

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. 2025

**Financial Statements,
Management Report
and Audit Report**

Contents

I. AUDIT REPORT

II. FINANCIAL STATEMENTS

Financial Statements

Notes to the Financial Statements

Appendices

Glossary

Legal disclaimer

III. MANAGEMENT REPORT

BBVA in brief

Statement of Non-Financial Information

Financial information

Risk management

Subsequent events

BBVA Annual Corporate Governance Report

Annual Report on the Remuneration of BBVA Directors

Legal disclaimer

Audit Report

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, 2025

(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, 2025, 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, 2025 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 259,948 million at December 31, 2025, net of valuation adjustments. Valuation adjustments include Euros 4,677 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 is performed by means of internal models that use large databases, as well as present, past and forward-looking information, which includes the estimation of different macroeconomic scenarios. Estimating impairment losses is a highly automated and complex process that relies on segmentation criteria for exposures and the use of judgment and assumptions 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 5.2 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.

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

- ▶ Credit risk management framework, including the processes of 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.
- ▶ 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 and where applicable, calculation and allocation of additional adjustments to impairment losses identified in the general process.
- ▶ 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.
- ▶ With respect to impairment losses determined on a collective basis, we assessed the methodology applied by Management, as well as verified the data and assumptions used and the arithmetic accuracy of the calculations performed through, among others, the following procedures:
 - ▶ We evaluated, with the assistance of our credit risk specialists the approach and methodology used by the Bank by analyzing a sample of internal models;
 - ▶ We performed tests of detail on the integrity, accuracy and updating of the databases used by the Bank in determining the stage of exposures (e.g., days past due, existence of refinancing operations or value of collateral and guarantees);

- ▶ We assessed the appropriateness of the judgements and assumptions considered in estimating the parameters of the expected credit loss (for example, the determination of data observation windows, segmentation criteria or recovery periods) and performing a calculation replica for a sample of such parameters.
 - ▶ With the involvement of our economic research specialists, we compared the estimation of the macroeconomic models and scenarios used by Management with external data and independent estimates;
 - ▶ We performed tests of details on a sample of transactions to evaluate their correct classification and segmentation for the purposes of estimating their impairment; and
 - ▶ We assessed the functioning of the expected loss calculation engine by recalculating the impairment losses determined on a collective basis for the credit portfolio.
- ▶ 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 also evaluated the adequacy of Management's assessment regarding the need or not to record supplementary adjustments to the impairment losses identified in the general process.

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 On December 31, 2025, 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/or those obtained by other market participants.

Additionally, the Bank applies valuation adjustments considering risk criteria relating to both its own credit risk and that of counterparties, valuation risk for funding, and valuation risks for uncertainty in the measurement or for prudent valuation considerations.

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 and/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.

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:

- ▶ 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.
- ▶ The work performed by the internal validation unit in relation to the appropriateness of the data and assumptions considered by Management in the valuation of financial instruments and in the back-testing of the valuation models.

With respect to the tests of details performed, in which we involved our financial instruments valuation specialists, these consisted mainly of the following:

- ▶ 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 the credit spread, certain interest rate curves, correlations and volatilities, among others.
- ▶ 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.

- ▶ For the most significant valuation adjustments, we analysed the accuracy of the data and the appropriateness of the assumptions used by Management, as well as performed an independent recalculation for a sample of these adjustments.

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 On December 31, 2025, the Bank holds an investment in Türkiye Garanti Bankası A.Ş. ("Garanti BBVA") amounting 7,490 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, 2025, the Bank has recorded an impairment charge amounting to Euro 130 million, being the accumulated impairment Euro 354 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 its 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 mainly:

- ▶ 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 considering the macroeconomic scenario.

- ▶ We involved our valuation specialists in assessing the reasonableness of the methodology applied and the appropriateness of the valuation model used, as well as in reviewing the financial assumptions applied (including, among others, the discount rate and the 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 data processing center in Spain that provides 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 2025 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 2025 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 2025 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 12, 2026.

Term of engagement

The ordinary general shareholders' meeting held on March 21, 2025 appointed us as auditors for the year ended December 31, 2025.

Previously, we were appointed by resolution of the General Shareholders' Meeting for a three-year period, and we have performed the audit of the annual financial statements on an uninterrupted basis since the financial year ended 31 December 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 12, 2026

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. 2025

Financial Statements



Index

FINANCIAL STATEMENTS	3
Balance sheets	3
Income Statements	6
Statements of recognized income and expenses	7
Statements of changes in equity	8
Statements of cash flows	10
NOTES TO THE ACCOMPANYING FINANCIAL STATEMENTS	11
1. Introduction, basis for presentation of the Financial Statements, Internal Control over Financial Information and other information	11
2. Accounting policies and valuation criteria applied	14
3. Shareholder remuneration system	39
4. Earnings per share	42
5. Risk management	42
6. Fair value of financial instruments	87
7. Cash, cash balances at central banks and other demand deposits	101
8. Financial assets and liabilities held for trading	102
9. Non-trading financial assets mandatorily at fair value through profit or loss	104
10. Financial assets and liabilities designated at fair value through profit or loss	104
11. Financial assets at fair value through other comprehensive income	105
12. Financial assets at amortized cost	108
13. Derivatives - Hedging accounting and fair value changes of the hedged items in portfolio hedges of interest rate risk	111
14. Investments in subsidiaries, joint ventures and associates	115
15. Tangible assets	118
16. Intangible assets	120
17. Tax assets and liabilities	120
18. Other assets and liabilities	126
19. Non-current assets and disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale	127
20. Financial liabilities at amortized cost	129
21. Provisions	134
22. Post-employment and other employee benefit commitments	135
23. Common stock	141
24. Share premium	143
25. Retained earnings, Revaluation reserves and Other	144
26. Treasury shares	145
27. Accumulated other comprehensive income (loss)	146
28. Capital base and capital management	147
29. Commitments and guarantees given	150
30. Other contingent assets and liabilities	151

31. Purchase and sale commitments and future payment obligations	151
32. Transactions on behalf of third parties	151
33. Net interest income	152
34. Dividend income	153
35. Fee and commission income	153
36. Fee and commission expense	153
37. Gains (losses) on financial assets and liabilities, hedge accounting and exchange differences, net	154
38. Other operating income and expense	155
39. Administration cost	155
40. Depreciation	158
41. Provisions or (reversal) of provisions	159
42. Impairment or (reversal) of impairment on financial assets not measured at fair value through profit or loss or net gains by modification	159
43. Impairment or (reversal) of impairment on investments in subsidiaries, joint ventures or associates.	159
44. Impairment or reversal of impairment on non-financial assets	160
45. Gains (losses) on derecognition of non-financial assets and investments, net	160
46. Gain (losses) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	160
47. Statements of cash flows	160
48. Accountant fees and services	161
49. Related-party transactions	162
50. Remuneration and other benefits for the Board of Directors and members of the Bank's Senior Management	164
51. Other information	175
52. Subsequent events	178
53. Explanation added for translation into English	178

APPENDICES	178
APPENDIX I. BBVA Group Consolidated Financial Statements	180
APPENDIX II. Additional information on subsidiaries and structured entities composing the BBVA Group	190
APPENDIX III. Additional information on investments and jointly controlled companies accounted for under the equity method of consolidation in the BBVA Group as of December 31, 2025	195
APPENDIX IV. Changes and notification of investments and divestments in the BBVA Group in 2025	196
APPENDIX V. Fully consolidated subsidiaries with more than 10% owned by non-Group shareholders as of December 31, 2025	198
APPENDIX VI. BBVA Group's structured entities. Securitization funds as of December, 31 2025	200
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, 2025 and 2024	200
APPENDIX VIII. Balance sheets held in foreign currency as of December 31, 2025 and 2024	201
APPENDIX IX. Income statement corresponding to the first and second half of 2025 and 2024	202
APPENDIX X. Risks related to the developer and real-estate sector in Spain	203
APPENDIX XI. Refinanced and restructured operations and other requirements under Bank of Spain Circular 6/2012	206
APPENDIX XII. Agency Network	213
GLOSSARY	214
LEGAL DISCLAIMER	223

Balance sheets as of December 31, 2025 and 2024

ASSETS (MILLIONS OF EUROS)

	Notes	2025	2024 ⁽¹⁾
CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS	7	31,176	20,755
FINANCIAL ASSETS HELD FOR TRADING	8	98,448	89,167
Derivatives		32,640	36,405
Equity instruments		9,642	6,457
Debt securities		15,151	11,806
Loans and advances to central banks		620	556
Loans and advances to credit institutions		15,569	19,265
Loans and advances to customers		24,827	14,679
NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS	9	569	895
Equity instruments		448	626
Debt securities		121	269
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	14,091	14,842
Equity instruments		1,091	1,193
Debt securities		12,577	13,649
Loans and advances		423	—
FINANCIAL ASSETS AT AMORTIZED COST	12	338,143	295,471
Debt securities		56,806	45,846
Loans and advances to central banks		73	33
Loans and advances to credit institutions		21,316	18,774
Loans and advances to customers		259,948	230,818
DERIVATIVES - HEDGE ACCOUNTING	13	223	784
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	13	(87)	(65)
INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	14	27,703	25,252
Subsidiaries		27,101	24,683
Joint ventures		24	24
Associates		578	545
TANGIBLE ASSETS	15	3,418	3,516
Properties, plant and equipment		3,345	3,437
For own use		3,345	3,437
Other assets leased out under an operating lease		—	—
Investment properties		74	79
INTANGIBLE ASSETS	16	1,132	983
Goodwill		—	—
Other intangible assets		1,132	983
TAX ASSETS	17	12,323	12,300
Current tax assets		3,038	2,890
Deferred tax assets		9,285	9,410
OTHER ASSETS	18	4,647	4,064
Insurance contracts linked to pensions	22	1,117	1,260
Inventories		2,450	1,302
Other		1,080	1,501
NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	19	263	331
TOTAL ASSETS		532,047	468,295

(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, 2025.

Balance sheets as of December 31, 2025 and 2024 (continued)

LIABILITIES AND EQUITY (MILLIONS OF EUROS)

	Notes	2025	2024 ⁽¹⁾
FINANCIAL LIABILITIES HELD FOR TRADING	8	77,667	70,943
Derivatives		28,193	30,287
Short positions		9,427	9,635
Deposits from central banks		3,399	360
Deposits from credit institutions		17,541	15,026
Customer deposits		19,107	15,636
Debt certificates		—	—
Other financial liabilities		—	—
FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	10	4,644	2,955
Deposits from central banks		—	—
Deposits from credit institutions		—	—
Customer deposits		4,644	2,955
Debt certificates		—	—
Other financial liabilities		—	—
<i>Subordinated liabilities</i>		—	—
FINANCIAL LIABILITIES AT AMORTIZED COST	20	405,055	349,381
Deposits from central banks		13,678	6,985
Deposits from credit institutions		27,121	24,686
Customer deposits		301,478	260,366
Debt certificates		50,102	47,086
Other financial liabilities		12,676	10,258
<i>Memorandum item: Subordinated liabilities</i>		13,688	13,355
DERIVATIVES - HEDGE ACCOUNTING	13	1,261	1,536
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	13	—	—
PROVISIONS	21	2,480	2,823
Pensions and other post-employment defined benefit obligations		1,423	1,673
Other long-term employee benefits		298	351
Provisions for taxes and other legal contingencies		456	419
Commitments and guarantees given		180	178
Other provisions		122	201
TAX LIABILITIES	17	1,483	1,137
Current tax liabilities		533	225
Deferred tax liabilities		950	912
OTHER LIABILITIES	18	2,391	2,454
LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE		—	—
TOTAL LIABILITIES		494,979	431,229

(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, 2025.

Balance sheets as of December 31, 2025 and 2024 (continued)

LIABILITIES AND EQUITY (CONTINUED) (MILLIONS OF EUROS)

	Notes	2025	2024 ⁽¹⁾
STOCKHOLDERS' FUNDS		38,304	38,220
Capital	23	2,797	2,824
Paid up capital		2,797	2,824
Unpaid capital which has been called up		—	—
Share premium	24	18,469	19,184
Equity instruments issued other than capital		—	—
Equity component of compound financial instruments		—	—
Other equity instruments issued		—	—
Other equity		40	40
Retained earnings	25	14,487	8,663
Revaluation reserves	25	—	—
Other reserves	25	(2,653)	(1,047)
Less: treasury shares	26	(152)	(7)
Profit or loss attributable to owners of the parent		7,157	10,235
Less: interim dividends	3	(1,842)	(1,671)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	27	(1,235)	(1,154)
Items that will not be reclassified to profit or loss		(1,349)	(1,140)
Actuarial gains (losses) on defined benefit pension plans		(39)	(48)
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	(1,183)	(1,075)
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		(127)	(17)
Items that may be reclassified to profit or loss		114	(14)
Hedge of net investments in foreign operations (effective portion)		—	—
Foreign currency translation		—	—
Hedging derivatives. Cash flow hedges (effective portion)		219	251
Fair value changes of debt instruments measured at fair value through other comprehensive income	11	(101)	(264)
Hedging instruments (non-designated items)		(4,071)	—
Non-current assets and disposal groups classified as held for sale		—	—
TOTAL EQUITY		37,068	37,066
TOTAL EQUITY AND TOTAL LIABILITIES		532,047	468,295

MEMORANDUM ITEM - OFF BALANCE SHEET EXPOSURES (MILLIONS OF EUROS)

	Notes	2025	2024 ⁽¹⁾
Loan commitments given	29	126,208	108,206
Financial guarantees given	29	26,758	21,811
Other commitments given	29	45,160	37,641

(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, 2025.

Income statements for the years ended December 31, 2025 and 2024

INCOME STATEMENTS (MILLIONS OF EUROS)

	Notes	2025	2024 ⁽¹⁾
INTEREST INCOME	33	15,444	17,586
<i>Financial assets at fair value through other comprehensive income</i>		299	383
<i>Financial assets at amortized cost</i>		11,336	12,200
<i>Other interest income</i>		3,809	5,002
Interest expense	33	(8,802)	(11,190)
NET INTEREST INCOME		6,642	6,396
Dividend income	34	4,656	5,417
Fee and commission income	35	3,185	2,936
Fee and commission expense	36	(875)	(695)
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	37	55	76
<i>Financial assets at amortized cost</i>		32	28
<i>Other financial assets and liabilities</i>		23	48
Gains or (losses) on financial assets and liabilities held for trading, net	37	587	684
Reclassification of financial assets from fair value through other comprehensive income		—	—
Reclassification of financial assets from amortized cost		—	—
Other profit or loss		587	684
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	37	40	77
<i>Reclassification of financial assets from fair value through other comprehensive income</i>		—	—
<i>Reclassification of financial assets from amortized cost</i>		—	—
<i>Other profit or loss</i>		40	77
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	37	(53)	174
Gains (losses) from hedge accounting, net	37	1	2
Exchange differences, net	37	11	258
Other operating income	38	636	563
Other operating expense	38	(174)	(516)
GROSS INCOME		14,710	15,373
Administrative expense	39	(4,760)	(4,540)
<i>Personnel expense</i>		(2,808)	(2,613)
<i>Other administrative expense</i>		(1,952)	(1,927)
Depreciation and amortization	40	(666)	(641)
Provisions or reversal of provisions	41	(166)	(132)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification	42	(728)	(741)
<i>Financial assets measured at amortized cost</i>		(716)	(744)
<i>Financial assets at fair value through other comprehensive income</i>		(11)	3
NET OPERATING INCOME		8,390	9,319
Impairment or reversal of impairment of investments in subsidiaries, joint ventures and associates	43	(58)	2,246
Impairment or reversal of impairment on non-financial assets	44	(9)	(11)
<i>Tangible assets</i>		(1)	(5)
<i>Intangible assets</i>		(8)	(7)
<i>Other assets</i>		—	—
Gains (losses) on derecognition of non - financial assets and subsidiaries, net	45	13	50
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	12	(14)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		8,347	11,590
Tax expense or income related to profit or loss from continuing operations	17	(1,190)	(1,355)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		7,157	10,235
Profit (loss) after tax from discontinued operations		—	—
PROFIT (LOSS) FOR THE YEAR		7,157	10,235

(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, 2025.

Statements of recognized income and expense for the years ended December 31, 2025 and 2024

STATEMENTS OF RECOGNIZED INCOME AND EXPENSE (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾
PROFIT RECOGNIZED IN INCOME STATEMENT	7,157	10,235
OTHER RECOGNIZED INCOME (EXPENSE)	(80)	249
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	(208)	33
Actuarial gains (losses) from defined benefit pension plans	12	(25)
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	(107)	146
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	(157)	(102)
Other valuation adjustments	—	—
Income tax related to items not subject to reclassification to income statement	44	13
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	127	217
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]	(45)	294
Valuation gains (losses) taken to equity	(45)	294
Transferred to profit or loss	—	—
Transferred to initial carrying amount of hedged items	—	—
Other reclassifications	—	—
Hedging instruments [non-designated elements]	(5.816)	—
Valuation gains (losses) taken to equity	(5.816)	—
Transferred to profit or loss	—	—
Other reclassifications	—	—
Debt securities at fair value through other comprehensive income	231	16
Valuation gains (losses) taken to equity	256	63
Transferred to profit or loss	(25)	(47)
Other reclassifications	—	—
Non-current assets and disposal groups held for sale	—	—
Income tax relating to items subject to reclassification to income statements	(53)	(93)
TOTAL RECOGNIZED INCOME/EXPENSE	7,077	10,484

(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, 2025.

Statements of changes in equity for the years ended December 31, 2025 and 2024

STATEMENT OF CHANGES IN EQUITY (MILLIONS OF EUROS)

2025	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, 2025	2,824	19,184	—	40	8,663	—	(1,047)	(7)	10,235	(1,671)	(1,154)	37,066
Total income/expense recognized	—	—	—	—	—	—	—	—	7,157	—	(80)	7,077
Other changes in equity	(27)	(715)	—	1	5,824	—	(1,606)	(145)	(10,235)	(171)	(1)	(7,074)
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	(27)	(715)	—	—	21	—	(273)	993	—	—	—	—
Dividend distribution	—	—	—	—	(2,363)	—	—	—	—	(1,842)	—	(4,205)
Purchase of treasury shares	—	—	—	—	—	—	—	(1,736)	—	—	—	(1,736)
Sale or cancellation of treasury shares	—	—	—	—	—	—	(6)	598	—	—	—	592
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Transfers between total equity entries	—	—	—	9	8,563	—	(8)	—	(10,235)	1,671	(1)	—
Increase/Reduction of equity due to business combinations	—	—	—	—	—	—	—	—	—	—	—	—
Share based payments	—	—	—	(26)	—	—	—	—	—	—	—	(26)
Other increases or (-) decreases in equity	—	—	—	18	(397)	—	(1,319)	—	—	—	—	(1,699)
Balances as of December 31, 2025	2,797	18,469	—	40	14,487	—	(2,653)	(152)	7,157	(1,842)	(1,235)	37,068

The Notes and Appendices are an integral part of the statement of changes in equity for the year ended December 31, 2025.

Statements of changes in equity for the years ended December 31, 2025 and 2024 (continued)

STATEMENT OF CHANGES IN EQUITY (MILLIONS OF EUROS)

2024 ⁽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, 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	—	—	—	—	—	—	—	—	—	—	—	—
Settlement or maturity of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	—
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 other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Transfers within total equity	—	—	—	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

(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, 2025.

Statements of cash flows for the years ended December 31, 2025 and 2024

CASH FLOWS STATEMENTS (MILLIONS OF EUROS)

	Notes	2025	2024 ⁽¹⁾
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4+5)	46	14,695	(23,846)
1.Profit (loss) for the year		7,157	10,235
2.Adjustments to obtain the cash flow from operating activities		917	(1,075)
Depreciation and amortization		666	641
Other adjustments		252	(1,717)
3.Net increase/decrease in operating assets		(52,379)	(2,045)
Financial assets held for trading		(9,281)	27,661
Non-trading financial assets mandatorily at fair value through profit or loss		327	(166)
Other financial assets designated at fair value through profit or loss		—	—
Financial assets at fair value through other comprehensive income		751	4,610
Financial assets at amortized cost		(44,501)	(33,796)
Other operating assets		324	(355)
4.Net increase/decrease in operating liabilities		60,289	(29,468)
Financial liabilities held for trading		6,723	(37,406)
Other financial liabilities designated at fair value through profit or loss		1,689	594
Financial liabilities at amortized cost		53,782	7,882
Other operating liabilities		(1,905)	(539)
5.Collection/payments for income tax		(1,289)	(1,492)
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	46	(358)	(448)
1.Investment		(999)	(1,367)
Tangible assets		(135)	(133)
Intangible assets		(496)	(410)
Investments in subsidiaries, joint ventures and associates		(368)	(824)
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		642	919
Tangible assets		30	2
Intangible assets		—	—
Investments in subsidiaries, joint ventures and associates		511	656
Other business units		—	—
Non-current assets classified as held for sale and associated liabilities		101	261
Other collections related to investing activities		—	—
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	46	(5,441)	(3,522)
1. Payments		(8,856)	(7,368)
Dividends (shareholders remuneration)		(4,205)	(3,921)
Subordinated liabilities		(2,547)	(2,138)
Treasury share amortization		(27)	(37)
Treasury share acquisition		(1,709)	(1,273)
Other items relating to financing activities		(368)	—
2. Collections		3,415	3,846
Subordinated liabilities		2,851	3,000
Common stock increase		—	—
Treasury share disposal		564	482
Other items relating to financing activities		—	364
D) EFFECT OF EXCHANGE RATE CHANGES		1,524	(643)
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (A+B+C+D)		10,421	(28,459)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		20,755	49,213
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (E+F)	46	31,176	20,755

COMPONENTS OF CASH AND EQUIVALENTS AT END OF THE YEAR (MILLIONS OF EUROS)

	Notes	2025	2024 ⁽¹⁾
Cash	7	1,049	1,027
Balance of cash equivalent in central banks	7	27,478	17,603
Other financial assets	7	2,649	2,124
Less: Bank overdraft refundable on demand		—	—
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR		31,176	20,755

(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, 2025.

Notes to the accompanying Financial Statements for the year ended December 31, 2025

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). 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, 2024 were approved by the shareholders at the Annual General Shareholders' Meeting ("AGM") held on March 21, 2025.

The Bank's Financial Statements for the year ended December 31, 2025 are pending approval by the AGM. 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 2025 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, 2025 were prepared by the Bank's directors (at the Board of Directors meeting held on February 9, 2026) 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, 2025, 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, 2024 which was prepared in accordance with the standards in effect during that year, is presented only for purposes of comparison with the information relating to the 2025 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 2025 there were no significant changes in the estimates made as of December 31, 2024, 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 2025.

1.7 Deposit guarantee fund and Resolution fund

The Bank is part of the Deposit Guarantee Fund ("Fondo de Garantía de Depósitos"). In 2023, the Fund reached the minimum coverage level established by European regulations regarding covered deposits; therefore, no additional contribution for this purpose was necessary during 2025. However, the Bank maintains contributions related to the deposited securities. The expense incurred by the contributions made to this Agency in 2025 and 2024 amounted to €15 and €12 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 2025 and 2024 no contributions have been made to the single European resolution fund after the completion of the construction phase of the same.

1.8 Consolidated Financial Statements

The Consolidated Financial Statements of the BBVA Group for the year ended December 31, 2025 have been prepared by the Group's Directors (at the Board of Directors meeting held on February 9, 2026) 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 2025, 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 2025 amounted to €859,576 million and €61,798 million, respectively, while the consolidated net profit attributed to the parent company of this period amounted to €10,511 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

On January 1, 2018, the amendment introduced by Circular 4/2017 came into effect to adopt IFRS 9, which replaced IAS 39 in relation to the classification and measurement of financial assets and liabilities, credit impairment, and hedge accounting. At that time, the Bank chose to continue applying the previous hedge accounting criteria established under IAS 39, as permitted by Circular 4/2017. However, the Bank has determined to apply the IFRS 9 requirements included in Circular 4/2017 to hedge accounting relationships as from January 1, 2025. This change in the accounting policy applicable to hedge relationships has not had any 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 (e.g., 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 (e.g., securitizations) 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 within 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 meet 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 income statement, 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 income statement (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”

With the aim of improving the alignment between risk management and its presentation in the financial statements BBVA has decided to apply the requirements established by IFRS 9 for micro hedge accounting from January 1, 2025, in compliance with Circular 4/2017.

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

To cover these risks, the Group uses, among others, the following hedging instruments:

- Interest rate derivatives to convert interest rate exposures into fixed or variable rates.
- Foreign exchange derivatives to convert foreign currency exposures to the entity's currency and net investment exposures to the local currency.

In some hedging relationships, the Bank additionally designates inflation risk as a contractually specified component of a debt instrument (e.g., inflation-linked bonds).

For these economic hedges to be recognized as hedge accounting, they must meet certain requirements established under Circular 4/2027. These requirements include clear identification of the hedged items and hedging instruments, an assessment of the hedge's effectiveness over time, and adequate documentation supporting the Bank's intention to manage its risk through these instruments. Only when these criteria are met can financial derivatives be accounted for as hedge accounting, allowing for an accounting treatment that more accurately reflects the Bank's risk management strategy (see Note 13).

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 (see Notes 13 and 37).

The Bank discontinues hedge accounting when the hedging instrument expires or is sold, or when the hedging relationship no longer meets the qualifying criteria. However, if a hedge no longer meets the qualifying criteria but the risk management objective remains unchanged, the Standard allows the Group to assess whether to adjust the hedge ratio in order to re-establish compliance with the effectiveness requirements.

The effectiveness is assessed both retrospectively and prospectively, ensuring that it remains within a range of 80% to 125%. However, the Standard eliminates the strict 80%-125% effectiveness range requirement, allowing qualitative prospective assessments if there is an economic relationship between the hedged item and the hedging instrument, and credit risk does not exert a dominant effect on changes in the value of either the hedged item or the hedging instrument. BBVA has chosen to continue applying the 80%-125% range as a measure for assessing hedge effectiveness, and may rebalance the hedge without discontinuing hedges if this range is not maintained, as described below.

The variations that occur, after the designation of the hedge, in the valuation of the financial instruments designated as hedged items and the financial instruments designated as accounting hedging instruments are recorded as follows:

- In fair value hedges, the differences arising in the fair value of the derivative and the hedged instrument attributable to the hedged risk are recognized directly under the line item 'Gains (losses) from hedge accounting, net' in the income statement (in the specific case of interest rate hedges, interest cash flows are included under the line item 'Interest income and other similar income' or under 'Interest expense' in the income statement), or in "Other comprehensive income" if it is a hedge of equity instruments measured at fair value through "Other comprehensive income"; with the corresponding entry being recorded in the balance sheet line items in which the hedging instrument ('Derivatives – hedge accounting') or the hedged item is recognized, as applicable (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).

The other relevant new features introduced and applicable from January 1, 2025, are as follows:

- It provides flexibility in the items that can be hedged (for example, it enables the hedging of net positions, aggregate positions, and specific risk components in non-financial items).
- It introduces the accounting treatment of "cost of hedging," allowing components of hedging instruments such as forward elements, the time value of options, or the base spread to be excluded from the hedge. These values can be recognized in other comprehensive income, thereby reducing volatility in the consolidated income statement. (Update applied by the Bank).
- It allows for the rebalancing of hedges without the need for discontinuations in hedge accounting as the relationship between the hedging instrument and the hedged item is adjusted, and that the risk management objective is maintained.

- For fair value hedges on equity instruments recorded at fair value through other comprehensive income, the differences in the fair value of the derivative are recorded in “Accumulated other comprehensive income,” thereby minimizing the impact on profit or loss for the period (Update applied by the Bank).

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:

- a. 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, 2025, the Group has not used terms exceeding 90 days past due.

- b. 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 unlikelihood 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 transactions involving entities related to a client enter stage 3, including entities of the same group and entities holding a relationship of economic or financial dependence, the transactions of the client will also be classified as stage 3, if reasonable doubts as to the full payment of their loans is determined to exist following the relevant analysis.

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, 2025, 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 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.

- 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.
- 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.
- 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 of 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 client involved in the operation.

Based on their procedures and particularities, the Bank entities recognize financial assets 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 debt 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 a financial asset 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). This heading also includes the commitments assumed regarding the termination of employment contracts pursuant to the collective dismissal procedure carried out at BBVA, S.A. in 2021.

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, 2025 and 2024, 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, 2025 and 2024 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

On December 30, 2025, Bank of Spain Circular 1/2025 entered into force, introducing several amendments to Circular 4/2017. These updates aim to achieve closer alignment with International Financial Reporting Standards (IFRS) and to streamline the financial reporting obligations for supervised entities.

Among other provisions, the Circular incorporates recent amendments to IFRS 9 (as adopted by the EU) regarding the classification and measurement of financial instruments. Specifically, it addresses criteria for financial assets with contractual cash flow characteristics contingent upon events affecting the debtor, and revises certain credit risk hedging requirements set forth in Annex 9 of the Circular.

While these modifications are set to take effect throughout 2026, no significant impact on the Bank's Financial Statements is currently anticipated.

3. Shareholder remuneration system

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 2024

Cash distributions

During the 2024 financial year, BBVA's General Shareholders' Meeting and Board of Directors approved the following cash payments:

- The Annual General Shareholders' Meeting held on March 15, 2024 approved, in item 1.3 of its Agenda, a cash distribution charged to the results of the 2023 financial year as a final dividend for the 2023 financial year, in the amount of €0.39 gross (€0.3159 net of withholding tax) per each outstanding BBVA share entitled to participate in this distribution, which was paid on April 10, 2024. The total amount paid amounted to €2,249 million.
- By means of an inside information notice (información privilegiada) dated September 26, 2024, that the Board of Directors of BBVA had agreed to pay an amount on account of the dividend for the 2024 financial year, in the amount of €0.29 gross (€0.2349 net of withholding tax) per each outstanding BBVA share entitled to participate in this distribution, which was paid on October 10, 2024. The total amount paid amounted to € 1,671 million.

