the “Reputational risk” section of the “Risk management” chapter.

2.5 Information on suppliers

BBVA provides transparent information to its suppliers in the procurement processes, enduring compliance with the current legal framework in all areas, including: tax, labor and environmental matters, human rights, and stimulating the demand for socially responsible products and services.

As a part of the procurement process, BBVA adequately manages the impacts generated from carrying out of its activity, both real and potential, through a series of mechanisms and rules: the General Procurement Principles, a supplier evaluation process and the Corporate Rules on the Acquisition of Goods and the Arranging of Services. These impacts may be environmental, caused by labor practices carried out in suppliers' companies; a result of the absence of freedom of association; or related to human rights.

The General Procurement Principles and Code of Ethics for Suppliers of the BBVA Group establish the fundamental guidelines that must be followed by all suppliers with which any Group company or entity has dealings.

- The General Procurement Principles establish, among other aspects, that it is necessary to ensure compliance with all applicable legal requirements throughout the provisioning process regarding human, labor, association and environmental rights by all parties involved in this process, as well becoming involved in the Group's efforts to prevent corruption. It also ensures that the selection of suppliers remains in compliance with existing internal regulations at all times and, in particular, with the values of the Group's Code of Conduct, based on respect for legality (among other matters, those related to anti-corruption), commitment to integrity, competition, objectivity, transparency, value creation, confidentiality, continuous improvement and segregation of duties.
- By implementing the Code of Ethics for Suppliers of the BBVA Group at the purchasing units of all countries in which the Group is present, minimum standards of conduct in terms of ethical, social and environmental matters were established which suppliers are expected to follow when providing products and services. The clauses of the contracts include in general the supplier's obligation to comply with the provisions of the BBVA Group's Code of Conduct and Code of Ethics for Suppliers in force at any given time.

BBVA understands the importance of integrating ethical, social and environmental factors into its supply chain. The Purchasing function is based on three cornerstones of the procurement model:

- Service, maximizing the quality and experience of the internal customer, who is accompanied throughout the process.
- Risk, limiting the Group's operational risk in supplier contracts, thus ensuring compliance with regulations and processes and making specific criteria part of the Group's procurement processes.
- Efficiency, contributing to the Group's efficiency through active management of costs and suppliers.

BBVA has technological platforms that support all phases of the Group's procurement process, from budgeting to recording and accounting for invoices. Moreover, BBVA has a supplier portal that helps to build the Group's online relationship with its suppliers.

BBVA's supplier evaluation process includes a review of various key aspects, including financial, legal, labor, reputational, anti-corruption and money laundering prevention measures, concentration and country risks, sustainability, data protection and customer protection. The analysis of these aspects is aimed at mitigating potential risks when contracting with third parties, as well as verifying that each supplier complies with its legal obligations, while promoting their civic responsibilities and validate that they share the same values as BBVA in terms of social responsibility.

The sustainability module covers a broad spectrum of evaluated aspects: (I) compliance with environmental and social regulations, (II) management and measurement of environmental impacts, (III) human rights, (IV) control structures, (V) sustainability reporting, and (VI) ESG assessment of its supply chain.

Supplier evaluation is reviewed periodically and is subject to continuous monitoring. As of December 31, 2024, of a total of 1,387 suppliers evaluated during the year, 1,368 were considered suitable and 19 nsuitable, with whom, whenever possible, the working relationship is severed or, failing that, an exit plan is established. As of December 31, 2024, the percentage of contract awards made to evaluated suppliers reached 99.5%.

As of December 31, 2024, 97.1% of BBVA's total number of third parties (representing 89.5% of total turnover) corresponded to local third parties, thus enabling the BBVA to contribute to the economic and social development of the countries in which the Bank is present. A local third party, in this context, is defined by the Group as one whose tax number matches the country of the company receiving the goods or services.

Lastly, in 2024, the Internal Audit carried out risk-based assessments of the procurement process and relevant suppliers in different areas and geographies. The reviews were carried out following proper procedure and the weaknesses detected will be resolved in due course.

2.6 Report on climate change and other environmental and social issues

For BBVA, “Helping our clients transition towards a sustainable future” is a strategic priority. The environmental dimension of sustainability is of great importance to BBVA, which is why, through its products and services, it plays an important role in its customers’ transition.

For this reason, BBVA has designed a Transition Plan in which intermediate emissions reduction targets have been set for 2030, a decarbonization strategy for the loan portfolio has been developed, and the evolution of the decarbonization of said portfolio is being monitored. Likewise, the Group has also incorporated risk management associated with climate change, integrating climate change into risk planning, identifying and assessing climate risks, and identifying and measuring other environmental risks.

In addition to the decarbonization plan for its customers, the Group has a plan to reduce its carbon footprint, for which its energy consumption and carbon footprint are being measured and managed.

In accordance with the provisions of Law 7/2021, of May 20, on climate change and energy transition (hereinafter, Law 7/2021), BBVA incorporates its Climate Change Report into the Group's Management Report, which accompanies the Consolidated Annual Accounts corresponding to the financial year 2023 and includes, among others, the content provided for in article 32 of Law 7/2021 and its implementing regulations.

This Report on climate change and other environmental and social issues of Banco Bilbao Vizcaya Argentaria, S.A., which forms part of its Individual Management Report, includes by reference the sections of the Consolidated Climate Change Report that appears in the Consolidated Management Report of BBVA Group, since these sections contain additional and complementary information to obtain a better understanding of the Bank, the BBVA Group and their respective actions in the matters required by article 32 of Law 7/2021, as shown in the table:

Non-financial information statement. Contents of contents of Law 7/2021, of May 20, on climate change and energy transition

Topic	Reporting criteria	Response included in the BBVA Group's Consolidated Management Report
Government	The governance structure of the organization, including the role of its various bodies, in relation to the identification, assessment and management of risks and opportunities related to climate change.	NFIS/General information/Sustainability governance model/Sustainability governance
Strategy	The strategic approach, both in terms of adaptation and mitigation, of entities to manage financial risks associated with climate change, taking into account the risks already existing at the time of writing the report, and those that may arise in the future, identifying the actions necessary at that time to mitigate such risks.	NFIS/General information/Sustainability strategy/Strategy and objectives NFIS/Environmental information/Climate change/Resilience of the strategy to climate change risks
Impacts	The actual and potential impacts of risks and opportunities associated with climate change on the organization's activities and its strategy, as well as on its financial planning.	NFIS/General information/Sustainability strategy/Strategy and objectives NFIS/General information/Double materiality analysis/Results and determination of materiality NFIS/Environmental information/Climate change/Introduction
Risk management	The processes for identifying, assessing, controlling and managing climate-related risks and how these are integrated into your overall business risk analysis and their integration into the organization's overall risk management.	NFIS/Environmental information/Climate change/Management of risks associated with climate change
Metrics and objectives	The metrics, scenarios and targets used to assess and manage the relevant risks and opportunities related to climate change and, where calculated, the scope 1, 2 and 3 of your carbon footprint and how you are addressing its reduction.	NFIS/Environmental information/Climate change/Energy consumption and carbon footprint of BBVA Group

The calculation of Scope 1, 2 and 3 of BBVA Spain's carbon footprint and how its reduction is addressed, as well as other aspects related to direct and indirect impacts, are broken down in the section “Management of direct and indirect impacts” below.

BBVA, as the parent entity of the BBVA Group, publishes a statement of non-financial information at a consolidated level in which, as required by Article 8 of Regulation 2020/852 (Taxonomy Regulation), information related to activities that are associated with economic activities that are considered environmentally sustainable is included, and therefore the disclosure requirements with respect to such activities as an individual company are considered to be met (point 7 of Article 29a of Directive 2013/34). Information on such activities is included in the “Sustainable financing under Article 8 of the European Taxonomy” section of the BBVA Group's consolidated Non-financial Information Statement.

Management of direct impacts

Energy consumption and carbon footprint

BBVA has an internal methodology, applicable in all the Group's geographies, for compiling information on consumption associated with direct environmental impacts. This common standard is used to consolidate the information that is subsequently used to calculate the Group's carbon footprint.

Energy consumption

ENERGY CONSUMPTION AND MIX (BBVA GROUP)

	2023 [(1)]	2024 [(2)]
Total fossil energy Consumer (MWh) [(3)]	10,115	10,062
Share of fossil fuels in total energy consumption (%)	6 %	6 %
Consumer of fuel from nuclear sources (MWh)	—	—
Share of nuclear sources in total energy consumption (%)		
Fuel Consumer from renewable sources, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	—	—
Consumer of electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh)	150,391	146,508
Consumer of self-generated renewable energy not used as fuel (MWh)	—	—
Total renewable energy Consumer (MWh)	150,391	146,508
Share of renewable sources in total energy consumption (%)	**94 %**	**94 %**
Total energy Consumer (MWh)	**160,506**	**156,570**

(1) Data for 2023 differ from those published in the previous Non-Financial Information Statement because the estimates included at year-end 2023 have been replaced by actual consumption available after the publication of that report. Likewise, data for the geography of Venezuela, not included in the previous report, are included for 2023.

(2) For 2024, estimates are used for data that are not available at the closing date of this report.

(3) Includes non-renewable electricity consumption and fossil fuel consumption (natural gas, liquefied petroleum gas -LPG-, diesel and coal), except for fuels consumed in fleets.

Carbon footprint

BBVA's carbon footprint consists of the following emissions:

- Scope 1 emissions, which comprise direct emissions from the combustion facilities of own-use buildings (including data centers), fuel for the vehicle fleet and refrigerant gases.
- Scope 2 emissions, which include indirect emissions related to the production of electricity purchased and consumed by buildings (including data centers) and branches.
- Scope 3 emissions, which comprise other indirect emissions that occur in the company's value chain as a result of its activity. Scope 3 categories that are considered material and applicable to BBVA's business are published:
  - 3.1: Purchased goods and services
  - 3.2: Capital goods
  - 3.3: Fuel and energy related activities not accounted for in scope 1 or 2
  - 3.4: Upstream transportation and distribution
  - 3.5: Waste from operations
  - 3.6: Business travel
  - 3.7: Employee commuting to and from work 3.8: Employee commuting to and from work 3.9: Commuting to and from work
  - 3.13: Leased assets downstream

BBVA will work on estimating the rest of the applicable Scope 3 categories not included in the footprint calculation to date (except for category 3.15, corresponding to financed emissions, see "Calculation of financed emissions"), although it is not considered to have a material impact.

TOTAL GHG EMISSIONS BROKEN DOWN BY SCOPE 1, 2 AND 3 (BBVA S.A.) (1)

	Retrospective				Milestones and target years		
	Base year	**2023 (2)**	**2024 (3)**	**% 2024 / 2023**	**2025**	**2030**	**Annual % target / base year**
Scope 1 GHG emissions							
Gross scope 1 GHG emissions (tCO2eq)	4,359	3,747	3,016	(19.0)%	n/d	n/d	n/d
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scope 2 GHG emissions							
Gross Scope 2 GHG emissions based on location (tCO2eq)	n/d	25,642	24,981	(3.0)%	n/d	n/d	n/d
Gross market-based scope 2 GHG emissions (tCO2eq)	60,894	—	—	n/d	n/d	n/d (4)	n/d
Scope 3 GHG emissions							
Total gross indirect GHG emissions (scope 3) (tCO2eq)	n/d	326,525	323,258	(1.0)%	n/d	n/d	n/d
1. Goods and services purchased	n/d	238,535	227,744	(5.0)%	n/d	n/d	n/d
Optional subcategory: Cloud computing and data center services					n/d	n/d	n/d
2. Capital goods	n/d	27,355	35,788	31.0 %	n/d	n/d	n/d
3. Fuel and energy-related activities (not included in scope 1 or 2)	n/d	12,684	12,001	(5.0)%	n/d	n/d	n/d
4. Transport and distribution in previous phases (4)	n/d	n/a	495	n/d	n/d	n/d	n/d
5. Waste generated in operations	n/d	76	65	(15.0)%	n/d	n/d	n/d
6. small businesses trips	n/d	15,364	15,379	— %	n/d	n/d	n/d
7. Pendulum shift of wage earners	n/d	28,883	29,425	2.0 %	n/d	n/d	n/d
13. Assets leased in later phases	n/d	3,627	2361	(35.0)%	n/d	n/d	n/d
15. Investments	For more information, see the “Calculation of financed CO_2e emissions” section of the consolidated NFIS of BBVA Group						
Total GHG emissions							
Total GHG emissions (location-based) (tCO2eq)	n/d	355,913	351,255	(1.0)%	n/d	n/d	n/d
Total GHG emissions (market-based) (tCO2eq)	n/d	330,272	326,274	(1.0)%	n/d	n/d	n/d

n/a: not applicable / available.

(1) The BBVA Group does not currently have operational targets for 2030 (except for the one indicated in the table for market-based Scope 2 emissions), as the 2030 Eco-efficiency Plan is under development and will include a new definition of targets. Additionally, the targets that had been defined for 2025 have already been achieved previously.

(2) The data for 2023 differ from those published in the previous Non-Financial Information Statement because the estimates included at the end of the 2023 financial year have been replaced by the actual consumption available after the publication of said report and certain values have been modified in accordance with the new data.

(3) For the year 2024, estimates are used for those data that are not available at the closing date of this report.

(4) In 2023, emissions from category 3.4 Upstream transportation and distribution were included in category 3.1 Purchased goods and services.

Reduction of environmental impact

Global Eco-efficiency Plan 2021-2025

BBVA Group has a plan to reduce its direct environmental impact, the Global Eco-efficiency Plan 2021-2025[12], which was last renewed in 2021 and whose objectives were achieved in 2023. During 2024, the Group's goal has been to continue improving all the indicators of the plan.

The focus of the Global Eco-efficiency Plan is based on reducing consumption, aiming to reduce the Group's direct environmental impact and a better use of natural resources. The indicators can be found in the following table:

EVOLUTION OF THE INDICATORS OF THE GLOBAL ECO-EFFICIENCY PLAN (1) (BBVA SPAIN)

	Values 2024	Achievement 24 (Δ 24-19) (2)	2024 interannual GEP target	Target GEP 2025
Renewable electricity	100 %	+0 p.p.	100 %	100 %
Electricity consumption per employee (MWh/Employee) (3)	5.26	(24)%	(13)%	(15.0)%
Energy consumption per employee (MWh/Employee) (4)	5.63	(24)%	(5)%	(6)%
Water consumption per employee (m^3/Employee)	7.26	(29)%	(19)%	(21)%
Paper consumption per employee (kg/Employee)	40.76	(47)%	(4)%	(4)%
Net waste per employee (t/Employee)(5)	0.01	(59)%	(14)%	(14)%
Scope 1&2 carbon emissions (tCO_2e) (6)	3,016	(31)%	(6)%	(6)%
Environmentally certified area (%) (7)	99 %	+63 p.p.	42 %	43 %

(1) The data for consumption include the companies BBVA SA, BBVA Asset Management SA, SGIIC, BBVA Broker Correduría de Insurances Y Reinsurances SA, BBVA IT Spain, BBVA Mediación Operador de Banca- Insurances Vinculado, SA, BBVA Next Technologies SLU, BBVA Pensions, BBVA RE Inhouse Compañía De Reinsurances, SE, BBVA Insurances SA De Insurances Y Reinsurances, BBVA Servicios, SA, Contents Area, SL, Gestión de Previsión y Pensiones, SA, Gestión y Administración de Receipts SA, GARSA, Gran Jorge Juan, SA and OPPLUS Operaciones y Servicios SA, as well as BBVA Foundation and BBVA Microfinance Foundation. The scope does not include BBVA branches outside of Spain or certain companies of the BBVA Group in Spain that represent 3.3% of the total employees in Spain. For the year 2024, estimates are used for those data that are not available at the closing date of this report.