Shareholder remuneration during financial year 2025

Cash distributions

During the 2025 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 21, 2025, approved, under item 1.3 of the Agenda, such cash distribution against the 2024 results as a final dividend for the 2024 financial year, for an amount equal to €0.41 gross (€0.3321 net of withholding tax) per outstanding BBVA share entitled to participate in this distribution, which was paid on April 10, 2025. The total amount paid amounted to 2,363 million.
- By means of an inside information notice (información privilegiada) dated September 29, 2025, BBVA announced that the Board of Directors had approved the payment of a cash interim dividend of €0.32 gross (€0.2592 net of withholding tax) (€0.2592 net of withholding tax) per each outstanding BBVA share entitled to participate in this distribution, which was paid on November 7, 2025. The total amount paid amounted to € 1,842 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, 2025
Profit of BBVA, S.A., after the provision for income tax	5,518
Constitution of legal reserve ⁽¹⁾	(110)
Maximum amount distributable	5,408
Amount of proposed interim dividend ⁽¹⁾	2,205
BBVA cash balance available to the date	27,334

(1) In the event that the maximum number of new shares authorized by the Board to meet the public takeover bid made on Banco de Sabadell, S.A. were issued, which was rendered ineffective on October 16, 2025.

Other shareholder remuneration

On February 5, 2026, BBVA announced by means of an inside information notice filing with the CNMV a cash distribution in the amount of €0.60 gross, for each of the outstanding shares entitled to receive said distribution, to be paid tentatively in April 2026 as the final dividend for the year 2025, was planned to be proposed to the corresponding governing bodies for consideration as ordinary remuneration to shareholders for 2025.

Share buyback program

Share buyback program in 2024

On January 30, 2024, BBVA announced, among other matters, that it planned to submit for the consideration of the corresponding BBVA governing bodies the execution of a €781 million share buyback program, subject to obtaining the corresponding regulatory authorizations and to the communication of the specific terms and conditions of the share buyback program before its execution. On March 1, 2024, after receiving the required authorization from the ECB, 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 Regulations, 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 the 74,654,915 own shares of €0.49 par value each acquired derivatively by BBVA in execution of the share buyback program and which were held as treasury shares (see Notes 26, 27, 28 and 29).

Share buyback program in 2025

On January 30, 2025, BBVA announced, among other matters, the execution of a share buyback program of BBVA shares, with the purpose of reducing BBVA's share capital, for a monetary amount of €993 million, subject to obtaining the corresponding regulatory authorizations and to the communication of the specific terms and conditions of the share buyback program before its execution.

On October 30, 2025, after receiving the required authorization from the ECB, BBVA announced by means of an Inside Information notice the execution of a time-scheduled buyback program for the repurchase of own shares, with the purpose of reducing BBVA's share capital, all in accordance with the Regulations, for a maximum monetary amount of €993 million. The execution was carried out externally by Citigroup Global Markets Europe AG.

By means of an Other Relevant Information notice dated December 10, 2025, BBVA announced the completion of the share buyback program upon reaching the maximum monetary amount, having acquired a total of 54,316,765 BBVA shares, between October 31 and December 10, 2025, representing, approximately, 0.93% of BBVA's share capital as of such date.

On December 23, 2025, 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 21, 2025, under item 3 of the Agenda, through the reduction of BBVA's share capital in a nominal amount of €26,615,214.85 and the consequent redemption, charged to unrestricted reserves, of the 54,316,765 BBVA shares of €0.49 par value each acquired derivatively by BBVA in execution of the aforementioned BBVA share buyback program and which were held as treasury shares (see Notes 23, 24, 25 and 26).

On December 19, 2025, and after receiving the required authorization from the ECB, BBVA announced, by means of an Inside Information notice, that the Board of Directors of BBVA, at its meeting on December 18, 2025, had agreed to carry out the execution of a framework share buyback program for the repurchase of BBVA shares, all in accordance with the Regulations. This program will be executed in several tranches for a maximum monetary amount of €3,960 million, with the purpose of reducing BBVA's share capital (the "Framework Program"), without prejudice to the possibility of suspending or terminating the Framework Program early if circumstances warrant. It also announced that the Board of Directors agreed to execute a first tranche of the Framework Program in compliance with the Regulations, for the purpose of reducing BBVA's share capital for a maximum monetary amount of €1,500 million. The execution of this tranche started on December 22, 2025, and is carried out externally by J.P. Morgan SE. Between January 1 and January 30, 2026, J.P. Morgan SE has acquired 31,242,848 BBVA shares.

Proposal on allocation of earnings for 2025

In accordance with current mercantile regulations, the earnings subject to distribution correspond to the individual result of Banco Bilbao Vizcaya Argentaria, SA, the parent company of the BBVA Group

Below is the distribution of the earnings of Banco Bilbao Vizcaya Argentaria, S.A. for the 2025 financial year, which the Board of Directors will submit for approval to the Annual General Shareholders' Meeting 2025.

ALLOCATION OF EARNINGS (MILLIONS OF EUROS)

	2025
Profit (loss) for the year	7,157
Distribution	
Interim dividends	1,842
Final dividend	3,425
Reserves / Accumulated gains	1,889

4. Earnings per share

Basic and diluted earnings per share are calculated in accordance with the criteria established by IAS 33 "Earnings per share", taking as a reference the consolidated profit attributable to parent company. For more information see Glossary. The calculation of earnings per share is as follows:

BASIC AND DILUTED EARNINGS PER SHARE

	2025	2024
Numerator for basic and diluted earnings per share (millions of euros)		
Profit attributable to parent company	10,511	10,054
Adjustment: Additional Tier 1 securities ⁽¹⁾	(397)	(388)
Profit adjusted (millions of euros) (A)	10,114	9,666
Profit (loss) from continued operations (net of remuneration of Additional Tier 1 capital instruments)	10,114	9,666
Profit (loss) from discontinued operations (net of non-controlling interest) (B)	—	—
Denominator for basic earnings per share (number of shares outstanding) ⁽²⁾		
Weighted average number of shares outstanding	5,762	5,793
Average treasury shares	(9)	(10)
Share buyback program (average)	(5)	(13)
Adjusted number of shares - Basic earnings per share (C)	5,748	5,769
Adjusted number of shares - diluted earnings per share (D)	5,748	5,769
Earnings (losses) per share	1.76	1.68
Basic earnings (losses) per share from continuing operations (Euros per share) A-B/C	1.76	1.68
Diluted earnings (losses) per share from continuing operations (Euros per share) A-B/D	1.76	1.68
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, 2025 and 2024, 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

BBVA 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 and the alteration of the institutional environment of the countries in which it operates, and is exposed to sovereign debt, particularly in Spain, Mexico and Turkey.

The global economy is undergoing significant changes, due in part to the policies of the U.S. administration. Uncertainty surrounding their consequences is exceptionally high, substantially increasing geopolitical, economic, and financial risks.

The increase in U.S. tariffs on imports from its trading partners has triggered financial market volatility, reinforcing global-wide risks. High uncertainty regarding the final level and duration of these tariffs could negatively impact the global economy, worsening the macroeconomic environment. As a result of adopted or announced tariffs, global growth could decelerate significantly.

While fiscal and monetary policies could partially offset the effects of global protectionism, notably in the Eurozone, where significant public spending increases have been announced, the impact of higher U.S. tariffs could be amplified by the adoption of retaliatory measures by other countries, sustained uncertainty, weakened confidence, and financial volatility, among other factors.

Rising tariffs also increase the risk of inflation in the United States and the Eurozone, which could further slow private demand and, at the same time, constrain the Federal Reserve's and the ECB's ability to lower rates if warranted by activity.

Beyond import tariffs, tighter controls on migration flows could also affect the labor market in the United States, add to inflationary pressures, and weigh on economic growth. The U.S. administration's fiscal, monetary, regulatory, industrial, and foreign policies could likewise contribute to financial and macroeconomic volatility. This is compounded by concerns that the Federal Reserve's independence in decision-making may be weakened by political considerations.

Amid growing uncertainty surrounding U.S. policies and the widening fiscal deficit, the U.S. risk premium could continue to rise, pushing up long-term sovereign yields and further weakening the U.S. dollar. These developments could trigger episodes of volatility, especially given the high public debt levels in both developed and emerging economies. Additionally, the relatively high valuations of AI-related assets constitute an additional source of uncertainty, with potential implications in the financial markets.

The rise of trade protectionism and the growing rivalry between the United States and China could further intensify geopolitical tensions, especially against the backdrop of ongoing conflicts in Ukraine and the Middle East, recent tensions in Latin America and Iran, and the Greenland crisis. In response to these risks and to changes in U.S. foreign policy, the European Union has taken steps to increase military spending, which could support growth but also add upward pressure on inflation and interest rates in the region.

Overall, rising global geopolitical tensions are increasing uncertainty about the global economy and the likelihood of economic and financial disruptions, including a recession.

The Group is exposed to, among others, the following general risks related to the economic and institutional environment in the countries where it operates: a deterioration in economic activity, including potential recession scenarios; inflationary pressures that could lead to a tightening of monetary conditions; stagflation triggered by intense or prolonged supply shocks, including as a result of a protectionist escalation or an increase in oil and gas prices; exchange rate volatility; adverse developments in real estate markets; changes in the institutional environment of the countries where the Group operates, which could lead to sudden and pronounced GDP contractions and/or shifts in regulatory or government policy, including capital controls, dividend restrictions, or the imposition of new taxes or levies; high levels of public debt or external deficits, which could lead to sovereign credit rating downgrades or even defaults or debt restructurings; the impact of the policies adopted by the current U.S. administration, about which significant uncertainty remains; and episodes of financial market volatility, such as those observed recently, that could result in significant losses for the Group.

In Spain, political, regulatory, and economic uncertainty could negatively impact activity. In Mexico, considerable uncertainty persists regarding the impact of the recently approved constitutional reforms, as well as the policies of the U.S. administration and the outcome of the review of the United States-Mexico-Canada free trade agreement (USMCA). In Turkey, despite the gradual improvement in macroeconomic conditions, the situation remains relatively unstable, marked by pressure on the Turkish lira, high inflation, a significant trade deficit, relatively low central bank foreign exchange reserves, and high external financing costs. Recent political and social tensions could also generate renewed bouts of financial volatility and macroeconomic risks. Moreover, uncertainty remains over the impact on Turkey of the geopolitical situation in the Middle East. In South America, ongoing and potential interventionist actions by the United States in some of its countries constitute a significant source of risk. In Argentina, despite the improvement in prospects following significant fiscal, monetary and exchange rate adjustments, the risk of economic and financial turmoil persists. Lastly, in Colombia and Peru, meteorological events, political tensions, and a deterioration of public finances could weigh on economic performance.

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 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 section "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. In this sense, digital transformation is a priority for the Group, which includes among its commitments the development of advanced Next Gen technological capabilities, artificial intelligence, and continuous improvement of the customer experience.

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.

Model risk: it is possible that a model used in critical processes presents deficiencies in its design, implementation, use, or interpretation, generating incorrect estimations that affect risk granting, solvency, the financial statements, regulatory compliance, or the Group's reputation. This risk arises mainly from the use of inadequate assumptions, limitations in data quality or errors in model coding, and is especially relevant in an environment of growing complexity and dependence on models. BBVA is exposed to this risk due to the intensive use of models in essential areas such as credit risk measurement, the calculation of provisions for contingencies, and the valuation of other financial instruments, and the magnitude of this exposure is increased by the volume and diversity of the portfolios, data heterogeneity, and the incorporation of macroeconomic scenarios in certain metrics.

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, 2025, the Group had €805 million and €791 million (€456 million and €419 million euros, respectively, for the Bank), respectively, 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 €583 million and €610 million, respectively, correspond to legal contingencies and €222 million and 181 million, respectively, 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 employees of the Group, as well as former directors and officers, 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 employees of the Bank, as well as against some former directors and officers, 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. ESG is an area of significant public debate and focus for governments and regulators, investors, the Group's customers and counterparties, and other stakeholders, and, as a result, ESG risks are expected to continue to evolve, and may increase, over time.

Among others, ESG risks 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 and chronic shifts in the climate 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. The ESG legal and regulatory landscape is increasingly fragmented. While legislatures and regulatory authorities in many jurisdictions continue to impose extensive requirements for financial institutions to integrate ESG considerations into their risk management and reporting frameworks, others are taking a different approach, with regulatory developments moving in the opposite direction, and a reduced emphasis on climate-related risk supervision, adding further complexity and uncertainty to the compliance environment. Legal and regulatory changes related to how banks consider and manage climate and other ESG risks or otherwise affecting banking practices or disclosure of information have resulted, and may continue to result, in higher compliance, operational and credit risks and costs. The Group's customers and counterparties may be exposed to similar legal and regulatory changes, increasing their own compliance and operational risks and costs. Further, legal and regulatory changes have resulted, and may continue to 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. We expect ESG-related legal and regulatory requirements to continue to evolve in the coming years. In the case of banks in particular, such evolving laws and regulations could include further requirements or restrictions 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 modeling capabilities with respect to ESG-related matters and the collection and use 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 based on incorrect or insufficient customer, third-party or other data, any of which could adversely affect the Group's disclosure and financial reporting. Further, increased and/or divergent 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 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 other things, increased ESG concern, on the one hand, or an opposing sentiment, on the other. These changes could impact the demand for our products and services, as well as for those of our customers and counterparties, and investor interest in our securities. 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 matters as a risk and an appropriate consideration in business and investment decisions, by society, shareholders, customers, governments and other stakeholders (including NGOs), continues to evolve, 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, decisions, disclosures or communications. The Group's reputation and ability to attract or retain customers may be harmed if its response to concerns regarding ESG-related matters is deemed to be insufficient or inappropriate 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 ESG obligations or goals or to avoid reputational harm. 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, decisions, disclosures and communications, may result in litigation and investigations and supervisory actions (including potential greenwashing or greenhushing 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").

Since 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, 2025 and 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.

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 so 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: the 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:

$$(\text{Current PD}) / (\text{Origination PD}) - 1 * 100 > \text{Relative Threshold (\%)} \text{ and}$$

$$\text{Current PD} - \text{Origination PD} > \text{Absolute threshold (bps)}$$

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, BBVA, S.A.'s relative threshold in the wholesale portfolio is set from 180% to 200% and the absolute threshold ranges, from 30 to 100 basis points. The relative threshold in the retail portfolio is 200% while the absolute threshold ranges between 50 and 100 basis points.

The establishment of absolute and relative variation 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 common 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 estimates these parameters using a proxy indicator derived from the set of variables included in the macroeconomic scenarios provided by BBVA Research.

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, recovery plan, etc.

Additionally, BBVA Research produces 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 judgement.
- 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. These areas are not symmetric with respect to the baseline scenario, as the methodology used to generate alternative scenarios explicitly incorporates the asymmetry of macroeconomic risks. In this regard, BBVA selects those quartiles of the distribution that allow for the capture of events that are sufficiently differentiated from the central scenario, while remaining plausible and consistent with the forward-looking forecasting framework, thereby excluding extreme scenarios typically associated with stress-testing exercises.

- 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. This non-linearity overlay ratio is calculated on a differentiated basis by accounting stage and risk segment, with the objective of appropriately reflecting the varying sensitivity of expected credit losses to macroeconomic conditions across portfolios. In addition, floors are applied to this ratio in order to prevent the consideration of negative values, thereby ensuring that the use of multiple scenarios does not artificially reduce expected credit losses relative to those estimated under the baseline scenario.
- 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 BBVA is based on the use of the most likely scenario, which is the baseline scenario, consistent with other internal processes (ICAAP, budgeting, etc.). The impact of the use of multiple scenarios is subsequently incorporated, calculated on the basis of the probability-weighted expected loss determined for each scenario.

On the other hand, BBVA also considers the range of possible scenarios when defining the significant increase in credit risk. Accordingly, the PDs used in the quantitative assessment to identify such an increase will be the result of a probability-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, 2025:

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
2025	2.86 %	2.90 %	2.94 %	8.21 %	8.24 %	8.26 %	11.26 %	10.58 %	9.89 %
2026	1.27 %	2.39 %	3.58 %	5.49 %	6.67 %	7.91 %	12.81 %	9.95 %	7.08 %
2027	(0.95) %	2.03 %	5.36 %	(0.17) %	3.35 %	7.34 %	12.65 %	9.60 %	6.52 %
2028	(2.39) %	1.96 %	6.75 %	(3.44) %	1.61 %	7.34 %	12.49 %	9.30 %	6.09 %
2029	(2.95) %	1.96 %	7.21 %	(4.28) %	1.20 %	7.28 %	12.28 %	9.05 %	5.81 %
2030	(2.66) %	1.99 %	6.90 %	(3.91) %	1.04 %	6.44 %	11.98 %	8.80 %	5.61 %

The estimate for the then-following 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
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 %

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, 2025

GDP	Total Portfolio	Companies	Retail
-100pb	32	12	20
+100pb	(31)	(12)	(19)
Housing price			
-100pb			29
+100pb			(28)

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)

Additional adjustments to expected loss measurement

The Bank periodically reviews its individual estimates and its models for collective estimates of expected losses, as well as the impact of macroeconomic scenarios considered for such purposes. It should be noted that, although these updates incorporate the best information available at any given time, they may not fully reflect the most recent developments in the economic environment, especially in contexts of high uncertainty and volatility or with respect to very recent events still underway. Furthermore, the Bank may supplement such expected losses to incorporate effects that may not be included therein, either because it considers that there are additional risk factors, or because of the need to reflect sectoral particularities or those that may affect a set of operations or borrowers. Those adjustments are made according to a formal internal approval process established for this purpose, including, among others, the relevant committees of the Global Risk Management Committee (hereinafter, "GRMC") as described in the General Risk Management and Control Model chapter of the Consolidated Management Report.

As of December 31, 2025, the Bank has not recorded any material adjustment to the models used in the estimation of expected credit losses following the reversal and, to a lesser extent, the use of the €33 million recorded as of December 31, 2024 related to the damage caused by Isolated Depression at High Levels (DANA) - in different Spanish municipalities between October 28 and November 4, 2024.

5.2.2 Credit risk exposure

BBVA's maximum credit risk exposure by headings in the balance sheets as of December 31, 2025 and 2024 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 2025	Stage 1	Stage 2	Stage 3
Financial assets held for trading		65,808	—	—	—
Equity instruments	8	9,642	—	—	—
Debt securities	8	15,151	—	—	—
Loans and advances	8	41,015	—	—	—
Non-trading financial assets mandatorily at fair value through profit or loss		569	—	—	—
Equity instruments	9	448	—	—	—
Debt securities	9	121	—	—	—
Loans and advances	9	—	—	—	—
Financial assets designated at fair value through profit or loss	10	—	—	—	—
Derivatives (trading and hedging) ⁽¹⁾		41,074			
Financial assets at fair value through other comprehensive income		14,169			
Equity instruments	11.2	1,091	—	—	—
Debt securities		12,591	12,566	—	25
Loans and advances		488	—	488	—
Financial assets at amortized cost		342,839	321,044	15,161	6,634
Debt securities		56,813	56,812	—	1
Loans and advances to central banks		73	73	—	—
Loans and advances to credit institutions		21,327	21,307	20	—
Loans and advances to customers		264,625	242,852	15,141	6,633
Total financial assets risk		464,459			
Total loan commitments and financial guarantees		198,127	193,305	4,461	361
Loan commitments given	29	126,208	123,050	3,067	92
Financial guarantees given	29	26,758	26,414	272	72
Other commitments given	29	45,160	43,842	1,121	197
Total maximum credit exposure		662,586			

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

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	—	—	—
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	—	—	—
Loans and advances	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
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.

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 consolidated 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 in which the criterion described below applies.
- The maximum credit risk exposure on financial commitments and guarantees granted is the maximum that the Group 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, 2025, 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 recorded at amortized cost as of December 31, 2025 and 2024 is shown below:

DECEMBER 2025 (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
General governments	16,649	16,592	42	15	(13)	(5)	—	(7)	16,637	16,587	42	7
Other financial corporations	20,070	20,002	62	6	(16)	(10)	(1)	(5)	20,055	19,992	61	1
Non-financial corporations	127,314	117,312	7,134	2,868	(2,223)	(251)	(257)	(1,715)	125,091	117,061	6,877	1,153
Households	100,592	88,946	7,902	3,744	(2,426)	(241)	(344)	(1,841)	98,166	88,705	7,558	1,902
Loans and advances to customers ⁽¹⁾	264,625	242,852	15,141	6,633	(4,677)	(506)	(602)	(3,569)	259,948	242,345	14,539	3,064
<i>Of which: individual</i>					(529)		(107)	(422)				
<i>Of which: collective</i>					(4,148)	(506)	(495)	(3,147)				

(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, 2025, the remaining balance was €76 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 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
General governments	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
Individuals	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
<i>Of which: individual</i>					(509)		(89)	(420)				
<i>Of which: collective</i>					(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, 2023 the remaining 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.

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, 2025 and 2024 is shown below:

DECEMBER 2025 (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	—	22	36	35	95	152
Credit card debt	—	1	—	1	170	2,821	2,993	3,133
Commercial debtors	—	956	132	1,591	25,111	28	27,817	28,049
Finance leases	—	110	—	37	6,480	173	6,801	6,932
Reverse repurchase loans	—	—	7,701	1	—	—	7,701	7,703
Other term loans	—	14,904	8,931	15,011	92,028	94,916	225,790	229,958
Advances that are not loans	73	663	4,553	3,392	1,266	193	10,140	10,140
LOANS AND ADVANCES	73	16,637	21,316	20,055	125,091	98,166	281,337	286,067
<i>By secured loans</i>								
<i>Of which: mortgage loans collateralized by immovable property</i>		206	—	868	11,277	72,685	85,037	86,223
<i>Of which: other collateralized loans</i>	—	—	8,302	38	2,385	312	11,036	11,091
<i>By purpose of the loan</i>								
<i>Of which: credit for consumption</i>						17,787	17,787	18,902
<i>Of which: lending for house purchase</i>						73,267	73,267	74,135
<i>By subordination</i>								
<i>Of which: project finance loans</i>					2,904		2,904	2,929

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	76,997	91,856	197,112	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
<i>By secured loans</i>								
<i>Of which: mortgage loans collateralized by immovable property</i>		228	—	629	10,018	71,274	82,149	83,748
<i>Of which: other collateralized loans</i>	—	—	9,450	43	1,932	332	11,757	11,813
<i>By purpose of the loan</i>								
<i>Of which: credit for consumption</i>						16,354	16,354	17,339
<i>Of which: lending for house purchase</i>						71,729	71,729	72,880
<i>By subordination</i>								
<i>Of which: project finance loans</i>					3,435		3,435	3,498

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 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, acquisition costs, maintenance and subsequent sale costs, 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, 2025 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, 2025 and 2024 BBVA had no significant 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 reverse repurchase agreements (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, 2025 and 2024, 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 2025	6,633	1,305	274	3	5	5
December 2024	7,579	1,810	325	4	6	3

The maximum credit risk exposure of impaired financial guarantees and other commitments as of December 31, 2025 and 2024 amounts to €361 million and €427 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 ranking 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, 2025 and 2024:

CREDIT RISK DISTRIBUTION BY INTERNAL RATING

	PD	2025		2024	
		Amount (Millions of Euros)	%	Amount (Millions of Euros)	%
AAA/AA	0 to 5	79,630	16.00 %	76,481	17.80 %
A	5 to 11	127,753	25.70 %	139,384	32.50 %
BBB+	11 to 17	66,751	13.40 %	59,714	13.90 %
BBB	17 to 24	55,511	11.20 %	48,218	11.20 %
BBB-	24 to 39	52,919	10.70 %	43,009	10.00 %
BB+	39 to 67	37,101	7.50 %	24,784	5.80 %
BB	67 to 116	28,319	5.70 %	13,882	3.20 %
BB-	116 to 194	18,101	3.60 %	9,438	2.20 %
B+	194 to 335	10,130	2.00 %	4,757	1.10 %
B	335 to 581	6,278	1.30 %	3,057	0.70 %
B-	581 to 1061	4,055	0.80 %	1,565	0.40 %
C	1061 to 2121	3,784	0.80 %	1,983	0.50 %
D	>2121	6,381	1.30 %	2,437	0.60 %
Total		496,711	100 %	428,708	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, 2025 and 2024 is as follows:

DECEMBER 2025 (MILLIONS OF EUROS)

	Gross carrying amount	Impaired loans and advances	Accumulated impairment
Central banks	73	—	—
General governments	16,649	15	(13)
Credit institutions	21,327	—	(12)
Other financial corporations	20,070	6	(16)
Non-financial corporations	127,314	2,868	(2,223)
Households	100,592	3,744	(2,426)
LOANS AND ADVANCES	286,026	6,633	(4,689)

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)

The changes during the years 2025 and 2024 of impaired financial assets and guarantees given are as follows:

CHANGES IN IMPAIRED FINANCIAL ASSETS AND CONTINGENT RISKS (MILLIONS OF EUROS)

	2025	2024
Balance at the beginning	7,912	8,557
Additions	3,175	3,258
Decreases ⁽¹⁾	(2,714)	(3,250)
Net additions	461	8
Amounts written-off ⁽²⁾	(378)	(427)
Exchange differences and other	(1,092)	(225)
Balance at the end ⁽³⁾	6,902	7,912
Recoveries on entries (%)	85%	100%

(1) It reflects the total amount of impaired loans and advances derecognized from the balance sheet throughout the period as a result of monetary recoveries as well as mortgage foreclosures and real estate assets received in lieu of payment. (see Note 19).

(2) In 2025 and 2024 they include €152 million and €243 million euros, respectively, of write-offs.

(3) Taking into account the impaired risks corresponding to the debt securities, the final balance as of December 31, 2025 and 2024 would have been €6,928 million and €7,929 million euros, respectively.

The changes during the years 2025 and 2024 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	2025	2024
Balance at the beginning		17,044	17,316
Increase		381	333
Assets of remote collectability		226	184
Past-due and not collected income		155	149
Decrease		(493)	(607)
Re-financing or restructuring		—	—
Cash recovery	42	(143)	(207)
Foreclosed assets		(2)	(1)
Sales ⁽¹⁾		(93)	(154)
Debt forgiveness		(248)	(241)
Time-barred debt and other causes		(8)	(5)
Net exchange differences		(8)	2
Balance at the end		16,925	17,044

(1) Includes principal and interest.

As indicated in Note 2.2.4, although they have been derecognized from the balance sheet, 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

Changes, measured over a 12-month period, in gross accounting balances and accumulated allowances for loan losses during 2025 and 2024 are recorded on the accompanying balance sheet as of December 31, 2025 and 2024, in order to cover the estimated impairment or reversal of impairment on loans and advances at fair value with changes through other comprehensive income and in loans and advances at amortized cost:

CHANGES IN GROSS CARRYING AMOUNT OF LOANS AND ADVANCES AT AMORTIZED COST. YEAR 2025 (MILLIONS OF EUROS)

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning	231,072	15,637	7,581	254,289
Transfers of financial assets:	(2,862)	2,105	757	—
<i>from stage 1 to stage 2</i>	(5,912)	5,912	—	—
<i>from stage 2 to stage 1</i>	3,805	(3,805)	—	—
<i>to stage 3</i>	(835)	(1,035)	1,870	—
<i>from stage 3</i>	80	1,033	(1,113)	—
Net annual origination of financial assets	37,508	(2,056)	(1,327)	34,125
Becoming write-offs ⁽¹⁾	—	—	(378)	(378)
Foreign exchange	(1,486)	(38)	—	(1,524)
Modifications that do not result in derecognition	—	—	—	—
Other	—	—	—	—
Balance at the end	264,232	15,648	6,633	286,513

(1) In 2025 includes €152 million of debt write-offs.

CHANGES IN ALLOWANCES OF LOANS AND ADVANCES AT AMORTIZED COST. YEAR 2025 (MILLIONS OF EUROS)

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning	517	635	3,513	4,665
Transfers of financial assets:	(16)	179	345	508
<i>from stage 1 to stage 2</i>	(21)	280	—	259
<i>from stage 2 to stage 1</i>	11	(109)	—	(98)
<i>to stage 3</i>	(9)	(56)	599	534
<i>from stage 3</i>	3	64	(254)	(187)
Net annual origination of allowances	50	17	(148)	(81)
Becoming write-offs	—	—	(295)	(295)
Other	(33)	(164)	154	(43)
Balance at the end	518	667	3,569	4,754

For the year ended December 31, 2025, 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 €728 million (€741 million for the year ended December 31, 2024) (see Note 42).

**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	—
<i>from stage 1 to stage 2</i>	(5,664)	5,664	—	—
<i>from stage 2 to stage 1</i>	7,230	(7,230)	—	—
<i>to stage 3</i>	(893)	(1,195)	2,088	—
<i>from stage 3</i>	122	1,157	(1,279)	—
Net annual origination of financial assets	29,190	(5,731)	(867)	22,591
Becoming write-offs	—	—	(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 very short-term portfolio transactions, as well as those meeting the expanded definition of the low credit risk exception (see Note 2.2.1), were exempted from the transfer based on quantitative criteria. These modifications resulted in a significant reduction in the Stage 2 during the last quarter of 2024, with the impact of these measures primarily concentrated in BBVA, S.A.

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
<i>from stage 1 to stage 2</i>	(27)	161	—	134
<i>from stage 2 to stage 1</i>	12	(146)	—	(134)
<i>to stage 3</i>	(9)	—	583	574
<i>from stage 3</i>	1	95	(279)	(183)
Net annual origination of allowances	93	(20)	117	190
Other	(29)	(174)	87	(116)
Balance at the end	517	635	3,513	4,665

The loss allowances recorded in the balance sheet to cover the impairment estimated in the debt securities amounted to €22 million and €20 million as of December 31, 2025 and 2024 respectively. The variation is mainly due to changes due to variation in credit risk.

Additionally, the loss allowances recorded in the balance sheet to cover the impairment estimated in the commitments and guarantees given amounted to €180 million and € 178 million as of December 31, 2025 and 2024, 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 BBVA, the following types of structural risks are defined, according to their nature: interest rate risk, credit spread risk, exchange rate risk, equity risk and actuarial risk, to a lesser extent.

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 the banking book is aimed at limiting the equity impact of market credit spread movements on the valuation of the structural balance sheet, mainly associated with fixed income instruments which are used in balance sheet risk management. The objective is to keep this risk at levels consistent with the equity of the Bank, while controlling the effect on earnings through net interest income and the mark-to-market of instruments accounted for at fair value.

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 IRRBB and CSRBB in the banking book 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 (see Glossary).

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 moderate 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.

The year 2025 was influenced by the geopolitical context, notably the increase in U.S. tariffs, as well as developments and expectations regarding inflation and central bank actions. In the United States, there were declines across the entire interest rate curve due to the deceleration signs and greater prospects for interest rate cuts by the Federal Reserve. In contrast, Europe saw a rebound in yields, particularly at the long end of the curve, mainly due to the change of course in Germany's fiscal policy. The peripheral curves are still supported, with spreads against German bonds narrowing over the year. In Mexico, the sovereign curve fell in line with U.S. rates. In Turkey, yield curves were more volatile as a result of both the political situation and inflation trends and expectations. However, it is worth noting the favorable performance of Credit Default Swaps ("CDS") and sovereign bonds denominated in hard currency since March 2025. Lastly, in South America, the curves showed mixed performance, with upturns in some regions, such as Colombia, and downturns in others, such as Peru. Overall, ALCO portfolios performed positively in 2025.

The most relevant aspects are the following:

- Spain had 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 acted as a management lever and hedge for the balance sheet, mitigating its sensitivity to interest rate fluctuations. The exposure of net interest income to movements in interest rates remained limited.
- The ECB cut interest rates by a total of 100 basis points throughout the year until its meeting in July 2025, due to the convergence of inflation towards the target, and kept them unchanged in its last meeting in December 2025. Thus, the benchmark interest rate in the euro area stood at 2.15% at the end of December 2025 and the rate on the marginal lending facility at 2.40%.

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.

For the third consecutive year, global equity markets posted significant gains in 2025, with double-digit increases in both Europe and the United States. Following an optimistic start to the year, supported by a presumed pro-market orientation of the U.S. administration, equity markets experienced a sharp setback in April after the United States announced substantial import tariffs during the so-called "Liberation Day." Nevertheless, the potential import tariff escalation subsequently subsided, paving the way for a strong equity rally that continued uninterrupted through year-end. In the United States, the communications and technology sectors led the advances, while in Europe the banking sector delivered a strong performance, topping European markets for the second year in a row. From a geographical perspective, the Spanish stock market was among the strongest performers in Europe, also driven by the financial sector, enabling it to surpass its historical peak for the first time since 2007.

Structural equity risk, measured in terms of economic capital, has not experienced any material changes over the past year. 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, 2025, the same as at December 2024. 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.
- Other less relevant risks include inflation risk, correlation risk and market liquidity risk.

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 (See Glossary).

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.

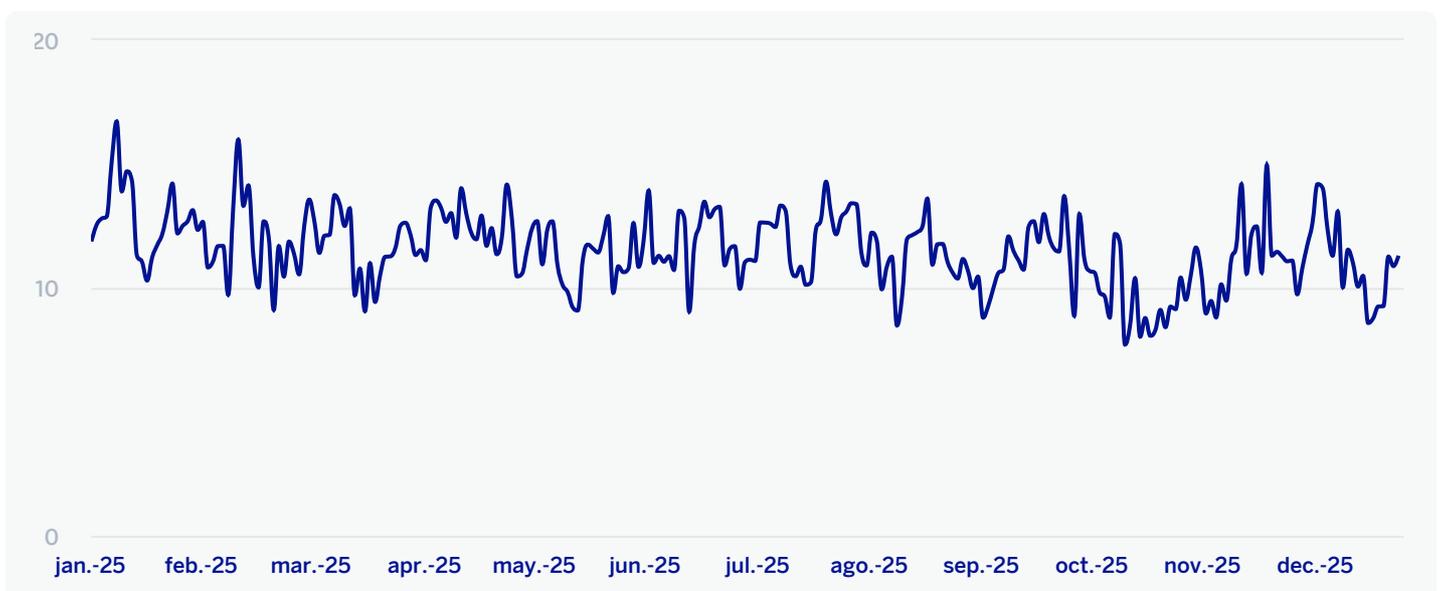
- Specific Risk - Incremental Risk Capital (“IRC”): Quantification of the risks of default and changes of the credit ratings of the bond and derivative positions and debt funds with daily look-through or significant benchmark (correlation > 90%) in the trading portfolio. The IRC charge is exclusively 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 (Collateralized Debt Obligations) 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 underlying 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 2025

The Bank’s market risk related to its trading portfolio remained in 2025 at low levels compared to other risks managed by BBVA, particularly credit risk. This is due to the nature of the business. In 2025, the market risk of trading book remained constant compared to the previous year and, in terms of VaR, stood at €11 million at the close of the period.

The average VaR for 2025 stood at €12 million, with no significant variations compared to 2024, with a high for the year on January 9, 2025 at €17 million.



By type of market risk assumed by the Bank’s trading portfolio, the main risk factor in BBVA at the end of 2025 is still linked to the interest rates (this figure includes the spread risk) which represents a 58% of the total weight, reducing its relative weight compared to the year end 2024 (which stood at 63%). The weight associated with the exchange rate and variable income risk is 21% and 4% respectively, at the end of the 2025 financial year, varying compared to the end of the 2024 financial year, where they represented 17% and 7% respectively.

The risk related to volatility and correlation accounts represent 21% of the total weight at the end of 2025, decreasing its proportion with respect to the end of the 2024 (which stood at 13%).

MARKET RISK BY RISK FACTOR (MILLIONS OF EUROS)

	2025	2024
Interest + credit spread	14	13
Exchange rate	5	3
Equity	1	2
Volatility	5	3
Diversification effect ⁽¹⁾	(13)	(9)
Total	11	11
Average VaR	12	12
Maximum VaR	17	20
Minimum VaR	8	7

(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 2025 and 2024:

- "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.

For the years ended December 31, 2025 and 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 was no negative exception in BBVA S.A.

At the end of these years 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 of 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, 2025 and 2024:

EFFECT OF OFFSETTING FOR DERIVATIVES AND SECURITIES OPERATION (MILLIONS OF EUROS)

	2025						2024					
	Gross amounts recognized (A)	Gross amounts offset in the balance sheets (B)	Net amount presented in the balance sheets (C=A-B)	Gross amounts not offset in the balance sheets		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)	Gross amounts not offset in the balance sheets		Net amount ⁽¹⁾
				Financial instruments	Cash collateral received/ Pledged					Financial instruments	Cash collateral received/ Pledged	
Trading and hedging derivatives	40,672	7,809	32,863	22,631	10,233	—	45,551	8,362	37,189	26,664	10,525	—
Reverse repurchase, securities borrowing and similar agreements	72,951	24,459	48,492	48,492	—	—	62,083	19,397	42,687	42,687	—	—
Total assets	113,624	32,268	81,355	71,122	10,233	—	107,635	27,759	79,876	69,351	10,525	—
Trading and hedging derivatives	37,263	7,809	29,454	22,631	6,823	—	40,185	8,362	31,823	26,664	5,159	—
Repurchase, securities lending and similar agreements	89,946	24,459	65,486	65,486	—	—	68,933	19,397	49,537	49,537	—	—
Total liabilities	127,209	32,268	94,940	88,117	6,823	—	109,119	27,759	81,360	76,201	5,159	—

(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. 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 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 of 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, 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, 2025 and 2024 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.	
	2025	2024
Cash and withdrawable central bank reserves	25,248	16,004
Level 1 tradable assets	57,595	50,199
Level 2A tradable assets	623	194
Level 2B tradable assets	4,424	3,762
Other tradable assets	42,405	46,537
Non tradable assets eligible for central banks	651	11
Cumulated counterbalancing capacity	130,946	116,706

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, 2025, is 162%, 117% and 105%, 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 2025. 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	4,061	14,786	—	—	—	—	—	—	—	—	18,847
Deposits in credit entities	—	664	864	932	800	1,219	637	1,175	48	408	6,746
Deposits in other financial institutions	—	3,715	1,040	909	452	482	2,211	2,324	1,827	2,611	15,572
Reverse repo, securities borrowing and margin lending	2,061	43,979	9,871	4,566	1,707	2,318	7,217	1,827	584	113	74,243
Loans and advances	—	23,279	16,710	13,967	9,326	12,508	25,129	22,832	34,625	80,271	238,647
Securities' portfolio settlement	—	1,435	1,042	5,686	2,640	6,670	8,026	4,255	20,746	46,820	97,320

DECEMBER 2025. 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	—	3,672	3,375	5,077	2,094	6,334	7,916	1,477	5,537	18,532	54,015
Deposits in financial institutions	840	3,271	1,260	567	608	199	196	60	43	375	7,418
Deposits in other financial institutions and international agencies	6,580	6,455	2,345	1,091	801	1,177	2,228	1,746	2,286	5,882	30,593
Customer deposits	214,183	30,275	14,677	7,649	3,795	5,249	952	759	699	399	278,637
Security pledge funding	1,299	72,953	14,595	4,869	1,184	1,879	3,500	330	100	176	100,884
Derivatives, net	—	5,144	(2,187)	1,694	(486)	975	455	964	1,735	3,701	11,994

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)

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 strong position with a large high-quality liquidity buffer, maintaining at all times the regulatory liquidity metrics well above the set minimums. During the first nine months of 2025, commercial activity showed dynamism in attracting customer deposits, mainly from wholesale clients, supported equally by retail clients and the new digital bank in Germany. Regarding lending activity, there has been a significant boost from wholesale business units. Growth in both areas has resulted in a narrowing of the credit gap.

The main wholesale financing transactions carried out by BBVA, S.A. during 2025 are listed below:

Issuer	Type of issue	Date of issue	Nominal (millions)	Currency	Coupon	Early redemption	Maturity date
BBVA, S.A.	AT1	Jan-25	1,000	USD	7.750%	Jan-32	Perpetual
	Tier 2	Feb-25	1,000	EUR	4.000%	Feb-32	Feb-37
	Senior non-preferred	Jul-25	1,000	EUR	3.125%	–	Jul-30
	Senior non-preferred	Aug-25	1,000	EUR	3.750%	–	Aug-35
	AT1	Nov-25	1,000	EUR	5.625%	Nov-32	Perpetual

In relation to liability management, on May 10, 2025, BBVA, S.A. redeemed early and in full an issue of senior preferred bonds made in May 2023 for €1 billion; in January 2025, it redeemed early and in full a €1 billion Tier 2 issue made in January 2020 and maturing in 2030; and in March 2025, it redeemed in full a Contingent Convertible Preferred Securities (AT1) issue for USD 1000 billion issued in 2019. (see Note 20.4). On September 14, 2025, BBVA, S.A. redeemed early and in full an issue of simple non-preferred bonds made in September 2022 for USD 1 billion (see Note 20.4).

After the closing date of the 2025 financial year, on January 7, 2026, BBVA, S.A. issued €2 billion in senior non-preferred debt, structured in two tranches: the first, for €750 million, with a coupon fixed set at three-month Euribor plus 55 basis points, and the second, for €1.25 billion, with a fixed coupon of 3.75%. On January 15, 2026, BBVA, S.A. carried out the early redemption of a green AT1 issue made on July 15, 2020, for a combined nominal amount of €1 billion, a decision that was communicated to the market on December 17, 2025 (see Note 20.4).

5.5.3 Asset encumbrance

As of December 31, 2025 and 2024, 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	
	2025	2024	2025	2024	2025	2024	2025	2024
Equity instruments	1,959	834	1,516	695	9,222	7,624	9,403	7,624
Debt securities	30,658	24,289	27,486	21,448	53,997	47,281	54,044	47,183
Loans and advances and other assets	21,941	19,105	–	–	414,271	369,164	–	–

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 20.4) 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, 2025 and 2024, 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	
	2025	2024	2025	2024	2025	2024
Collateral received	40,245	35,460	14,953	13,819	1,634	1,151
Equity instruments	180	201	675	162	—	—
Debt securities	40,065	35,259	14,277	13,657	1,634	1,151
Own debt securities issued other than own covered bonds or ABSs	—	—	63	66	—	—

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, 2025 and 2024, 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	
	2025	2024	2025	2024
Book value of financial liabilities	93,783	78,380	94,527	79,396
Derivatives	12,332	11,162	12,083	10,900
Deposits	74,619	59,037	75,347	58,065
Outstanding subordinated debt	6,833	8,182	7,097	10,431
Other sources	209	291	275	291

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, 2025, the affected instruments at fair value accounted for approximately 0.81% of financial assets and 0.38% 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, 2025 and 2024:

**FAIR VALUE OF FINANCIAL INSTRUMENTS RECOGNIZED AT FAIR VALUE BY LEVELS.
DECEMBER 2025 (MILLIONS OF EUROS)**

	Notes	Book value	Fair value		
			Level 1	Level 2	Level 3
ASSETS					
Financial assets held for trading	8	98,448	23,103	73,468	1,877
Derivatives		32,640	618	31,449	573
Equity instruments		9,642	9,310	140	192
Debt securities		15,151	13,175	1,538	439
Loans and advances		41,015	—	40,341	673
Non-trading financial assets mandatorily at fair value through profit or loss	9	569	74	46	449
Equity instruments		448	21	—	427
Debt securities		121	53	45	22
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	14,091	12,139	371	1,580
Equity instruments		1,091	992	—	100
Debt securities		12,577	11,148	371	1,058
Loans and advances		423	—	—	423
Derivatives – Hedge accounting	13	223	—	223	—
LIABILITIES					
Financial liabilities held for trading	8	77,667	10,113	66,629	925
Trading derivatives		28,193	760	26,769	664
Short positions		9,427	9,353	74	—
Deposits		40,047	—	39,786	261
Financial liabilities designated at fair value through profit or loss	10	4,644	—	3,703	941
Deposits from credit institutions		—	—	—	—
Customer deposits		4,644	—	3,703	941
Debt certificates issued		—	—	—	—
Other financial liabilities		—	—	—	—
Derivatives – Hedge accounting	13	1,261	—	1,254	7

**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		—	—	—	—
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

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, 2025 and 2024:

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 and FRA): Discounted cash flows Caps/Floors: Black 76 and SABR Bond Options: Black 76 Swaptions: Black 76, SABR and LGM Other Interest rate options: Black, SABR, Libor Market Model and QGM Constant maturity Swaps: SABR		- 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	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assets prices: shares, funds, commodities	- 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	- Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- 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 designated at fair value through profit or loss			
Debt securities	Present-value method (Discounted future cash flows)	- Issuer credit risk - Current market interest rates	
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	
Equity	Future and Equity Forward: Discounted future cash flows Equity Options: Local volatility, Black 76, Momentum adjustment and Heston	- Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	
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 and SABR Bond Options: Black 76 Swaptions: Black 76, SABR and LGM Other Interest rate options: Black, SABR, Libor Market Model and QGM Constant maturity Swaps: SABR		- Beta - Correlation between tenors - Interest rates volatility
Equity	Future and Equity Forward: Discounted future cash flows Equity options: Local volatility, momentum adjustment and Heston	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assets prices: shares, funds, commodities	- 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	- Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- 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		- 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	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assets prices: shares, funds, commodities	- 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	- Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- 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.

- LGM (Linear Gaussian Model): the model, commonly used for the valuation of interest rate instruments, assumes that the evolution of the yield curve is driven by a single stochastic factor following a linear Gaussian process. Under this framework, instantaneous rates evolve continuously with a volatility proportional to the level of rates, allowing for a parsimonious and stable description of the dynamics of bond prices and interest rate swap derivatives. Unlike more complex or multifactor models, the LGM retains a simple analytical structure that facilitates calibration to market-implied swaption volatilities.
- QGM (Quasi Gaussian Model): an advanced pricing model for the valuation of callable products. It is a valuation framework based on Monte Carlo simulations that employs a local volatility parameterization to model interest rates, designed to price exotic derivatives with cancellable features. The model uses a quasi-Gaussian approach to represent the dynamics of interest rates, leveraging a combination of variables and an auxiliary matrix to capture the evolution of forward rates.
- 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, 2025 and 2024:

UNOBSERVABLE INPUTS. DECEMBER 2025

Financial instrument	Valuation technique(s)	Significant unobservable inputs	Min	Average	Max	Units
Debt Securities	Present value method	Credit spread	—	74	814	bp
		Recovery rate	— %	38 %	40 %	%
	Comparable Pricing		— %	97 %	234 %	%
Equity/Fund instruments ⁽¹⁾	Net Asset Value					
	Comparable Pricing					
Loans and advances	Present value method	Repo funding curve	3.94 %	2 %	11.67 %	%
Credit Derivatives	Gaussian Copula	Correlation default	19 %	64 %	92 %	%
	Black 76	Price volatility	—	—	—	Vegas
Equity Derivatives	Option models on equities, baskets of equity, funds	Dividends ⁽²⁾				
		Correlations	(69 %)	43 %	99 %	%
		Volatility	8.05	32.17	450.54	Vegas
FX Derivatives	Option models on FX underlyings	Volatility	3.19	7.98	15.06	Vegas
IR Derivatives	Option models on IR underlyings	Beta	3 %	5 %	11 %	%
		Correlation rate/credit	(100 %)		100%	%
		Correlation rate/inflation	42 %	76 %	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 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	— %	39 %	40 %	%
	Comparable Pricing		— %	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.

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, 2025 and 2024 related to "OCA" were €459 million and € 393 million respectively.

The amounts recognized in the balance sheet as of December 31, 2025 and 2024 related to the valuation adjustments to the credit assessment of the derivative asset as "Credit Valuation Adjustments" ("CVA") were €-120 million and €-167 million respectively, and the valuation adjustments to the derivative liabilities as "Debit Valuation Adjustment" (DVA) were €63 million and €60 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, 2025 and 2024 corresponding to the mentioned adjustments were a net impact of €50 million and €15 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 €-181 million and €-24 million as of December 31, 2025 and 2024, 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, hereinafter "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, 2025 and 2024, €-10 million and €-19 million related to the FVA in derivatives operations, the adjustment has remained stable.

Collateral Valuation Adjustments on Bond-Collateralized Agreements

Non-standard collateral valuation adjustments (hereinafter, "CoIVA") are incorporated into the valuation of both asset and liability derivatives to reflect, in their fair value, the impact of uncertainty in the discount curve associated with collateralized positions in bonds. A standard collateral agreement for a derivative is understood to be one that requires daily posting of collateral reflecting changes in the derivative's market value, in the same currency as the derivative, and remunerated at the standard collateral rate. When the collateral agreement permits the delivery of bonds as collateral, an adjustment is required to capture the specific characteristics of the eligible collateral that cause the valuation of the transaction to differ from that under a standard cash collateralization in the deal's currency of denomination. These adjustments account for the cost (or benefit) of funding the bond collateral that covers the Expected Positive Exposure (EPE) or Expected Negative Exposure (ENE) of a derivatives portfolio over time, using the market rehypothecation curve of the posted collateral.

CoIVA adjustments are typically considered a component of FVA.

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, 2025 corresponding to the mentioned adjustments was a net impact of €-53 million (€-50 million in 2024). An adjustment was also made as of December 31, 2025 on financial asset at fair value through other comprehensive income for a total of €-4 million (€-9 million in 2024).

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)

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Balance at the beginning	3,092	1,499	2,841	1,023
Changes in fair value recognized in profit and loss ⁽¹⁾	330	570	418	273
Changes in fair value not recognized in profit and loss	36	—	11	—
Acquisitions, disposals and liquidations	385	(288)	(34)	160
Net transfers to Level 3	63	92	(143)	42
Exchange differences and others	—	—	—	—
Balance at the end	3,907	1,873	3,092	1,499

(1) Profit or loss that is attributable to gains or losses relating to those financial assets and liabilities held as of December 31, 2025 and 2024. Valuation adjustments are recorded under the heading "Gains (losses) on financial assets and liabilities (net)".

During 2025, there was an increase in Level 3 asset positions (+26%), driven by market price movements and reduced observability. This increase is primarily distributed between the derivatives portfolio and cash equities.

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 fair valuation. No significant changes were observed in other positions, such as derivatives, reverse repurchase agreements and cash variable-income positions.

For the years ended December 31, 2025, and 2024, 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, 2025 and 2024:

TRANSFER AMONG LEVELS (MILLIONS OF EUROS)

	From:	2025						2024					
		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		16	—	343	250	30	149	109	—	482	38	6	160
Non-trading financial assets mandatorily at fair value through profit or loss		—	—	—	—	—	28	—	—	—	—	1	—
Financial assets at fair value through other comprehensive income		—	20	166	—	—	—	—	—	237	—	13	—
Derivatives – Hedge accounting		—	—	—	—	—	—	—	—	—	—	—	—
Total		16	20	509	250	30	177	109	—	719	38	20	160
LIABILITIES													
Financial liabilities held for trading		19	—	269	144	3	192	4	—	389	41	11	101
Financial liabilities designated at fair value through profit or loss		—	—	—	175	—	32	—	—	—	140	—	27
Derivatives – Hedge accounting		—	—	—	—	—	—	—	—	—	—	—	—
Total		19	—	269	319	3	224	4	—	389	181	11	128

In 2025, transfers between the different levels of the fair value hierarchy at Bank level were very limited and do not represent a significant change in any of the categories.

The amount of the financial instruments at fair value that were transferred among the different valuation levels during 2024 showed a stable performance in relation to the evolution of market observability in the inputs applied in their valuation. No significant level transfers were made from level 1 to level 3, with the most significant volumes of transfers concentrated between level 1 and level 2, and level 2 and level 3. In both cases, the changes were solely due to the observability conditions of market inputs.

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, 2025, 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	
	2025	2024	2025	2024	2025	2024	2025	2024
ASSETS								
Financial assets held for trading	95	46	(143)	(74)	—	—	—	—
Loans and advances	6	4	(6)	(4)	—	—	—	—
Debt securities	38	36	(69)	(61)	—	—	—	—
Equity instruments	42	—	(59)	(4)	—	—	—	—
Derivatives	9	5	(9)	(5)	—	—	—	—
Non-trading financial assets mandatorily at fair value through profit or loss	105	9	(107)	(85)	—	—	—	—
Loans and advances	—	—	—	—	—	—	—	—
Debt securities	3	3	(5)	(7)	—	—	—	—
Equity instruments	102	6	(102)	(78)	—	—	—	—
Financial assets at fair value through other comprehensive income	—	—	—	—	117	48	(190)	(90)
Total	200	55	(250)	(159)	117	48	(190)	(90)
LIABILITIES								
Financial liabilities held for trading	16	10	(16)	(10)	—	—	—	—
Total	16	10	(16)	(10)	—	—	—	—

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: generally, fair value is 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 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, 2025 and 2024:

FAIR VALUE OF FINANCIAL INSTRUMENTS RECOGNIZED AT AMORTIZED COST BY LEVELS. DECEMBER 2025 (MILLIONS OF EUROS)

	Notes	Book value	Carrying amount presented as fair value ⁽¹⁾	Fair value			Total
				Level 1	Level 2	Level 3	
ASSETS							
Cash, cash balances at central banks and other demand deposits	7	31,176	31,176	—	—	—	31,176
Financial assets at amortized cost	12	338,143	23,331	52,089	20,193	240,891	336,504
Debt securities		56,806	—	52,089	3,855	1,149	57,092
Loans and advances		281,337	23,331	—	16,338	239,742	279,412
LIABILITIES							
Financial liabilities at amortized cost	20	405,055	258,241	36,026	59,858	52,039	406,165
Deposits		342,277	245,565	778	43,973	52,039	342,356
Debt certificates issued		50,102	—	35,248	15,885	—	51,133
Other financial liabilities		12,676	12,676	—	—	—	12,676

(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 2024 (MILLIONS OF EUROS)**

	Notes	Book value	Carrying amount presented as fair value ⁽¹⁾	Fair value			Total
				Level 1	Level 2	Level 3	
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

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	2025	2024
Cash on hand		1,049	1,027
Cash balances at central banks ⁽¹⁾		27,478	17,603
Other demand deposits		2,649	2,124
Total	6.2	31,176	20,755

(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	2025	2024
ASSETS			
Derivatives		32,640	36,405
Equity instruments	5.2.2	9,642	6,457
Credit institutions		441	466
Other sectors		6,630	4,516
Shares in the net assets of mutual funds		2,571	1,475
Debt securities	5.2.2	15,151	11,806
Issued by central banks		—	—
Issued by public administrations		13,249	9,154
Issued by financial institutions		473	915
Other debt securities		1,429	1,737
Loans and advances	5.2.2	41,015	34,499
Loans and advances to central banks		620	556
<i>Reverse repurchase agreement</i>		620	556
Loans and advances to credit institutions		15,569	19,265
<i>Reverse repurchase agreement</i>		15,538	19,245
Loans and advances to customers		24,827	14,679
<i>Reverse repurchase agreement</i>		24,632	14,354
Total assets	6.1	98,448	89,167
LIABILITIES			
Derivatives		28,193	30,287
Short positions		9,427	9,635
Deposits		40,047	31,022
Deposits from central banks		3,399	360
<i>Repurchase agreement</i>		3,399	360
Deposits from credit institutions		17,541	15,026
<i>Repurchase agreement</i>		17,054	14,736
Customer deposits		19,107	15,636
<i>Repurchase agreement</i>		18,993	15,358
Total liabilities	6.1	77,667	70,943

As of December 31, 2025 and 2024, "Short positions" include €8,938 million and €8,899 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, 2025 and 2024, 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)

	2025			2024		
	Assets	Liabilities	Notional amount - Total	Assets	Liabilities	Notional amount - Total
Interest rate	10,947	6,940	4,554,212	12,602	6,772	4,422,049
OTC	10,947	6,940	4,532,832	12,602	6,772	4,407,156
Organized market	—	—	21,380	—	—	14,893
Equity instruments	3,717	3,565	97,548	3,803	3,119	77,945
OTC	1,268	1,852	44,412	1,543	1,164	41,603
Organized market	2,449	1,713	53,136	2,260	1,955	36,342
Foreign exchange and gold	17,219	16,869	1,127,674	19,626	19,972	909,642
OTC	17,219	16,869	1,127,640	19,626	19,972	909,642
Organized market	—	—	34	—	—	—
Credit	718	756	65,097	350	374	41,256
Credit default swap	682	720	62,647	348	374	40,784
Total return swap	36	36	2,451	2	—	472
Commodities	40	62	3,828	24	49	1,906
Other	—	—	—	—	—	—
DERIVATIVES	32,640	28,193	5,848,359	36,405	30,287	5,452,798
<i>Of which: OTC - credit institutions</i>	<i>20,462</i>	<i>20,243</i>	<i>1,653,353</i>	<i>23,356</i>	<i>22,961</i>	<i>1,397,276</i>
<i>Of which: OTC - other financial corporations</i>	<i>6,964</i>	<i>3,712</i>	<i>3,966,906</i>	<i>7,485</i>	<i>2,671</i>	<i>3,868,017</i>
<i>Of which: OTC - other</i>	<i>2,765</i>	<i>2,525</i>	<i>151,210</i>	<i>3,305</i>	<i>2,699</i>	<i>135,255</i>

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	2025	2024
Equity instruments	5.2.2	448	626
Debt securities	5.2.2	121	269
Loans and advances	5.2.2	—	—
Total	6.1	569	895

10. Financial assets and liabilities designated at fair value through profit or loss

As of December 31, 2025 and 2024 the heading “Financial assets designated at fair value through profit or loss, had no balance (See Note 5.2.2).

As of December 31, 2025 and 2024 the heading “Financial liabilities designated at fair value through profit or loss” included customer deposits for an amount of €4,644 and €2,955 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, is as follows:

FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (MILLIONS OF EUROS)

	Notes	2025	2024
Equity instruments	5.2.2	1,091	1,193
Debt securities ⁽¹⁾		12,577	13,649
Loans and advances		423	—
Total	6.1	14,091	14,842
<i>Of which: loss allowances of debt securities</i>		(14)	(12)
<i>Of which: loss allowances of loans and advances</i>		(65)	—

(1) During financial years 2025 and 2024, there have been no significant reclassifications from the heading "Financial assets at fair value through other comprehensive income" to other headings nor 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, 2025 and 2024, is as follows:

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME. EQUITY INSTRUMENTS (MILLIONS OF EUROS)

	2025	2024
Listed equity instruments		
Spanish companies shares	992	1,100
Foreign companies shares	—	—
Subtotal listed equity instruments	992	1,100
Unlisted equity instruments		
Spanish companies shares	51	44
Credit institutions	—	—
Other entities	51	44
Foreign companies shares	48	49
The United States	20	21
Other countries	28	28
Subtotal unlisted equity instruments	99	93
Total	1,091	1,193

11.3. Debt securities

The breakdown of the balance under the heading “Debt securities” of the accompanying financial statements as of December 31, 2025 and 2024, broken down by issuers, is as follows:

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME. DEBT SECURITIES (MILLIONS OF EUROS)

	2025	2024
Domestic debt securities		
Government and other government agency	3,046	2,384
Central banks	—	—
Credit institutions	43	150
Other issuers	116	124
Subtotal	3,205	2,658
Foreign debt securities		
Mexico	80	76
Government and other government agency	—	—
Central banks	—	—
Credit institutions	—	—
Other issuers	80	76
The United States	3,049	3,605
Government and other government agency	1,262	1,427
Central banks	—	—
Credit institutions	—	—
Other issuers	1,787	2,178
Other countries	6,243	7,188
Other foreign governments and government agency	3,579	3,896
Central banks	70	89
Credit institutions	341	435
Other issuers	2,253	2,768
Subtotal	9,372	10,991
Total	12,577	13,649

The credit ratings of the issuers of debt securities as of December 31, 2025 and 2024, are as follows:

DEBT SECURITIES BY RATING

	2025		2024	
	Fair value (Millions of Euros)	%	Fair value (Millions of Euros)	%
AAA	1,070	8.5 %	635	4.7 %
AA+	1,401	11.1 %	1,446	10.6 %
AA	312	2.5 %	170	1.2 %
AA-	421	3.3 %	479	3.5 %
A+	207	1.6 %	503	3.7 %
A	3,638	28.9 %	1,243	9.1 %
A-	832	6.6 %	3,348	24.5 %
BBB+	4,311	34.3 %	1,226	9.0 %
BBB	344	2.7 %	4,388	32.1 %
BBB-	24	0.2 %	89	0.7 %
BB+ or below	17	0.1 %	22	0.2 %
Unclassified	—	— %	100	0.7 %
Total	12,577	100.0 %	13,649	100.0 %

11.4. Gains/losses

The changes in the gains/losses (net of taxes), during 2025 and 2024, 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	
		2025	2024	2025	2024
Balance at the beginning		(264)	(275)	(1,075)	(1,213)
Valuation gains and losses		256	63	(107)	146
Amounts transferred to income		(25)	(47)	–	–
Income tax and other		(68)	(5)	–	(8)
Balance at the end	27	(101)	(264)	(1,183)	(1,075)

In 2025 and 2024, equity instruments decreased by €107 million and increased by €138 million, respectively, in the heading “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 valuation of debt securities have been mainly affected 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	2025	2024
Debt securities		56,806	45,846
Government		51,209	42,096
Credit institutions		3,710	2,231
Other financial and non-financial corporations		1,887	1,519
Loans and advances to central banks		73	33
Loans and advances to credit institutions		21,316	18,774
Reverse repurchase agreements		7,701	8,486
Other loans and advances		13,615	10,288
Loans and advances to customers	5.2.2	259,948	230,818
Government		16,637	13,185
Other financial corporations		20,055	14,693
Non-financial corporations		125,091	107,861
Other		98,166	95,079
Total	6.2	338,143	295,471
<i>Of which: impaired assets of loans and advances to customers</i>	<i>5.2.5</i>	<i>6,633</i>	<i>7,579</i>
<i>Of which: loss allowances of loans and advances</i>	<i>5.2.5</i>	<i>(4,689)</i>	<i>(4,665)</i>
<i>Of which: loss allowances of debt securities</i>		<i>(7)</i>	<i>(8)</i>

During 2025, the Bank made a payment corresponding to the Interest Margin and Commission Tax ("IMIC", by its acronym in Spanish) for the year ended December 31, 2024, regulated by the Ninth Final Provision of Law 7/2024. However, given that such payment was made but considered undue with respect to such year under the existing legal framework, as of December 31, 2025, an asset for the amount disbursed (€295 million) was recorded under the "General governments" heading within the "Financial assets at amortized cost - Loans and advances to customers" item in the balance sheet.