(2) The 2024 Achievement indicators corresponding to Renewable Electricity and Environmentally Certified Area are expressed as a percentage point variation over the 2019 value.

(3) Includes the sum of renewable and non-renewable electricity (per employee).

(4) Includes consumption of electricity and fossil fuels (natural gas, liquefied petroleum gas (LPG), diesel and coal), except fuels consumed in fleets.

(5) Net waste is the total waste generated minus the waste that is recycled.

(6) Incluye alcance 1 (combustibles en instalaciones y flota de vehículos y gases refrigerantes), alcance 2 market-based.

(7) Includes ISO 14001, ISO 50001, LEED, Edge, WWF Green Office and Zero Waste certifications.

The achievement of these indicator targets has been possible thanks to the following four action vectors:

Consumption

Regarding electricity consumption, BBVA's strategy is focused on the use of renewable energy. To this end, the strategy consists of reaching Power Purchase Agreements (PPAs) such as the one formalized in Spain for the period 2024-2029, as well as acquiring renewable energy certificates (Guarantees of Origin) for the rest of the electricity consumed in BBVA's facilities in Spain. It is also committed to self-generation of renewable energy through the installation of photovoltaic and solar thermal panels and geothermal installations in seven of the Bank's corporate buildings, and will continue to invest in photovoltaic installations in buildings that do not yet have these facilities.

In addition, BBVA continues to work on the implementation of Energy Saving Measures (ESM) in the management of the buildings, with the aim of controlling and reducing consumption.

For information regarding indicators of water and paper consumption, waste and environmentally certified surface area, see the section “Other environmental objectives”.

Carbon footprint

Regarding the carbon footprint, for CO2 emissions of scope 1 and 2, the reduction of emissions is driven by energy consumption efficiency strategies, the renewal of fleets with traditional fuels for hybrid and electric fleets, and the use of renewable energy.

Water and paper consumption

In order to reduce BBVA's environmental footprint, the following lines of action have been promoted:

- Initiatives to reduce water consumption, such as gray water recycling systems and reuse of rainwater for irrigation or the installation of dry urinals in some of BBVA's buildings in Spain.
- Finally, digitalization and centralization of printing measures to reduce paper consumption, which is also 100% recycled or environmentally certified in Spain.

[12] For the Ecoefficiency Plan 2021-2025, 2019 is used as the baseline, as the consumption values for 2020 were affected by the COVID-19 pandemic.

CONSUMPTION (BBVA S.A.) [(1)]	2024 [(2)]	2023 [(3)]	Δ 24-23
Total water consumption (cubic meters)	201,952	215,391	(6)%
Public water supply (cubic meters)	185,468	198,697	(7)%
Recycled water (cubic meters)	16,484	16,694	(1)%
Paper (tons)	1,134	743	53 %

(1) (1) The data for consumption include the companies BBVA SA, BBVA Asset Management SA, SGIIC, BBVA Broker Correduría de Insurances Y Reinsurances SA, BBVA IT Spain, BBVA Mediación Operador de Banca- Insurances Vinculado, SA, BBVA Next Technologies SLU, BBVA Pensions, BBVA RE Inhouse Compañía De Reinsurances, SE, BBVA Insurances SA De Insurances Y Reinsurances, BBVA Servicios, SA, Contents Area, SL, Gestión de Previsión y Pensiones, SA, Gestión y Administración de Receipts SA, GARSA, Gran Jorge Juan, SA and OPPLUS Operaciones y Servicios SA, as well as BBVA Foundation and BBVA Microfinance Foundation. The scope does not include BBVA branches outside of Spain or certain companies of the BBVA Group in Spain that represent 3.3% of the total employees in Spain. For the year 2024, estimates are used for those data that are not available at the closing date of this report.

(2) In 2024, there will be a significant increase in paper consumption in Spain due to the increase in marketing campaigns.

(3) The data for 2023 differ from those published in the previous Non-Financial Information Statement because the estimates included at the end of the 2023 financial year have been replaced by the actual consumption available after the publication of said report. Likewise, data on the geography of Venezuela, not included in the previous report, are included for 2023.

Circular Economy

BBVA works to mitigate the impact of waste generation through sustainable construction standards and the implementation of Environmental Management Systems certified with ISO 14001 and additionally with the implementation of Aenor's Zero Waste certification in Ciudad BBVA, BBVA's headquarters in Spain, and the Opplus building in Malaga. The objective is to minimize the amount of waste sent to landfills, which is why the Group's facilities have clearly differentiated and marked areas that allow for the correct segregation and subsequent recycling of waste.

WASTE - CIRCULAR ECONOMY (BBVA S.A.) [(1)]	2024	2023 [(2)]
Hazardous waste (tons)	91	166
Recycled hazardous waste (tons)	63	123
Disposed hazardous waste (tons)	28	43
Non-hazardous waste (tons) [(2)]	902	742
Non-hazardous waste (%)	768	621
Disposed non-hazardous waste (tons)	135	121

[(1)] Data for consumption includes the companies BBVA S.A., BBVA Asset Management S.A., SGIIC, BBVA Broker Correduría de Seguros Y Reaseguros S.A., BBVA IT España, BBVA Mediación Operador de Banca-Seguros Vinculado, S.A., BBVA Next Technologies SLU, BBVA Pensiones, BBVA RE Inhouse Compañía De Reaseguros, S.E., BBVA Seguros S.A. De Seguros Y Reaseguros, BBVA Servicios, S.A., Contents Area, S.L., Gestión de Previsión y pensiones, S.A., Gestión Y Administración de recibos S.A., GARSA, Gran Jorge Juan, S.A. and OPPLUS operaciones y servicios S.A., as well as Fundación BBVA and Fundación Microfinanzas BBVA. BBVA branches outside Spain and certain BBVA Group companies in Spain, which represent 3.3% of the total number of employees in Spain, are not included in the perimeter. For the year 2024, estimates are used for those data that are not available at the closing date of this report.

[(2)] Data for 2023 differ from those published in the previous Statement of Non-Financial Information because the estimates included at the close of 2023 have been replaced by the actual consumption available after the publication of that report and certain values have been modified in accordance with the new data.

Carbon footprint

Regarding the carbon footprint, for Scope 1 and 2 CO_2 emissions, the reduction of emissions comes from energy consumption efficiency strategies, the renewal of fleets with traditional fuels with hybrid and electric fleets and the use of renewable energy.

Sustainable Construction

Another objective is to ensure the implementation of the best environmental and energy standards in BBVA's buildings, with the aim of achieving a high percentage of environmentally certified surface area. In this regard, BBVA's facilities have several construction and management certifications.

Within the construction certifications, there are 19 buildings and 11 branches of the Group with the prestigious LEED (Leadership in Energy and Environmental Design) standard for sustainable construction. These buildings include the Group's main headquarters in Spain, Mexico, Turkey and Argentina. In addition, three of them have received the highest category of certification, LEED Platinum. In addition, the Group has seven WWF Green Office in Turkey and 40 Edge in Peru, certifications that promote the reduction of the ecological footprint and carbon emissions.

Regarding management certifications, BBVA has implemented an Environmental Management System based on the ISO 14.001:2015 Standard in different buildings, which is certified every year by an independent entity. Through this certification, the environmental performance in the operations of some of its buildings is controlled and evaluated. This system is implemented in 112 buildings and 1,051 branches in the main countries where the Group operates. Finally, BBVA has managed to certify 36 buildings and 1,926 branches with an Energy Management System also certified by an independent third party and that meets the ISO 50.001:2018 standard.

Management of indirect environmental and social impacts

BBVA addresses environmental, natural capital and social risks from the perspective of prevention and mitigation of impacts. To do this, it uses tools such as its Environmental and Social Framework or the Equator Principles, which have an environmental and social focus.

Environmental and social framework

The Environmental and Social Framework (hereinafter, the "Framework") aims to establish criteria for the identification, assessment and monitoring of certain activities of the following sectors, selected for their high potential impact on nature and society: mining, agro-industry, energy, infrastructure and defense. In this way, the Framework identifies restrictions, either via prohibited activities or activities requiring special attention in these sectors.

BBVA, with the support of an independent advisor, analyses whether wholesale customers covered by its Framework do not engage in prohibited activities in the sectors covered by it. It also analyses whether they engage in an activity requiring special attention, in which case BBVA assesses the environmental and social impacts derived from the activity to be financed and may, where appropriate, initiate a plan for dialogue and support with the customer under the terms provided in the Framework.

In December 2024, an update of the Framework was carried out, approved by the Head of the Global Sustainability Area, in order to evaluate its effectiveness and update it based on best practices, the evolution of international standards and the expectations of our stakeholders.

Equator Principles

Although financing projects in sectors such as energy, transport and social services boosts economic development and creates jobs, it also has potential environmental and social impacts. For this reason, BBVA implements environmental and social risk assessment processes to mitigate and prevent negative impacts, reinforcing the economic, social and environmental value of these financing projects.

In 2004, BBVA signed the Equator Principles (EP), which establish standards for environmental and social risk management in project financing. Currently in their fourth version (EP4), these principles are applied globally in all industrial sectors and cover five project-related financial products:

1. Advice on financing
2. Financing
3. Corporate loans
4. Bridge loans
5. Re-financing and acquisition.

In accordance with the EP, BBVA subjects each project under the scope of EP4 to an environmental and social due diligence analysis, considering impacts on environmental and human rights. This analysis is integrated into BBVA's internal processes for structuring, admitting and monitoring operations, aligning with its Framework. Each deal is classified according to its risk level (categories A, B or C) and the documentation provided by the customer and independent advisors is reviewed. A specialized team at BBVA supervises and evaluates these projects, contributing to the decisions of the risk committees and approvals.

Regarding the human rights assessment and in accordance with the EP, BBVA requires due diligence on projects that may impact indigenous communities. In cases where this circumstance occurs, the free, prior and informed consent of these communities must be obtained, regardless of the geographic location of the project - in line with the recommendations of the EP Association. It also requires, in accordance with the projects, liaison with the communities impacted by the projects. If potential risks are detected, the operation must include effective management of these risks, as well as operational mechanisms for managing claims. Regarding climate impacts, in accordance with the EP, the impacts of the projects are assessed considering scenarios, as well as mitigation and management measures adopted.

2.7 Additional information

Contents index of the Law 11/2018[13]

Non-financial information report. Contents Index to the Law 11/2018

		Page / Section Management report BBVA 2024	GRI reporting criteria	Page(s)
General information				
Business model	Brief description of the group's business model	BBVA in brief	GRI 2-6 GRI 2-7	2
	Geographical presence and Organization and Structure	BBVA in brief	GRI 2-1 GRI 2-6	2
	Objectives and strategies of the organization	NFIS/General information	GRI 2-22	3-3
	Main factors and trends that may affect your future evolution	NFIS/General information	GRI 2-16	3-3
General	Reporting framework	Non-Financial Information Statement	GRI 1	3-40
	Principle of materiality	NFIS/Additional information/Double materiality analysis	GRI 3-1 GRI 3-2	40-41
Management approach	Description of the applicable policies	NFIS/Information on customers NFIS/Information on employees NFIS/Information on social matters NFIS/Information on suppliers NFIS/Report on climate change and other environmental and social issues	GRI 3-3 GRI 2-25	4-8 9-18 19-24 26-31
	The results of these policies	NFIS/Information on customers NFIS/Information on employees NFIS/Information on social matters NFIS/Information on suppliers NFIS/Report on climate change and other environmental and social issues	GRI 3-3 GRI 2-25	4-8 9-18 19-24 26-31
	The main risks related to these issues involving the activities of the group	NFIS/Information on customers NFIS/Information on employees NFIS/Information on social matters NFIS/Information on suppliers NFIS/Report on climate change and other environmental and social issues	GRI 2-16	4-8 9-18 19-24 26-31
Environmental questions				

[13] Law 5/2021 once again modifies article 49 of the Commercial Code on social and personnel issues. Those modifications are included in this content index.

Environmental management	Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 2-16	27-30
	Environmental assessment or certification procedures	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 3-3 GRI 2-25	27-30
	Resources dedicated to the prevention of environmental risks	NFIS/Report on climate change and other environmental and social issues	GRI 3-3 GRI 2-25	26-31
	Application of the precautionary principle	NFIS/Report on climate change and other environmental and social issues	GRI 2-23 GRI 3-3 GRI 2-25	26-31
	Amount of provisions and guarantees for environmental risks	NFIS/Report on climate change and other environmental and social issues	GRI 3-3 GRI 2-25	26-31
Contamination	Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 3-3 GRI 2-25	27-30
Circular economy and waste prevention and management	Prevention, recycling, reuse, other forms of recovery and types of waste disposal	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 3-3 GRI 2-25 GRI 306-2 with respect to recycling and reusing	27-30
	Actions to combat food waste	BBVA Group considers this indicator not to be material	GRI 3-3 GRI 2-25	
Sustainable use of resources	Water consumption and water supply according to local constraints	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 303-5 (2018) with respect total water consumption	27-30
	Use of raw materials and measures taken to improve the efficiency of their utilization	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 301-1 with respect to renewable materials used	27-30
	Energy use, direct and indirect	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 302-1 GRI 302-3	27-30
	Measures taken to improve energy efficiency	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 3-3 GRI 2-25 GRI 302-4	27-30
	Use of renewable energies	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 302-1 with respect to renewable energies consumption	27-30

Climate change	Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	NFIS/Report on climate change and other environmental and social issues/Management of direct impacts	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	27-30
	Measures taken to adapt to the consequences of climate change	NFIS/Report on climate change and other environmental and social issues	GRI 3-3 GRI 2-25 GRI 201-2	26-31
	Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and measures implemented for that purpose	NFIS/Report on climate change and other environmental and social issues	GRI 305-5	26-31
Protection of biodiversity	Measures taken to protect or restore biodiversity	The metric describes the size of the protected or restored areas of habitats and BBVA's financial activity, as well as the activity of its offices, has no impact in this regard. This metric and its various disclosures are currently considered non-material.	GRI 304-3	
	Impacts caused by activities or operations in protected areas	The operations centers and / or offices owned, leased or managed by BBVA are located in urban areas, so the impacts of the entity's activities on biodiversity are considered not significant. Although the products and services commercialised can potentially have an impact on it, they are managed according to the regulations and criteria applicable to the nature of the financed activities, and nowadays there are no defined and comparable metrics for their monitoring and reporting in relation with BBVA's value chain. However, the entity undertakes to follow up on regulatory developments regarding biodiversity for future reporting if necessary.	GRI 304-1 GRI 304-2	
Social and personnel questions				

Employees	Total number and distribution of employees according to country, gender, age, country and professional classification	NFIS/Information on employees/Professional development/Main employee metrics	GRI 2-7 GRI 2-8 GRI 405-1	12-14
	Total number and distribution of work contract modalities	NFIS/Information on employees/Professional development/Main employee metrics	GRI 2-7 GRI 2-8	12-14
	Annual average of work contract modalities (permanent, temporary and part-time) by sex, age, and professional classification	NFIS/Information on employees/Professional development/Main employee metrics	GRI 2-7 GRI 2-8	12-14
	Number of dismissals by sex, age, and professional classification	NFIS/Information on employees/Professional development/Main employee metrics	GRI 3-3 GRI 2-25 GRI 401-1 with respect to staff turn-over by sex, age and country	12-14
	The average remunerations and their evolution disaggregated by sex, age, and professional classification or equal value	NFIS/Information on employees/Remuneration	GRI 3-3 GRI 2-25 GRI 405-2 with respect to women remuneration compared to men's by professional category	16-18
	The average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term forecast savings and any other perception broken down by gender	NFIS/Information on employees/Remuneration	GRI 3-3 GRI 2-25 GRI 405-2 with respect to women remuneration compared to men's by professional category	16-18
	Salary gap	NFIS/Information on employees/Remuneration	GRI 3-3 GRI 2-25 GRI 405-2 with respect to women remuneration compared to men's by professional category	16-18
	Implementation of employment termination policies	NFIS/Information on employees/ Work environment /Work organization	GRI 3-3 GRI 2-25	14
	Employees with disabilities	NFIS/Information on employees/Professional development/Diversity and inclusion	GRI 405-1	12
Work organization	Work schedule organization	NFIS/Information on employees/ Work environment /Work organization	GRI 3-3 GRI 2-25	14
	Number of hours of absenteeism	NFIS/Information on employees/ Work environment/Occupational safety and health	GRI 403-9	16
	Measures designed to facilitate access to mediation resources and encourage the responsible use of these by both parents	NFIS/Information on employees/ Work environment /Work organization	GRI 3-3 GRI 2-25	14

Health and safety	Work health and safety conditions	NFIS/Information on employees/ Work environment/Occupational safety and health	GRI 3-3 GRI 2-25 GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7 (2018)	15-16
	Work accidents, in particular their frequency and severity, disaggregated by gender	NFIS/Information on employees/ Work environment/Occupational safety and health	GRI 403-9 (2018) with respect to labor accident injuries	16
	Occupational diseases, disaggregated by gender	NFIS/Information on employees/ Work environment/Occupational safety and health	GRI 403-10 (2018)with respect to recordable labor injuries	16
Social relationships	Organization of social dialog, including procedures to inform and consult staff and negotiate with them	NFIS/Information on employees/ Work environment/Freedom of association and representation	GRI 3-3 GRI 2-25	14
	Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	NFIS/Information on employees/ Work environment/Freedom of association and representation	GRI 3 -3 GRI 2-25	14
	Percentage of employees covered by collective agreement by country	NFIS/Information on employees/ Work environment/Freedom of association and representation	GRI 2-30	14
	The balance of collective agreements, particularly in the field of health and safety at work	NFIS/Information on employees/ Work environment/Occupational safety and health	GRI 403-4 (2018)	15-16
Training	Policies implemented for training activities	NFIS/Information on employees/ Professional development/Training	GRI 3-3 GRI 2-25 GRI 404-2	10-11
	The total amount of training hours by professional category	NFIS/Information on employees/ Professional development/Training	GRI 404-1	10-11
Universal accessibility for people with disabilities	Integration and universal accessibility of people with disabilities	NFIS/Information on employees/Professional development/Diversity, inclusion and different capacities	GRI 3-3 GRI 2-25	11-12
Equality	Measures taken to promote equal treatment and opportunities between women and men	NFIS/Information on employees/Professional development/Diversity, inclusion and different capacities	GRI 3-3 GRI 2-25	11-12
	Equality plans (Section III of Organic Law 3/2007, of March 22, for effective equality of women and men)	NFIS/Information on employees/Professional development/Diversity, inclusion and different capacities	GRI 3-3 GRI 2-25	11-12
	Measures adopted to promote employment, protocols against sexual and sex-based harassment.	NFIS/Information on employees/Professional development/Diversity, inclusion and different capacities	GRI 3-3 GRI 2-25	11-12
	Policy against any type of discrimination and, where appropriate, diversity management	NFIS/Information on employees/Professional development/Diversity, inclusion and different capacities	GRI 3-3 GRI 2-25	11-12
Information about the respect for human rights				

Human rights	Application of due diligence procedures in the field of human rights; prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage, and repair possible abuses committed	NFIS/Information on social matters/Respect of human rights	GRI 2-23 GRI 2-26	24
	Claims regarding cases of human rights violations	NFIS/Information on social matters/Respect of human rights BBVA has a whistleblowing channel that allows any interest group to report confidentially and anonymously if they wish, any behavior that is directly or indirectly linked to human rights. In the complaints received through this channel in 2024 and 2023, there are no human rights violations attributable to Banco Bilbao Vizcaya Argentaria, S.A.	GRI 3-3 GRI 2-25 GRI 406-1	24
	Promotion and compliance with the provisions contained in the related fundamental Conventions of the International Labor Organization with respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; and the effective abolition of child labor	NFIS/Information on employees/ Work environment/Freedom of association and representation NFIS/Information on social matters/Respect of human rights	GRI 3-3 GRI 2-25 GRI 407-1 GRI 408-1 GRI 409-1	14 24
Information about anti-bribery and anti-corruption measures				
Corruption and bribery	Measures adopted to prevent corruption and bribery	NFIS/Information on social matters/Compliance	GRI 3-3 GRI 2-25 GRI 2-23 GRI 2-26 GRI 205-2 GRI 205-3	21
	Measures adopted to fight against antimoney laundering	NFIS/Information on social matters/Compliance	GRI 3-3 GRI 2-25 GRI 2-23 GRI 2-26 GRI 205-3	21
	Contributions to foundations and non-profit-making bodies	NFIS/Information on social matters/Contribution to the Community	GRI 2-28 GRI 201-1 with respect to community investment	20
Information about the society				

Commitment by the company to sustainable development	Impact of the company's activities on employment and local development	NFIS/Information on social matters/Contribution to the Community	GRI 3-3 GRI 2-25 GRI 203-2 with respect to significant indirect economic impacts GRI 204-1	19-20
	The impact of company activity on local populations and on the territory	NFIS/Information on social matters/Contribution to the Community	GRI 413-1 GRI 413-2	19-20
	The relationships maintained with representatives of the local communities and the modalities of dialog with these	NFIS/Information on social matters/Contribution to the Community	GRI 2-29 GRI 413-1	19-20
	Actions of association or sponsorship	NFIS/Information on social matters/Contribution to the Community	GRI 3-3 GRI 2-25 GRI 201-1 with respect to investments in the community	19-20
Subcontractors and suppliers	The inclusion of social, gender equality and environmental issues in the purchasing policy	NFIS/Information on suppliers	GRI 3-3 GRI 2-25	25
	Consideration of social and environmental responsibility in relations with suppliers and subcontractors	NFIS/Information on suppliers	GRI 2-6 GRI 308-1 GRI 414-1	25
	Supervision systems and audits, and their results	NFIS/Information on suppliers	GRI 2-6 GRI 308-1 GRI 308-2 GRI 414-2	25
Consumers	Customer health and safety measures	NFIS/Information on customers/Conduct with customers NFIS/Information on customers/Responsible use of data and cybersecurity	GRI 3-3 GRI 2-25 GRI 416-1	4 4-5
	Claims systems, complaints received and their resolution	NFIS/Information on social matters/Customer care	GRI 3-3 GRI 2-25 GRI 418-1	5-8

Tax information	Benefits obtained by country	NFIS/Information on social matters/Tax contribution	GRI 201-1 GRI 207-4 (2019) with respect to tax on corporate profit payed and tax on corporate profit	22-23
	Taxes on paid benefits	NFIS/Information on social matters/Tax contribution	GRI 201-1 GRI 207-4 (2019) with respect to corporate income tax paid and corporate income tax accrued on profit/loss.	22-23
	Public subsidies received	NFIS/Information on social matters/Tax contribution	GRI 201-4	22-23

Double materiality analysis

The double materiality analysis has been carried out at the BBVA Group level and is also applicable to the Bank:

Sustainability is a strategic pillar for the Group, generating impacts on society and the environment, while safeguarding its competitiveness and financial results.

The Group has previously identified its sustainability-related matters based on international reference standards and best practices.

In 2024, the double materiality analysis process has been updated to incorporate the principles of the CSRD and ESRS, as well as the implementation guide for the assessment of materiality issued by the European Financial Reporting Advisory Group (EFRAG).

The double materiality principle incorporated in the CSRD and ESRS means that a subtopic is classified as material if it has a significant impact on people or the environment (impact materiality), if it significantly affects the financial position of the entity (financial materiality), or for both reasons. This approach takes into account the nature of the Group's operations, key business relationships, geographical distribution, and other relevant factors identified through analysis exercises conducted in previous years.

The main new features include the **consideration of the impacts, risks and opportunities** (hereinafter, **IROs**) defined for the subtopics identified by the ESRS, including those related to the value chain (see the section "General basis for the preparation of the Non-Financial Information Statement").

Subtopics for which a material impact, risk or opportunity has been identified are disclosed in this report and, in turn, form part of one of the general topics identified in the ESRS.

Finally, the double materiality analysis must be understood as a dynamic process, subject to periodic reviews and adjustments as the entity's needs, strategic priorities, market conditions, dialogue with stakeholders, availability of new tools, adoption of emerging technologies and regulatory changes, among other factors, evolve.

Integrating the double materiality analysis into the strategy

The results of the double materiality analysis are related to the definition of the Group's strategy, as well as being consistent with various internal exercises to assess climate risks, non-financial or reputational risks. They also reflect the growing activity around sustainable business channeling, advances in digitalization and best practices developed in the field of business conduct.

The results of the double materiality analysis corresponding to the general topics of the ESRS are summarized below, distinguishing between material topics (exceeding the established threshold), relevant topics (close to the threshold), and non-material topics (below the established threshold). This summary at topical level groups the IROs identified for each of the subtopics established by the standard and which are detailed below.

DOUBLE MATERIALITY ANALYSIS - RESULTS (BBVA GROUP. 2024)

	Impact materiality		Financial Materiality		Final results
	Negative Impact	Positive Impact	Risk	Opportunities	Total
MATERIAL					
Climate change					
Own workforce					
Consumers and end-users					
Business conduct					
NOT MATERIAL					
Pollution					
Water and marine resources					
Biodiversity and ecosystems					
Use of resources and circular economy					
Workers in the value chain					
Affected communities					

Material
Relevant
Not material

For more details on the results and determination of the double materiality analysis as well as the methodology applied, see the chapter "Double materiality analysis" within the "General information" section of the Consolidated Non-Financial Information Statement of BBVA Group.

3. Financial information

3.1 Balance sheet, business activity and earnings

The financial information included in this Management report has been prepared from the individual accounting and management records of Banco Bilbao Vizcaya Argentaria, S.A. and with the criteria established by the Bank of Spain Circular 4/2017, on Public and Confidential Financial Reporting Rules and Formats for Financial Statements, and its subsequent amendments.

The key figures in the Bank's balance sheet and income statement related to its main activity are as follows:

On the one hand, as of December 31, 2024, the Bank's total assets decreased compared to December 2023 to €468,295m from €490,883m, mainly due to a decrease "Financial assets held for trading" (€89,167m as of December 31, 2024 vs. €116,828m as of the same date of the prior year) and "Cash, cash balances at central banks and other demand deposits" which showed a decrease from €49,213m as of December 31, 2023 to €20,755m as of December 31, 2024. The decreases in these headings were partially offset by the higher balance of "Financial assets at amortized cost" (€295,471m at the end of 2024 compared to €261,765m as of the same date of the prior year).

On the other hand, as of December 31, 2024, Total Liabilities recorded decreases, especially in the heading "Financial liabilities held for trading" (€70,943m as of December 31, 2023 against €108,349m as of December 31, 2023).

In 2024, the Bank obtained a profit for the year of €10,235m, compared to €4,807m of the previous year and the result of the following factors:

- Net interest income rose during the year, from €5,564m at December 31, 2023 to €6,396m at December 31, 2024, mainly due to the increase in interest income partially offset by interest expense.
- Gross margin in 2024 stood at €15,373m, compared to €11,020m obtained in 2023, thanks mainly to net interest income, dividend income and fee and commission income.
- Compared to the previous year, the environment was marked by inflationary pressure, where administrative expenses increased (€-4,540m in fiscal year 2024 against €-4,157m in fiscal year 2023), mainly due to personal expense.
- The impairment of financial assets remained in line with the previous year while the heading "Impairment or reversal of impairment of investments in subsidiaries, joint ventures or associates" compares very positively with the year 2023, due to a higher reversal in the impairment of Garanti BBVA.

3.2 Capital and solvency

3.2.1 Capital and treasury stock

Information about common stock and transactions with treasury stock is detailed in Notes 23 and 26 of the accompanying Financial Statements.

Information about the share buyback program and the shareholder remuneration system is detailed in Note 3 of the accompanying Financial Statements.

3.2.2 Capital ratios

BBVA's solvency and capital ratios required by the regulation in force in 2024 are outlined in Note 28 of the accompanying Financial Statements.

4. Risk management

The Bank's general risk management and control model is integrated into the BBVA Group's general model.

4.1 General risk management and control model

The BBVA Group has a general risk management and control model (hereinafter, the "Model") that is appropriate for its business model, its organization, the countries where it operates and its corporate governance system. This model allows the Group to carry out its activity within the management and risk control strategy and policy defined by the corporate bodies of BBVA where sustainability is specifically considered, and the alignment to a changing economic and regulatory environment, facing this management at a global level and aligned to the circumstances at all times.

The Model, for which the Group's Chief Risk Officer (CRO) is responsible and that must be updated or reviewed at least annually, is fully applied in the Group and it comprises the following basic elements:

- Governance and organization
- Risk Appetite Framework
- Assessment, monitoring and reporting
- Infrastructure

The Group promotes the development of a risk culture that ensures a consistent application of the Model in the Group, and that guarantees that the risks function is understood and internalized at all levels of the organization.

Governance & Organization

The risk governance model in the BBVA Group is characterized by a special involvement of its corporate bodies, both in setting the risk strategy and in monitoring and supervising its implementation on an ongoing basis.

Thus, and as explained below, the corporate bodies are responsible for approving the risk strategy and the general policies for the different types of risks. Global Risk Management (hereinafter, GRM) and Regulation & Internal Control (including, among other areas, Non-Financial Risks) are the functions responsible for its implementation and development, with the appropriate reporting to corporate bodies.