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)		
	2025	2024
Domestic debt securities		
Government and other government agencies	39,231	35,643
Credit institutions	1,108	1,099
Other issuers	404	367
Subtotal	40,743	37,108
Foreign debt securities		
The United States	28	2,076
Government and other government agencies	—	2,044
Credit institutions	17	19
Other issuers	11	13
Other countries	16,034	6,662
Other foreign governments and government agencies	11,978	4,409
Central banks	—	—
Credit institutions	2,584	1,113
Other issuers	1,471	1,140
Subtotal	16,063	8,738
Total	56,806	45,846

As of December 31, 2025 and 2024, the distribution according to the credit quality (ratings) of the issuers of debt securities classified as financial assets at amortized cost, was as follows:

	2025		2024	
	Carrying amount (Millions of Euros)	%	Carrying amount (Millions of Euros)	%
AAA	2,530	4.5%	1,779	3.9%
AA+	948	1.7%	2,965	6.5%
AA	—	—%	65	0.1%
AA-	7,314	12.9%	954	2.1%
A+	560	1.0%	8	—%
A	37,915	66.8%	492	1.1%
A-	1,986	3.5%	34,609	75.5%
BBB+	4,135	7.3%	1,088	2.4%
BBB	479	0.8%	3,394	7.4%
BBB-	294	0.5%	230	0.5%
BB+ or below	377	0.7%	264	0.6%
Unclassified	266	0.5%	—	—%
Total	56,806	100.0%	45,846	100.0%

12.3. Loans and advances to customers

The breakdown of the balance under this heading in the accompanying balance sheets, according to the nature of the financial instrument, is as follows:

LOANS AND ADVANCES TO CUSTOMERS (MILLIONS OF EUROS)

	2025	2024
On demand and short notice	95	76
Credit card debt	2,992	2,973
Trade receivables	27,685	25,783
Finance leases	6,801	6,543
Reverse repurchase agreements	1	44
Other term loans	216,860	191,198
Advances that are not loans	5,514	4,200
Total	259,948	230,818

As of December 31, 2025 and 2024, 47% and 45%, respectively, of "Loans and advances to customers" with maturity greater than one year have fixed-interest rates and 53% and 55%, respectively, have variable interest rates.

This heading also includes certain 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)

	2025	2024
Securitized mortgage assets	17,408	19,537
Other securitized assets	8,662	8,702
Total	26,070	28,239

The heading Loans and advances to customers includes a non-significant 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.

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)

	2025	2024
ASSETS		
Derivatives – hedge accounting	223	784
Fair value changes of the hedged items in portfolio hedges of interest rate risk	(87)	(65)
LIABILITIES		
Derivatives – hedge accounting	1,261	1,536
Fair value changes of the hedged items in portfolio hedges of interest rate risk	—	—

As of December 31, 2025 and 2024, 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 certificates 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. 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 used by the Bank as of December 31, 2025 and 2024, and which are recorded under the headings of "Derivatives - hedge accounting" of both assets and liabilities of the balance sheet:

DERIVATIVES - HEDGE ACCOUNTING. BREAKDOWN BY TYPE OF RISK AND TYPE OF HEDGE. (MILLIONS OF EUROS)

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Interest rate	174	67	174	82
OTC	174	67	174	82
Organized market	—	—	—	—
Equity instruments	18	1	—	—
Foreign exchange and gold	—	—	—	—
Credit	—	—	—	—
Commodities	—	—	—	—
Other	—	—	—	—
FAIR VALUE HEDGES	192	68	174	82
Interest rate	22	1,044	542	1,332
OTC	22	1,044	542	1,332
Organized market	—	—	—	—
Equity instruments	—	—	—	—
Foreign exchange and gold	—	—	—	—
OTC	—	—	—	—
Organized market	—	—	—	—
Credit	—	—	—	—
Commodities	—	—	—	—
Other	—	—	—	—
CASH FLOW HEDGES	22	1,044	542	1,332
HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION	7	149	66	122
PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK	2	—	2	—
PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK	—	—	—	—
DERIVATIVES-HEDGE ACCOUNTING	223	1,261	784	1,536
<i>Of which: OTC - credit institutions</i>	<i>200</i>	<i>918</i>	<i>654</i>	<i>1,085</i>
<i>Of which: OTC - other financial corporations</i>	<i>23</i>	<i>343</i>	<i>130</i>	<i>451</i>

Below there is a breakdown of the items covered by fair value hedges (mainly for the interest rates hedging) for years 2025 and 2024:

HEDGED ITEMS AND HEDGES. DECEMBER 2025 (MILLIONS OF EUROS)

	Notional	Hedged Item Amount	Accumulated Fair Value Adjustments On The Hedged Item	Carrying amount of the hedging instrument	
				Assets	Liabilities
Fair value hedges	56,972	56,232	(450)	194	68
Financial assets measured at fair value through other comprehensive income	7,401	6,695	(343)	30	7
Debt securities	7,152	6,464	(330)	11	6
Equity instruments	250	231	(14)	18	1
Financial assets measured at amortized cost	10,153	10,069	(152)	6	21
Debt securities	6,409	6,382	(74)	4	14
Loans and advances	3,744	3,687	(78)	2	7
Financial liabilities measured at amortized costs	39,418	39,469	45	158	41
Debt certificates issued	34,329	34,232	97	95	41
Deposits	5,089	5,237	(52)	63	—

HEDGED ITEMS AND HEDGES. DECEMBER 2024 (MILLIONS OF EUROS)

	Notional	Hedged item amount	Accumulated fair value adjustments on the hedged item	Carrying Amount Of The Hedging Instrument	
				Assets	Liabilities
Fair value hedges	50,090	49,537	(403)	176	82
Financial assets measured at fair value through other comprehensive income	8,231	7,440	(406)	15	13
Debt securities	8,231	7,440	(406)	15	13
Financial assets measured at amortized cost	3,327	3,266	(92)	3	31
Debt securities	2,253	2,232	(48)	—	17
Loans and advances	1,074	1,034	(44)	2	14
Financial liabilities measured at amortized costs	38,532	38,830	95	158	39
Debt certificates issued	35,862	36,086	172	62	28
Deposits	2,669	2,745	(76)	97	11

As of December 31, 2025 and 2024, the inefficiencies of fair value hedges amounted to €1 and €2 million euros, respectively, and are recognized in the "Gains (losses) from hedge accounting, net" item of the income statement (see Note 37).

Below is a breakdown of the items covered by cash flow hedges (mainly for the interest rates hedging) for years 2025 and 2024:

HEDGED ITEMS AND HEDGES. DECEMBER 2025 (MILLIONS OF EUROS)

	Notional	Hedged item amount	Carrying amount of the hedging instrument		Profit (loss) recognized in Other Comprehensive Income
			Assets	Liabilities	
Cash flow hedges	32,262	33,606	22	1,044	313
Financial assets measured at fair value through other comprehensive income	—	—	—	—	—
Financial assets measured at amortized cost	32,262	33,606	22	1,044	313
Debt securities	4,102	5,446	—	1,044	307
Loans and advances	28,160	28,160	22	—	6
Financial liabilities measured at amortized costs	—	—	—	—	—

HEDGED ITEMS AND HEDGES. DECEMBER 2024 (MILLIONS OF EUROS)

	Notional	Hedged item amount	Carrying amount of the hedging instrument		Profit (loss) recognized in Other Comprehensive Income
			Assets	Liabilities	
Cash flow hedges	33,534	34,814	542	1,332	358
Financial assets measured at fair value through other comprehensive income	—	—	—	—	—
Financial assets measured at amortized cost	33,347	34,625	542	1,327	363
Debt securities	4,102	5,380	303	1,290	285
Loans and advances	29,245	29,245	238	37	78
Financial liabilities measured at amortized costs	187	189	—	5	(5)
Debt certificates issued	187	189	—	5	(5)

As of December 31, 2025 and 2024, no cash flow hedge inefficiencies were recorded.

Below is a breakdown of the items covered by foreign currency hedges for the years 2025 and 2024:

HEDGED ITEMS AND HEDGES (MILLIONS OF EUROS)

	Carrying amount of the hedged item	Carrying amount of the hedging instrument	
		Assets	Liabilities
Hedge of net investments in foreign operations (effective portion) 2025	20,133	7	149
Hedge of net investments in foreign operations (effective portion) 2024	17,425	66	122

As of December 31, 2025 and 2024, no inefficiencies were recorded in the hedge of net investments in foreign transactions.

The following is the breakdown, by their notional maturities, of the hedging instruments as of December 31, 2025:

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	6,529	14,400	18,802	14,366	54,097
<i>Of which: Interest rate</i>	<i>6,319</i>	<i>14,361</i>	<i>18,802</i>	<i>14,366</i>	<i>53,847</i>
CASH FLOW HEDGES	2,875	8,895	19,242	1,250	32,262
<i>Of which: Interest rate</i>	<i>2,875</i>	<i>8,895</i>	<i>19,242</i>	<i>1,250</i>	<i>32,262</i>
HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION	10,355	1,704	—	—	12,060
PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK	250	582	3,255	1,901	5,988
PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK	—	—	—	—	—
DERIVATIVES-HEDGE ACCOUNTING	20,010	25,581	41,299	17,516	104,406

In 2025 and 2024, 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, 2025 and 2024 was not material.

14. Investments in subsidiaries, joint ventures and associates

14.1. Investments in subsidiaries

The heading "Investments in subsidiaries, joint venture and associates- Subsidiaries" in the accompanying balance sheets include 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 is as follows:

INVESTMENTS IN SUBSIDIARIES (MILLIONS OF EUROS)

	2025	2024
Subsidiaries		
By currency	40,433	38,202
In euros	18,790	19,394
In foreign currencies	21,643	18,808
By share price	40,433	38,202
Listed	8,238	8,148
Unlisted	32,195	30,054
Loss allowances	(13,332)	(13,519)
Total	27,101	24,683

Garanti Bank

In accordance with the accounting standards applicable to the individual financial statements, the Bank maintains the stake 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 2025, the depreciation of the Turkish lira was not offset by Garanti's positive growth prospects in Turkey, resulting in an increased impairment loss compared to previous years. This impairment had a negative impact of €130 million on the Bank's earnings in fiscal year 2025. As of December 31, 2025, the total impairment loss on the stake in Garanti was €354 million.

In 2024, Garanti's growth expectations in Turkey, which led to an increase in the value of the stake, together with a lower-than-expected depreciation of the Turkish lira, led to a recovery of part of the impairment recorded in previous years. This recovery had a positive impact on the Bank's result of €2,221 million in 2024.

These impairments or recoveries of the stake 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 2025 and 2024 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)

	2025	2024
Balance at the beginning	38,202	38,496
Acquisitions and capital increases ⁽¹⁾	2,183	660
Disposals and capital reductions ⁽²⁾	(772)	(711)
Transfers	—	—
Exchange differences and others	820	(243)
Balance at the end	40,433	38,202

(1) In 2025 financial year, the movement corresponds mainly to the contribution of bonds to BBVA USD Investments SA, as a contribution from partners, for an amount of €1,815 million euros.

(2) In financial year 2025, the movement corresponds mainly to a return of contributions from Anida Group Inmobiliario, SL amounting to €285 million and the liquidation of Activos Macorp, SL amounting to €287 million. In financial year 2024, the movement corresponded mainly to return of contributions from Anida Group Inmobiliario, SL amounting to €281 million and Tree Investments Inmobiliarias, SAU amounting to €140 million.

Changes in the holdings in Group entities

Significant transactions in 2025 and 2024

During the years 2024 and 2025 no significant or relevant corporate operations have been completed. The voluntary public tender offer for the entire share capital of Banco de Sabadell, S.A. announced by BBVA on May 9, 2024, was no longer in effect on October 16, 2025, following the publication of its outcome by the CNMV, as the minimum acceptance condition established by BBVA was not met.

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)		
	2025	2024
Associates		
By currency	735	790
In euros	356	411
In foreign currencies	379	379
By share price	735	790
Listed	338	388
Unlisted	397	402
Loss allowances	(157)	(244)
Subtotal	578	545
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	602	569

The investments in joint ventures and associates as of December 31, 2025 are shown in Appendix III.

The following is a summary of the gross changes in 2025 and 2024 under this heading in the accompanying balance sheets:

JOINT VENTURES AND ASSOCIATES: CHANGES IN THE YEAR (MILLIONS OF EUROS)		
	2025	2024
Balance at the beginning	814	674
Acquisitions and capital increases	—	164
Disposals and capital reductions	(55)	(18)
Balance at the end	759	814

During the year 2025, the most significant movement in the item "Investments in joint ventures and associates" corresponds to distributions of Metrovacesa's share premium.

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.

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 2025 and 2024 under this heading is as follows:

IMPAIRMENT (MILLIONS OF EUROS)

	Notes	2025	2024
Balance at the beginning		13,763	16,151
Increase in loss allowances charged to income ⁽¹⁾	43	226	141
Decrease in loss allowances credited to income ⁽¹⁾	43	(168)	(2,387)
Amount used		(317)	(74)
Transfers		(15)	(68)
Balance at the end		13,489	13,763

(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 2025 (MILLIONS OF EUROS)

	Notes	Land and Buildings	Work in Progress	Furniture, Fixtures and Vehicles	Right to use asset			Total
					Tangible asset of own use	Investment Properties	Investment Properties	
Revalued cost								
Balance at the beginning		1,024	—	2,756	3,512	251	—	7,543
Additions		1	1	134	130	5	—	270
Retirements		(8)	—	(121)	(136)	(3)	—	(268)
Transfers		(10)	(1)	(2)	1	(1)	—	(13)
Exchange difference and other		—	—	(6)	—	—	—	(6)
Balance at the end		1,006	—	2,761	3,507	251	(1)	7,527
Accrued depreciation								
Balance at the beginning		213	—	2,251	1,108	91	(1)	3,662
Additions	40	13	—	90	206	18	—	327
Retirements		(5)	—	(94)	(60)	—	—	(159)
Transfers		(4)	—	(2)	2	(2)	—	(6)
Exchange difference and other		—	—	(3)	—	—	—	(3)
Balance at the end		217	—	2,242	1,256	106	(1)	3,822
Impairment								
Balance at the beginning		70	—	(1)	214	81	—	364
Additions	44	—	—	6	12	—	—	18
Retirements	44	—	—	—	(7)	(10)	—	(17)
Transfers		—	—	—	—	—	—	—
Exchange difference and other		—	—	(6)	(72)	—	—	(79)
Balance at the end		70	—	(1)	147	71	—	287
Net tangible assets								
Balance at the beginning		741	—	506	2,189	78	1	3,516
Balance at the end		720	—	520	2,104	74	—	3,418

TANGIBLE ASSETS. BREAKDOWN BY TYPE OF ASSETS AND CHANGES IN THE YEAR 2024 (MILLIONS OF EUROS)

	Notes	Land and Buildings	Work in Progress	Furniture, Fixtures and Vehicles	Right to use asset			Total
					Tangible asset of own use	Investment Properties	Investment Properties	
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

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, 2025 and 2024, the cost of fully amortized tangible assets that remained in use were €1,789 million and €1,726 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)

	2025	2024
Spain	1,871	1,881
Rest of the world	24	24
Total	1,895	1,905

16. Intangible assets

The breakdown of the balance under this heading in the balance sheets as of December 31, 2025 and 2024 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)

	2025	2024
Computer software acquisition expense	1,132	977
Other intangible assets with a definite useful life	—	6
Total	1,132	983

The breakdown of the changes in 2025 and 2024 in the balance under this heading in the balance sheets is as follows:

OTHER INTANGIBLE ASSETS. CHANGES OVER THE YEAR (MILLIONS OF EUROS)

	Notes	2025			2024		
		Computer software	Other intangible assets	Total of intangible assets	Computer software	Other intangible assets	Total of intangible assets
Balance at the beginning		977	6	983	875	19	894
Additions		496	—	496	417	—	417
Amortization in the year	40	(333)	(6)	(339)	(308)	(13)	(321)
Net variation of impairment through profit or loss	44	(8)	—	(8)	(7)	—	(7)
Balance at the end		1,132	—	1,132	977	6	983

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 withholdings 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 withholdings 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 of December 31, 2025, the Bank has the 2021 and subsequent years subject to inspection, with respect to the main taxes applicable to it. Notwithstanding the foregoing, with regard to Value Added Tax, BBVA, S.A. is currently subject to a tax audit for fiscal years 2021 to 2024, inclusive.

The remaining Spanish consolidated entities are, in general, subject to inspection by the tax authorities for the last four fiscal years in respect of the main taxes applicable, except for those cases in which the statute of limitations has been interrupted as a result of the commencement of tax audit proceedings.

With regard to the BBVA consolidated tax group in Spain, in the year 2025, as a result of tax audit proceedings carried out by the tax authorities, tax assessment reports were issued for fiscal years 2017 to 2020 and were signed in agreement, except for those relating to fiscal years 2017 and 2018 in respect of Corporate Income Tax, for which a partial disagreement was stated. As of year-end, the tax assessment reports signed in agreement had become final. The completion of the tax audit process and the resulting reassessment of tax risk coverage requirements have had a net positive impact on BBVA, S.A.'s corporate income tax expense (see Note 17.2) and have also affected the changes recognized during the year in the Group's deferred tax assets (see Note 17.4). Furthermore, in relation to Value Added Tax, as a result of the criteria that have come to light, the Group has reviewed the pro rata percentage applicable to BBVA, S.A. for both prior financial years and the 2025 financial year itself (see Note 39.2). Notwithstanding the foregoing, the conclusion of the aforementioned tax audit procedures has not had a material impact on the overall understanding of the financial statements.

In addition, in the 2024 financial year, the temporary levy on credit institutions of BBVA, S.A. corresponding to the 2023 financial year was audited by the Tax Administration. In the 2025 financial year, the tax assessment initiated by the Tax Administration was signed by BBVA "in disagreement" and appealed, payment has been requested for suspension, and the amount claimed has been secured by a guarantee.

Additionally, the temporary levy on credit institutions of BBVA, S.A. corresponding to the 2024 financial year is being audited by the Tax Administration.

The coverage, if applicable, of the tax risks accounted for, 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 (taking into account the provisions of Note 5.1, as well as Note 17.4 with respect to the Group's deferred tax assets), 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 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)

	2025	2024
Corporation tax	2,504	3,477
Increases due to permanent differences	154	193
Decreases due to permanent differences	(1,797)	(2,616)
Tax credits and tax relief at consolidated Companies	(34)	(31)
Other items net	83	80
Net increases (decreases) due to temporary differences	(166)	(98)
Charge for income tax and other taxes	—	—
Deferred tax assets and liabilities recorded (utilized)	166	98
Income tax and other taxes accrued in the period	910	1,105
Adjustments to prior years' income tax and other taxes ⁽¹⁾	280	251
Income tax and other taxes	1,190	1,355

(1) With respect to fiscal year 2025, this amount represents the net effect of several tax-related items, including, among others: (i) the recognition of the impact attributable to fiscal year 2025 arising from the IMIC, in accordance with the information disclosed in Note 17.5 below; (ii) the recognition of certain deferred tax assets of the Group in Spain that had not previously been recognized in the financial statements, as referred to in Note 17.4 below; and (iii) the positive effect resulting from the completion of the tax audit process of the Group in Spain for fiscal years 2017 to 2020 and the consequent reassessment of tax risk coverage requirements, as described in Note 17.1 above. With respect to fiscal year 2024, this amount represents the net effect of several tax-related items, including, among others: (i) the recognition of the impact associated with the declaration of unconstitutionality of certain Corporate Income Tax measures introduced by Royal Decree-Law 3/2016; and (ii) foreign taxes.

The heading "Decreases due to permanent differences" of the previous table in 2025 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 €4.408 million and available of non-deductible impairments for an amount of €155 million. In 2024, the effect of those concepts were €5.869 million and €2.348 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 2025 and 2024 the Bank recognized the following amounts in Equity:

TAX RECOGNIZED IN TOTAL EQUITY (MILLIONS OF EUROS)

	2025	2024
Charges to total equity		
Debt securities	—	—
Equity instruments	(11)	(11)
Other	(102)	(108)
Subtotal	(113)	(119)
Credits to total equity		
Debt securities	105	120
Equity instruments	—	—
Other	—	—
Subtotal	105	120
Total	(8)	1

17.4 Tax assets and liabilities

The balance under the heading "Tax assets" in the accompanying balance sheets include 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)

	2025	2024	Variation
Tax assets-			
Current tax assets	3,038	2,890	148
Deferred tax assets	9,286	9,410	(124)
Pensions	100	112	(12)
Financial Instruments	132	149	(17)
Other assets	40	32	8
Impairment losses	148	208	(60)
Other	461	503	(42)
Secured tax assets ⁽¹⁾	7,885	7,979	(94)
Tax losses	520	427	93
Total	12,324	12,300	24
Tax Liabilities-			
Current tax liabilities	533	225	308
Deferred tax liabilities	950	912	38
Charge for income tax and other taxes	950	912	38
Total	1,483	1,137	346

(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 2025 were mainly attributable to:

- The increase of Current tax assets amounts receivable from the tax authorities is due to the return of the 2025 Corporation Tax payments made during the year.
- The increase of Current tax Liabilities amounts payable to the tax authorities is due to the estimated tax on net interest income and commissions
- The decrease in deferred tax assets and liabilities related to financial instruments are mainly due to the recognition of the tax effect associated with valuation adjustments recorded in 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 2024 and the estimation for 2025.
- The movements in guaranteed deferred tax assets and tax losses are due to the offsetting of the Corporate Income Tax corresponding to the year 2024, the estimate for year 2025 as well as to the effects arising from the conclusion of Inspection for fiscal years 2017 to 2020.

On the deferred tax assets and liabilities shown above, those included in Note 17.3 have been recognized against the entity's Equity, and the rest against earnings for the year or reserves.

From the guaranteed deferred 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)

	2025	2024
Pensions	1,557	1,622
Loss allowances	6,328	6,357
Total	7,885	7,979

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 €1.122 million in quota, 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 €2,849 thousand in Japan, €799 thousand in China, €487 thousand in Hong Kong and €385 thousand in Singapore (all in quota).

17.5 Other contributions and taxes

Tax on net interest and commissions margin 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 net interest margin and commissions margin 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 ratified by the Congress of Deputies and is therefore repealed as of January 23, 2025.

No impact associated with this tax was recorded in the Financial Statements for the year ended December 31, 2024.

During 2025, the Group made the payment corresponding to the Interest and Commission Margin Tax (IMIC) for the 2024 financial year. However, since this payment is not required under the applicable legal framework, an asset for the amount paid (€295 million) has been recorded under the heading "General Governments" of the item "Financial assets at amortized cost - Loans and advances to customers" in the balance sheet (see Note 12).

Finally, as of 31 December 2025, current tax liabilities include approximately €318 million corresponding to the accrual for the 2025 financial year of the IMIC of certain financial institutions, which is recognized under the caption "Tax expense or income related to profit or loss from continuing operations", in accordance with its classification as an income tax under applicable regulations, given its characteristics as a direct tax, the taxable event of which is the generation within Spanish territory of a positive net interest and fee and commissions margin during the tax period.

Temporary levy on credit institutions in Spain

On December 28, 2022, the Law for the establishment of the temporary levy on credit entities and financial credit establishments was published in the Official State Gazette.

This law establishes the obligation to satisfy a public contribution with a non-tax nature during the years 2023 and 2024 for credit institutions operating in Spanish territory whose sum of income from interest and commissions corresponding to the year 2019 is equal to or greater than €800 million.

The amount of the public, non-tax nature contribution payable is calculated by applying a rate of 4.8% to the sum of the interest margin and the income and expenses from commissions derived from the activity carried out in Spain and shown in the income statement of the tax consolidation group to which the credit institution belongs, corresponding to the calendar year prior to the year in which the payment obligation arises. The payment obligation arises on the first day of the calendar year 2023 and 2024.

For the 2023 and 2024 financial years, the impact of €215 million and €285 million, respectively, was recorded under the "Other operating expenses" item in the income statement (see Note 42). 38).

Top-up tax to ensure a global minimum taxation 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 Top-up 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 transposed Council Directive (EU) 2022/2523 of December 15, 2022, which incorporates the Pillar Two rules into the European legal framework.

The aforementioned law was approved with effect for tax periods beginning on or after December 31, 2023. Consequently, from the year 2024, inclusive, the Group is subject to the Pillar Two rules.

In compliance with current legislation, the Group has calculated the estimated impact of the Top-up Tax based on the Transitional Safe Harbour 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 15% minimum effective tax rate and, therefore, do not accrue a Top-up 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, 2025, has recognized as a current tax expense the corresponding estimated Top-up Tax associated with those jurisdictions, the amount of which is not material.

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	2025	2024
ASSETS			
Insurance contracts linked to pensions	22	1,117	1,260
Inventories		2,450	1,302
Rest of other assets		1,080	1,501
Transactions in progress		142	439
Accruals		628	416
Other items		309	647
Total		4,647	4,064
LIABILITIES			
Transactions in progress		291	283
Accruals		1,201	1,097
Other items		899	1,072
Total		2,391	2,454

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)

	2025	2024
Foreclosures and recoveries	326	408
<i>Foreclosures</i>	300	373
<i>Recoveries from financial leases</i>	26	35
Assets from tangible assets	188	175
Accrued amortization ⁽¹⁾	(40)	(34)
Loss allowances	(212)	(219)
Total non-current assets and disposal groups classified as held for sale	263	331

(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 2025 and 2024 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	
		2025	2024	2025	2024	2025	2024	2025	2024
Cost (1)									
Balance at the beginning		408	558	141	343	—	—	549	901
Additions		49	121	—	—	—	—	49	121
Retirements (sales and other decreases)		(120)	(240)	—	(211)	—	—	(120)	(451)
Transfers, other movements and exchange differences		(11)	(31)	7	9	—	—	(4)	(22)
Balance at the end		326	408	148	141	—	—	474	549
Impairment (2)									
Balance at the beginning		134	176	84	213	—	—	218	389
Net variations through profit and loss	46	2	8	2	19	—	—	4	27
Retirements (sales and other decreases)		(36)	(50)	—	(153)	—	—	(36)	(203)
Transfers, other movements and exchange differences		25	—	1	5	—	—	26	5
Balance at the end		125	134	87	84	—	—	212	218
Balance at the end of Net carrying value (1)-(2)		201	274	62	57	—	—	263	331

(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, 2025 and 2024, practically all of the carrying amount of the assets recorded at fair value on a non-recurring basis equals 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)

	2025	2024
Residential assets	150	203
Industrial assets	49	66
Agricultural assets	2	3
Total	201	272

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, 2025 and 2024 had been held:

ASSETS FROM FORECLOSURES OR RECOVERIES. PERIOD OF OWNERSHIP (MILLIONS OF EUROS)

	2025	2024
Up to one year	17	31
From 1 to 3 years	35	48
From 3 to 5 years	35	43
Over 5 years	114	150
Total	201	272

In 2025 and 2024, certain 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 €3 million and €8 million respectively, with a mean percentage financed of 79% and 69%, 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 €1,347 million and €1,368 million, as of December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, 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)

	2025	2024
Deposits	342,277	292,037
Deposits from central banks	13,678	6,985
<i>Demand deposits</i>	7	657
<i>Time deposits and other</i>	13,671	6,328
Deposits from Credit Institutions	27,121	24,686
<i>Demand deposits</i>	5,140	5,716
<i>Time deposits and other</i>	9,870	7,451
<i>Repurchase agreements</i>	12,111	11,519
Customer deposits	301,478	260,366
<i>Demand deposits</i>	221,267	205,871
<i>Time deposits and other</i>	66,282	46,931
<i>Repurchase agreements</i>	13,929	7,564
Debt certificates	50,102	47,086
Other financial liabilities	12,676	10,258
Total	405,055	349,381

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 2025				
Spain	1,059	2,434	197	3,690
Rest of Europe	1,802	2,330	11,040	15,172
Mexico	332	—	—	332
South America	657	294	—	951
Rest of the world	1,290	4,812	874	6,976
Total	5,140	9,870	12,111	27,121
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	1,272	2,857	31	4,160
Total	5,716	7,451	11,519	24,686

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	Repurchase agreements	Total
December 2025				
Spain	193,967	22,684	12,781	229,432
Rest of Europe	20,427	31,729	1,148	53,304
Mexico	144	892	—	1,036
South America	1,567	1,439	—	3,006
Rest of the world	5,162	9,538	—	14,700
Total	221,267	66,282	13,929	301,478
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

(1) The balances corresponding to subordinated deposits under this heading were not significant in any of the years presented.