Responsibility for day-to-day management of risks falls on business and corporate areas, the activities of which adhere to the general policies, regulation, infrastructures and controls that, based on the framework set by corporate bodies, are defined by GRM and Regulation & Internal Control in their corresponding areas of responsibility.

To carry out this work adequately, the financial risks function in the BBVA Group has been set up as a single, global function and independent from business areas.

The head of the financial risks function at an executive level, is the Group's Chief Risk Officer, who is appointed by the Board of Directors as a member of its senior management, and reports directly on the development of the corresponding functions to the corporate bodies. The Chief Risk Officer, for the best fulfilment of the functions, is supported by a structure consisting of cross-cutting risk units in the corporate area and specific risk units in the Group's geographical and/or business areas.

In addition, and with regard to non-financial risks and internal control, the Group has a Regulation & Internal Control area independent from the rest of units and whose head (Head of Regulation & Internal Control) is also appointed by the Board of Directors of BBVA and reports directly to corporate bodies on the performance of its functions. This area is responsible for proposing and implementing non-financial risks policies and the Internal Control Model of the Group, and it is composed by, among other, the Non-Financial Risks, Regulatory Compliance, Risk Internal Control and Risk Control Specialists units.

The Risk Internal Control unit, within the Regulation & Internal Control area and, therefore, independent from the financial risks function (GRM), acts as a control unit for the activities carried out by GRM. In this regard, and without prejudice to the functions performed in this regard by the Internal Audit area, Risk Internal Control checks that the regulatory framework, the models and processes and established measures are sufficient and appropriate for each type of financial risk. It also monitors its implementation and operation, and confirms that those decisions taken by GRM are taken independently from the business lines and, in particular, that there's an adequate segregation of functions between units.

Governance and organizational structure are basic pillars for ensuring an effective risk management and control. This section summarizes the roles and responsibilities of the corporate bodies in the risks area, of the Group's Chief Risk Officer and, in general, of the risks function, its interrelation and the parent-subsidiary relationship model in this area and the group of committees, in addition to the Risk Internal Control unit.

Corporate Bodies of BBVA

According to the corporate governance system of BBVA, the Board of Directors of the Bank has certain reserved competencies, concerning management, through the implementation of the corresponding most relevant decisions, and concerning supervision and control, through the monitoring and supervision of implemented decisions and management of the Bank.

In addition, and to ensure adequate performance of the management and supervisory functions of the Board of Directors, the corporate governance system comprises different committees supporting the Board of Directors with regard to matters falling within their competence, and according to the specific charters of each committees. For this purpose, a coordinated work scheme between these corporate bodies has been established.

With regard to risks, the Board of Directors' competencies are those relating to establishing the policy for controlling and managing risk and the oversight and control of its implementation.

In addition, and for an adequate performance of its duties, the Board of Directors is assisted by the Risk and Compliance Committee (CRC), on the issues detailed below, and by the Executive Committee (CDP), which is focused on the strategy, finance and business functions of the Group, for the purposes of which it monitors the risks of the Group. Additionally, and in a coordinated manner with the general supervision of financial and non-financial risks carried out by the Risk and Compliance Committee, the Audit Committee and the Technology and Cybersecurity Committee also assist the Board in the management and control of non-financial risks of an accounting, tax and reporting nature, and those of a technological nature, respectively.

The involvement of the corporate bodies of BBVA in the control and management of the risks of the Group is detailed below:

Board of Directors

The Board of Directors is responsible for establishing the risk strategy of the Group and, in this role, it determines the control and risk management policy, through the following documents:

- The Risk Appetite Framework of the Group, which includes in the one hand the risk appetite statement of the Group, that is, the general principles governing the risk strategy of the Group and its target profile; and, on the other hand, and based on the above mentioned risk appetite statement, a set of quantitative metrics (core metrics and their corresponding statements, and by type of risk metrics and their corresponding statements), reflecting the risk profile of the Group;
- the framework of management policies of the different types of risk to which the Bank is or could be exposed. They contain the basic lines for a consistent management and control of risks throughout the Group, and consistent with the Model and Risk Appetite Framework;
- and the General risk management and control model described above.

All of the above in coordination with the rest of prospective-strategic decisions of the Bank, which includes the Strategic Plan, the Annual Budget, the Capital Plan and the Liquidity & Funding Plan, in addition to the rest of management objectives, whose approval is a responsibility of the Board of Directors.

In addition to defining the risk strategy, the Board of Directors, in the performance of its risks monitoring, management and control tasks, also monitors the evolution of the risks of the Group and of each main geographical and/or business area, ensuring compliance with the Risk Appetite Framework of the Group; and also supervising the internal information and control systems.

For the development of all these functions, the Board of Directors is supported by the CRC and the CDP, which are responsible for the functions detailed below.

Risk and Compliance Committee

The CRC is, according to its own charter, composed of non-executive directors and its main purpose is to assist the Board of Directors on the establishment and monitoring of the risk control and management policy of the Group.

For this purpose, it assists the Board of Directors in a variety of risk control and monitoring areas, in addition to its analysis functions, based on the strategic pillars established at all times by both the Board of Directors and the CDP, the proposals on the strategy, control and risk management of the Group, which are particularly specified in the Risk Appetite Framework and in the “Model”. After the analysis, the Risk Appetite Framework and Model proposal is submitted to the Board of Directors for consideration and, where appropriate, approval purposes.

In addition, the CRC proposes, in a manner consistent with the Risk Appetite Framework of the Group approved by the Board of Directors, the control and management policies of the different risks of the Group, and supervises the information and internal control systems.

With regard to the monitoring of the evolution of the risks of the Group and their degree of compliance with the Risk Appetite Framework and defined general policies, and without prejudice to the monitoring task carried out by the Board of Directors and the CDP, the CRC carries out monitoring and control tasks with greater frequency and receives information with a sufficient granularity to achieve an adequate performance of its duties.

The CRC also analyzes all measures planned to mitigate the impact of all identified risks, should they materialize, which must be implemented by the CDP or the Board of Directors, as the case may be.

The CRC also monitors the procedures, tools and measurement indicators of those risks established at a Group level in order to have a comprehensive view of the risks of BBVA and its Group, and monitors compliance with the regulation and supervisory requirements in terms of risks.

The CRC is also responsible for analyzing those project-related risks that are considered strategic for the Group or corporate transactions that are going to be submitted to the Board of Directors of the CDP, within its scope of competence.

In addition, it contributes to the setting of the remuneration policy, checking that it is compatible with an appropriate and effective management of risks and that it does not provide incentives to take risks breaching the level tolerated by the Bank.

Lastly, the CRC ensures the promotion of the risk culture in the Group. In 2024, the CRC has held 23 meetings.

Executive Committee

In order to have a comprehensive and complete vision of the progress of the Group's business and its business units, the CDP monitors the evolution of the risk profile and the core metrics defined by the Board of Directors, being aware of any potential deviation or breach of the metrics of the Risk Appetite Framework and implementing, when applicable, the appropriate measures, as explained in the Model.

In addition, the CDP is responsible for proposing the basis for developing the Risk Appetite Framework, which will be established in coordination with the rest of prospective/strategic decisions of the Bank and the rest of management objectives.

Lastly, the CDP is the committee supporting the Board of Directors in decisions related to business risk and reputational risk, according to the dispositions set out in its own charter.

Three lines of defense control model

BBVA has an internal control model that is structured into three differentiated levels ("lines of defense"), which constitute the organizational structure of the Group's internal control model, whose objective is the integral management of the risk life cycle; all this, in accordance with the best practices developed both in the "Enterprise Risk Management - Integrated Framework" of COSO (Committee of Sponsoring Organizations of the Treadway Commission) and in the "Framework for Internal Control Systems in Banking Organizations" prepared by the Bank Basel International Settlements (BIS):

- First line of defense, made up of the Business and Support Areas in charge of managing operational risks in their products, activities, processes and systems, including those present in activities that could have been outsourced. The Areas must integrate operational risk management into their day-to-day activities, identifying and evaluating operational risks, carrying out controls, assessing the sufficiency of their control environment and executing mitigation plans for those risks in which control weaknesses are identified.
- Second line of defense, made up of: (i) the Non-Financial Risk Units, which are responsible for designing and maintaining the Group's Operational Risk management model, and assessing the degree of application within the different Areas; and (ii) the Specialist Control Units in different risk areas, which define the General Framework of Mitigation, Control and Monitoring in the risks of their respective areas, and carry out an independent comparison on the sufficiency of the control environment implemented by the first defense line. The Non-Financial Risk Units and the Specialist Units are located in the Regulation and Internal Control area in order to ensure coordinated action by the second line of defense and to preserve their independence from the first line of defense.
- Third line of defense, performed by the Internal Audit Area, which: (i) carries out an independent review of the control model, verifying compliance and the effectiveness of the established general policies; and (ii) provides independent information on the control environment to the Corporate Assurance Committees.

The Board, with the support of its Committees, supervises the effectiveness of the internal control model through periodic reports from those responsible for the different lines of defense. In particular, the heads of the Internal Regulation and Control and Internal Audit areas report at least quarterly to the Board of Directors on the most relevant issues of their control activity; and, in addition, they report monthly to the Risk and Compliance Committee and the Audit Committee, respectively, and with a greater level of detail, on the operation of the internal control model and on the independent reviews carried out of the different Bank processes. All of this is based on the annual plans for each of these functions, which are approved by the respective Board Committees and where the review of processes related to climate change risk and other sustainability issues is expressly incorporated.

Parent-subsidiary risk relationship model

In accordance with the provisions of the BBVA Group's General Corporate Governance Policy, for integrated management and supervision in the Group, the Group has a common management and control framework, consisting of basic guidelines (including strategic-prospective decisions) and General Policies, established by BBVA's corporate bodies for the Group.

For the purpose of transferring the risk strategy and its management and control model to the different subsidiaries of the BBVA Group and their corresponding specific risk units, a parent-subsidiary relationship model has been designed within the scope of risk management and control in the BBVA Group.

This relationship model implies a minimum catalog of decisions that must be adopted by the corporate bodies of the subsidiaries in terms of risks in order to provide them with an adequate governance model coordinated with the parent company. It will be the responsibility of the head of the Risk function (GRM) of each subsidiary to formulate the proposals that proceed to the corresponding corporate body for its consideration and, where appropriate, approval, according to the scope of functions that apply.

The approval of these decisions by the corporate bodies of the subsidiaries obliges the risk units of the geographical areas to carry out a risk monitoring and control plan before their corporate bodies.

Notwithstanding the foregoing, it is considered necessary that certain decisions regarding risks reserved for the consideration of the corresponding corporate bodies of the subsidiary for their approval, are also subject to the approval of the corporate bodies of BBVA, in accordance with what is established regulations at all times.

In the specific case of BBVA, S.A., what is described in this document regarding the coordination of the local risk management function with the risk function of the parent company BBVA, S.A. is applicable (as in any subsidiary of the Group). And with regard to the decisions that the corporate bodies of the subsidiaries must adopt, in this case it is the responsibility of the head of the Risk function of BBVA, S.A. (GRM) formulate the proposals that proceed to the corresponding corporate body for its consideration and, where appropriate, approval, according to the scope of functions that apply.

Chief Risk Officer of the Group

The Group's Chief Risk Officer (CRO) is responsible for the management of all the financial risks of the Group with the necessary independence, authority, rank, experience, knowledge and resources. The CRO is appointed by the Board of Directors of BBVA and has direct access to its corporate bodies (Board of Directors, CDP and CRC), with the corresponding regular reporting on the risk situation in the Group.

The GRM area has a responsibility as the unit transversal to all the businesses of the BBVA Group. This responsibility is part of the structure of the BBVA Group, which is formed by subsidiaries based in different jurisdictions, which have autonomy and must comply with their local regulations, but always according to the risk management and control scheme designed by BBVA as the parent company of the BBVA Group.

The Chief Risk Officer of the BBVA Group, in coordination with the rest of areas responsible for risks monitoring and control, is responsible for ensuring that the risks of BBVA Group, within the scope of its functions, are managed according to the established model, assuming, among other, the following responsibilities:

- Prepare and propose to corporate bodies the risk strategy of the BBVA Group, which includes the Risk Appetite statement of the BBVA Group, core (and their respective statements) and by type of risk metrics (and their respective statements), and the Model.
- Ensure the necessary coordination to define and prepare the proposals for the Appetite Framework of the Group companies, and make sure they are applied correctly.
- Define and propose to corporate bodies the general policies for each type of risk within its scope of responsibility and, as part these, to establish the required specific regulation.
- Prepare and propose for approval, or approving if within its competence, the risk limits for the geographical areas, business areas and/or legal entities, which shall be consistent with the defined Risk Appetite Framework; it is also responsible for the monitoring, supervision and control of risk limits within its scope of responsibility.
- Submit to the Risk and Compliance Committee the information required to carry out its supervisory and control functions.
- Regular reporting to the corresponding corporate bodies on the situation of those risks of the BBVA Group within its scope of responsibility.
- Identify and assess the material risks faced by the BBVA Group within its scope of responsibility, with an effective management of those risks and, where necessary, with the implementation of the required mitigation measures.
- Early warning to the relevant corporate bodies and the Chief Executive Officer of any material risk within its scope of responsibility that could compromise the solvency of the BBVA Group.
- Ensure, within its scope of responsibility, the integrity of measurement techniques and management information systems and, in general, the provision of models, tools, systems, structures and resources to implement the risk strategy defined by the corporate bodies.
- Promote the risk culture of the BBVA Group to ensure the consistency of the Model in the different countries where it operates, strengthening the cross-cutting model of the risks function.

For decision-making, the Group’s Chief Risk Officer has a governance structure for the role that culminates in a support forum, the Global Risk Management Committee (GRMC), which is established as the main executive-level committee on the risks within its remit. Its purpose is to develop the strategies, policies, regulations and infrastructures needed to identify, assess, measure and manage the material risks within its remit that the Group faces in its business activity. This committee is composed by the Chief Risk Officer, who chairs the meetings, and the heads of Core Services and Cross Services in the Corporate Area of GRM, of the Front for “South America and Turkey”, and “Risk Internal Control”; and by the heads of GRM in the three most important geographical units, CIB and Digital Banks. The purpose of the GRMC is to propose and challenge, among other issues, the internal regulatory framework of GRM and the infrastructures required to identify, assess, measure and manage the risks faced by the Group in carrying out its businesses and to approve risk limits.

The GRMC carries out its functions assisted by various support committees which include:

- Global Credit Risk Management Committee: It is responsible for analyzing and decision-making related to wholesale credit risk admission.
- Wholesale Credit Risk Management Committee: It is responsible for analyzing and making decisions related to wholesale credit risk admission in specific customer segments of BBVA Group, as well as being informed of the relevant decisions adopted by members of the committee within their scope of decision-making at corporate level.
- Work Out Committee: Its purpose is to analyze and make decisions regarding the admission of wholesale credit risks of customers classified in Watch List, doubtful risk or write-offs in accordance with the criteria established in the Group, as well as to be informed of the decisions adopted by the person in charge of the Work Out process in its area of responsibility; it will also include the approval of proposals on entries, exits and modifications in Watch List, entries and exits in doubtful, unlikely to pay and pass to write-offs; as well as the approval of other proposals that must be seen in this Committee according to the established thresholds and criteria.

- Wholesale & Sustainability Risk Committee: Its purpose is the analysis, discussion and support for decision-making on all those matters of wholesale credit risk management that impact or potentially impact the corporate practices, processes and metrics established in the Policies, Standards and Frameworks for Action. In addition, it serves as a basis for the development of the risk management model and its monitoring of the BBVA Group's insurance companies. Finally, it is the main area of decision and monitoring of the lines of action for the integration of climate and environmental risk into the Group's risk management framework.

- Portfolio Management Committee: The executive authority responsible for managing the limits by asset class for credit risk, equities and real estate, structural risks, market risk and asset management; and by business area and at the group level established in the risk limit planning exercise, seeking the optimization of portfolios under the restrictions imposed by the Risk Appetite Framework, maximizing the risk-adjusted performance of regulatory and economic capital, taking into account the concentration and credit quality objectives of the portfolio, as well as the perspectives and strategic needs of the BBVA Group. He is also responsible for designing and maintaining a comprehensive view of economic capital consumption and risk-adjusted returns by portfolio, business area and asset class. Finally, it is responsible for guaranteeing the suitability of the management and measurement criteria for global risks, global processes and those for calculating economic, regulatory capital and provisions not included in frameworks or subject to the definition of a risk model.

- Risk Models Management Committee: It ensures an appropriate decision-making process regarding the planning, development, implementation, use, validation and monitoring of the models required to achieve an appropriate management of the Model Risk in the BBVA Group.

- Global Market and Counterparty Risk Committee: its purpose is to formalize, supervise and communicate the trading risk monitoring in all Global Markets business units, as well as coordinating and approving the key decisions of the Market and Counterparty Risk activity. It is also responsible for the analysis and decision making (opinion on the risk profile of the proposal, the mitigants and the risk-return ratio) with respect to the most relevant transactions in the different geographies in which Global Markets is present.

- Retail Credit Risk Committee: it ensures for the analysis, discussion and decision support on all issues regarding the retail credit risk management that impact or potentially do in the practices, processes and corporate metrics established in the General Policies, Rules and Operating Frameworks.

Also:

- GRM Continuity Committee: as established by the Corporate Continuity Committee for the different areas, this Committee is dedicated to analyzing and taking decisions in response to exceptional crisis situations, with a view to managing the continuity and restoration of critical GRM processes, with a view to ensuring its operations have a minimum impact through the Continuity Plan, which addresses crisis management and Recovery Plans.
- The Corporate Committee for Admission of Operational Risk and Product Governance aims to ensure the adequate evaluation of initiatives with significant risk (new business, product, outsourcing, process transformation, new systems, etc.) from the perspective of operational risk and reputational as well as the approval of the proposed control frameworks.

Risk units of the corporate area and the business/geographical areas

The risks function is comprised of risk units from the corporate area, which carry out cross-cutting functions, and of risk units of the geographical/business areas.

- The risk units of the corporate area develop and submit to the Group's Chief Risk Officer the different elements required to define the proposal for the Group's Risk Appetite Framework, the general policies, the regulation and global infrastructures within the operating framework approved by corporate bodies; they ensure their application and report directly or through the Group's Chief Risk Officer to the corporate bodies of BBVA. With regard to non-financial risks and reputational risk, which are entrusted to the Regulation & Internal Control and Communications areas respectively, the corporate units of GRM will coordinate, with the corresponding corporate units of those areas, the development of the elements that should be integrated into the Appetite Framework of the Group.

- The risk units of the business and/or geographical areas develop and submit to the Chief Risk Officer of the geographical and/or business areas the Risk Appetite Framework proposal applicable in each geographical and/or business area, independently and always according to the Group's Risk Appetite Framework. In addition, they ensure the application of general policies and the rest of the internal regulations, with the necessary adaptations, when applicable, to local requirements, providing the appropriate infrastructures for risk management and control purposes, within the global risk infrastructure framework defined by the corporate areas, and reporting to the corresponding corporate bodies and senior management, as applicable. With regard to Non-financial risks, which are integrated in the Regulation & Internal Control area, the local risk units will coordinate, with the unit responsible for those risks, the development of the elements that should be integrated into the local Risk Appetite Framework.

Thus, the local risk units work with the risk units of the corporate area with the aim of adapting themselves to the risk strategy at Group level and pooling all the information required to monitor the evolution of their risks.

As previously mentioned, the risks function has a decision-making process supported by a structure of committees, and also a top-level committee, the GRMC, whose composition and functions are described in the section "Chief Risk Officer of the Group."

Each geographical and/or business area has its own risk management committee(s), with objectives and contents similar to those of the corporate area. These committees perform their duties consistently and in line with general risk policies and corporate rules, and its decisions are reflected in the corresponding minutes.

Under this organizational scheme, the risks function ensures the integration and application throughout the Group of the risk strategy, the regulatory framework, the infrastructures and standardized risk controls. It also benefits from the knowledge and proximity to customers in each geographical and/or business area, and conveys the corporate risk culture to the Group's different levels. Moreover, this organization enables the risks function to conduct and report to the corporate bodies an integrated monitoring and control of the risks of the entire Group.

Chief Risk Officers of geographical and/or business areas

The risks function is cross-cutting, i.e. it is present in all of the Group's geographical and/or business areas through specific risk units. Each of these units is headed by a Chief Risk Officer for the geographical and/or business area who, within the relevant scope of responsibility, carries out risk management and control functions and is responsible for applying the Model, the general policies and corporate rules approved at Group level in a consistent manner, adapting them if necessary to local requirements and with the subsequent reporting to local corporate bodies.

The Chief Risk Officers of the geographical and/or business areas have functional reporting to the Group's Chief Risk Officer and hierarchical reporting to the head of their geographical and/or business area. This dual reporting system aims to ensure the independence of the local risks function from the operational functions and enable its alignment with the Group's general policies and goals related to risks.

Risk Internal Control

The Group has a specific Risk Internal Control unit, within the Regulation & Internal Control area, that, among other tasks, independently challenges and control the regulation and governance structure in terms of financial risks and its implementation and deployment in GRM, in addition to the challenge of the development and implementation of financial risks control and management processes. It is also responsible for the validation of risk models.

For this purpose, it has 3 subunits: RIC-Processes, Risks Technical Secretariat and Risk Internal Validation.

- RIC-Processes. It is responsible for challenging an appropriate development of the functions of GRM units, and for reviewing that the functioning of financial risk management and control processes is appropriate and in line with the corresponding regulation, identifying potential opportunities for improvement and contributing to the design of the action plans to be implemented by the responsible units. In addition, it is the Risk Control Specialist (RCS) in the Group's Internal Control Model and, therefore, establishes the general mitigation and control frameworks for its risk area and contrasts them with those actually implemented.

- Risks Technical Secretariat. It is responsible for the definition, design and management of the principles, policies, criteria and processes through which the regulatory risk framework is developed, processed, reported and disclosed to the countries; and for the coordination, monitoring and assessment of its consistency and completeness. In addition, it coordinates the definition and structure of the most relevant GRM Committees, and monitors their proper functioning, in order to ensure that all risk decisions are taken through an adequate governance and structure, ensuring their traceability. It also provides to the CRC the technical support required in terms of financial risks for a better performance of its functions.

- Risk Internal Validation. It is responsible for validating the risks models. In this regard, it effectively challenges the relevant models used to manage and control the risks faced by the Group, as an independent third party from those developing or using the models in order to ensure its accuracy, robustness and stability. This review process is not restricted to the approval process, or to the introduction of changes in the models; it is a plan to make a regular assessment of those models, with the subsequent issue of recommendations and actions to mitigate identified weaknesses.

The Head of Risk Internal Control of the Group is responsible for the function and reports about his activities and work plans to the Head of Regulation & Internal Control and to the CRC, with the corresponding support in the issues required, and, in particular, challenging that GRM's reports submitted to the Committee are aligned with the criteria established at the time.

In addition, the risk internal control function is global and transversal, it includes all types of financial risks and has specific units in all geographical and/or business areas, with functional reporting to the Head of Risk Internal Control of the Group.

The Risk Internal Control function must ensure compliance with the general risks strategy defined by the Board of Directors, with adequate proportionality and continuity. In order to comply with the control activity within its scope. Risk Internal Control is member of GRM's top-level committees (sometimes even assuming the Secretariat role), independently verifying the decisions that may be taken and, specifically, the decisions related to the definition and application of internal GRM regulation.

Furthermore, the control activity is developed within a homogeneous methodological framework at a Group level, covering the entire life cycle of financial risk management and carried out under a critical and analytical approach.

The Risk Internal Control team reports the results of its control function to the corresponding heads and teams, promoting the implementation of corrective measures and submitting these assessments and the resolution commitments in a transparent manner to the established levels.

Lastly, and notwithstanding the control responsibility that GRM teams have in the first instance, Risk Internal Control teams promote a control culture in GRM, conveying the importance of having robust processes.

Risk appetite framework

Elements and development

The Group's Risk Appetite Framework approved by the corporate bodies determines the risks and the risk level that the Group is willing to assume to achieve its business objectives considering the organic evolution of business. These are expressed in terms of solvency, liquidity and funding, and profitability, as well as recurrence of revenue, which are reviewed not only periodically but also if there are any substantial changes in the business strategy or relevant corporate transactions.

The Risk Appetite Framework is expressed through the following elements:

- Risk appetite statement: sets out the general principles of the Group's risk strategy and the target risk profile:

  "The BBVA Group aims to achieve a solid risk-adjusted profitability throughout the cycle by developing a universal banking business model. This model is based on values, centered on the needs and life goals of our clients, and prioritizes sustainability as a lever for growth, operational excellence and the preservation of adequate business security and continuity.

  BBVA intends to achieve these goals while maintaining a moderate risk profile, understood as achieving profitability that is commensurate with the risks incurred throughout the cycle, and maintaining a robust financial position reflected in sufficient liquidity and capital to withstand stress scenarios.

  Risk Management at BBVA is based on a holistic and forward-looking approach to all risks, enabling adaptation to the disruption risks inherent to the banking business, while leveraging the capabilities offered by innovation and technological evolution. The key pillars of risk management to promote responsible growth, with recurrent generation of value, are the diversification of portfolios across geographies, the quality and profile of asset classes and client segments, anti-money laundering and financing of terrorism prevention, the incorporation of the impact of climate change, and accompanying our clients in achieving their life goals."

- Statements and core metrics: Statements are established, based on the risk appetite statement, specifying the general principles of risk management in terms of solvency, liquidity and funding, profitability and income recurrence. Moreover, the core metrics reflect, in quantitative terms, the principles and the target risk profile set out in the Risk Appetite statement. Each core metric has three thresholds ranging from usual management of the businesses to higher levels of impairment:
  - Management benchmark: a benchmark that determines a comfortable management level for the Group.
  - Maximum appetite: the maximum level of risk that the Group is willing to accept in its ordinary activity.
  - Maximum capacity: the maximum risk level that the Group could assume, which for some metrics is associated with regulatory requirements.
- Statements and by type of risk metrics: based on the core metrics and their thresholds, statements are established that set out the general management principles for each type of risk, and a number of metrics are determined for each type of risk, whose observance enables compliance with the core metrics and the Group's Risk Appetite statement. These metrics have a maximum risk appetite threshold.

In addition to this Framework, there is a level of management limits that is defined and managed by the areas responsible for the management of each type of risk in order to ensure that the early management of risks complies with the established Risk Appetite Framework.

Each significant geographical area (that is, those representing more than 2% of the diversified economic capital or operating income of the BBVA Group) has its own Risk Appetite framework, consisting of its local Risk Appetite statement, core statements and metrics, and by type of risk statements and metrics, which must be consistent with those set at the Group level, but adapted to their own reality. These are approved by the corresponding corporate bodies of each entity. This Appetite Framework is deployed through a structure of management limits consistent with the above.

The corporate risks area works with the various geographical and/or business areas to define their Risk Appetite Framework, so that it is coordinated with, and integrated into, the Group's Risk Appetite Framework, making sure that its profile is in line with the one defined. Moreover, and for the purposes of monitoring at local level, the Chief Risks Officer of the geographical and/or business area regularly reports on the evolution of the metrics of the Local Risk Appetite Framework to the corporate bodies, as well as to the relevant top-level local committees, following a scheme similar to that of the Group, in accordance with its own corporate governance systems.

Within the issuing process of the Risk Appetite Framework, Risk Internal Control carries out, within the scope of the GRM area the effective challenge of the Framework proposal prior to its escalation to corporate bodies, which is also documented, and it is extended to the approval of the management limits under which it is developed, also supervising its adequate approval and extension to the different entities of the Group. Likewise, in each significant geographical area, the local Risk Internal Control unit, working in the Risk Management Committee (hereinafter, RMC), carries out an effective challenge of the local Risk Appetite Framework prior to its escalation to local corporate bodies, which is also documented, and extended to the local approval process of the management limits. The report with the main conclusions of this analysis will be sent to the Heads of GRM and Regulation and Internal Control.

Monitoring of the Risk Appetite Framework and management of breaches

So that corporate bodies can develop the risk functions of the Group, the heads of risks at an executive level will regularly report (more frequently in the case of the CRC, within its scope of responsibility) on the evolution of the metrics of the Risk Appetite Framework of the Group, with the sufficient granularity and detail, in order to check the degree of compliance of the risks strategy set out in the Risk Appetite Framework of the Group approved by the Board of Directors.

If, through the monitoring of the metrics and supervision of the Risk Appetite Framework by the executive areas, a relevant deviation or breach of the maximum appetite levels of the metrics is identified, that situation must be reported and, where applicable, the corresponding corrective measures must be submitted to the CRC.

After the relevant review by the CRC, the deviation must be reported to the CDP (as part of its role in the monitoring of the evolution of the risk profile of the Group) and to the Board of Directors, which will be responsible, when applicable, for implementing the corresponding executive measures, including the modification of any metric of the Risk Appetite Framework. For this purpose, the CRC will submit to the corresponding corporate bodies all the information received and the proposals prepared by the executive areas, together with its own analysis.

Notwithstanding the foregoing, once the information has been analyzed and the proposal of corrective measures has been reviewed by the CRC, the CDP may adopt, on grounds of urgency and under the terms established by law, measures corresponding the Board of Directors, but always reporting those measures to the Board of Directors in the first meeting held after the implementation for ratification purposes.

In any case, an appropriate monitoring process will be established (with a greater information frequency and granularity, if required) regarding the evolution of the breached or deviated metric, and the implementation of the corrective measures, until it has been completely redressed, with the corresponding reporting to corporate bodies, in accordance with its risks monitoring, supervision and control functions.