Previous table includes as of 31, December 2024 deposits amounted to €189 million 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)

	2025	2024
In Euros	36,295	33,362
Promissory bills and notes	5,339	1,343
Non-convertible bonds and debentures	14,955	17,698
Mortgage Covered bonds	2,687	4,632
Other securities	3,688	1,030
Accrued interest and others ⁽¹⁾	218	263
Subordinated liabilities	9,409	8,395
Convertible perpetual securities	3,750	2,750
Other non-convertible subordinated liabilities	5,557	5,550
Valuation adjustments ⁽¹⁾	103	95
In Foreign Currency	13,807	13,724
Promissory bills and notes	2,305	2,487
Non-convertible bonds and debentures	2,927	5,195
Mortgage Covered bonds	93	93
Other securities	4,120	1,067
Accrued interest and others ⁽¹⁾	83	110
Subordinated liabilities	4,279	4,771
Convertible perpetual securities	2,553	2,888
Other non-convertible subordinated liabilities	1,702	1,868
Valuation adjustments ⁽¹⁾	23	15
Total	50,102	47,086

(1) Accrued interest but pending payment, valuation adjustments and issuance costs included.

As of December 31, 2025 and 2024, 69% and 67% of "Debt certificates" have fixed-interest rates, and 31% and 33% have variable interest rates, respectively.

The total cost of the accrued interest under "Debt securities issued" in 2025 and 2024 totaled €1,426 million and €1,546 million, respectively.

As of December 31, 2025 and 2024 the accrued interest pending payment from promissory notes and bills and bonds and debentures amounted to €536 million and €613 million, respectively.

The heading "Nonconvertible bonds and debentures" as of December 31, 2025 includes several issues, the latest maturing in 2039.

The heading "Mortgage Covered Bonds" as of December 31, 2025 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 2024 and 2025:

- 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.
- 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.
- On November 11, 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 €1 billion. This issuance is listed on the Global Exchange Market of Euronext Dublin 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 2024 and 2025 the Bank has early redeemed the following issues:

- 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.
- On March 5, 2025, 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 5, 2019, for an amount of USD 1 billion on the First Reset Date and once the prior consent from the Regulator was obtained.

Additionally, on December 17, 2025, the Bank announced its irrevocable decision to redeem in full the issuance of green contingently convertible preferred securities (which qualified as additional tier 1 instruments) carried out by the Bank on July 15, 2020, for an amount of €1 billion. The redemption was executed on January 15, 2026 (the First Reset Date of said issuance), once the prior consent from the Regulator had been 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)		
	2025	2024
Lease liabilities	2,627	2,795
Creditors for other financial liabilities	3,535	3,473
Collection accounts	3,187	2,432
Creditors for other payment obligations ⁽¹⁾	3,326	1,558
Total	12,676	10,258

(1) In 2025, this caption includes the amount pending execution as of December 31, 2025, corresponding to the firm commitment for the acquisition of own shares derived from the execution of the first tranche of the share buyback program announced on December 19, 2025 and started on December 22, 2025 (see Note 2.10 and Note 3).

A breakdown of the maturity of the lease liabilities, due after December 31, 2025 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	192	369	340	1,726	2,627

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)

	2025	2024
Average payment period to third parties (days)	26	28
Ratio of outstanding payment transactions (days) ⁽¹⁾	27	28
Ratio outstanding payment transactions (days) ⁽¹⁾	18	19
Total payments	3,444	3,028
Total outstanding payments	153	166

⁽¹⁾To obtain these ratios, the total number of registered invoices in the Global Procurement System (GPS) tool is taken into account.

Including other BBVA Group companies in Spain, the total payments made for the years 2025 and 2024 amounted to €3,450 million and €3,033 million, respectively.

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, 2025, according to Law 18/2022, of September 28, on creation and development of entities, BBVA paid a total of 148,997 invoices (representing 96.3% of the total invoices received) with a total amount of €2,300 million (representing 95.1% 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	2025	2024
Provisions for pensions and similar obligations	22	1,423	1,673
Other long term employee benefits	22	298	351
Provisions for taxes and other legal contingencies		456	419
Provisions for contingent risks and commitments		180	178
Other provisions ⁽¹⁾		122	201
Total		2,480	2,823

(1) Individually non-significant provisions, for various concepts.

Below are the changes in 2025 and 2024 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)

	2025	2024
Balance at the beginning	2,024	2,275
Charges to income for the year	30	35
<i>Interest expense and similar charges</i>	19	27
<i>Personnel expense</i>	11	7
<i>Provision expense</i>	—	2
Charges (Credits) to equity ⁽¹⁾	(9)	22
Transfers and other changes	—	—
Benefit payments	(176)	(226)
Employer contributions	(142)	(77)
Unused amounts reversed during the period	(6)	(4)
Balance at the end	1,721	2,024

(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)

	2025	2024
Balance at beginning	798	857
Additions	328	353
Unused amounts reversed during the year	(156)	(219)
Amount used and other variations	(212)	(193)
Balance at the end	758	798

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, 2025, 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

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 (see Note 2.12).

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, 2025 and 2024:

NET DEFINED BENEFIT LIABILITY (ASSET) ON THE BALANCE SHEET (MILLIONS OF EUROS)

	Notes	2025	2024
Pension commitments		1,800	2,025
Early retirement commitments		171	268
Other long-term employee benefits		298	351
Total commitments		2,269	2,644
Pension plan assets		548	620
Total plan assets		548	620
Total net liability/asset		1,721	2,024
<i>Of which: provisions- provisions for pensions and similar obligations</i>	21	1,423	1,673
<i>Of which: provisions-other long-term employee benefits</i>	21	298	351
<i>Other net assets in pension plans</i>		—	—
<i>Of which: Insurance contracts linked to pensions</i>	18	(1,117)	(1,260)

The following table shows defined benefit post-employment commitments recorded in the income statement for fiscal years 2025 and 2024:

INCOME STATEMENT AND EQUITY IMPACT (MILLIONS OF EUROS)

	Notes	2025	2024
Interest and similar expense		19	27
Interest expense		19	27
Interest income		—	—
Personnel expense		78	65
Defined contribution plan expense	39	67	58
Defined benefit plan expense	39	1	1
Other benefit expense		4	3
Termination benefits		6	3
Provisions or reversal of provisions		(5)	(2)
Early retirement expense		—	—
Past service cost expense		—	—
Remeasurements ⁽¹⁾	41	(6)	(2)
Other provision expense		1	—
Total effects in income statements: debit (credit)		92	90
Total effects on equity: debit (credit) ⁽²⁾		(7)	22

(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, 2025 and 2024 is presented below:

DEFINED BENEFIT PLANS (MILLIONS OF EUROS)

	2025				2024			
	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	2,293	620	1,673	1,260	2,515	644	1,871	1,321
Current service cost	5	—	5	—	4	—	4	—
Interest income or expense	69	19	50	39	80	21	59	44
Contributions by plan participants	—	—	—	—	—	—	—	—
Employer contributions	—	—	—	—	—	20	(20)	—
Past service costs ⁽¹⁾	2	—	2	—	3	—	3	—
Remeasurements:	(120)	(36)	(84)	(69)	31	(8)	39	21
Return on plan assets ⁽²⁾	—	(36)	36	(69)	—	(8)	8	21
From changes in demographic assumptions	—	—	—	—	—	—	—	—
From changes in financial assumptions	(111)	—	(111)	—	35	—	35	—
Other actuarial gain and losses	(9)	—	(9)	—	(4)	—	(4)	—
Benefit payments	(284)	(61)	(223)	(113)	(348)	(65)	(283)	(126)
Settlement payments	—	—	—	—	—	—	—	—
Business combinations and disposals	—	—	—	—	—	—	—	—
Effect on changes in foreign exchange rates	—	—	—	—	—	—	—	—
Other effects	6	6	—	—	8	8	—	—
Balance at the end	1,971	548	1,423	1,117	2,293	620	1,673	1,260

(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, 2025 includes €182 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, 2025 and 2024:

ACTUARIAL ASSUMPTIONS. COMMITMENTS IN SPAIN

	2025	2024
Discount rate	4.00%	3.25%
Rate of salary increase	—	—
Mortality tables	PER 2020	PER 2020

The discount rate shown as of December 31, 2025, 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 €6 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, 2025 and 2024 the value of these commitments amounted to €298 million and €351 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, 2025 and 2024 is as follows:

PENSIONS COMMITMENTS (MILLIONS OF EUROS)

	2025				2024			
	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	2,025	620	1,405	1,260	2,108	644	1,464	1,321
Net commitments addition	—	—	—	—	—	—	—	—
Current service cost	5	—	5	—	4	—	4	—
Interest income or expense	64	19	45	39	70	21	49	44
Contributions by plan participants	—	—	—	—	—	—	—	—
Employer contributions	—	—	—	—	—	20	(20)	—
Past service costs ⁽¹⁾	2	—	2	—	3	—	3	—
Remeasurements:	(118)	(36)	(82)	(69)	35	(8)	43	21
Return on plan assets ⁽²⁾	—	(36)	36	(69)	—	(8)	8	21
From changes in demographic assumptions	—	—	—	—	—	—	—	—
From changes in financial assumptions	(111)	—	(111)	—	33	—	33	—
Other actuarial gain and losses	(7)	—	(7)	—	2	—	2	—
Benefit payments	(184)	(61)	(123)	(113)	(203)	(65)	(138)	(126)
Settlement payments	—	—	—	—	—	—	—	—
Business combinations and disposals	—	—	—	—	—	—	—	—
Defined contribution transformation	—	—	—	—	—	—	—	—
Effect on changes in foreign exchange rates	—	—	—	—	—	—	—	—
Other effects	6	6	—	—	8	8	—	—
Balance at the end	1,800	548	1,252	1,117	2,025	620	1,405	1,260
Of Which: Vested benefit obligation relating to current employees	1,691	—	—	—	1,909	—	—	—
Of Which: Vested benefit obligation relating to retired employees	109	—	—	—	116	—	—	—

(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, 2025 and 2024, 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 (see Glossary) and interest rate risk (see Note 5.3.1).

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, 2025 and 2024, the value of these commitments amounted to €171 million and €268 million, respectively.

The change in these commitments during financial years 2025 and 2024 is shown below:

EARLY RETIREMENT COMMITMENTS (MILLIONS OF EUROS)

	2025			2024		
	Defined Benefit Obligation	Plan assets	Net liability (asset)	Defined benefit obligation	Plan assets	Net liability (asset)
Balance at the beginning	268	—	268	407	—	407
Current service cost	—	—	—	—	—	—
Interest income or expense	5	—	5	10	—	10
Contributions by plan participants	—	—	—	—	—	—
Employer contributions	—	—	—	—	—	—
Past service costs ⁽¹⁾	—	—	—	—	—	—
Remeasurements:	(2)	—	(2)	(4)	—	(4)
<i>Return on plan assets ⁽²⁾</i>	—	—	—	—	—	—
<i>From changes in demographic assumptions</i>	—	—	—	—	—	—
<i>From changes in financial assumptions</i>	—	—	—	2	—	2
<i>Other actuarial gain and losses</i>	(2)	—	(2)	(6)	—	(6)
Benefit payments	(100)	—	(100)	(145)	—	(145)
Settlement payments	—	—	—	—	—	—
Business combinations and disposals	—	—	—	—	—	—
Defined contribution transformation	—	—	—	—	—	—
Effect on changes in foreign exchange rates	—	—	—	—	—	—
Other effects	—	—	—	—	—	—
Balance at the end	171	—	171	268	—	268

(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, 2025 the estimated payments over the next ten years are as follows:

ESTIMATED FUTURE PAYMENTS (MILLIONS OF EUROS)

	2026	2027	2028	2029	2030	2031 - 2035
Commitments in Spain	380	240	209	180	153	557
<i>Of which: Early retirements</i>	<i>71</i>	<i>49</i>	<i>31</i>	<i>18</i>	<i>7</i>	<i>1</i>

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, 2025 and 2024 BBVA's share capital amounted to €2,797,394,663.00 and €2,824,009,877.85 divided into 5,708,968,700 and 5,763,285,465 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 a result of the partial execution of the share capital reduction resolution adopted by the Ordinary General Shareholders' Meeting of BBVA held on March 21, 2025, under agenda item three, notified through an Other Relevant Information notice on December 23, 2025. 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 Sistema 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, 2025, 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, through its American Depositary Shares (ADSs) on 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, 2025, State Street Bank and Trust Company, The Bank of New York Mellon, Chase Nominees and Northern Trust Company, in their capacity as international custodian/depositary banks, held 13.87%, 11.33%, 9.69%, and 3.14% of BBVA ordinary shares, 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 ordinary shares outstanding.

On July 4, 2025, Blackrock, Inc. reported to the Spanish Securities and Exchange Commission (CNMV) that it had an indirect holding of BBVA ordinary shares totaling 7.158%, of which 7.076% were voting rights attributed to shares and 0.082% were voting rights held through financial instruments.

On July 29, 2025, Capital Research and Management Company reported to the CNMV that it had an indirect holding of BBVA ordinary shares totaling 4.968%, 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 agreements regulating 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 exclude shareholders' pre-emptive subscription rights, in whole or in part, 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.

BBVA's Annual General Shareholders' Meeting held on March 21, 2025 resolved, under item four of the agenda, to renew said agreement for its execution within a period of one (1) year from that date. The voluntary tender offer was terminated on October 16, 2025, after the CNMV published the results thereof and the minimum acceptance condition set by BBVA was not met; therefore, the Bank will not exercise the delegation granted by the Annual General Shareholders' Meeting.

Capital Decrease

BBVA's 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 execution of the resolution of the Annual General Shareholders' Meeting held on March 15, 2024, BBVA has carried out the following share capital reduction (see Note 3):

- 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 cancellation, 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.

The Annual General Shareholders' Meeting of BBVA held on March 21, 2025, in the third item of its agenda, agreed to approve the reduction of BBVA's share capital up to a maximum amount corresponding to 10% of the share capital on the date of the agreement, through the amortization of own shares that have been derivatively acquired by BBVA under the authorization conferred by the General Shareholders' Meeting of BBVA held on March 18, 2022 under its sixth item of the agenda, through any mechanism with the aim of being amortized and whose execution period was determined to be until the date of the next Annual General Shareholders' Meeting, with any unexecuted part remaining without effect as of said date. The Annual General Shareholders' Meeting authorized the Board of Directors, with powers of subdelegation, to execute all or part of the reduction of the share capital, in one or several times, leaving without effect, in its unused part, the resolution adopted by the Annual General Shareholders' Meeting held on March 15, 2024, in the third item of the agenda, whose partial executions have been described above.

In the execution of the Annual General Shareholders' Meeting held on March 21, 2025, BBVA has executed the following share capital reduction (see Note 3):

- On December 23, 2025, BBVA notified the partial execution of the aforementioned resolution through the reduction of BBVA's share capital in a nominal amount of €26,615,214.85 and the consequent cancellation, charged to unrestricted reserves, of 54,316,765 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, 2025 and 2024, the balance under this heading in the accompanying balance sheets was €18,469 million and €19,184 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)

	2025	2024
Restricted reserves		
Legal reserve	559	565
Restricted reserve for retired capital	746	582
Revaluation Royal Decree-Law 7/1996	—	—
Voluntary reserves		
Voluntary and others	10,529	6,470
Total	11,834	7,616

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, 2025 and 2024, the Bank's restricted reserves are as follows:

RESTRICTED RESERVES. BREAKDOWN BY CONCEPTS (MILLIONS OF EUROS)

	2025	2024
Restricted reserve for retired capital	558	531
Restricted reserve for Parent Company shares and loans for those shares	187	49
Restricted reserve for redenomination of capital in euros	2	2
Total	746	582

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 21, 2025 and March 15, 2024 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:	—
<i>Single revaluation tax (3%)</i>	(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 2024 and 2025	—

26. Treasury shares

In 2025 and 2024 the Group companies performed the following transactions with shares issued by the Bank:

TREASURY SHARES (MILLIONS OF EUROS)

	2025		2024	
	Number of Shares	Millions of Euros	Number of Shares	Millions of Euros
Balance at beginning	6,666,856	66	4,386,625	34
+ Purchases	126,490,393	1,994	154,564,499	1,528
- Sales and other changes	(115,548,741)	(1,761)	(152,284,268)	(1,497)
Balance at the end	17,608,508	299	6,666,856	66
Of which:				
<i>Held by BBVA, S.A.</i>	7,496,937	152	410,370	7
<i>Held by Corporación General Financiera, S.A.</i>	10,111,571	148	6,256,486	59
<i>Held by other subsidiaries</i>	—	—	—	—
Average purchase price in Euros	15.77	—	9.89	—
Average selling price in Euros (including other changes)	15.20	—	9.89	—
Net gains or losses on transactions (Shareholders' funds-Reserves)	—	26	—	10

During the years 2025 and 2024, transactions were recorded for the share buyback program (see Note 3).

The percentages of treasury shares held by BBVA in the years ended 2025 and 2024 are as follows:

TREASURY SHARE

	2025			2024		
	Min	Max	Closing	Min	Max	Closing
% treasury share	0.080%	1.146%	0.314%	0.076%	1.513%	0.116%

The number of BBVA shares accepted by the Bank in pledge of loans as of December 31, 2025 and 2024 is as follows:

SHARES OF BBVA ACCEPTED IN PLEDGE

	2025	2024
Number of shares in pledge	5,476,895	13,308,677
Nominal value (Euros)	0.49	0.49
% of share capital	0.10%	0.23%

The number of BBVA shares owned by third parties but under management of a company within the Group as of December 31, 2025 and 2024 is as follows:

SHARES OF BBVA OWNED BY THIRD PARTIES BUT MANAGED BY THE GROUP

	2025	2024
Number of shares owned by third parties	11,752,103	11,834,596
Nominal value (Euros)	0.49	0.49
% of share capital	0.21%	0.21%

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	2025	2024
Items that will not be reclassified to profit or loss		(1,349)	(1,140)
Actuarial gains (losses) on defined benefit pension plans		(39)	(48)
Fair value changes of equity instruments measured at fair value through other comprehensive income	11.4	(1,183)	(1,075)
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		(127)	(17)
Items that may be reclassified to profit or loss		114	(14)
Hedge of net investments in foreign operations (effective portion)		—	—
Foreign currency translation		—	—
Hedging derivatives. Cash flow hedges (effective portion)		219	251
Fair value changes of debt instruments measured at fair value through other comprehensive income	11.4	(101)	(264)
Hedging instruments (non-designated items)		(4)	—
Non-current assets and disposal groups classified as held for sale		—	—
Total		(1,235)	(1,154)

The balances recognized under these headings are presented net of tax.

28. Capital base and capital management

The entry into force of Regulation (EU) 2024/1623 (commonly referred to as 'CRR3') on January 1, 2025 brought about substantial changes in the calculation of minimum capital requirements. The impact of these changes was positive on BBVA S.A.'s CET1 ratio.

These impacts were positive (+192 bps), as they reduced Credit Risk RWAs, primarily due to the reversion to the Foundation Internal Ratings-Based (FIRB) approach for Financial Institutions and Corporates and, most notably, a decrease in the capital consumption of Group entity holdings following the transition to the standard model.

As of December 31, 2025 and 2024, 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 decision resulting from the Supervisory Review and Evaluation Process (SREP), applicable as from January 1, 2026, the ECB has informed the Bank that it must maintain a total capital ratio of 10.97%¹ and a CET1 capital ratio of 7.47%¹.

A reconciliation of the main figures between the accounting and regulatory own funds as of December 31, 2025 and 2024 is shown below:

ELIGIBLE CAPITAL RESOURCES (MILLIONS OF EUROS)

	Notes	2025	2024
Capital	23	2,797	2,824
Share premium	24	18,469	19,184
Retained earnings, revaluation reserves and other reserves	25.1	11,834	7,616
Other equity instruments, net		40	40
Treasury shares	26	(152)	(7)
Profit (loss) for the year		7,157	10,235
Attributable dividend		(1,842)	(1,671)
Total Equity		38,304	38,220
Accumulated other comprehensive income (loss)		(1,235)	(1,154)
Shareholders' equity		37,068	37,066
Intangible assets		(390)	(405)
Fin. treasury shares		(13)	(38)
Deductions		(403)	(443)
Temporary CET 1 adjustments		—	—
Equity not eligible at solvency level		—	—
Other adjustments and deductions		(7,213)	(4,808)
Common Equity Tier 1 (CET 1)		29,452	31,815
Additional Tier 1 before regulatory adjustments		5,303	5,638
Tier 1		34,755	37,453
Tier 2		6,349	5,876
Total Capital (Total Capital=Tier 1 + Tier 2)		41,104	43,329
Total Minimum equity required		25,889	28,075

¹ Considering the latest official updates to the countercyclical capital buffer and the buffer against systemic risks, applied on the basis of exposure as of September 30, 2025, and incorporating the increase in the percentage of the countercyclical capital buffer applicable to exposures located in Spain approved by the Bank of Spain and published on October 1, 2025, applied on said exposure basis.

The Bank's eligible own funds and risk-weighted assets (phased-in) in accordance with the aforementioned applicable regulation as of December 31, 2025 and 2024 is shown below:

AMOUNT OF CAPITAL CC1 (MILLIONS OF EUROS)		
	2025	2024
Capital and share premium	21,266	22,008
Retained earnings and equity instruments	10,068	8,310
Other accumulated income and other reserves	(1,977)	(2,042)
Provisional profit ⁽¹⁾	1,901	5,207
Ordinary Tier 1 (CET 1) before other regulatory adjustments	31,259	33,483
Goodwill and intangible assets	(390)	(405)
Direct and indirect holdings in equity	(238)	(236)
Deferred tax assets	(520)	(427)
Other deductions and filters	(658)	(600)
Total common equity Tier 1 regulatory adjustments	(1,807)	(1,668)
Common equity TIER 1 (CET1)	29,452	31,815
Equity instruments and share premium classified as liabilities	5,303	5,638
Additional Tier 1 (CET 1) before regulatory adjustments	5,303	5,638
Transitional CET 1 adjustments	—	—
Total regulatory adjustments of additional equity I Tier 1	—	—
Additional equity Tier 1 (AT1)	5,303	5,638
Tier 1 (Common equity TIER 1+ additional TIER 1)	34,755	37,453
Equity instruments and share premium accounted as Tier 2	6,239	5,629
Credit risk adjustments	121	257
Tier 2 before regulatory adjustments	6,359	5,886
Tier 2 regulatory adjustments	(10)	(10)
Tier 2	6,349	5,876
Total capital (Total capital=Tier 1 + Tier 2)	41,104	43,329
Total RWA's	213,251	232,024
CET 1 ratio	13.81%	13.71%
Tier 1 ratio	16.30%	16.14%
Total capital	19.28%	18.67%

(1) As of December 31, 2025, the expected total shareholder remuneration corresponding to the year 2025, subject to approval by the General Shareholders' Meeting is deducted. As of December 31, 2024, the total shareholder remuneration for 2024 approved by the respective General Shareholders' Meetings was deducted.

Regarding the annual evolution of the Bank's CET1 ratio, it increased by 10 basis points. This was primarily due to the aforementioned positive impact of the CRR3 implementation, offset by the recognition of the Share Buyback announced on December 19th. Among recurring items, the positive organic profit generation for the year, net of shareholder remuneration and AT1 (CoCo) coupon payments, offsets the growth in Risk-Weighted Assets (RWAs) resulting from organic business growth.

The fully loaded Additional Tier 1 (AT1) capital stood at 2.49% as of December 31, 2025, 6 basis points higher than as of December 31, 2024. Throughout 2025 there have been new issuances and cancellations of existing issuances that are offset.

The Tier 2 fully-loaded ratio stood at 2.98%, which represents an increase of 45 basis points compared to 2024, mainly explained by the new subordinated issuance in February, partially offset by the decline in existing issuances.

As a consequence of the foregoing, the total fully-loaded equity ratio stands at 19.28% as of December 31, 2025.

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	2025	2024
Loan commitments given		126,208	108,206
<i>Of which: impaired</i>		92	96
Central banks		—	254
General governments		3,762	3,189
Credit institutions		18,206	13,423
Other financial corporations		13,793	8,408
Non-financial corporations		77,164	70,005
Households		13,284	12,927
Financial guarantees given		26,758	21,811
<i>Of which: impaired</i>		72	101
Central banks		—	—
General governments		74	74
Credit institutions		681	443
Other financial corporations		14,583	11,631
Non-financial corporations		11,342	9,575
Households		77	88
Other commitments given		45,160	37,641
<i>Of which: impaired</i>		197	230
Central banks		—	—
General governments		123	137
Credit institutions		4,669	4,312
Other financial corporations		4,131	3,323
Non-financial corporations		36,106	29,738
Households		132	131
Total	5.2.2	198,127	167,658

The amount registered recorded in the balance sheet as of December 31, 2025, for loan commitments given, financial guarantees given and other commitments given is €93 million, €22 million and €65 million, respectively. In 2024 it amounted to €65 million, €49 million and €63 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 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024 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)

	2025	2024
Financial instruments entrusted by third parties	424,550	384,566
Conditional bills and other securities received for collection	6,697	5,862
Securities lending	6,577	7,557
Total	437,824	397,985

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)

	2025	2024
Financial assets held for trading	2,751	3,237
Financial assets designated at fair value through profit or loss	17	116
Financial assets at fair value through other comprehensive income	299	383
Financial assets at amortized cost	11,336	12,200
Hedging derivatives	398	320
<i>Cash flow hedges (effective portion)</i>	76	(191)
<i>Fair value hedges</i>	322	511
Other assets ⁽¹⁾	636	1,310
Liabilities interest income	6	19
Total	15,444	17,586

(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, 2025 and 2024 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)

	2025	2024
Financial liabilities held for trading	2,301	2,768
Financial liabilities designated at fair value through profit or loss	177	180
Financial liabilities at amortized cost	6,224	7,458
Hedging derivatives and interest rate risk	56	751
Other liabilities	39	30
Assets interest expense	6	4
Total	8,803	11,190

34. Dividend income

The breakdown of the balance under this heading in the accompanying income statements is as follows:

DIVIDEND INCOME (MILLIONS OF EUROS)		
	2025	2024
Investments in associates	6	4
Investments in joint venture	—	—
Investments in subsidiaries	4,555	5,319
Other shares and dividend income	95	95
Total	4,656	5,417

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)		
	2025	2024
Bills receivables	11	12
Demand accounts	183	194
Credit and debit cards and OPS	625	575
Checks	2	2
Transfers and other payment orders	194	215
Insurance product commissions	257	236
Loan commitments given	207	172
Other commitments and financial guarantees given	283	245
Asset management	256	220
Securities fees	50	31
Custody securities	124	116
Other fees and commissions	994	918
Total	3,185	2,936

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)		
	2025	2024
Credit and debit cards	272	264
Transfers and other payment orders	21	13
Custody securities	20	16
Other fees and commissions	562	402
Total	875	695

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)

	2025	2024
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	55	76
<i>Financial assets at amortized cost</i>	32	28
<i>Other financial assets and liabilities</i>	23	48
Gains (losses) on financial assets and liabilities held for trading, net	587	684
<i>Reclassification of financial assets from fair value through other comprehensive income</i>	—	—
<i>Reclassification of financial assets from amortized cost</i>	—	—
<i>Other gains (losses)</i>	587	684
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	40	77
<i>Reclassification of financial assets from fair value through other comprehensive income</i>	—	—
<i>Reclassification of financial assets from amortized cost</i>	—	—
<i>Other gains (losses)</i>	40	77
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	(53)	174
Gains (losses) from hedge accounting, net	1	2
Subtotal gains (losses) on financial assets and liabilities and hedge accounting	630	1,014
Exchange Differences	11	258
Total	641	1,272

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)

	2025	2024
Debt instruments	(49)	(18)
Equity instruments	1,628	518
Loans and advances to customers	(44)	260
Derivatives	(827)	157
Derivatives held for trading	(829)	155
<i>Interest rate agreements</i>	148	273
<i>Security agreements</i>	(1,033)	49
<i>Commodity agreements</i>	53	30
<i>Credit derivative agreements</i>	(91)	(188)
<i>Foreign-exchange agreements</i>	79	(9)
Hedging Derivatives Ineffectiveness	1	2
Fair value hedges	1	2
<i>Hedging derivative</i>	67	128
<i>Hedged item</i>	(66)	(127)
Cash flow hedges	—	—
Customer deposits	(77)	96
Other	(1)	1
Total	629	1,014

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)

	2025	2024
Real estate income	29	35
Financial income from non-financial services	535	474
Other operating income	72	54
Total	636	563

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	2025	2024
Contributions to guaranteed banks deposits funds	1.7	15	12
Real estate agencies		14	23
Other operating expense ⁽¹⁾		144	480
Total		174	516

(1) For the year ended December 2024, it includes €285 million corresponding to the total annual amount disbursed from 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	2025	2024
Wages and salaries		2,123	1,988
Social security costs		448	416
Defined contribution plan expense	22	67	58
Defined benefit plan expense	22	1	1
Other personnel expense		169	150
Total		2,808	2,613

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, 2025 and 2024, corresponding to the remuneration plans based on equity instruments in each year, amounted to €24 million and €22 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.

In 2025, 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.

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 21, 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 11, 2024.

The delivery of shares in 2025 to the members of the Identified Staff is derived from the settlement of the Annual Variable Remuneration for 2024 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 2024, during 2025 a total amount of 1,342,984 BBVA shares or instruments linked to BBVA shares corresponding, mostly, to the Upfront Portion of 2024 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, were delivered.

In addition, according to the remuneration policy applicable in 2019, during 2025 a total amount of 208,019 BBVA shares corresponding to the third and last payment of the Deferred Portion of 2019 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, were delivered.

Likewise, according to the remuneration policy applicable in 2020, during 2025 a total amount of 14,340 BBVA shares were delivered, corresponding 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 2025 a total of 528,905 BBVA shares were delivered, the majority corresponding to the third 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.

According to the remuneration policy applicable in 2022, during 2025 a total amount of 491,681 BBVA shares were delivered, corresponding, mainly, to the second 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.

Finally, in accordance with the remuneration policy applicable in 2023, during 2025 a total of 355,006 BBVA shares were delivered, the majority corresponding to the first payment of the Deferred Portion of 2023 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.