Notwithstanding the provisions of this section, more robust monitoring and management models for breaches may be defined in executive-level regulations in cases where a breach of a metric within the Risk Appetite Framework occurs (or is anticipated). These breaches will be reported to the CRC, the CDP, and the Board as outlined in this section, or more frequently if deemed appropriate.

Integration of the Risk Appetite Framework into the management

The transfer of the Risk Appetite Framework to ordinary management is underpinned by three basic elements:

1. The existence of a standardized set of regulations: the corporate risks area defines and proposes the general policies within its scope of action, and develops the additional internal regulation required for the development of those policies and the operating frameworks on the basis of which risk decisions must be adopted within the Group. The approval of the general policies for all types of risks is a responsibility of the corporate bodies of BBVA, while the rest of regulation is defined at an executive level according to the framework of competences applicable at any given time. The Risks units of the geographical and/or business areas comply with this regulation and performing, where necessary, the relevant adaptation to local requirements, in order to have a decision-making process that is appropriate at local level and aligned with the Group's policies.
2. Risk planning, which ensures the integration into the management of the Risk Appetite Framework through a cascade process established to set limits adjusted to the target risk profile. The Risks units of the corporate area and of the geographical and/or business areas are responsible for ensuring the alignment of this process with the Group's Risk Appetite Framework in terms of solvency, liquidity and funding, profitability, and income recurrence.
3. A comprehensive management of risks during their life cycle, based on differentiated treatment according to their type.

Assessment, monitoring and reporting

Assessment, monitoring and reporting is a cross-cutting function at Group level. This function ensures that the model has a dynamic and proactive vision to enable compliance with the Risk Appetite Framework approved by the Board of Directors, even in adverse scenarios.

This process is integrated in the activity of the Risk units, both of the corporate area and in the geographical and/or business units, together with the units specialized in non-financial risks and reputational risk within the Regulation & Internal Control and Communications areas respectively, in order to generate a comprehensive and single view of the risk profile of the Group.

This process is developed through the following phases:

1. Identification of the material risks to which BBVA is exposed (risk assessment), which includes the identification of the main risk events (including emerging risks) as well as the identification of the main vulnerabilities, both in absolute terms and in relative terms in relation to the income generation capacity of the Group and its geographical and/or business areas.
2. Monitoring the Group's risk profile and the identified risk factors, through internal, competitor and market indicators, among others, to anticipate their future development.
3. Assessment of the impact of the materialization of the risk factors on the metrics that define the Risk Appetite Framework based on different scenarios, including stress testing scenarios.
4. Response to unwanted situations and proposals for redressing measures to the corresponding levels, in order to enable a dynamic management of the situation, even before it takes place.

5. Reporting: complete and reliable information on the evolution of risks to corporate bodies and senior management, in accordance with the principles of accuracy, exhaustiveness, clarity and utility, frequency, and adequate distribution and confidentiality. The principle of transparency governs all the risk information reporting process.

Infrastructure

For the implementation of the Model, the Group has the resources required for an effective management and supervision of risks and for achieving its goals. In this regard, the Group's risks function:

1. Has the appropriate human resources in terms of number, ability, knowledge and experience. The profile of resources will evolve over time based on the specific needs of the GRM and Regulation & Internal Control areas, always with a high analytical and quantitative capacity as the main feature in the profile of those resources. Likewise, the corresponding units of the geographical and/or business areas have sufficient means from the resources, structures and tools perspective in order to achieve a risk management process aligned with the corporate model.
2. Develops the appropriate methodologies and models for the measurement and management of the different risk profiles, and the assessment of the capital required to take those risks.
3. Has the technological systems required to: support the Risk Appetite Framework in its broadest definition; calculate and measure the variables and specific data of the risk function; support risk management according to this Model; and provide an environment for storing and using the data required for risk management purposes and reporting to supervisory bodies.
4. Promotes adequate data governance, in accordance with the principles of governance, infrastructure, precision and integrity, completeness, promptness and adaptability, following the quality standards of the internal regulations referring to this matter.

Within the risk functions, both the profiles and the infrastructure and data shall have a global and consistent approach.

The human resources among the countries must be equivalent, within proportionality, ensuring a consistent operation of the risk function within the Group. However, they will be distinguished from those of the corporate area, as the latter will be more focused on the conceptualization of appetite frameworks, operating frameworks, the definition of the regulatory framework and the development of models, among other tasks.

As in the case of the human resources, technological platforms must be global, thus enabling the implementation of the Risk Appetite Framework and the standardized management of the risk life cycle in all countries.

The corporate area is responsible for deciding on the platforms and for defining the knowledge and roles of the human resources. It is also responsible for defining risk data governance.

The foregoing is reported to the corporate bodies of BBVA so they can ensure that the Group has the appropriate means, systems, structures and resources.

4.2 Risks associated with climate change

The management of climate and environmental risk factors is key to implement BBVA's strategy, which is based on managing risks appropriately, supporting the transition to a low-carbon economy, and meeting the ambition of achieving net-zero carbon emissions by 2050.

The information on BBVA management of risks associated with climate change and environmental factors is described in the “Management of risks associated with climate change” section of the NFIS included in this Management Report.

4.3 Operational risk

BBVA defines operational risk (“OR”) as any risk that could result in losses caused by human error; inadequate or flawed internal processes; undue conduct with respect to customers, markets or the institution; weaknesses in the antimoney laundering and financing of terrorist programs; failures, interruptions or flaws in systems or communications; theft, loss or wrong use of information, as well as deterioration of its quality, internal or external fraud, including in any case those derived from cyberattacks; theft or harm to assets or persons; legal risks; risks derived from staff management and labor health; and defective service provided by suppliers; as well as damages from extreme climate events, pandemics and other natural disasters.

This section addresses general aspects of operational risk management as the main component of non-financial risks. However, sections devoted to conduct and compliance risk and to cybersecurity risk management are also included in the non-financial information report.

Operational risk management

Operational risk management is oriented toward the identification of the root causes to avoid their occurrence and mitigate possible consequences. This is carried out through the establishment of control framework and monitoring and the development of mitigation plans. The objective is to ensure that our activities are conducted with integrity and transparency, and in compliance with applicable regulations; increase the quality, safety and availability of the service provided, as long as minimizing the economic and reputational losses and their impact on the recurrent generation of results.

Operational risk management is integrated into the global risk management structure of BBVA.

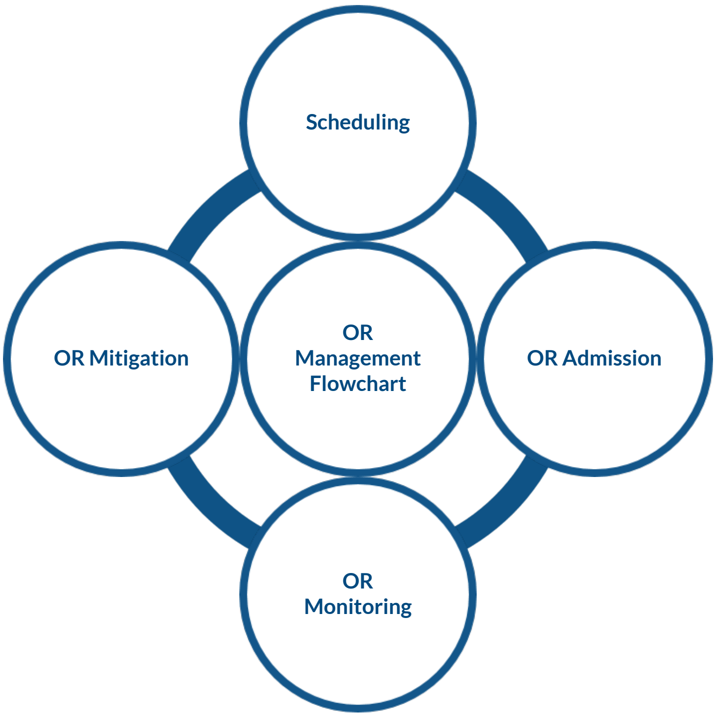
Operational risk management principles

BBVA is committed to preferably applying advanced operational risk management models, regardless of the capital calculation regulatory model applicable at the time. Operational risk management at BBVA shall:

- Be aligned with the Risk Appetite Framework ratified by the BBVA Board of Directors, aiming to safeguard the solvency of the entity.
- Address BBVA's management needs in terms of compliance with legislation, regulations and industry standards, as well as the decisions or positioning of BBVA's corporate bodies.
- Anticipate the potential operational risk to which BBVA may be exposed as a result of the creation or modification of products, activities, processes or systems, as well as decisions regarding the outsourcing or hiring of services, and establish mechanisms to assess and mitigate risk to a reasonable extent prior to implementation, as well as review the same on a regular basis.
- Regularly assess the significant operational risk to which BBVA is exposed, in order to adopt appropriate mitigation measures in each case, once the identified risk and the cost of mitigation (cost/benefit analysis) have been considered, while safeguarding BBVA solvency at all times.
- Promote the implementation of mechanisms that support careful monitoring of all sources of operational risk and the effectiveness of mitigation and control environments, fostering proactive risk management.
- Identify the relevant operational events already suffered, looking for their root causes and establishing measures to prevent the same, provided that the cost/benefit analysis so recommends.
- Evaluate key public events that have generated operational risk losses at other companies and support, where appropriate, the implementation of measures as required to prevent them from occurring at BBVA.
- Stablish mechanisms to measure and monitor economic capital requirements, including stress scenarios to complement operational events already suffered.
- Have an effective system of governance in place, where the functions and responsibilities of the corporate areas and bodies involved in operational risk management are clearly defined.
- Operational risk management must be performed in coordination with management of other risk, taking into consideration credit or market events that may have an operational origin.

Operational risk control and management model

The operational risk management cycle at BBVA is similar to the one implemented for the rest of risks. Its elements are:



Operational risk management parameters

Operational risk forms part of the risk appetite framework of BBVA and includes three types of metrics and limits:

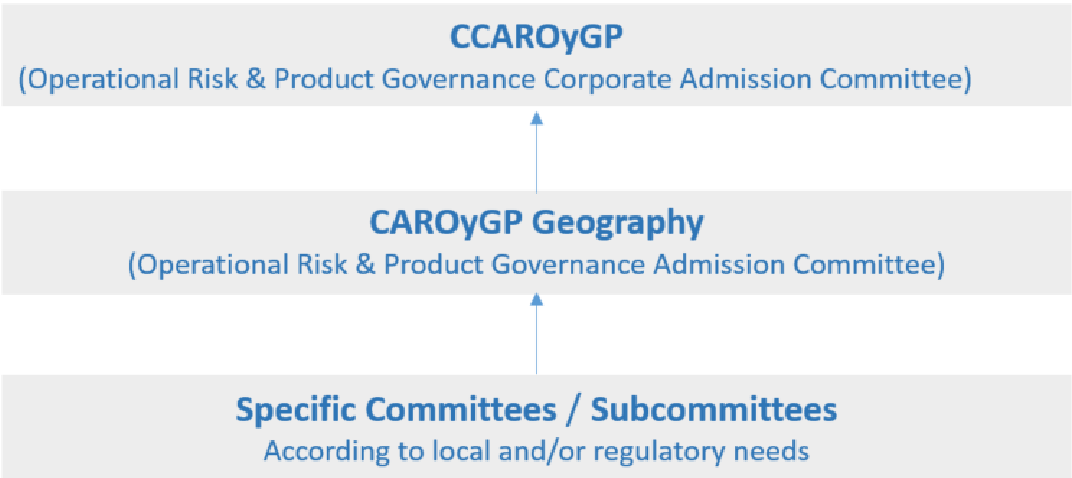
- Economic capital calculated with the operational losses database of BBVA, considering the corresponding intra-geographical diversification effects and the additional estimation of potential and emerging risks through stress scenarios. The economic capital is regularly calculated and simulation capabilities are available to anticipate the impact of changes on the risk profile or new potential events.
- ORI metrics (Operational Risk Indicator: operational risk losses vs. gross income) broken down by geography.
- Indicators on sources of risk: a more granular common scheme of metrics (indicators and limits) covering the main types of operational risk is implemented throughout BBVA. These metrics make it possible to intensify the anticipatory management of risk and objectify the appetite to different sources of risk. The indicators are regularly reviewed and adjusted to capture the main current risks.

Operational risk admission

The main purposes of the operational risk admission phase are the following:

- To anticipate potential operational risk to which BBVA may be exposed due to the release of new, or modification of businesses, products, activities, processes or systems or in relations with third parties (e.g. in the outsourcing of bank processes to third parties).
- To ensure that implementation and the roll out of initiatives is only performed once appropriate mitigation measures have been taken in each case, including external assurance of risks where deemed appropriate.

The Corporate Non-Financial Risk Management Policy sets out the specific operational risk admission framework through different Operational Risk Admission and Product Governance Committees, both at a corporate and Business Area level, that follow a delegation structure based on the risk level of proposed initiatives.



Operational risk monitoring

BBVA promotes the continuous monitoring by each Area of the due functioning and effectiveness of its control environment.

The purpose of this phase is to check that the operational risk profile of BBVA is within the authorized limits. Operational risk monitoring considers 2 scopes:

- Monitoring the operational risk admission process, oriented toward checking that accepted risks levels are within the limits and that defined controls are effective.
- Monitoring the operational risk "stock" mainly associated with processes. This is done by carrying out a periodic re-evaluation in order to generate and maintain an updated map of the relevant operational risks in each Area, and evaluate the adequacy of the monitoring and mitigation environment for said risks. When weaknesses are detected, action plans are promoted.

This process is supported by a corporate Governance, Risk & Compliance tool that monitors the operational risk at a local level and its aggregation at a corporate level.

In addition, and in line with the best practices and recommendations provided by the Bank for International Settlements (hereinafter, BIS), BBVA has procedures to collect the operational losses occurred in other financial groups, with the appropriate level of detail to carry out an effective analysis that provides useful information for management purposes and to contrast the consistency of BBVA operational risks map. To that end, a corporate tool of BBVA is used.

As a result of the monitoring activities, a risk assessment is produced, both, at consolidated and local level, allowing to focus management and mitigation efforts.

Operational risk mitigation

BBVA promotes the proactive mitigation of the non-financial risks to which it is exposed and which are identified in the monitoring activities.

In order to rollout monitoring and anticipated mitigation practices, several cross-sectional plans are being promoted related to relevant events, lived by BBVA or by the industry, self-assessments and recommendations from auditors and supervisors in different geographies, thereby analyzing the best practices at the selected topics and fostering comprehensive action plans to strengthen and standardize the control environment.

Assurance of Operational Risk

Assurance is one of the possible options for managing the operational risk to which BBVA is exposed, and mainly has two potential purposes:

- Coverage of extreme situations linked to recurrent events that are difficult to mitigate or can only be partially mitigated by other means.
- Coverage of non-recurrent events that could have significant financial impact, if they occurred.

BBVA has a general framework that regulates this area, and allows systematizing risk assurance decisions, aligning insurance coverage with the risks to which BBVA is exposed and reinforcing governance in the decision-making process of arranging insurance policies.

Operational Risk Governance

BBVA's operational risk governance model is based on two components:

- Three-line defense control model, in line with industry best practices, and which guarantees compliance with the most advanced operational risk internal control standards.
- Scheme of Corporate Assurance Committees and Internal Control and Operational Risk Committees in the different business and support areas.

Corporate Assurance establishes a structure of committees, both at local and corporate level, to provide senior management with a comprehensive and homogeneous vision of the main non-financial risks and significant situations of the control environment.

BBVA in Spain, as in other geographical area has a Corporate Assurance Committee chaired by the Country Manager and whose main functions are:

- Facilitate agile and anticipatory decision-making for the mitigation or assumption of the main risks.
- Monitoring the changes in the non-financial risks and their alignment with the defined strategies and policies and the risk appetite.
- Analyzing and assessing controls and measures established to mitigate the impact of the risks identified, should they materialize.
- Making decisions about the proposals for risk taking that are conveyed by the working groups or that arise in the Committee itself.
- Promoting transparency by promoting the proactive participation of the three lines of defense in discharging their responsibilities and the rest of the organization in this area.

At the holding level there is a Global Corporate Assurance Committee, chaired by the Group's Chief Executive Officer. Its main functions are similar to those already described but applicable to the most important issues that are escalated from the geographies and the holding company areas.

The business and support areas have an Internal Control and Operational Risk Committee, whose purpose is to ensure the due implementation of the operational risk management model within its scope of action and drive active management of such risk, taking mitigation decisions when control weaknesses are identified and monitoring the same.

Additionally, the Non-Financial Risk unit periodically reports the status of the management of non-financial risks to the Board's Risk and Compliance Committee.

4.4 Reputational risk

BBVA defines reputational risk as the potential loss in results as a consequence of events that may negatively affect the perception that the different stakeholders. Therefore, reputational risk management is aimed at ensuring that BBVA does not engage in activities or practices that could cause permanent or very significant damage to its reputation.

Reputational risk assessment of the activity in progress

Since 2016, BBVA disposes of a reputational risk assessment methodology. Through this methodology, the Bank defines and reviews regularly a map in which it prioritizes the reputational risks which have to be faced and the set of action plans to mitigate them. The prioritization is done based on two variables: the impact on the perception of the stakeholders and the strength of BBVA facing the risk.

This exercise is performed annually in all countries.

In addition, indicators that measure the reputational risk of the entity in its main geographical areas are continuously monitored, as well as events that may have a potential impact on BBVA reputation.

Reputational risk in new initiatives

The Reputation teams collaborate, together with the rest of the members of BBVA's second defense line, in the different Committees of Admission of the Operational Risk, both at corporate level and the different geographical areas level. Those Committees perform the initial identification of potential reputational risks and mitigation controls are proposed.

Reporting of the Reputational risk

The results of the annual assessment of the Reputational Risk are reported in each geographical area at the appropriate governance level. At corporate level, these results are reported to the Global Corporate Assurance Committee and, since 2020, to the Board's Executive Committee.

4.5 Risk factors

The BBVA Group has processes in place for identifying risks and analyzing scenarios in order to enable the Group to manage risks in a dynamic and proactive way.

The risk identification processes are forward looking to seek the identification of emerging risks and take into account the concerns of both the business areas, which are close to the reality of the different geographical areas, and the corporate areas and senior management.

Risks are identified and measured consistently using the methodologies deemed appropriate in each case. Their measurement includes the design and application of scenario analyses and stress testing and considers the controls to which the risks are subjected.

As part of this process, a forward projection of the Risk Appetite Framework (hereinafter "RAF") variables in stress scenarios is conducted in order to identify possible deviations from the established thresholds. If any such deviations are detected, measures are taken to seek to keep the variables within the target risk profile.

In this context, there are a number of emerging risks that could affect the evolution of the Group's business, including the below:

Macroeconomic and geopolitical risks

The Group is sensitive to the deterioration of economic conditions, the alteration of the institutional environment of the countries in which it operates, and the Group is exposed to sovereign debt especially in Spain, Mexico and Turkey.

The global economy is currently facing a number of extraordinary challenges. The war between Ukraine and Russia and the armed conflicts in the Middle East have caused significant disruptions, instability and volatility in global markets, particularly in energy markets. Uncertainty about the future development of these conflicts is high. The main risk is that they could generate new supply shocks, pushing growth downward and inflation upward, and paving the way for macroeconomic and financial instability episodes.

Geopolitical and economic risks have also increased in recent years as a result of trade tensions between the United States and China, Brexit, and the rise of populism, among other factors. Growing tensions and the rise of populism may lead, among other things, to a deglobalization of the world economy, an increase in protectionism, a general reduction of international trade and a reduction in the integration of financial markets.

The policies to be adopted by the new United States government, from January 20, 2025, are an additional source of uncertainty for the global economy. Some of the measures recently advocated by the incoming administration, such as the adoption of higher import tariffs and tighter immigration controls, may increase inflationary pressures and weaken economic growth. Fiscal, regulatory, industrial, foreign and other policies could also generate financial and macroeconomic volatility.

In the current context, one of the main risks is that inflation remains high, either due to new supply shocks, related for example to the previously mentioned geopolitical and political risks or climate events, or due to demand factors, caused by an excessively expansionary fiscal policy, the robustness of labor markets, or other factors. Significant inflationary pressures could lead to interest rates remaining higher than currently forecasted, which could negatively affect the macroeconomic environment and financial markets.

Another macroeconomic risk is the possibility of a sharp global growth slowdown. In a context marked by uncertainty and still elevated interest rates, labor markets and aggregate demand could weaken more significantly than expected. Moreover, despite increasing economic stimulus measures, growth in China could slow sharply, with a potentially negative impact on many geographical areas, due to tensions in real estate markets and economic sanctions imposed by the United States, among other factors.

Furthermore, there is a growing risk of tensions in sovereign debt markets, given the high levels of public debt in many developed and emerging countries, the relatively high interest rates, and expectations of slower economic growth.

The Group is exposed, among others, to the following general risks with respect to the economic and institutional environment in the countries in which it operates: a deterioration in economic activity in the countries in which it operates, including recession scenarios; more persistent inflationary pressures, which could trigger a more severe tightening of monetary conditions; stagflation due to more intense or prolonged supply shocks such as, for example, an increase in oil and gas prices to very high levels, which would have a negative impact on disposable income levels in areas that are net energy importers, such as Spain or Turkey, to which the Group is particularly exposed; changes in exchange rates; an unfavorable evolution of the real estate market; changes in the institutional environment of the countries in which the Group operates, which could give rise to sudden and sharp drops in GDP and/or changes in regulatory or government policy, including in terms of exchange controls and restrictions on the distribution of dividends or the imposition of new taxes or charges; growth in the public debt or in the external deficit could lead to a downward revision of the credit ratings of the sovereign debt and even a possible default or restructuring of such debt; the impact of the upcoming policies of the new U.S. administration, about which there is significant uncertainty; and episodes of volatility in the financial markets, which could cause significant losses for the Group. The Group’s results of operations have been particularly affected by the increases in interest rates adopted by central banks in an attempt to tame inflation, contributing to the rise in both interest revenue and interest expenses. The persistence of interest rates at relatively high levels or any increase in interest rates in the future could adversely affect the Group by reducing the demand for credit and leading to an increase in the default rate of its borrowers and other counterparties. Moreover, the Group’s results of operations have been affected by inflation in all countries in which BBVA operates, especially Turkey and Argentina.

In particular, in Spain, political, regulatory and economic uncertainty has also increased since the July 2023 general elections; there is a risk that policies could have an adverse impact on the economy or the Group. There is also a risk that the impact on financial conditions of political tensions in other European countries could to some extent affect Spain. In Mexico, there is high uncertainty on the impact of the recently approved constitutional reforms, as well as on the policies that will be adopted by the new local government and by the new U.S. administration (in particular, if protective measures become more aggressive and persist over time, which could adversely impact the Group's expectations regarding the country's economic growth). In Turkey, there are increasing signs of normalization in economic policy in general, and monetary policy in particular, since the general elections held in May 2023, which may lead to a gradual correction of the current distortions. Despite the gradual improvement of macroeconomic conditions, the situation remains relatively unstable, characterized by pressures on the Turkish lira, high inflation, a significant trade deficit, low central bank’s foreign reserves and high external financing costs. There is also uncertainty about the impact of the geopolitical context in the Middle East on Turkey. In particular, recent regime changes in Syria create opportunities, such as a potential increase in exports and lower migratory pressures, but also risks, which could cause greater volatility of Turkish financial assets, among other possible effects. Continuing unfavorable economic conditions in Turkey may result in a potential deterioration in the purchasing power and creditworthiness of the clients of the Group (both individuals and corporations). In addition, official interest rates, the regulatory and macroprudential policies affecting the banking sector and the currency depreciation have affected and may continue to affect the Group’s results. In Argentina, the risk of economic and financial turbulence persists in a context in which the government has substantially modified the economic policy framework and has focused its efforts on implementing strong fiscal and monetary adjustments to reduce inflation. Finally, in Colombia and Peru, climate factors, political tensions and greater social conflict could eventually have a negative impact on the economy.

Any of these factors may have a significant adverse impact on the Group’s business, financial condition and results of operations.

Regulatory and reputational risks

Financial institutions are exposed to a complex and ever-changing regulatory environment defined by governments and regulators. Regulatory activity in recent years has affected multiple areas, including changes in accounting standards; strict regulation of capital, liquidity and remuneration; bank charges (such as the new tax for banks recently implemented in Spain, see Note 38) and taxes on financial transactions; regulations affecting mortgages, banking products and consumers and users; recovery and resolution measures; stress tests; prevention of money laundering and terrorist financing; market abuse; conduct in the financial markets; anti-corruption; and requirements as to the periodic publication of information. Governments, regulatory authorities and other institutions continually make proposals to strengthen the resistance of financial institutions to future crises. Further, there is an increasing focus on the climate-related financial risk management capabilities of banks (see "Environmental, social and governance (“ESG”) risks may adversely impact the Group"). Any change in the Group’s business that is necessary to comply with any particular regulations at any given time, especially in Spain, Mexico or Turkey, could lead to a considerable loss of income, limit the Group’s ability to identify business opportunities, affect the valuation of its assets, force the Group to increase its prices and, therefore, reduce the demand for its products, impose additional costs on the Group or otherwise adversely affect its business, financial condition and results of operations.

The financial sector is under ever closer scrutiny by regulators, governments and society itself. In the course of activities, situations which might cause relevant reputational damage to the Group could arise and might affect the regular course of business.

New business, operational and legal risks

New technologies and forms of customer relationships: Developments in the digital world and in information technologies pose significant challenges for financial institutions, entailing threats (new competitors, disintermediation, etc.) but also opportunities (new framework of relations with customers, greater ability to adapt to their needs, new products and distribution channels, etc.). Digital transformation is a priority for the Group as it aims to lead digital banking of the future as one of its objectives.

Technological risks and security breaches: The Group is exposed to new threats such as cyber-attacks, theft of internal and customer databases, fraud in payment systems, etc. that require major investments in security from both the technological and human point of view. The Group gives great importance to the active operational and technological risk management and control. Any attack, failure or deficiency in the Group’s systems could, among other things, lead to the misappropriation of funds of the Group’s clients or the Group itself and the unauthorized disclosure, destruction or use of confidential information, as well as prevent the normal operation of the Group and impair its ability to provide services and carry out its internal management. In addition, any attack, failure or deficiency could result in the loss of customers and business opportunities, damage to computers and systems, violation of regulations regarding data protection and/or other regulations, exposure to litigation, fines, sanctions or interventions, loss of confidence in the Group’ s security measures, damage to its reputation, reimbursements and compensation, and additional regulatory compliance expenses and could have a significant adverse impact on the Group’ s business, financial condition and results of operations.

Legal risks: The financial sector faces an environment of increasing regulatory and litigious pressure, and thus, the various Group entities are frequently party to individual or collective judicial proceedings (including class actions) resulting from their activity and operations, as well as arbitration proceedings. The Group is also party to government procedures and investigations, such as those carried out by the antitrust authorities in certain countries which, among other things, have in the past and could in the future result in sanctions, as well as lead to claims by customers and others. In addition, the regulatory framework in the jurisdictions in which the Group operates is evolving towards a supervisory approach more focused on the opening of sanctioning proceedings while some regulators are focusing their attention on consumer protection and behavioral risk.

In Spain and in other jurisdictions where the Group operates, legal and regulatory actions and proceedings against financial institutions, prompted in part by certain judgments in favor of consumers handed down by national and supranational courts (with regards to matters such as credit cards and mortgage loans), have increased significantly in recent years and this trend could continue in the future. Legal and regulatory actions and proceedings faced by other financial institutions in relation to these and other matters, especially if such actions or proceedings result in favorable resolutions for the consumer, could also adversely affect the Group.

All of the above may result in a significant increase in operating and compliance costs or even a reduction of revenues, and it is possible that an adverse outcome in any proceedings (depending on the amount thereof, the penalties imposed or the procedural or management costs for the Group) could damage the Group's reputation, generate a knock-on effect or otherwise adversely affect the Group.

It is difficult to predict the outcome of legal and regulatory actions and proceedings, both those to which the Group is currently exposed and those that may arise in the future, including actions and proceedings relating to former Group subsidiaries or in respect of which the Group may have indemnification obligations. Any of such outcomes could be significantly adverse to the Group. In addition, a decision in any matter, whether against the Group or against another credit entity facing similar claims as those faced by the Group, could give rise to other claims against the Group. In addition, these actions and proceedings attract resources from the Group and may occupy a great deal of attention on part of the Group's management and employees.

As of December 31, 2024, the Group had €791 million in provisions for the proceedings it is facing (included in the line "Provisions for taxes and other legal contingencies" in the consolidated balance sheet), of which €610 million correspond to legal contingencies and €181 million to tax related matters. However, the uncertainty arising from these proceedings (including those for which no provisions have been made, either because the probability of an unfavorable outcome for the Group is estimated to be remote, or because it is not possible to estimate them or for other reasons) makes it impossible to guarantee that the possible losses arising from the resolution of these proceedings will not exceed, where applicable, the amounts that the Group currently has provisioned and, therefore, could affect the Group's consolidated results in a given period.

As a result of the above, legal and regulatory actions and proceedings currently faced by the Group or to which it may become subject in the future or which may otherwise affect the Group, whether individually or in the aggregate, if resolved in whole or in part adversely to the Group's interests, could have a material adverse effect on the Group's business, financial condition and results of operations.

Spanish judicial authorities are investigating the activities of *Centro Exclusivo de Negocios y Transacciones*, S.L. ("Cenyt"). Such investigation includes the provision of services by Cenyt to BBVA. On July 29, 2019, BBVA was named as an investigated party (*investigado*) in a criminal judicial investigation (Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court) for alleged facts which could constitute bribery, revelation of secrets and corruption. Certain current and former officers and employees of the Group, as well as former directors, have also been named as investigated parties in connection with this investigation. Since the beginning of the investigation, BBVA has been proactively collaborating with the Spanish judicial authorities, including sharing with the courts information obtained in the internal investigation hired by the entity in 2019 to contribute to the clarification of the facts.