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, 2025, 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)

	2025	2024
Technology and systems	1,024	930
Communications	62	69
Advertising	191	113
Property, fixtures and materials	115	116
Taxes ⁽¹⁾	(143)	49
Surveillance and cash courier services	40	39
Other expense	662	610
Total	1,952	1,927

(1) The year-on-year variation is mainly explained by the recognition of a lower expense corresponding to the value added tax in BBVA, S.A., during the first half of 2025 as a result of the upward re-estimation of its pro-rata portion applied both to previous years and to financial year 2025 (see Note 19). (see Note 17)

40. Amortization

The breakdown of the balance under this heading in the accompanying income statements is as follows:

AMORTIZATION (MILLIONS OF EUROS)

	Notes	2025	2024
Tangible assets	15	327	321
<i>For own use</i>		103	94
<i>Right-of-use assets</i>		224	226
Intangible assets	16	339	321
Total		666	641

41. Provisions or reversal of provisions

For the years ended December 31, 2025 and 2024, the net provisions recognized in this income statement line item were as follows:

PROVISIONS OR REVERSAL OF PROVISIONS (MILLIONS OF EUROS)

	Notes	2025	2024
Pensions and other post-employment defined benefit obligations	22	(6)	(2)
Commitments and guarantees given		10	(66)
Other Provisions		162	201
Total		166	132

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	2025	2024
Financial assets at fair value through other comprehensive income		11	(3)
Financial assets at amortized cost		716	744
<i>Of which: Recovery of written-off assets by cash collection</i>	5.2.5	(143)	(207)
Total		728	741

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)

	2025	2024
Investments in subsidiaries, joint ventures and associates ⁽¹⁾	58	(2,246)
Total	58	(2,246)

(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	2025	2024
Tangible assets	15	1	5
Intangible assets	16	8	7
Other		—	—
Total		9	11

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 €13 million in fiscal year 2024. In fiscal year 2023, this heading recorded a gain of €50 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	2025	2024
Gains on sale of real estate		16	13
Impairment of non-current assets held for sale	19	(4)	(27)
Gains (losses) on sale of investments classified as non-current assets held for sale		—	—
Total		12	(14)

47. Statements of cash flows

The table below shows the breakdown of the main cash flows related to financing activities as of December 31, 2025 and 2024:

MAIN CASH FLOWS IN FINANCING ACTIVITIES 2025 (MILLIONS OF EUROS)

	December 31, 2025	December 31, 2024	Net Cash Flows	Foreign Exchange movements and other
Subordinated deposits	—	189	—	—
Issuances of subordinated liabilities	13,688	13,166	—	—
Total	13,688	13,355	701	(368)

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

48. Accountant fees and services

The details of the fees for the services contracted by BBVA for the year ended December 31, 2025, with their respective auditors and other audit entities are as follows:

FEES FOR AUDITS CONDUCTED AND OTHER RELATED SERVICES ⁽¹⁾ (MILLIONS OF EUROS)

	2025	2024
Audits of the companies audited by firms belonging to the EY worldwide organization and other reports related with the audit ⁽²⁾	17.4	17.2
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 audits and other financial statements (€13.7 million as of December 31, 2025).

In addition, in 2025 the Bank contracted services (other than audits) as follows:

OTHER SERVICES RENDERED (MILLIONS OF EUROS)

	2025	2024
Firms belonging to the EY worldwide organization	0.1	0.0

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)

	2025	2024
Legal audit of BBVA, S.A.	7.2	7.0
Other audit services of BBVA, S.A.	5.8	5.6
Limited Review of BBVA, S.A.	2.0	2.0
Reports related to issuances	0.9	1.2
Assurance services and other required by the regulator	0.9	1.0
Other	0.1	—

(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, 2025, is in the accompanying Consolidated financial statements as of December 31, 2025.

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, 2025 and 2024 the following are the transactions with related parties:

49.1. Transactions with significant shareholders

As of December 31, 2025 and 2024 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)

	2025	2024
Assets		
Debt securities	545	512
Loans and advances to credit institutions	1,214	753
Loans and advances to customers	2,475	2,674
Liabilities		
Deposits from credit institutions	1,546	1,105
Customer deposits	16,434	11,906
Memorandum accounts		
Financial guarantees given	12,396	9,610
Contingent commitments	547	682
Other commitments given	966	1,081

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)

	2025	2024
Income statement		
Financial Incomes	232	394
Financial Costs	583	1,027
Fee and commission income	650	698
Fee and commission expense	226	190

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)

	2025				2024			
	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	1,741	204	5,285	369	2,176	210	4,664	668
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.

49.4 Transactions with other related parties

As of December 31, 2021 and 2020 the Bank did not conduct any transactions with other related parties that are not in the ordinary course of its business, which were carried out at arm's-length market conditions and of marginal relevance; whose information is not necessary to give a true picture of the BBVA Group's net equity, net earnings and financial situation.

50. Remuneration and other benefits of 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 2025 and 2024 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	
									2025	2024
José Miguel Andrés Torrecillas	129	167	165	—	—	115	—	50	625	625
Jaime Caruana Lacorte	129	167	—	107	—	46	—	—	449	455
Enrique Casanueva Nárdiz (3)	129	—	66	107	—	—	—	—	302	223
Sonia Dulá;	129	—	66	107	—	—	—	—	302	302
Raúl Galamba de Oliveira	129	—	—	214	—	46	43	80	512	512
Belén Garijo López	129	167	—	—	—	46	—	—	342	378
Connie Hedegaard Koksang;	129	—	66	—	—	—	—	—	195	195
Lourdes Máiz Carro	129	—	66	—	43	—	—	—	238	238
Cristina de Parias Halcón (4)	129	—	—	—	—	46	43	—	218	167
Ana Peralta Moreno	129	—	66	—	43	—	—	—	238	238
Ana Revenga Shanklin;	129	—	—	107	107	—	43	—	386	364
Carlos Salazar Lomelín (5)	129	—	—	—	43	—	—	—	172	172
Jan Verplancke	129	—	—	—	43	—	43	—	214	214
Total (6)	1,673	500	497	642	278	301	171	130	4,193	4,083

(1) Includes the amounts corresponding to the positions on the Board of Directors and its various Committees, the composition of which was last 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) 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, in 2025 and 2024, she received €30 thousand and 7,593 BBVA shares and €56 thousand and 14,697 BBVA shares, respectively, 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. Likewise, in 2024, she received €72 thousand, 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.; positions from which she resigned in 2024.

(5) In addition, in the financial years 2025 and 2024, the director Carlos Salazar Lomelín has received €171 thousand and €113 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 C.V.

(6) The total amount reported for the 2024 financial year does not include amounts corresponding to the positions on the Board and its various Committees received by José Maldonado Ramos and Juan Pi Llorens, who ceased to hold office on March 15, 2024, and whose remuneration for those items in 2024 amounted to €85 thousand and €81 thousand, respectively.

Likewise, during financial years 2025 and 2024, €103 thousand and €112 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 successively by resolutions of the General Shareholders' Meetings held on 2011, 2016, 2021 and 2023.

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 60 trading sessions prior to the date of the Annual General Shareholders' Meeting approving the 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.

During financial years 2025 and 2024, the following theoretical shares derived from this system were allocated:

	2025		2024	
	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	10,930	158,385	13,407	147,455
Jaime Caruana Lacorte	7,959	114,269	11,350	106,310
Enrique Casanueva Nárdiz ⁽²⁾	3,894	3,894	—	—
Sonia Dulá	5,279	10,321	5,042	5,042
Raúl Galamba de Oliveira	8,944	49,135	10,423	40,191
Belén Garijo López	6,598	117,191	9,401	110,593
Connie Hedegaard Koksang	3,410	10,587	3,914	7,177
Lourdes Máiz Carro	4,159	81,136	5,384	76,977
Cristina de Parias Halcón ⁽²⁾	2,915	2,915	—	—
Ana Peralta Moreno	4,159	51,872	5,384	47,713
Ana Revenga Shanklin	6,364	37,525	6,947	31,161
Carlos Salazar Lomelín	2,998	24,010	3,882	21,012
Jan Verplancke	3,747	44,370	4,851	40,623
Total ⁽³⁾	71,356	705,610	79,985	634,254

(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 21, 2025 and March 15, 2024 which were €11.45 and €8.84 per share, respectively.

(2) Directors appointed by the General Shareholders' Meeting held on March 15, 2024, therefore the allocation of theoretical shares was made for the first time in 2025

(3) The total number of theoretical shares allocated during the 2024 financial year does not include 7,735 and 8,157 theoretical shares allocated to José Maldonado Ramos and Juan Pi Llorens, respectively, whose terms of office ended on March 15, 2024, and who after leaving office, in application of the system, received a total of 154,609 and 156,699 BBVA shares, respectively, which is equivalent to the total theoretical shares accumulated up to that date by each of them.

Remuneration of executive directors

The remuneration of executive directors for financial years 2025 and 2024 indicated below, individually and by remuneration item, is the result of applying the BBVA Directors' Remuneration Policies approved by the General Shareholders' Meeting.

ANNUAL FIXED REMUNERATION (THOUSANDS OF EUROS)

	2025	2024
Chair	2,924	2,924
Chief Executive Officer	2,179	2,179
Total	5,103	5,103

In addition to the amounts indicated in the table, during the 2025 and 2024 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 is not entitled to receive a retirement benefit (see section on "Pension commitments with executive directors" in this Note), and the amount of €600 thousand as mobility allowance.

REMUNERATION IN KIND (THOUSANDS OF EUROS)

Likewise, the executive directors received remuneration in kind during the financial years 2025 and 2024, including insurance premiums and others, €132 thousand and €140 thousand, respectively, in the case of the Chair and €128 thousand, in each financial year, in the case of the Chief Executive Officer.

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 by the Group of the minimum profit and capital ratio thresholds approved by the Board of Directors. The sum of the STI and 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 vest and be paid, provided that the relevant conditions are met, as a general rule, in the first quarter of the year following to 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 end 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 2025 the executive directors accrued a Short-Term Incentive amounting to €2,627 thousand in the case of the Chair and €1,965 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 2028), 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 2025, 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) potential application of *ex post* risk adjustments; (v) malus and clawback arrangements throughout the whole periods of deferral and retention of the shares or instruments; and (vi) 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 2025.

Taking into account the above, the Upfront Portion of the AVR for the financial years 2025 and 2024 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)

	2025 ⁽¹⁾		2024 ⁽²⁾	
	In cash (thousands of Euros)	In shares	In cash (thousands of Euros)	In shares
Chair	821	40,850	897	92,803
Chief Executive Officer	614	30,552	671	69,408
Total	1,435	71,402	1,568	162,211

(1) Upfront Portion (36%) of the Annual Variable Remuneration, which represents the first payment of the Short-Term Incentive for financial year 2025 and will be paid during the first quarter of financial year 2026, in equal parts in cash and BBVA shares. The remaining amount of the 2025 Annual Variable Remuneration (which includes the Long-Term Incentive of the 2025 financial year) 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 Long-Term Incentive of the 2025 financial year. 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 2024 and which was paid in 2025, in equal parts in cash and BBVA shares. The remaining amount of the 2024 Annual Variable Remuneration (which includes the Long-Term Incentive for the 2024 financial year) was deferred over a 5-year period (40% in cash and 60% in BBVA 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 Long-Term Incentive of the 2024 financial year. 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 (AVR) FROM PREVIOUS FINANCIAL YEARS

	Deferred AVR	2025 ⁽¹⁾			2024 ⁽²⁾		
		In cash (thousands of Euros)	In shares	In stock- options ⁽³⁾	In cash (thousands of Euros)	In shares	In stock- options ⁽³⁾
Chair	2024	222	33,410	—	—	—	—
	2023	228	11,862	189,609	221	38,821	—
	2022	243	56,941	—	236	56,941	—
	2021	235	57,325	—	228	57,325	—
	2020	0	0	0	0	0	0
	2019	—	—	—	181	45,529	—
Subtotal		927	159,538	189,609	867	198,616.00	—
Chief Executive Officer	2024	166	24,987	—	—	—	—
	2023	170	8,872	141,809	166	29,034	—
	2022	187	43,793	—	181	43,793	—
	2021	179	43,552	—	173	43,552	—
	2020	0	0	—	0	0	0
	2019	—	—	—	163	40,858	—
Subtotal		701	121,204	141,809	683	157,237	—
Total		1,629	280,742	331,418	1,550	355,853	—

(1) Deferred remuneration payable after the 2025 year-end, including the update of its cash portion. Payment to the Chair and Chief Executive Officer will take place in 2026 in accordance with the vesting and payment rules set out in the remuneration policies applicable for each financial year:

- 2024 Deferred AVR: the first payment of the Deferred STI (17.9% of the Deferred Portion) is due to the executive directors. Thereafter, the second payment of the Deferred STI (17.9% of the Deferred Portion) and 2024 LTI (64.2% of the Deferred Portion), will be deferred for both executive directors. The 2024 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 2027), 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 2027 and the three payments of the 2024 LTI will be made in 2028, 2029 and 2030.
- 2023 Deferred AVR: the second payment of the Deferred STI (17.9% of the Deferred Portion) is due to the executive directors. Thereafter, 2023 LTI (64.2% of the Deferred Portion), will be deferred for both executive directors. 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 three payments of the 2023 LTI will be made in 2027, 2028 and 2029.
- 2022 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 2022 by the Board of Directors. Thereafter, 40% of the 2022 Deferred AVR will be deferred for both executive directors, which, if the relevant conditions are met, will be paid in 2027 and 2028.
- 2021 Deferred AVR: the fourth payment (20% of the Deferred Portion) is due to executive directors. Thereafter, 20% of the 2021 Deferred AVR will be deferred for both executive directors, which, if the relevant conditions are met, will be paid in 2027.
- 2020 Deferred AVR: given the exceptional circumstances arising from the COVID-19 crisis, executive directors voluntarily waived the whole of their 2020 AVR.

(2) Deferred remuneration which was payable after the 2024 year-end, including the update of its cash portion. Its payment to the Chair and Chief Executive Officer took place in 2025, in accordance with the vesting and payment rules established in the remuneration policies applicable in each financial year:

- 2023 Deferred AVR: in 2025, the first payment of the Deferred STI (17.9% of the Deferred Portion) was made to executive directors.
- 2022 Deferred AVR: in 2025, the second payment (20% of the Deferred Portion) was made to executive directors.
- 2021 Deferred AVR: in 2025, the third 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 2025, the third and final payment (20% of the Deferred Portion) was made to executive directors. Following this, the payment of the 2019 Deferred AVR to both executive directors was completed.

(3) The delivery of the stock options awarded as part of the 2023 Deferred AVR is part of the second payment of the Deferred STI, which is due after the 2025 year-end (in 2026). The delivery of the stock options awarded as part of the 2024 Deferred AVR is part of the second payment of the Deferred STI, which, if the relevant conditions are met, will be due after the 2026 year-end (in 2027).

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 2025, 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 adjustment of the “discretionary pension benefits” for the financial year 2024, which were declared at the end of that year and which had to be included in the accumulated fund in 2025. Likewise, an amount of €236 thousand was paid in insurance premiums for the death and disability contingencies.

As of December 31, 2025, the total accumulated fund to meet the retirement commitments with the Chair amounted to €29,821 thousand.

Of the annual contribution for the retirement contingency corresponding to the financial year 2025, 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 2025 financial year, being determined in an amount of €76 thousand, which represents an upward adjustment of €10 thousand. These “discretionary pension benefits” will be included in the accumulated fund in the 2026 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 2025 financial year, the Bank paid the Chief Executive Officer the amount of €654 thousand as “cash in lieu of pension”, as described in the “Remuneration of executive directors” section of this Note.

For its part, the Bank has undertaken commitments to cover the death and disability contingencies with the Chief Executive Officer. For this purpose, in 2025, €220 thousand was paid corresponding to annual insurance premiums.

PENSION SYSTEMS (THOUSANDS OF EUROS)

	Contributions ⁽¹⁾				Accumulated funds	
	Retirement		Death and disability		2025	2024
	2025	2024	2025	2024		
Chair	456	456	236	252	29,821	26,893
Chief Executive Officer	—	—	220	221	—	—
Total	456	456	457	472	29,821	26,893

(1) Contributions recognized to meet the pension commitments with the executive directors in financial years 2025 and 2024. 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 2024 and 2023, the contribution of which to the accumulated fund was to be made in the financial years 2025 and 2024, 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 2025 and 2024 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 Senior Management, excluding executive directors, for financial years 2025 and 2024 (16 members with this position as of December 31, 2025 and 2024) 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.

FIXED REMUNERATION (THOUSANDS OF EUROS)

	2025	2024
Senior Management Total	20,787	19,928

In addition to the amounts indicated in the table, during the 2025 and 2024 financial years, the members of Senior Management collectively received fixed allowances for vehicle rental and others totaling €257 thousands and €347 thousands, respectively.

REMUNERATION IN KIND (THOUSANDS OF EUROS)

During the 2025 and 2024 financial years, remuneration in kind, including insurance premiums and others, totaling €640 thousand and €603 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 set out above for the executive directors, in 2025 financial year, all members of Senior Management accrued a Short-Term Incentive for a total combined amount of €7,299 thousand.

In addition, all members of Senior Management accrued the right to a Long-Term Incentive for a maximum theoretical amount of €5,149 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 2028). 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 €3,433 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 2025, which include: (i) a retention period of one year following delivery of the BBVA shares or instruments linked to BBVA shares; (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) potential application of *ex post* risk adjustments; (v) malus and clawback arrangements throughout the whole periods of deferral and retention of the shares or instruments; and (vi) 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 2025.

Taking into account the above, the total sum of the Upfront Portion of the AVR for financial years 2025 and 2024 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)

	2025 ⁽¹⁾		2024 ⁽²⁾	
	In cash (thousands of Euros)	In shares	In cash (thousands of Euros)	In shares
Senior Management Total	2,281	112,500	2,266	235,016

(1) Upfront Portion of the Annual Variable Remuneration, which represents the first payment of the 2025 Short-Term Incentive and will be paid during the first quarter of 2026 financial year, in equal parts in cash and BBVA shares. The remaining amount of the 2025 Annual Variable Remuneration (which includes the 2025 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 2025 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 2024 and which was paid in 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) 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 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.

DEFERRED ANNUAL VARIABLE REMUNERATION (AVR) FROM PREVIOUS FINANCIAL YEARS

	Deferred AVR	2025 ⁽¹⁾			2024 ⁽²⁾		
		In cash (thousands of Euros)	In shares	In stock- options ⁽³⁾	In cash (thousands of Euros)	In shares	In stock- options ⁽³⁾
	2024	534	81,445	—	—	—	
	2023	549	30,492	444,545	574	98,636	
Senior Management Total	2022	501	117,265	—	526	125,129	
	2021	469	112,536	—	488	119,207	
	2020	51	14,340	—	56	14,340	
	2019	—	—	—	314	77,447	
Total		2,104	356,078	444,545	1,957	434,759	

(1) Deferred remuneration payable after 2025 year-end, including the update of its cash portion. Payment thereof to members of Senior Management who are beneficiaries will take place in 2026 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:

- 2024 Deferred AVR: the first payment of the Deferred STI is due.
- 2023 Deferred AVR: the second payment of the Deferred STI is due.
- 2022 Deferred AVR: the third payment of the Deferred STI is due, after having verified that no reduction had to be made according to the result of the multi-year performance indicators approved in 2022 by the Board of Directors.

- 2021 Deferred AVR: the fourth payment is due.
- 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 third and final payment of the deferred portion of a success bonus on the sale of BBVA USA is due to one member of Senior Management, who was an executive of BBVA USA at that time.

(2) Deferred remuneration which was payable after the 2024 year-end, including the update of its cash portion. Payment thereof to members of Senior Management who were beneficiaries took place in 2025 in accordance with the vesting and payment rules set forth in the remuneration policies applicable in each financial year:

- 2023 Deferred AVR: in 2025, the first payment of the Deferred STI was made.
- 2022 Deferred AVR: in 2025, the second payment was made.
- 2021 Deferred AVR: in 2025, the third payment was made.
- 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 third and final 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: in 2025, the third and final payment was made.

(3) The delivery of the stock options awarded as part of the 2023 Deferred AVR is part of the second payment of the Deferred STI, which is due after the 2025 year-end (in 2026). The delivery of the stock options awarded as part of the 2024 Deferred AVR is part of the second payment of the Deferred STI, which, if the relevant conditions are met, will be due after the 2026 year-end (in 2027).

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, 2025, excluding the executive directors), a total aggregate amount of €4,411 thousand was recognized in financial year 2025 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 €139 thousand pertaining to the adjustment of the “discretionary pension benefits” for financial year 2024, which had to be included in the accumulated fund in 2025. In addition, an aggregate total amount of €1,115 thousand was paid in insurance premiums to cover the contingencies of death and disability.

As of December 31, 2025, the total accumulated fund to meet the retirement commitments with members of Senior Management amounted to €47,281 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 2025 financial year, a total amount of €625 thousand was recognized in 2025 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 Annual Variable Remuneration of the members of Senior Management for the 2025 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 €747 thousand, which represents an upward adjustment of €122 thousand. These “discretionary pension benefits” will be included in the accumulated fund in the 2026 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 regard.

PENSION SYSTEMS (THOUSANDS OF EUROS)

	Contributions ⁽¹⁾					
	Retirement		Death and disability		Accumulated funds	
	2025	2024	2025	2024	2025	2024
Senior Management Total	4,411	4,226	1,115	1,181	47,281	40,549

(1) Contributions recognized in financial years 2025 and 2024 to meet pension commitments with members of Senior Management with such position on December 31, 2025 and 2024 (16 members in both cases, excluding the executive directors), which relate to the sum of the annual retirement pension contributions and the adjustments made to the “discretionary pension benefits” for 2024 and 2023 which were included in the accumulated fund in 2025 and 2024, respectively, and to the insurance premiums paid by the Bank for death and disability contingencies.

Payments for termination of the contractual relationship

Regarding Senior Management, excluding the executive directors, in 2025 the contractual relationship of a member of Senior Management was terminated, giving rise to the right of a severance payment of €1,908 thousand. In this regard, the Senior Management contracts include, among others, the right to receive the severance payment that legally corresponds, provided that termination of the contractual relationship is not pursuant to the member's own will, retirement, disability or serious dereliction of duties, the amount of which will be calculated in accordance with the provisions in the applicable labor regulations. Likewise, the contract establishes a post-contractual non-compete agreement for a one-year term duration, which shall be compensated with an amount of €885 thousand which shall be paid on a monthly basis during the non-competition period.

In 2024 there were no terminations of contractual relationships of members of Senior Management.

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, 2025, 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. BBVA's management of environmental impacts and risks is presented in more detail in the 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 Information required regarding dividends, business segmentation and employees

Dividends paid

The table below presents the dividends per share paid in cash in 2025 and 2024 (cash basis accounting, regardless of the year in which they are accrued). For a complete analysis of all remuneration awarded to shareholders in 2025 and 2024 (see Note 3).

PAID DIVIDENDS						
	2025			2024		
	% Over nominal	Euros per share	Amount (Millions of Euros)	% Over nominal	Euros per share	Amount (Millions of Euros)
Ordinary shares	148.98 %	0.73	4,205	138.78%	0.68	3,921
Rest of shares	—	—	—	—	—	—
Total dividends paid in cash	148.98 %	0.73	4,205	138.78%	0.68	3,921
Dividends with charge to income	148.98 %	0.73	4,205	138.78%	0.68	3,921
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	2025	2024
Domestic		12,342	14,622
Foreign		3,102	2,964
<i>European Union</i>		753	782
<i>Eurozone</i>		753	782
<i>No Eurozone</i>		—	—
<i>Rest of countries</i>		2,349	2,182
Total	33.1	15,444	17,586

Number of employees

The breakdown of the average number of employees in the Bank in 2025 and 2024, by gender, is as follows:

AVERAGE NUMBER OF EMPLOYEES

	2025		2024	
	Male	Female	Male	Female
Management team	1,308	697	1,224	610
Managers	5,573	4,830	5,422	4,728
Other line personnel and clerical staff	3,967	5,829	3,980	5,816
Branches abroad	934	627	748	511
Total	11,782	11,982	11,374	11,665

As of December 31, 2025 BBVA, S.A. in Spain, had 159 handicap employees among the workforce (151 in 2023).

The breakdown of the number of employees in the Bank as of December 31, 2025 and 2024, by category and gender, is as follows:

Number of employees at the end of year. Professional category and gender

	2025		2024	
	Male	Female	Male	Female
Management team	1,338	736	1,268	652
Managers	5,670	4,894	5,479	4,774
Other line personnel and clerical staff	3,910	5,771	3,979	5,814
Branches abroad	1,026	679	807	557
Total	11,944	12,080	11,533	11,797

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 15, 2026, once the prior consent from the Regulator had been obtained, the Bank redeemed the issuance of green contingently convertible preferred securities carried out on July 15, 2020, for an amount of €1 billion, on the First Reset Date of said issuance (see Note 20.4).

On February 5, 2026, BBVA announced by means of an inside information notice filing with the CNMV a cash distribution in the amount of €0.60 gross, for each of the outstanding shares entitled to receive said distribution, to be paid tentatively in April 2026 as the final dividend for the year 2025, was planned to be proposed to the corresponding governing bodies for consideration as ordinary remuneration to shareholders for 2025 (see Note 3).

From January 1, 2026 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, 2025, 2024 and 2023

ASSETS (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS	58,837	51,145	75,416
FINANCIAL ASSETS HELD FOR TRADING	123,185	108,948	141,042
Derivatives	32,551	36,003	34,293
Equity instruments	9,901	6,760	4,589
Debt securities	30,846	27,955	28,569
Loans and advances to central banks	620	556	2,809
Loans and advances to credit institutions	17,985	20,938	56,599
Loans and advances to customers	31,282	16,736	14,182
NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS	11,272	10,546	8,737
Equity instruments	10,539	9,782	7,963
Debt securities	192	407	484
Loans and advances	541	358	290
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	1,006	836	955
Debt securities	1,006	836	955
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	58,809	59,002	62,205
Equity instruments	1,360	1,451	1,217
Debt securities	57,001	57,526	60,963
Loans and advances	448	25	26
FINANCIAL ASSETS AT AMORTIZED COST	568,893	502,400	451,732
Debt securities	73,379	59,014	49,462
Loans and advances to central banks	10,869	8,255	7,151
Loans and advances to credit institutions	24,244	22,655	17,477
Loans and advances to customers	460,401	412,477	377,643
DERIVATIVES - HEDGE ACCOUNTING	570	1,158	1,482
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	(87)	(65)	(97)
JOINT VENTURES AND ASSOCIATES	994	989	976
Joint ventures	111	94	93
Associates	883	895	883
INSURANCE AND REINSURANCE ASSETS	198	191	211
TANGIBLE ASSETS	9,482	9,759	9,253
Properties, plant and equipment	9,247	9,506	9,046
For own use	8,367	8,501	8,295
Other assets leased out under an operating lease	879	1,004	751
Investment properties	235	253	207
INTANGIBLE ASSETS	2,856	2,490	2,363
Goodwill	715	700	795
Other intangible assets	2,140	1,790	1,568
TAX ASSETS	17,867	18,650	17,501
Current tax assets	3,998	4,295	2,860
Deferred tax assets	13,869	14,354	14,641
OTHER ASSETS	4,985	5,525	2,859
Insurance contracts linked to pensions	—	—	—
Inventories	1,307	1,299	276
Other	3,678	4,226	2,583
NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	709	828	923
TOTAL ASSETS	859,576	772,402	775,558

(1) Presented for comparison purposes only.

Consolidated balance sheets as of December 31, 2025, 2024 and 2023 (continued)

LIABILITIES AND EQUITY (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
FINANCIAL LIABILITIES HELD FOR TRADING	91,917	86,591	121,715
Derivatives	30,345	33,059	33,045
Short positions	13,100	13,878	15,735
Deposits from central banks	3,653	3,360	6,397
Deposits from credit institutions	18,138	16,285	43,337
Customer deposits	26,681	20,010	23,201
FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	18,417	14,952	13,299
Customer deposits	897	934	717
Debt certificates issued	5,997	4,597	3,977
Other financial liabilities	11,524	9,420	8,605
<i>Memorandum item: Subordinated liabilities</i>	—	—	—
FINANCIAL LIABILITIES AT AMORTIZED COST	658,599	584,339	557,589
Deposits from central banks	17,226	14,668	20,309
Deposits from credit institutions	36,771	34,406	40,039
Customer deposits	502,501	447,646	413,487
Debt certificates issued	81,842	69,867	68,707
Other financial liabilities	20,258	17,753	15,046
<i>Memorandum item: Subordinated liabilities</i>	21,053	19,612	15,867
DERIVATIVES - HEDGE ACCOUNTING	1,933	2,503	2,625
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	—	—	—
LIABILITIES UNDER INSURANCE AND REINSURANCE CONTRACTS	12,760	10,981	12,110
PROVISIONS	4,422	4,619	4,924
Pensions and other post-employment defined benefit obligations	2,267	2,348	2,571
Other long-term employee benefits	332	384	435
Provisions for taxes and other legal contingencies	805	791	696
Commitments and guarantees given	725	667	770
Other provisions	293	429	452
TAX LIABILITIES	4,020	3,033	2,554
Current tax liabilities	1,480	575	878
Deferred tax liabilities	2,540	2,458	1,677
OTHER LIABILITIES	5,709	5,370	5,477
LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	—	—	—
TOTAL LIABILITIES	797,778	712,388	720,293

(1) Presented for comparison purposes only.

Consolidated balance sheets as of December 31, 2025, 2024 and 2023 (continued)

LIABILITIES AND EQUITY (CONTINUED) (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
SHAREHOLDERS' FUNDS	76,228	72,875	67,955
Capital	2,797	2,824	2,861
Paid up capital	2,797	2,824	2,861
Unpaid capital which has been called up	—	—	—
Share premium	18,469	19,184	19,769
Equity instruments issued other than capital	—	—	—
Other equity	40	40	40
Retained earnings	46,346	40,693	36,237
Revaluation reserves	—	—	—
Other reserves	203	1,814	2,015
Reserves or accumulated losses of investments in joint ventures and associates	(228)	(227)	(237)
Other	431	2,041	2,252
Less: treasury shares	(299)	(66)	(34)
Profit or loss attributable to owners of the parent	10,511	10,054	8,019
Less: Interim dividends	(1,840)	(1,668)	(951)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	(18,871)	(17,220)	(16,254)
Items that will not be reclassified to profit or loss	(2,505)	(1,988)	(2,105)
Actuarial gains (losses) on defined benefit pension plans	(1,396)	(1,067)	(1,049)
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	(983)	(905)	(1,112)
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	(127)	(17)	55
Items that may be reclassified to profit or loss	(16,366)	(15,232)	(14,148)
Hedge of net investments in foreign operations (effective portion)	(3,117)	(2,329)	(2,498)
Foreign currency translation	(13,340)	(12,702)	(11,419)
Hedging derivatives. Cash flow hedges (effective portion)	311	370	133
Fair value changes of debt instruments measured at fair value through other comprehensive income	(209)	(576)	(357)
Hedging instruments (non-designated items)	(4,071)	—	—
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	(7)	5	(8)
MINORITY INTERESTS (NON-CONTROLLING INTERESTS)	4,441	4,359	3,564
Accumulated other comprehensive income (loss)	(3,059)	(2,730)	(3,321)
Other items	7,500	7,089	6,885
TOTAL EQUITY	61,798	60,014	55,265
TOTAL EQUITY AND TOTAL LIABILITIES	859,576	772,402	775,558

MEMORANDUM ITEM (OFF-BALANCE SHEET EXPOSURES) (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
Loan commitments given	227,554	188,515	152,868
Financial guarantees given	24,865	22,503	18,839
Other commitments given	60,159	51,215	42,577

(1) Presented for comparison purposes only.

Consolidated income statements for the years ended December 31, 2025, 2024 and 2023

CONSOLIDATED INCOME STATEMENTS (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
Interest and other income	58,345	61,659	47,850
Interest expense	(32,065)	(36,392)	(24,761)
NET INTEREST INCOME	26,280	25,267	23,089
Dividend income	123	120	118
Share of profit or loss of entities accounted for using the equity method	62	40	26
Fee and commission income	13,743	13,036	9,899
Fee and commission expense	(5,528)	(5,048)	(3,611)
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	423	327	76
<i>Financial assets at amortized cost</i>	24	20	41
<i>Other financial assets and liabilities</i>	398	307	35
Gains (losses) on financial assets and liabilities held for trading, net	2,255	2,458	1,352
<i>Reclassification of financial assets from fair value through other comprehensive income</i>	—	—	—
<i>Reclassification of financial assets from amortized cost</i>	—	—	—
<i>Other gains (losses)</i>	2,255	2,458	1,352
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	236	179	337
<i>Reclassification of financial assets from fair value through other comprehensive income</i>	—	—	—
<i>Reclassification of financial assets from amortized cost</i>	—	—	—
<i>Other gains (losses)</i>	236	179	337
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	28	249	96
Gains (losses) from hedge accounting, net	(1)	5	(17)
Exchange differences, net	(285)	695	339
Other operating income	688	623	619
Other operating expense	(2,614)	(3,951)	(4,042)
Income from insurance and reinsurance contracts	3,890	3,720	3,081
Expense from insurance and reinsurance contracts	(2,370)	(2,238)	(1,821)
GROSS INCOME	36,931	35,481	29,542
Administration costs	(12,811)	(12,660)	(10,905)
<i>Personnel expense</i>	(7,773)	(7,659)	(6,530)
<i>Other administrative expense</i>	(5,038)	(5,001)	(4,375)
Depreciation and amortization	(1,521)	(1,533)	(1,403)
Provisions or reversal of provisions	(373)	(198)	(373)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification	(6,073)	(5,745)	(4,428)
Financial assets measured at amortized cost	(6,101)	(5,687)	(4,386)
Financial assets at fair value through other comprehensive income	28	(58)	(42)
NET OPERATING INCOME	16,153	15,345	12,432
Impairment or reversal of impairment of investments in joint ventures and associates	32	63	(9)
Impairment or reversal of impairment on non-financial assets	(13)	1	(54)
<i>Tangible assets</i>	5	29	(16)
<i>Intangible assets</i>	(14)	(15)	(26)
<i>Other assets</i>	(3)	(13)	(12)
Gains (losses) on derecognition of non-financial assets and subsidiaries, net	36	14	28
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	18	(17)	22
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	16,227	15,405	12,419
Tax expense or income related to profit or loss from continuing operations	(5,100)	(4,830)	(4,003)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	11,126	10,575	8,416
Profit (loss) after tax from discontinued operations	—	—	—
PROFIT (LOSS)	11,126	10,575	8,416
ATTRIBUTABLE TO MINORITY INTERESTS (NON-CONTROLLING INTERESTS)	615	521	397
ATTRIBUTABLE TO OWNERS OF THE PARENT	10,511	10,054	8,019

(1) Presented for comparison purposes only.

Consolidated income statements for the years ended December 31, 2025, 2024 and 2023 (continued)

EARNINGS (LOSSES) PER SHARE (EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
EARNINGS (LOSSES) PER SHARE (Euros)	1.76	1.68	1.29
Basic earnings (losses) per share from continuing operations	1.76	1.68	1.29
Diluted earnings (losses) per share from continuing operations	1.76	1.68	1.29
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, 2025, 2024 and 2023

CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
PROFIT (LOSS) RECOGNIZED IN INCOME STATEMENT	11,126	10,575	8,416
OTHER RECOGNIZED INCOME (EXPENSE)	(1,981)	(414)	1,175
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	(514)	79	(223)
Actuarial gains (losses) from defined benefit pension plans	(379)	(78)	(358)
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	(70)	236	100
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	(157)	(102)	(24)
Income tax related to items not subject to reclassification to income statement	92	23	59
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	(1,466)	(493)	1,398
Hedge of net investments in foreign operations (effective portion)	(779)	169	(1,095)
Valuation gains (losses) taken to equity	(779)	169	(1,095)
Transferred to profit or loss	—	—	—
Other reclassifications	—	—	—
Foreign currency translation	(966)	(646)	1,379
Translation gains (losses) taken to equity	(966)	(646)	1,378
Transferred to profit or loss	—	—	1
Other reclassifications	—	—	—
Cash flow hedges (effective portion)	(82)	331	832
Valuation gains (losses) taken to equity	(82)	331	832
Transferred to profit or loss	—	—	—
Transferred to initial carrying amount of hedged items	—	—	—
Other reclassifications	—	—	—
Debt securities at fair value through other comprehensive income	535	(398)	752
Valuation gains (losses) taken to equity	925	(217)	757
Transferred to profit or loss	(390)	(181)	(5)
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	(14)	16	12
Income tax relating to items subject to reclassification to income statements	(155)	36	(482)
TOTAL RECOGNIZED INCOME (EXPENSE)	9,146	10,161	9,591
Attributable to minority interests (non-controlling interests)	285	1,108	184
Attributable to the parent company	8,860	9,053	9,407

(1) Presented for comparison purposes only.

Consolidated statements of changes in equity for the years ended December 31, 2025, 2024 and 2023

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (MILLIONS OF EUROS)

2025	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, 2025 ⁽¹⁾	2,824	19,184	—	40	40,693	—	1,814	(66)	10,054	(1,668)	(17,220)	(2,730)	7,089	60,014
Effect of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted initial balance	2,824	19,184	—	40	40,693	—	1,814	(66)	10,054	(1,668)	(17,220)	(2,730)	7,089	60,014
Total income/expense recognized	—	—	—	—	—	—	—	—	10,511	—	(1,651)	(330)	615	9,146
Other changes in equity	(27)	(715)	—	1	5,653	—	(1,611)	(234)	(10,054)	(171)	(1)	1	(204)	(7,362)
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	(27)	(715)	—	—	21	—	(273)	993	—	—	—	—	—	—
Dividend distribution	—	—	—	—	(2,357)	—	—	—	—	(1,840)	—	—	(254)	(4,450)
Purchase of treasury shares	—	—	—	—	—	—	—	(1,995)	—	—	—	—	—	(1,995)
Sale or cancellation of treasury shares	—	—	—	—	—	—	26	768	—	—	—	—	—	794
Reclassification of other equity instruments to financial liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of financial liabilities to other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers among components of equity	—	—	—	9	8,386	—	(9)	—	(10,054)	1,668	(1)	1	(1)	—
Increase/Reduction of equity due to business combinations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share based payments	—	—	—	(26)	—	—	—	—	—	—	—	—	—	(26)
Other increases or (-) decreases in equity	—	—	—	18	(398)	—	(1,355)	—	—	—	—	—	51	(1,685)
Balance as of December 31, 2025	2,797	18,469	—	40	46,346	—	203	(299)	10,511	(1,840)	(18,871)	(3,059)	7,500	61,798

(1) Balances as of December 31, 2024 as originally reported in the consolidated Financial Statements for the year 2024.

Consolidated statements of changes in equity for the years ended December 31, 2025, 2024 and 2023 (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (MILLIONS OF EUROS)

2024 ⁽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)	Other	Total
Balances as of January 1, 2024 ⁽²⁾	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) Presented for comparison purposes only.

(2) Balances as of December 31, 2023 as originally reported in the consolidated Financial Statements for the year 2023.

(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, 2025, 2024 and 2023 (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.

Consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023

CONSOLIDATED STATEMENTS OF CASH FLOWS (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
A) CASH FLOWS FROM OPERATING ACTIVITIES	14,968	(18,190)	(721)
Of which hyperinflation effect from operating activities (see Note 2.2.18)	1,540	2,593	1,884
Profit for the year	11,126	10,575	8,416
Adjustments to obtain the cash flow from operating activities	14,376	14,817	12,150
Depreciation and amortization	1,521	1,533	1,403
Other adjustments	12,855	13,283	10,747
Net increase/decrease in operating assets	(102,491)	(54,265)	(77,408)
Financial assets held for trading	(13,956)	28,452	(27,884)
Non-trading financial assets mandatorily at fair value through profit or loss	(628)	(2,813)	(1,288)
Other financial assets designated at fair value through profit or loss	(187)	119	(42)
Financial assets at fair value through other comprehensive income	680	(1,124)	2,512
Financial assets at amortized cost	(89,072)	(76,759)	(51,182)
Other operating assets	672	(2,140)	476
Net increase/decrease in operating liabilities	95,286	16,314	61,473
Financial liabilities held for trading	5,099	(32,695)	24,435
Other financial liabilities designated at fair value through profit or loss	3,271	2,647	2,003
Financial liabilities at amortized cost	88,266	45,970	36,127
Other operating liabilities	(1,350)	392	(1,092)
Collection/payments for income tax	(3,328)	(5,631)	(5,353)
B) CASH FLOWS FROM INVESTING ACTIVITIES	(1,403)	(1,423)	(1,419)
Of which hyperinflation effect from investing activities (see Note 2.2.18)	346	753	772
Investment	(1,807)	(2,039)	(1,912)
Tangible assets	(827)	(1,195)	(1,129)
Intangible assets	(979)	(816)	(690)
Investments in joint ventures and associates	(1)	(1)	(93)
Subsidiaries and other business units	—	(28)	—
Non-current assets classified as held for sale and associated liabilities	—	—	—
Other settlements related to investing activities	—	—	—
Divestments	404	617	492
Tangible assets	83	104	92
Intangible assets	—	—	—
Investments in joint ventures and associates	83	32	58
Subsidiaries and other business units	50	73	21
Non-current assets classified as held for sale and associated liabilities	188	408	321
Other collections related to investing activities	—	—	—
C) CASH FLOWS FROM FINANCING ACTIVITIES	(3,673)	(2,567)	(1,842)
Of which hyperinflation effect from financing activities (see Note 2.2.18)	—	—	—
Payments	(9,417)	(8,773)	(7,224)
Dividend distribution (shareholders remuneration)	(4,196)	(3,913)	(2,808)
Subordinated liabilities	(2,647)	(2,599)	(1,629)
Treasury shares amortization	(27)	(37)	(94)
Treasury shares acquisition	(1,968)	(1,492)	(2,072)
Other items relating to financing activities	(580)	(732)	(622)
Collections	5,744	6,205	5,383
Subordinated liabilities	4,987	5,514	4,672
Treasury shares increase	—	—	—
Treasury shares disposal	757	691	711
Other items relating to financing activities	—	—	—
D) EFFECT OF EXCHANGE RATE CHANGES	(2,201)	(2,091)	(357)
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	7,692	(24,271)	(4,339)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	51,145	75,416	79,756
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (E+F)	58,837	51,145	75,416

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF THE YEAR (MILLIONS OF EUROS)

	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
Cash	8,050	8,636	7,751
Balance of cash equivalent in central banks	42,856	35,306	60,750
Other financial assets	7,931	7,202	6,916
Less: Bank overdraft refundable on demand	—	—	—
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR	58,837	51,145	75,416

(1) Presented for comparison purposes only.

This Appendix is an integral part of Note 1.8 of the financial statements for the year ended December 31, 2025.

APPENDIX II. Additional information on subsidiaries and structured entities composing the BBVA Group as of December 31, 2025

Company	Location	Activity	% share of participation ⁽¹⁾			Millions of Euros ⁽²⁾		
			Direct	Indirect	Total	Affiliate entity data		
						Net carrying amount	Equity excluding profit (loss) 31.12.2025	Profit (loss) 31.12.2025
ADELANTE CLASSE DE INVESTIMENTO MULTIMERCADO CREDITO PRIVADO IE - RESP LIMITADA	BRAZIL	OTHER INVESTMENT COMPANIES	100.00	—	100.00	4	4	—
ADQUIRA MEXICO SA DE CV	MEXICO	SERVICES	—	100.00	100.00	10	7	3
ALCALA 120 PROMOC. Y GEST.IMMOB. S.L.(SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	19	19	—
ANIDA GRUPO INMOBILIARIO SL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	661	668	-2
ANIDA INMOBILIARIA, S.A. DE C.V.	MEXICO	INVESTMENT COMPANY	—	100.00	100.00	11	11	1
ANIDA OPERACIONES SINGULARES, S.A.(SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	605	608	-3
ANIDA PROYECTOS INMOBILIARIOS, S.A. DE C.V.	MEXICO	REAL ESTATE	—	100.00	100.00	8	9	—
ANIDAPORT INVESTIMENTOS IMOBILIARIOS, UNIPessoal, LTDA	PORTUGAL	REAL ESTATE	—	100.00	100.00	20	16	3
ANTHEMIS BBVA VENTURE PARTNERSHIP LLP	UNITED KINGDOM	INVESTMENT COMPANY	—	100.00	100.00	11	13	-1
ARRAHONA NEXUS, S.L. (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	56	62	—
ARRELS CT FINSOL, S.A. (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	56	72	—
ARRELS CT PROMOU SA (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	14	27	—
BANCO BBVA ARGENTINA S.A.	ARGENTINA	BANKING	40.01	26.54	66.55	158	1,137	497
BANCO BBVA PERÚ SA ⁽³⁾	PERU	BANKING	—	47.13	47.13	1,788	3,202	594
BANCO BILBAO VIZCAYA ARGENTARIA URUGUAY SA	URUGUAY	BANKING	100.00	—	100.00	110	308	64
BANCO OCCIDENTAL SA	SPAIN	BANKING	49.43	50.57	100.00	17	20	—
BANCO PROVINCIAL OVERSEAS NV	CURAÇAO	BANKING	—	100.00	100.00	50	43	7
BANCO PROVINCIAL SA - BANCO UNIVERSAL	VENEZUELA	BANKING	1.46	53.75	55.21	40	276	-34
BBV AMERICA SL	SPAIN	INVESTMENT COMPANY	99.80	0.20	100.00	—	760	13
BBVA (SUIZA) SA	SWITZERLAND	BANKING	100.00	—	100.00	114	159	12
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	49	18	31
BBVA ASSET MANAGEMENT MEXICO SA DE CV, SOC.OPERADORA DE FONDOS DE INVERSIÓN, GRUPO FRO. BBVA MEXICO	MEXICO	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	45	13	32
BBVA ASSET MANAGEMENT SA SAF	PERU	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	10	6	5
BBVA ASSET MANAGEMENT SA SGIIC	SPAIN	INVESTMENT FUND MANAGEMENT	100.00	—	100.00	36	-122	199
BBVA ASSET MANAGEMENT SA SOCIEDAD FIDUCIARIA (BBVA FIDUCIARIA)	COLOMBIA	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	33	19	14
BBVA BOLSA SOCIEDAD AGENTE DE BOLSA S.A.	PERU	SECURITIES DEALER	—	100.00	100.00	4	4	1
BBVA BRASIL BANCO DE INVESTIMENTO SA	BRAZIL	BANKING	100.00	—	100.00	172	171	1
BBVA BROKER ARGENTINA SA	ARGENTINA	INSURANCES SERVICES	—	99.96	99.96	—	2	7
BBVA BROKER CORREDURIA DE SEGUROS Y REASEGUROS SA	SPAIN	FINANCIAL SERVICES	99.94	0.06	100.00	—	4	8
BBVA COLOMBIA SA	COLOMBIA	BANKING	78.12	18.22	96.34	740	1,571	100
BBVA DISTRIBUIDORA DE SEGUROS S.R.L.	URUGUAY	FINANCIAL SERVICES	—	100.00	100.00	7	3	5
BBVA FUNDOS S.GESTORA FUNDOS PENSOES SA	PORTUGAL	PENSION FUND MANAGEMENT	100.00	—	100.00	13	11	2
BBVA GLOBAL MARKETS BV	NETHERLANDS	OTHER ISSUANCE COMPANIES	100.00	—	100.00	—	—	—
BBVA GLOBAL SECURITIES, B.V.	NETHERLANDS	OTHER ISSUANCE COMPANIES	100.00	—	100.00	—	—	—
BBVA GLOBAL WEALTH ADVISORS INC	UNITED STATES	FINANCIAL SERVICES	—	100.00	100.00	19	19	-12
BBVA GLOBAL WEALTH INSURANCE AGENCY, INC	UNITED STATES	FINANCIAL SERVICES	—	100.00	100.00	1	1	—

(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 considering the interim dividends of the year, according to the provisional financial statements of each company, generally as of December 31, 2025. 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, 2025. 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, 2025 (Continued)

Company	Location	Activity	% share of participation ⁽¹⁾			Millions of Euros ⁽²⁾		
			Direct	Indirect	Total	Affiliate entity data		
						Net carrying amount	Equity excluding profit (loss) 31.12.2025	Profit (loss) 31.12.2025
BBVA HOLDING CHILE SA	CHILE	INVESTMENT COMPANY	61.22	38.78	100.00	158	288	37
BBVA INSTITUICAO FINANCEIRA DE CREDITO SA	PORTUGAL	FINANCIAL SERVICES	49.90	50.10	100.00	39	65	3
BBVA LEASING MEXICO SA DE CV	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	51	287	31
BBVA MEDIACION OPERADOR DE BANCA-SEGUROS VINCULADO, S.A.	SPAIN	FINANCIAL SERVICES	99.99	0.01	100.00	11	(17)	34
BBVA MEXICO SA INSTITUCION DE BANCA MULTIPLE GRUPO FINANCIERO BBVA MEXICO	MEXICO	BANKING	—	100.00	100.00	18,942	14,377	4,565
BBVA OPERADORA MEXICO SA DE CV	MEXICO	SERVICES	100.00	—	100.00	62	65	(2)
BBVA PENSIONES MEXICO, S.A. DE C.V., GRUPO FINANCIERO BBVA MEXICO	MEXICO	INSURANCES SERVICES	—	100.00	100.00	412	322	90
BBVA PENSIONES SA ENTIDAD GESTORA DE FONDOS DE PENSIONES	SPAIN	PENSION FUND MANAGEMENT	100.00	—	100.00	13	(21)	50
BBVA PERU HOLDING SAC	PERU	INVESTMENT COMPANY	100.00	—	100.00	151	1,518	280
BBVA PREVISION AFP SA ADM.DE FONDOS DE PENSIONES	BOLIVIA	PENSION FUND MANAGEMENT	75.00	5.00	80.00	2	4	—
BBVA PROCESSING SERVICES INC.	UNITED STATES	FINANCIAL SERVICES	—	100.00	100.00	2	2	—
BBVA RE INHOUSE COMPAÑIA DE REASEGUROS, S.E.	SPAIN	INSURANCES SERVICES	100.00	—	100.00	63	65	12
BBVA SECURITIES INC	UNITED STATES	FINANCIAL SERVICES	—	100.00	100.00	263	226	53
BBVA SEGUROS ARGENTINA SA	ARGENTINA	INSURANCES SERVICES	87.78	12.22	100.00	9	26	14
BBVA SEGUROS CA	VENEZUELA	INSURANCES SERVICES	—	100.00	100.00	6	8	(2)
BBVA SEGUROS COLOMBIA SA	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	10	34	7
BBVA SEGUROS DE VIDA COLOMBIA SA	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	14	161	9
BBVA SEGUROS MÉXICO SA DE CV GRUPO FINANCIERO BBVA MEXICO	MEXICO	INSURANCES SERVICES	—	100.00	100.00	998	341	657
BBVA SEGUROS SA DE SEGUROS Y REASEGUROS	SPAIN	INSURANCES SERVICES	99.96	—	99.96	713	361	285
BBVA SEGUROS SALUD MEXICO SA DE CV GRUPO FRO. BBVA MEXICO.	MEXICO	INSURANCES SERVICES	—	100.00	100.00	20	28	(9)
BBVA SERVICIOS ADMINISTRATIVOS MEXICO, S.A. DE C.V.	MEXICO	SERVICES	—	100.00	100.00	17	16	1
BBVA SERVICIOS, S.A.	SPAIN	COMMERCIAL	—	100.00	100.00	—	—	—
BBVA SOCIEDAD TITULIZADORA S.A.	PERU	OTHER ISSUANCE COMPANIES	—	100.00	100.00	2	1	—
BBVA TECHNOLOGY AMERICA SA	MEXICO	SERVICES	100.00	—	100.00	240	269	13
BBVA TECHNOLOGY SLU	SPAIN	SERVICES	100.00	—	100.00	44	54	9
BBVA TRADE, S.A.	SPAIN	INVESTMENT COMPANY	—	100.00	100.00	10	10	—
BBVA USD INVESTMENTS SA	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	2,134	2,089	33
BBVA VALORES COLOMBIA SA COMISIONISTA DE BOLSA	COLOMBIA	SECURITIES DEALER	—	100.00	100.00	18	13	5
BILBAO VIZCAYA INVESTMENTS SA UNIPERSONAL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	582	642	(16)
CARTERA E INVERSIONES SA	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	92	139	—
CASA DE BOLSA BBVA MEXICO SA DE CV	MEXICO	SECURITIES DEALER	—	100.00	100.00	70	24	45
CATALUNYACAIXA INMOBILIARIA SA (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	100.00	—	100.00	158	139	19
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	85	1
COMERCIALIZADORA CORPORATIVA SAC	PERU	FINANCIAL SERVICES	—	50.00	50.00	—	—	1
COMERCIALIZADORA DE SERVICIOS FINANCIEROS, S.A.	COLOMBIA	SERVICES	—	100.00	100.00	5	5	—

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Additional information on subsidiaries and structured entities composing the BBVA Group as of December 31, 2025 (Continued)

Company	Location	Activity	% share of participation ⁽¹⁾			Millions of Euros ⁽²⁾		
			Direct	Indirect	Total	Net carrying amount	Affiliate entity data Equity excluding profit (loss) 31.12.2025	Profit (loss) 31.12.2025
COMPANIA CHILENA DE INVERSIONES SL	SPAIN	INVESTMENT COMPANY	99.97	0.03	100.00	221	276	6
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	6	5	—
CONTINENTAL DPR FINANCE COMPANY BV	NETHERLANDS	FINANCIAL SERVICES	—	100.00	100.00	—	—	—
CORPORACION GENERAL FINANCIERA SAU	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	510	1,006	56
CREA MADRID NUEVO NORTE SA	SPAIN	REAL ESTATE	—	75.54	75.54	392	527	(8)
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	HOLDING THAT MANAGES MOSTLY FINANCIAL SUBSIDIARIES	99.98	0.03	100.00	133	83	(22)
ECASA, S.A.	CHILE	FINANCIAL SERVICES	—	100.00	100.00	15	13	1
EMPRENDIMIENTOS DE VALOR S.A.	URUGUAY	FINANCIAL SERVICES	—	100.00	100.00	2	2	(1)
EUROPEA DE TITULIZACION SA SGFT .	SPAIN	NON-MORTGAGE SECURITIZATION ENTITIES	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	—
FIAT CREDITO ARGENTINA COMPANIA FINANCIERA SA	ARGENTINA	FINANCIAL SERVICES	—	50.00	50.00	18	36	—
FIDEICOMISO 28991-8 TRADING EN LOS MCADOS FINANCIEROS	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	5	4	—
FIDEICOMISO F/29764-8 SOCIO LIQUIDADOR DE OPERACIONES FINANCIERAS DERIVADAS	MEXICO	FINANCIAL SERVICES	—	100.00	100.00	71	59	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	—
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	—	—	—
FOMENTO Y DESARROLLO DE CONJUNTOS RESIDENCIALES S.L. EN LIQUIDACION	SPAIN	IN LIQUIDATION	—	60.00	60.00	—	—	—
FORUM DISTRIBUIDORA DEL PERU SA	PERU	FINANCIAL SERVICES	—	100.00	100.00	8	8	—
FORUM DISTRIBUIDORA, S.A.	CHILE	FINANCIAL SERVICES	—	100.00	100.00	379	367	10
FORUM SERVICIOS FINANCIEROS, S.A.	CHILE	FINANCIAL SERVICES	—	100.00	100.00	238	201	28
G NETHERLANDS BV	NETHERLANDS	INVESTMENT COMPANY	—	100.00	100.00	393	315	—
GARANTI BANK SA	ROMANIA	BANKING	—	100.00	100.00	246	421	24
GARANTI BBVA AS	TURKEY	BANKING	85.97	—	85.97	7,490	6,891	2,042
GARANTI BBVA EMEKLILIK AS	TURKEY	INSURANCES SERVICES	—	84.91	84.91	169	70	132
GARANTI BBVA FACTORING AS	TURKEY	FINANCIAL SERVICES	—	81.84	81.84	86	63	42
GARANTI BBVA FILO AS	TURKEY	SERVICES	—	100.00	100.00	300	226	72
GARANTI BBVA FINANSAL TEKNOLOJILER AS	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	31	43	—
GARANTI BBVA LEASING AS	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	474	347	126
GARANTI BBVA PORTFOY YONETIMI AS	TURKEY	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	70	22	48
GARANTI BBVA YATIRIM AS	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	280	177	104
GARANTI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY	CAYMAN ISLANDS	OTHER ISSUANCE COMPANIES	—	100.00	100.00	—	(10)	2

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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, 2025 (Continued)

Company	Location	Activity	% share of participation ⁽¹⁾			Millions of Euros ⁽²⁾		
			Direct	Indirect	Total	Net carrying amount	Affiliate entity data Equity excluding profit (loss) 31.12.2025	Profit (loss) 31.12.2025
GARANTI FILO SIGORTA ARACILIK HIZMETLERI A.S.	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	—	—	1
GARANTI HOLDING BV	NETHERLANDS	INVESTMENT COMPANY	—	100.00	100.00	692	393	—
GARANTI KRIPTO VARLIK ALM SATM PLATFORMU ANONIM SIRKETI	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	43	39	(8)
GARANTI KULTUR AS	TURKEY	SERVICES	—	100.00	100.00	—	—	—
GARANTI ODEME SISTEMLERI AS (GOSAS)	TURKEY	FINANCIAL SERVICES	—	100.00	100.00	22	11	12
GARANTI ODEME VE ELEKTRONIK PARA HIZMETLERI ANONIM SIRKETI	TURKEY	PAYMENT ENTITIES	—	100.00	100.00	16	20	(5)
GARANTI PORTFOLIO BESINCI SERBEST FON	TURKEY	INVESTMENT COMPANY	—	83.98	83.98	74	88	12
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	1,323	1,100	119
GESCAT GESTIO DE SOL SL (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	100.00	—	100.00	18	7	11
GESCAT LLEVANT, S.L.(SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	1	—	1
GESCAT VIVENDES EN COMERCIALIZAZCIO SL (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	100.00	—	100.00	27	27	—
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	478	18
GRUPO FINANCIERO BBVA MEXICO SA DE CV	MEXICO	FINANCIAL SERVICES	99.98	—	99.98	10,072	17,201	5,368
HANS FACTORY SL	SPAIN	FINANCIAL SERVICES	—	100.00	100.00	11	9	(3)
INMUEBLES Y RECUPERACIONES BBVA SA	PERU	REAL ESTATE	—	100.00	100.00	39	39	—
INVERAHHORRO SL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	378	385	(7)
INVERSIONES ALDAMA, C.A.	VENEZUELA	IN LIQUIDATION	—	100.00	100.00	—	—	—
INVERSIONES BANPRO INTERNATIONAL INC NV ⁽³⁾	CURACAO	INVESTMENT COMPANY	48.00	—	48.00	16	45	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	4	—
MOTORACTIVE IFN SA	ROMANIA	FINANCIAL SERVICES	—	100.00	100.00	34	41	4
MOTORACTIVE MULTISERVICES SRL	ROMANIA	SERVICES	—	100.00	100.00	—	5	—
MOVISTAR CONSUMER FINANCE COLOMBIA SAS	COLOMBIA	IN LIQUIDATION	—	50.00	50.00	—	6	(3)
MULTIASISTENCIA, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	—	100.00	100.00	68	44	23
OPENPAY ARGENTINA SA	ARGENTINA	PAYMENT ENTITIES	—	100.00	100.00	10	5	(1)
OPENPAY COLOMBIA SAS	COLOMBIA	PAYMENT ENTITIES	—	100.00	100.00	3	3	(1)
OPENPAY PERU SA	PERU	PAYMENT ENTITIES	—	100.00	100.00	2	8	(7)
OPENPAY SA DE CV	MEXICO	PAYMENT ENTITIES	—	100.00	100.00	72	50	(20)
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	51	8
PECRI INVERSION SL	SPAIN	INVESTMENT COMPANY	100.00	—	100.00	71	68	2
PROMOTORA DEL VALLES, S.L. (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	13	19	7

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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, 2025 (Continued)

Company	Location	Activity	% share of participation ⁽¹⁾			Millions of Euros ⁽²⁾		
			Direct	Indirect	Total	Affiliate entity data		
						Net carrying amount	Equity excluding profit (loss) 31.12.2025	Profit (loss) 31.12.2025
PRONORTE UNO PROCAM, S.A.(SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	—	100.00	100.00	1	1	—
PROPEL EXPLORER FUND I LP	UNITED STATES	INVESTMENT COMPANY	—	99.50	99.50	39	36	2
PROPEL EXPLORER FUND II LP	UNITED STATES	INVESTMENT COMPANY	—	99.50	99.50	22	21	(1)
PROPEL VENTURE PARTNERS BRAZIL US LP	UNITED STATES	INVESTMENT COMPANY	—	99.80	99.80	12	13	—
PROPEL VENTURE PARTNERS GLOBAL US, LP	UNITED STATES	INVESTMENT COMPANY	—	99.50	99.50	102	128	99
PROPEL VENTURE PARTNERS US FUND I, L.P.	UNITED STATES	VENTURE CAPITAL	—	99.50	99.50	146	174	(22)
PROPEL XYZ I LP	UNITED STATES	INVESTMENT COMPANY	—	99.40	99.40	19	19	2
PRO-SALUD, C.A.	VENEZUELA	INACTIVE	—	58.86	58.86	—	—	—
PROVINCIAL DE VALORES CASA DE BOLSA CA	VENEZUELA	SECURITIES DEALER	—	60.00	60.00	1	1	1
PROVINCIAL SDAD.ADMIN.DE ENTIDADES DE INV.COLECTIVA CA	VENEZUELA	INVESTMENT FUND MANAGEMENT	—	100.00	100.00	1	1	—
PROVIEDA ENTIDAD RECAUDADORA Y ADMIN.DE APORTES, S.A.	BOLIVIA	PENSION FUND MANAGEMENT	—	100.00	100.00	—	—	—
PSA FINANCE ARGENTINA COMPAÑIA FINANCIERA SA	ARGENTINA	BANKING	—	50.00	50.00	17	16	18
RALFI IFN SA	ROMANIA	FINANCIAL SERVICES	—	100.00	100.00	36	6	—
RPV COMPANY	CAYMAN ISLANDS	OTHER ISSUANCE COMPANIES	—	100.00	100.00	—	—	—
SATICEM GESTIO SL (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	100.00	—	100.00	6	2	3
SATICEM HOLDING SL (SOCIEDAD UNIPERSONAL)	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	(3)
TREE INVERSIONES INMOBILIARIAS SA SOCIEDAD UNIPERSONAL	SPAIN	REAL ESTATE	100.00	—	100.00	1,096	217	72
TRIFOI REAL ESTATE SRL	ROMANIA	REAL ESTATE	—	100.00	100.00	1	1	—
UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS SA (SOCIEDAD UNIPERSONAL)	SPAIN	REAL ESTATE	100.00	—	100.00	471	422	2
URBANIZADORA SANT LLORENC SA	SPAIN	INACTIVE	60.60	—	60.60	—	—	—
VOLKSWAGEN FINANCIAL SERVICES COMPAÑIA FINANCIERA SA	ARGENTINA	BANKING	—	51.00	51.00	26	33	18

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This Appendix is an integral part of Note 14.1 of the financial statements for the year ended December 31, 2025.