By order of the Criminal Chamber of the National High Court, the pre-trial phase ended on January 29, 2024. On June 20, 2024, the Judge issued an order authorizing the continuation of abbreviated criminal proceedings against the Bank and certain current and former officers and employees of the Bank, as well as against some former directors, for alleged facts which could constitute bribery and revelation of secrets. It is not possible at this time to predict the possible outcomes or implications for the Group of this matter, including any fines, damages or harm to the Group's reputation caused thereby.

Environmental, social and governance (ESG) risks may adversely impact the Group

ESG factors present risks associated with (i) climate change, including physical risks and transition risks (linked, among others, to changes in regulations, technologies, and market preferences associated with the transition to a less carbon-dependent economy); (ii) other environmental factors, such as biodiversity loss, water stress and other nature-related factors; (iii) social factors, such as human rights, inclusion, diversity and workplace safety; and (iv) corporate governance matters, such as the governance of environmental and social risks.

ESG risks include short, medium and long-term risks that may adversely affect the Group and its customers or counterparties. Such risks are expected to increase and/or evolve over time.

Among others, they include the following:

– Physical risks. The activities of the Group or those of its customers or counterparties could be adversely affected by the physical risks (including acute and chronic) arising from climate change or other environmental challenges. For example, extreme weather events may damage or destroy properties and other assets of the Group or those of its customers or counterparties, make the insurance against certain risks more expensive or unfeasible, result in increased costs, or otherwise disrupt their respective operations (for example, if supply chains are disrupted as a result), diminishing –in the case of the Group's customers or counterparties - their repayment capacity and, if applicable, the value of assets granted as collateral to the Group. The Group is also exposed to potential long-term physical risks arising from climate change and other environmental challenges, such as any ensuing deterioration in economic conditions that results in credit-related costs, or potential impacts on the Group's assets and operations. The Group could also be required to change its business models in response to the foregoing.

– Legal and regulatory risks. Legal and regulatory changes related to how banks are required to manage climate and other ESG risks or otherwise affecting banking practices or disclosure of information may result in higher compliance, operational and credit risks and costs. The Group's customers and counterparties may be exposed to similar risks. Further, legal and regulatory changes may result in legal uncertainty and the existence of overlapping or conflicting regulatory or other requirements. They may also give rise to regulatory asymmetries whereby some persons, including the Group and its customers and counterparties, are more heavily regulated than others, placing such persons at a disadvantage. The Group or its customers or counterparties may be unable to meet any new requirements on a timely basis or at all, including new product and service specifications, governance frameworks and practices and disclosure requirements and standards. In addition, in the case of banks, new regulation could include requirements related to lending, investing, capital and liquidity adequacy and operational resilience. The incorporation of ESG risks in the existing prudential framework is still developing and may result in increased risk weighting of certain assets. Moreover, there are significant risks and uncertainties inherent in the development of adequate risk assessment and modelling capabilities with respect to ESG-related matters and the collection of customer, third party and other data, which may result in the Group's systems or frameworks (or those of its customers and counterparties, where applicable) being inadequate, inaccurate or susceptible to incorrect customer, third party or other data, any of which could adversely affect the Group's disclosure and financial reporting. Further, increased regulation arising from climate change and other ESG-related challenges could result in increased litigation by different stakeholders (including non-governmental organizations (NGOs)) and regulatory investigations and actions.

– Technological risks. Certain of the Group's customers and counterparties may be adversely affected by the progressive transition to a low-carbon economy and/or risks and costs associated with new low-carbon technologies. If the Group's customers and counterparties fail to adapt to the transition to a low-carbon economy, or if the costs of doing so adversely affect their creditworthiness, this could adversely affect the Group's relevant loan portfolios.

– Market risks. The Group and certain of the Group's customers and counterparties may be adversely affected by changes in market preferences due to, among others, increased ESG awareness. Further, the funding costs of businesses that are perceived to be more exposed to climate change or to other ESG-related risks could increase. Any of this could result in the reduced creditworthiness of such customers and counterparties, adversely affecting the Group's relevant loan portfolios. The Group and its customers and counterparties could also be adversely affected by changes in prices resulting from shifts in demand or supply brought by climate change or other ESG-related factors, including prices of energy and raw materials, or by their inability to foresee or hedge any such changes.

– Reputational risks. The perception of climate change and other ESG-related challenges as a risk by society, shareholders, customers, governments and other stakeholders (including NGOs) continues to increase, including in relation to the financial sector's activities. This may result in increased scrutiny of the Group's activities, as well as its ESG-related policies, goals, disclosures or communications. The Group's reputation and ability to attract or retain customers may be harmed if its efforts to reduce ESG-related risks are deemed to be insufficient or if a perception is generated among the different stakeholders that the Group's statements, actions or disclosure do not fairly reflect the underlying sustainability profile of the Group, its products, services, goals and/or policies. At the same time, the Group may refrain from undertaking lending or investing activities or other services that would otherwise have been profitable in order to fulfill its obligations or avoid reputational harm. Further, divergent views on ESG policies may also have a negative impact on the Group's reputation. Increased scrutiny of the Group's activities, as well as its ESG-related policies, goals and disclosure may result in litigation and investigations and supervisory actions (including potential greenwashing claims). The Group has disclosed certain aspirational ESG-related goals and such goals, which are being pursued over the long-term, may prove to be considerably more costly or difficult than currently expected, or even impossible, to achieve, including as a result of changes in regulation and policy, the pace of technological change and innovation and the actions of governments and the Group's customers and competitors. Potential greenwashing claims arising from ESG-related statements, disclosure and/or actions of the Group may also give rise to reputational risks.

Any of these factors may have a material adverse effect on the Group's business, financial condition and results of operations.

Subsequent events

On January 14, 2025, BBVA carried out an issuance of perpetual contingent convertible securities with exclusion of shareholders' pre-emptive subscription rights, for a total nominal amount of USD 1 billion. This issuance is listed on the New York Stock Exchange and was targeted only at qualified investors, not being offered or sold to any retail clients. Likewise, on January 28, 2025, the Bank announced its irrevocable decision to redeem in whole on March 5, 2025, the issuance of contingently convertible preferred securities (which qualified as additional tier 1 instruments) carried out by the Bank on September 5, 2019, for an amount of USD 1 billion on the First Reset Date and once the prior consent from the Regulator was obtained.

On January 30, 2025, it was announced that a cash distribution in the amount of €0.41 gross per share to be paid presumably in April 2025 as the final dividend for the year 2024, and the execution of a share buyback program of BBVA for an amount of €993 million were planned to be proposed to the corresponding corporate bodies for consideration as ordinary remuneration to shareholders for 2024, subject to obtaining the corresponding regulatory authorizations and approval by the Board of Directors of the specific terms and conditions of the program, which will be communicated to the market prior to the start of its execution

From January 1, 2025 to the date of preparation of these financial statements, no other subsequent events not mentioned above in these financial statements have taken place that could significantly affect the Bank's earnings or its equity position.

BBVA Annual Corporate Governance Report

In accordance with the provisions established by Article 540 of the Spanish Corporate Act, the Board of Directors of BBVA, on the occasion of the preparation of the financial statements for 2024, approved the BBVA Annual Corporate Governance Report for that year (which is an integral part of the Management Report) in accordance with the contents set down in Order ECC/461/2013, dated March 20, and in Circular 5/2013, dated June 12, of Comisión Nacional del Mercado de Valores (CNMV), in the wording provided by Circular 3/2021, dated September 28, of CNMV. The Annual Corporate Governance Report is incorporated by reference in the Management Report and is published in CNMV´s website (www.cnmv.es) and in the Company´s corporate website (www.bbva.com).

Annual Report on the Remuneration of BBVA Directors

In accordance with the provisions established by Article 541 of the Spanish Corporate Act, the Board of Directors of BBVA, on the proposal of the Remuneration Committee, and on the occasion of the preparation of the financial statements for 2024, approved the Annual Report on the Remuneration of BBVA Directors for that year (which is an integral part of the Management Report) in accordance with the contents set down in Order ECC/461/2013, dated March 20, and in Circular 4/2013, dated June 12, of Comisión Nacional del Mercado de Valores (CNMV), in the wording provided by Circular 3/2021, dated September 28, of CNMV. The Annual Report on the Remuneration of BBVA Directors is incorporated by reference in the Management Report and is published in CNMV´s website (www.cnmv.com) and in the Company's corporate website (www.bbva.com).

Legal disclaimer

This document is provided for informative purposes only and is not intended to provide financial advice and, therefore, does not constitute, nor should it be interpreted as, an offer to sell, exchange or acquire, or an invitation for offers to acquire securities issued by any of the aforementioned companies, or to contract any financial product. Any decision to purchase or invest in securities or contract any financial product must be made solely and exclusively on the basis of the information made available to such effects by the relevant company in relation to each such specific matter. The information contained in this document is subject to and should be read in conjunction with all other publicly available information of the issuer.

This document contains forward-looking statements that constitute or may constitute “forward-looking statements” (within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995) with respect to intentions, objectives, expectations or estimates as of the date hereof, including those relating to future targets of both a financial and non-financial nature (such as environmental, social or governance (“ESG”) performance targets).

Forward-looking statements may be identified by the fact that they do not refer to historical or current facts and include words such as “believe”, “expect”, “estimate”, “project”, “anticipate”, “duty”, “intend”, “likelihood”, “risk”, “VaR”, “purpose”, “commitment”, “goal”, “target” and similar expressions or variations of those expressions. They include, for example, statements regarding future growth rates or the achievement of future targets, including those relating to ESG performance.

The information contained in this document reflects our current expectations, estimates and targets, which are based on various assumptions, judgments and projections, including non-financial considerations such as those related to sustainability, which may differ from and not be comparable to those used by other companies. Forward-looking statements are not guarantees of future results, and actual results may differ materially from those anticipated in the forward-looking statements as a result of certain risks, uncertainties and other factors. These factors include, but are not limited to, (1) market conditions, macroeconomic factors, domestic and international stock market conditions, exchange rates, inflation and interest rates; (2) regulatory, oversight, political, governmental, social and demographic factors; (3) changes in the financial condition, creditworthiness or solvency of our clients, debtors or counterparties, such as changes in default rates, as well as changes in consumer spending, savings and investment behavior, and changes in our credit ratings; (4) competitive pressures and actions we take in response thereto; (5) performance of our IT, operations and control systems and our ability to adapt to technological changes; (6) climate change and the occurrence of natural or man-made disasters, such as an outbreak or escalation of hostilities; (7) our ability to appropriately address any ESG expectations or obligations (related to our business, management, corporate governance, disclosure or otherwise), and the cost thereof; and (8) our ability to successfully complete and integrate acquisitions. In the particular case of certain targets related to our ESG performance, such as, decarbonization targets or alignment of our portfolios, the achievement and progress towards such targets will depend to a large extent on the actions of third parties, such as clients, governments and other stakeholders, and may therefore be materially affected by such actions, or lack thereof, as well as by other exogenous factors that do not depend on BBVA (including, but not limited to, new technological developments, regulatory developments, military conflicts, the evolution of climate and energy crises, etc.). Therefore, these targets may be subject to future revisions.

The factors mentioned in the preceding paragraphs could cause actual future results to differ substantially from those set forth in the forecasts, intentions, objectives, targets or other forward-looking statements included in this document or in other past or future documents. Accordingly, results, including those related to ESG performance targets, among others, may differ materially from the statements contained in the forward-looking statements.

Recipients of this document are cautioned not to place undue reliance on such forward-looking statements.

Past performance or growth rates are not indicative of future performance, results or share price (including earnings per share). Nothing in this document should be construed as a forecast of results or future earnings.

This document contains, in addition to financial information, non-financial information ("NFI") in order to comply with the current legislation. The INF has been verified with a limited scope by a third party. In its preparation, a number of estimates and assumptions have been made in various areas and have used measurement, data collection and verification practices and methodologies, both external and internal, which are substantially different from those applied to financial reporting and which, in many cases, are under development.

BBVA does not intend, and undertakes no obligation, to update or revise the contents of this or any other document if there are any changes in the information contained therein, or including the forward-looking statements contained in any such document, as a result of events or circumstances after the date of such document or otherwise except as required by applicable law.

Independent Assurance Report on the Non-Financial Information Statement for the year ended December 31, 2024

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Building a better working world

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INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL INFORMATION STATEMENT

(Translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the shareholders of Banco Bilbao Vizcaya Argentaria, S.A.:

Pursuant to Article 49 of the Spanish Code of Commerce, we have performed a verification, with a limited assurance scope, of the Non-Financial Information Statement (hereinafter, NFIS) for the year ended December 31, 2024, of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, "the Bank"), which is part of the Bank´s accompanying Management report for the year 2024.

The content of the Management report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the table of section 2.7 "Additional information - Index of contents of Law 11/2018", of the accompanying Management report.

Responsibility of the Board of Directors

The preparation of the NFIS included in the Management report of the Bank and its content is the responsibility of the Board of Directors of the Bank. The NFIS was prepared in accordance with prevailing mercantile legislation and following the criteria of the selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards) in accordance with that described for each subject area in the table of section 2.7 "Additional information - Index of contents of Law 11/2018" of the aforementioned accompanying Management report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFIS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Accountants (including international standards on independence) issued by the International Ethics Standards Board for Accountants (IESBA) that is based on the fundamental principles of professional integrity, objectivity, competence, diligence as well as confidentiality and professional behaviour.

Our Firm complies with the International Standard on Quality Management (ISQM) No. 1, which requires the firm to design, implement, and operate a quality management system that includes policies and procedures relating to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

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Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts.

The procedures performed in a limited assurance engagement vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower.

Our work consisted in making enquiries of Management and various Bank units participating in the preparation of the NFIS, reviewing the processes for gathering and validating the information included in the NFIS, and applying certain analytical procedures and selective tests by means of sampling as described below:

- Meeting with Bank personnel to obtain an understanding of the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analysis of the scope, relevance and integrity of the content included in the NFIS for the year 2024 based on the materiality analysis made by the Bank's Management and described in section 2.7 "Additional information - Materiality analysis", considering the contents required by current mercantile regulations.
- Analysis of the processes for gathering and validating the data included in the 2024 Non-Financial Statement.
- Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2024 NFIS.
- Check, through tests, based on the selection of a sample, the information related to the content of the 2024 NFIS and its correct compilation from the data provided by the Bank´s information sources.
- Obtaining a representation letter from the Management.

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, nothing has come to our attention that causes us to believe that NFIS of the Banco Bilbao Vizcaya Argentaria, S.A. for the year ended December 31, 2024 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards described as explained for each subject in the table of the section 2.7 "Additional information - Index of contents of Law 11/2018" of the aforementioned Management report.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

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José Carlos Hernández Barrasús

February 14, 2025