APPENDIX III. Additional information on investments joint ventures and associates in the BBVA Group as of December 31, 2025

Most significant companies are included, which together represent 99.5% of the total investment in this group.

Company	Location	Activity	% share of participation			Millions of Euros ⁽¹⁾				
			Direct	Indirect	Total	Affiliate entity data			Profit (loss)	
						Consolidated Net carrying amount	Assets 31.12.2025	Liabilities 31.12.2025		Equity excluding profit (loss) 31.12.2025
ASSOCIATES										
ADQUIRA ESPAÑA, S.A.	SPAIN	SERVICES	—	44.44	44.44	5	20	9	10	1
ATOM HOLDCO LIMITED	UNITED KINGDOM	INVESTMENT COMPANY	49.45	—	49.45	222	11,656	11,102	533	20
BBVA ALLIANZ SEGUROS Y REASEGUROS, S.A.	SPAIN	INSURANCES SERVICES	—	50.00	50.00	277	1,188	601	543	44
COMPAÑIA PERUANA DE MEDIOS DE PAGO SAC (VISANET PERU)	PERU	PAYMENT ENTITIES	—	20.20	20.20	2	329	317	9	3
CORPORACION SUICHE 7B CA	VENEZUELA	FINANCIAL SERVICES	—	19.80	19.80	2	12	3	5	4
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	2	5	—	5	1
METROVACESA SA	SPAIN	REAL ESTATE	20.85	—	20.85	282	2,304	950	1,357	(4)
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	17	135	58	63	14
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	5	—	4	1
SERVICIOS ELECTRONICOS GLOBALES SA DE CV	MEXICO	PAYMENT ENTITIES	—	46.14	46.14	56	122	—	96	26
SISTEMAS DE TARJETAS Y MEDIOS DE PAGO SA	SPAIN	PAYMENT ENTITIES	20.61	—	20.61	2	610	601	7	2
TELEFONICA FACTORING ESPAÑA SA ⁽²⁾	SPAIN	FINANCIAL SERVICES	30.00	—	30.00	5	277	260	7	10
VERIDAS DIGITAL AUTHENTICATION SOLUTIONS S.L.	SPAIN	SERVICES	—	29.38	29.38	3	26	16	13	(3)
JOINT VENTURES										
ALTURA MARKETS SOCIEDAD DE VALORES SA	SPAIN	SECURITIES DEALER	50.00	—	50.00	44	2,107	2,019	76	12
COMPAÑIA MEXICANA DE PROCESAMIENTO SA DE CV	MEXICO	SERVICES	—	50.00	50.00	5	11	—	12	(1)
CORPORACION IBV PARTICIPACIONES EMPRESARIALES, S.A. ⁽³⁾	SPAIN	INVESTMENT COMPANY	—	50.00	50.00	31	110	48	61	—
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	5	96	—	96	—
INVERSIONES PLATCO CA	VENEZUELA	FINANCIAL SERVICES	—	50.00	50.00	4	9	1	8	—
RCI COLOMBIA SA COMPAÑIA DE FINANCIAMIENTO	COLOMBIA	FINANCIAL SERVICES	—	49.00	49.00	37	804	727	77	(1)
ROMBO COMPAÑIA FINANCIERA SA	ARGENTINA	BANKING	—	40.00	40.00	13	191	159	15	18

(1) In foreign companies the exchange rate of December 31, 2025 is applied.

(2) Financial Statements as of December 31, 2024.

(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, 2025.

APPENDIX IV. Changes and notifications of participations in the BBVA Group in 2025

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)
ADELANTE CLASE DE INVESTIMENTO MULTIMERCADO CREDITO PRIVADO IE - RESP LIMITADA	FOUNDING	100.00	03-Oct-25
BBVA GLOBAL WEALTH INSURANCE AGENCY, INC	FOUNDING	100.00	05-Feb-25
FIAT CREDITO ARGENTINA COMPAÑIA FINANCIERA SA	ACQUISITION	50.00	10-Dec-25
GARANTI PORTFOLIO BESINCI SERBEST FON	FOUNDING	83.98	01-Sep-25

(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)
ACTIVOS MACORP SL EN LIQUIDACIÓN	LIQUIDATION	—	16-Dec-25
ARRELS CT PATRIMONI I PROJECTES, S.A.(SOCIEDAD UNIPERSONAL)EN LIQUIDACIÓN	LIQUIDATION	—	11-Dec-25
BBVA CONSUMER FINANCE ENTIDAD DE DESARROLLO A LA PEQUEÑA Y MICRO EMPRESA EDPYME SA (BBVA CONSUMER FINANCE - EDPYME)	LIQUIDATION	—	16-Jul-25
BBVA GLOBAL FINANCE LTD	LIQUIDATION	—	31-Dec-25
FORUM COMERCIALIZADORA DEL PERU SA	LIQUIDATION	—	09-Jun-25
GESCAT LLOGUERS SL	LIQUIDATION	—	18-Apr-25
LA ESMERALDA DESARROLLOS, S.L.(SOCIEDAD UNIPERSONAL EN LIQUIDACIÓN)	LIQUIDATION	—	17-Nov-25
PROVINCIAL DE VALORES CASA DE BOLSA CA	DISPOSAL	60	01-Jun-25
TASFIYE HALINDE GARANTI KONUT FINANSMANI DANISMANLIK HIZMETLERI ANONIM SIRKETI	LIQUIDATION	—	30-Dec-25

(1) Variations of less than 0.1% have not been considered due to immateriality

Changes and notifications of participations in the BBVA Group in 2025

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)
ALFA TECH CORE SERVICES S DE RL DE CV	FOUNDING	20.00	01-Oct-25
ALFATECH CORE SERVICES SL	FOUNDING	20.00	01-Oct-25
CIBERENTIDAD MEXICO SA DE CV	FOUNDING	20.00	01-Aug-25

(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)
CAMARATE GOLF, S.A. EN LIQUIDACIÓN	LIQUIDATION	—	04-Nov-25
FIDEICOMISO F/402770-2 ALAMAR	DISPOSAL	—	28-Apr-25
OPERADORA ALAMAR SA DE CV	DISPOSAL	—	15-Dec-25

(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, 2025.

APPENDIX V. Fully consolidated subsidiaries with more than 10% owned by non-Group shareholders as of December 31, 2025

Company	Activity	% of voting rights controlled by the Bank		
		Direct	Indirect	Total
BANCO BBVA PERÚ SA	BANKING	—	47.13	47.13
BANCO PROVINCIAL SA - BANCO UNIVERSAL	BANKING	1.46	53.75	55.21
COMERCIALIZADORA CORPORATIVA SAC	FINANCIAL SERVICES	—	50.00	50.00
CREA MADRID NUEVO NORTE SA	REAL ESTATE	—	75.54	75.54
F/11395 FIDEICOMISO IRREVOCABLE DE ADMINISTRACION CON DERECHO DE REVERSION	REAL ESTATE	—	42.40	42.40
F/253863 EL DESEO RESIDENCIAL	REAL ESTATE	—	65.00	65.00
FIAT CREDITO ARGENTINA COMPAÑIA FINANCIERA SA	FINANCIAL SERVICES	—	50.00	50.00
FIDEICOMISO LOTE 6.1 ZARAGOZA	REAL ESTATE	—	59.99	59.99
FOMENTO Y DESARROLLO DE CONJUNTOS RESIDENCIALES S.L. EN LIQUIDACION	IN LIQUIDATION	—	60.00	60.00
GARANTI BBVA EMEKLILIK AS	INSURANCES	—	84.91	84.91
GESTION DE PREVISION Y PENSIONES SA	PENSION FUND MANAGEMENT	60.00	—	60.00
INVERSIONES BANPRO INTERNATIONAL INC NV	INVESTMENT COMPANY	48.00	—	48.00
INVERSIONES P.H.R.4, C.A.	NO ACTIVITY	—	60.46	60.46
MOVISTAR CONSUMER FINANCE COLOMBIA SAS	IN LIQUIDATION	—	50.00	50.00
PRO-SALUD, C.A.	NO ACTIVITY	—	58.86	58.86
PROVINCIAL DE VALORES CASA DE BOLSA CA	SECURITIES DEALER	—	60.00	60.00
PSA FINANCE ARGENTINA COMPAÑIA FINANCIERA SA	BANKING	—	50.00	50.00
SOCIEDAD PERUANA DE FINANCIAMIENTO SAC	FINANCIAL SERVICES	—	50.00	50.00
VOLKSWAGEN FINANCIAL SERVICES COMPAÑIA FINANCIERA SA	BANKING	—	51.00	51.00

APPENDIX VI. BBVA Group's structured entities as of December 31, 2025. 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, 2025
TDA 22 Mixto FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	9-dic.-04	592	26
HIPOCAT 9 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	25-nov.-05	1,016	68
HIPOCAT 10 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	5-jul.-06	1,526	101
TDA 27 Mixto FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	22-dic.-06	275	88
BBVA RMBS 1 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	19-feb.-07	2,500	378
HIPOCAT 11 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	9-mar.-07	1,628	118
BBVA RMBS 2 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	26-mar.-07	5,000	714
BBVA LEASING 1 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	24-jun.-07	2,500	84
BBVA RMBS 3 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	22-jul.-07	3,000	711
TDA 28 Mixto FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	23-jul.-07	250	66
TDA TARRAGONA 1 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	30-nov.-07	397	36
GAT VPO	BANCO BILBAO VIZCAYA ARGENTARIA SA	25-jun.-09	780	5
BBVA RMBS 14 FTA	BANCO BILBAO VIZCAYA ARGENTARIA SA	24-nov.-14	700	213
BBVA Consumer Auto 2020-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	15-jun.-20	1,100	184
BBVA CONSUMO 11 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	12-mar.-21	2,500	271
BBVA RMBS 20 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	14-jun.-21	2,500	1,580
BBVA RMBS 21 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	17-mar.-22	12,400	7,910
BBVA CONSUMER AUTO 2022-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	13-jun.-22	1,200	341
BBVA RMBS 22 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	28-nov.-22	1,400	1,094
BBVA CONSUMO 12 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	13-mar.-23	3,000	1,114
BBVA CONSUMER AUTO 2023-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	8-jun.-23	800	409
BBVA LEASING 3 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	27-nov.-23	2,400	909
BBVA CONSUMO 13 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	11-mar.-24	2,000	1,057
BBVA CONSUMER 2024-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	20-may.-24	800	477
BBVA RMBS 23 FT	BANCO BILBAO VIZCAYA ARGENTARIA SA	13-jun.-24	5,450	4,672
BBVA CONSUMER AUTO 2024-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	16-sep.-24	1,000	744
BBVA CONSUMER 2025-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	26-may.-25	2,350	1,993
BBVA CONSUMER AUTO 2025-1	BANCO BILBAO VIZCAYA ARGENTARIA SA	11-sep.-25	1,000	951

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, 2025 and 2024

ISSUE TYPE AND DATA (MILLIONS OF EUROS)

	2025	2024	Interest rate in force in 2025	Fix (F) or variable (V)	Maturity date
Non-convertible					
March-07	75	75	3.36%	V	Perpetual
March-08	125	125	6.03%	V	March-33
February-17	1,000	999	3.50%	F	February-27
February-17	100	99	4.00%	F	February-32
March-17	65	65	4.00%	F	February-32
March-17	53	53	4.06%	V	March-27
March-17	102	116	5.70%	F	March-32
May-17	22	21	1.60%	F	May-27
May-17	150	150	2.54%	F	May-27
May-18	253	287	5.25%	F	May-33
January-20	—	994	—%	V	January-30
July-20	344	362	3.10%	V	July-31
June-23	745	745	5.75%	V	September-33
August-23	343	361	8.25%	V	November-33
November-23	638	722	7.88%	V	November-34
February-24	1,248	1,248	4.88%	V	February-36
August-24	997	996	4.38%	V	August-36
February-25	999	—	4.00%	V	Perpetual
Subordinated debt - convertible					
November-17	851	963	6.13%	V	Perpetual
September-19	—	963	0.00%	V	Perpetual
July-20	1,000	1,000	6.00%	V	Perpetual
June-23	1,000	1,000	8.38%	V	Perpetuo
September-23	851	963	9.38%	V	Perpetuo
June-24	750	750	6.88%	V	Perpetuo
January-25	851	—	7.75%	V	Perpetuo
November-25	1,000	—	5.63%	V	Perpetuo
Subtotal	13,562	13,057			
Subordinated deposits	—	189			
Total	13,562	13,246			

This Appendix is an integral part of Note 20.4 of the financial statements for the year ended December 31, 2025.

APPENDIX VIII. Balance sheets held in foreign currency as of December 31, 2025 and 2024

BALANCE SHEET HELD IN FOREIGN CURRENCY (MILLIONS OF EUROS)

	USD	Pounds sterling	Other currencies	Total
December 2025				
Assets				
Financial assets held for trading	23,448	3,775	4,058	31,281
Non-trading financial assets mandatorily at fair value through profit or loss	419	—	19	438
Financial assets designated at fair value through other comprehensive income	3,564	531	259	4,355
Financial assets at amortized cost	47,558	4,941	5,313	57,811
Investments in subsidiaries, joint ventures and associates	2,150	222	19,095	21,467
Tangible assets	129	31	6	167
Other Assets	11,640	140	932	12,711
Total	88,907	9,640	29,682	128,229
Liabilities				
Financial assets held for trading	17,350	3,440	1,352	22,142
Other financial liabilities designated at fair value through profit or loss	3,428	42	506	3,976
Financial liabilities at amortized cost	64,179	5,521	3,663	73,363
Other Liabilities	385	77	62	524
Total	85,343	9,080	5,582	100,005

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

This Appendix is an integral part of Note 2.16 of the financial statements for the year ended December 31, 2025.

APPENDIX IX. Income statement corresponding to the first and second half of 2025 and 2024

INCOME STATEMENTS (MILLIONS OF EUROS)

	Six months ended June 30, 2025	Six months ended June 30, 2024	Six months ended December 31, 2025	Six months ended December 31, 2024
Interest income	7,656	8,990	7,788	8,596
<i>Financial assets and liabilities at fair value through other comprehensive income</i>	147	202	152	181
<i>Financial assets at amortized cost</i>	5,692	6,053	5,644	6,148
<i>Other interest income</i>	1,817	2,735	1,992	2,267
Interest expense	(4,382)	(5,757)	(4,420)	(5,434)
NET INTEREST INCOME	3,274	3,233	3,368	3,163
Dividend income	4,220	4,891	436	526
Fee and commission income	1,532	1,431	1,653	1,505
Fee and commission expense	(360)	(311)	(515)	(384)
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	47	76	8	(1)
<i>Financial assets at amortized cost</i>	30	28	2	(1)
<i>Other financial assets and liabilities</i>	16	48	7	—
Gains (losses) on financial assets and liabilities held for trading, net	340	195	247	489
<i>Reclassification of financial assets from fair value through other comprehensive income</i>	—	—	—	—
<i>Reclassification of financial assets from amortized cost</i>	—	—	—	—
<i>Other gains or losses</i>	340	195	247	489
Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss, net	47	(8)	(7)	86
<i>Reclassification of financial assets from fair value through other comprehensive income</i>	—	—	—	—
<i>Reclassification of financial assets from amortized cost</i>	—	—	—	—
<i>Other gains or losses</i>	47	(8)	(7)	86
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net	(47)	174	(6)	—
Gains (losses) from hedge accounting, net	(1)	—	2	2
Exchange differences, net	4	105	7	152
Other operating income	329	285	307	277
Other operating expense	(75)	(426)	(99)	(90)
GROSS INCOME	9,310	9,647	5,400	5,726
Administrative expense	(2,157)	(2,182)	(2,603)	(2,358)
<i>Personnel expense</i>	(1,295)	(1,237)	(1,513)	(1,376)
<i>Other administrative expense</i>	(863)	(944)	(1,089)	(982)
Depreciation and amortization	(327)	(319)	(339)	(322)
Provisions or reversal of provisions	(91)	(33)	(75)	(98)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss or net gains by modification	(334)	(372)	(394)	(368)
<i>Financial assets at amortized cost</i>	(332)	(372)	(384)	(372)
<i>Financial assets at fair value through other comprehensive income</i>	(2)	—	(9)	3
NET OPERATING INCOME	6,402	6,740	1,988	2,579
Impairment or reversal of impairment of investments in subsidiaries, joint ventures and associates	(724)	192	666	2,054
Impairment or reversal of impairment on non-financial assets	5	(1)	(14)	(10)
<i>Tangible assets</i>	8	4	(9)	(9)
<i>Intangible assets</i>	(3)	(5)	(6)	(1)
<i>Other assets</i>	—	—	—	—
Gains (losses) on derecognition of non-financial assets and subsidiaries, net	3	37	10	14
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	(13)	(5)	(1)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	5,703	6,954	2,644	4,636
Tax expense or income related to profit or loss from continuing operations	(604)	(742)	(586)	(613)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	5,099	6,213	2,058	4,022
Profit (loss) after tax from discontinued operations	—	—	—	—
PROFIT (LOSS) FOR THE YEAR	5,099	6,213	2,058	4,022

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, 2025 and 2024 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	
	2025	2024	2025	2024	2025	2024
Financing to construction and real estate development (including land) (Business in Spain)	2,314	2,207	665	473	(69)	(108)
<i>Of which: Impaired assets</i>	99	136	31	45	(60)	(90)
<i>Memorandum item:</i>						
Write-offs	2,100	2,100				
<i>Memorandum item:</i>						
Total loans and advances to customers, excluding the Public Sector (Business in Spain)	199,526	179,899				
Total consolidated assets (total business)	532,047	468,295				
Impairment and provisions for normal exposures	(1,317)	(1,253)				

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)

	2025	2024
Without secured loan	356	408
With secured loan	1,958	1,799
Terminated buildings	837	832
<i>Homes</i>	646	656
<i>Other</i>	191	177
Buildings under construction	1,007	869
<i>Homes</i>	1,000	843
<i>Other</i>	7	26
Land	114	97
<i>Urbanized land</i>	91	76
<i>Rest of land</i>	23	22
Total	2,314	2,207

As of December 31, 2025 and 2024, 36.2% and 37.7% of loans to developers were guaranteed with buildings (77.2% and 78.8% are homes), and only 4.9% and 4.4% by land, of which 79.8% and 78.4% are in urban locations, respectively.

The table below provides the breakdown of the financial guarantees given as of December 31, 2025 and 2024:

FINANCIAL GUARANTEES GIVEN (MILLIONS OF EUROS)

	2025	2024
Houses purchase loans	83	53
Without mortgage	2	2

The information on the retail mortgage portfolio risk (housing mortgage) as of December 31, 2025 and 2024 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	
	2025	2024	2025	2024
Houses purchase loans	72,631	71,709	2,071	2,889
<i>Without mortgage</i>	1,313	1,416	10	9
<i>With mortgage</i>	71,318	70,294	2,061	2,880

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)					Total
	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%	
December 2025						
Gross amount	19,309	21,566	23,824	4,198	2,421	71,318
<i>of which: Impaired loans</i>	348	472	472	332	437	2,061
December 2024						
Gross amount	18,584	21,171	23,193	4,643	2,702	70,294
<i>of which: Impaired loans</i>	314	502	622	539	904	2,880

Outstanding home mortgage loans for house purchase as of December 31, 2025 and 2024 had an average LTV of 41% and 41% 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	
	2025	2024	2025	2024	2025	2024	2025	2024
	Real estate assets from loans to the construction and real estate development sectors in Spain.	1	1	(1)	(1)	—	—	—
Terminated buildings	—	—	—	—	—	—	—	—
<i>Homes</i>	—	—	—	—	—	—	—	—
<i>Other</i>	—	—	—	—	—	—	—	—
Buildings under construction	—	—	—	—	—	—	—	—
<i>Homes</i>	—	—	—	—	—	—	—	—
<i>Other</i>	—	—	—	—	—	—	—	—
Land	—	1	—	(1)	—	—	—	—
<i>Urbanized land</i>	1	1	(1)	(1)	—	—	—	—
<i>Rest of land</i>	—	—	—	—	—	—	—	—
Real estate assets from mortgage financing for households for the purchase of a home	331	382	(192)	(202)	(75)	(66)	139	180
Rest of foreclosed real estate assets	207	283	(145)	(194)	(43)	(61)	62	88
Equity instruments, investments and financing to non-consolidated companies holding said assets	—	—	—	—	—	—	—	—
Total	539	666	(338)	(398)	(118)	(127)	201	268

The gross book value of real-estate assets from mortgage lending to households for home purchase as of December 31, 2025 and 2024 amounted to €331 and €382 million, respectively, with an average coverage ratio of 58% and 52.9%, respectively.

As of December 31, 2025 and 2024, the gross book value total real-estate assets (business in Spain), including other real-estate assets received as debt payment, was €539 and €667 million, respectively. The coverage ratio was 62.7% and 59.7%, respectively.

This Appendix is an integral part of Note 5 of the financial statements for the year ended December 31, 2025.

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 generally 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									
	Number of operations		Gross carrying amount		Number of operations		Gross carrying amount		Maximum amount of secured loans that can be considered				Accumulated impairment or accumulated losses in fair value due to credit risk	
									Real estate mortgage secured		Rest of secured loans			
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General Governments	28	36	9	14	—	4	—	1	—	—	—	—	5	4
Other financial corporations and individual entrepreneurs (financial business)	233	269	14	6	16	18	1	4	—	3	—	—	5	3
Non-financial corporations and individual entrepreneurs (corporate non-financial activities)	43,226	37,442	2,430	2,011	3,472	3,705	699	936	367	478	12	10	1,032	1,026
<i>Of which: financing the construction and property (including land)</i>	56	71	11	12	316	377	84	128	49	56	—	2	42	74
Rest homes	48,935	51,157	680	729	28,403	33,095	3,116	3,632	2,385	2,564	—	—	888	1,120
Total	92,422	88,904	3,133	2,760	31,891	36,822	3,816	4,573	2,752	3,045	12	10	1,930	2,153

OF WHICH: IMPAIRED

	TOTAL													
	Unsecured loans				Secured loans									
	Number of operations		Gross carrying amount		Number of operations		Gross carrying amount		Maximum amount of secured loans that can be considered				Accumulated impairment or accumulated losses in fair value due to credit risk	
									Real estate mortgage secured		Rest of secured loans			
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General Governments	16	23	6	9	—	4	—	1	—	—	—	—	5	4
Other financial corporations and individual entrepreneurs (financial business)	132	157	12	4	11	11	1	1	—	—	—	—	5	3
Non-financial corporations and individual entrepreneurs (corporate non-financial activities)	25,923	26,074	1,198	1,211	2,092	2,579	434	614	158	225	5	6	890	920
<i>Of which: financing the construction and property (including land)</i>	47	63	11	12	221	280	54	86	21	23	—	—	40	68
Rest homes	29,676	31,456	447	484	14,146	19,836	1,510	2,209	973	1,376	—	—	780	991
Total	55,747	57,710	1,663	1,708	16,249	22,430	1,945	2,825	1,131	1,602	5	6	1,680	1,919

c. Loans and advances to customers by activity (carrying amount)

DECEMBER 2025 (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%					
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
General governments	15,975	13,089	206	228	—	—	118	124	59	68	29	34	1	34	—	1
Other financial institutions and financial individual entrepreneurs	41,224	25,912	871	632	24,541	16,683	240	209	416	341	70	248	15,808	248	8,880	8,086
Non-financial institutions and non-financial individual entrepreneurs	128,098	110,917	11,919	10,706	2,596	2,143	5,306	5,090	4,167	3,893	1,751	1,662	1,158	1,662	2,133	1,296
<i>Construction and property development</i>	2,018	1,876	1,858	1,693	3	5	587	940	591	602	301	98	106	98	276	18
<i>Construction of civil works</i>	5,832	5,089	407	420	193	213	208	199	138	158	70	83	4	83	180	185
<i>Other purposes</i>	120,248	103,952	9,654	8,592	2,400	1,925	4,510	3,951	3,438	3,134	1,380	1,481	1,048	1,481	1,677	1,093
Large companies	94,794	78,907	4,261	3,849	1,778	1,401	2,062	1,780	1,423	1,313	450	687	833	687	1,272	793
SMEs ⁽²⁾ and individual entrepreneurs	25,454	25,045	5,393	4,743	622	525	2,448	2,172	2,015	1,821	931	794	215	794	406	300
Rest of households and NPISHs ⁽³⁾	94,386	91,377	72,039	70,581	220	242	20,337	19,620	21,907	21,605	23,895	23,174	3,988	23,174	2,133	2,132
<i>Housing</i>	73,267	71,729	71,434	69,840	72	78	20,122	19,367	21,747	21,418	23,744	23,017	3,874	23,017	2,019	1,930
<i>Consumption</i>	17,787	16,354	40	64	80	95	45	53	21	39	25	27	12	27	17	25
<i>Other purposes</i>	3,332	3,293	565	677	68	70	170	200	139	148	126	130	102	130	97	176
TOTAL	279,683	241,296	85,036	82,147	27,357	19,069	26,000	25,043	26,549	25,906	25,744	25,118	20,954	25,118	13,146	11,515
<i>MEMORANDUM:</i>																
Forbearance operations ⁽⁴⁾	5,037	5,179	3,015	3,436	36	34	803	817	794	795	665	721	378	721	412	651

(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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Credit institutions	105,989	98,589	22,211	17,332	28,781	29,301	27,892	24,338	27,105	27,617
General governments	89,383	72,523	61,535	54,556	21,170	12,437	5,159	4,298	1,519	1,233
<i>Central Administration</i>	71,928	57,751	45,446	41,061	20,434	11,724	5,034	4,130	1,014	835
<i>Other</i>	17,456	14,772	16,089	13,494	736	713	125	167	505	398
Other financial institutions and financial individual entrepreneurs	93,518	71,023	13,265	11,660	34,313	28,056	26,230	18,372	19,710	12,935
Non-financial institutions and non-financial individual entrepreneurs	192,868	167,656	95,895	89,603	33,744	28,848	36,236	28,870	26,993	20,335
<i>Construction and property development</i>	3,184	2,835	3,184	2,835	—	—	—	—	—	—
<i>Construction of civil works</i>	10,513	9,205	6,553	6,187	1,408	1,077	1,264	710	1,289	1,232
<i>Other purposes</i>	179,171	155,616	86,158	80,581	32,336	27,772	34,972	28,160	25,704	19,103
<i>Large companies</i>	151,508	128,028	59,794	54,722	31,510	26,995	34,758	27,989	25,446	18,322
<i>SMEs and individual entrepreneurs</i>	27,663	27,588	26,365	25,859	826	776	214	172	258	781
Other households and NPISHs	94,727	91,693	93,357	90,506	1,143	926	66	72	160	189
<i>Housing</i>	73,267	71,730	72,038	70,761	1,037	745	50	57	142	167
<i>Consumer</i>	17,787	16,354	17,680	16,271	84	62	14	13	8	9
<i>Other purposes</i>	3,673	3,609	3,639	3,474	22	119	2	2	10	14
TOTAL	576,485	501,484	286,263	263,657	119,151	99,569	95,583	75,949	75,488	62,309

(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⁾		Andalucía		Aragón		Asturias		Balears		Canarias		Cantabria		Castilla La Mancha		Castilla y León		Cataluña	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Credit institutions	22,211	17,332	279	1,705	50	23	—	—	18	37	—	—	2,026	1,879	—	—	—	—	137	188
Government agencies	61,535	54,555	2,424	2,044	178	270	358	352	125	215	774	842	5	5	296	174	1,538	1,481	2,399	1,645
<i>Central Administration</i>	45,446	41,061	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Other</i>	16,089	13,494	2,424	2,044	178	270	358	352	125	215	774	842	5	5	296	174	1,538	1,481	2,399	1,645
Other financial institutions and financial individual entrepreneurs	13,265	11,660	124	109	117	56	108	14	76	108	3	3	—	—	2	2	4	4	352	417
Non-financial institutions and non-financial individual entrepreneurs	95,895	89,603	8,469	7,861	2,291	2,090	1,327	1,428	2,950	2,586	2,679	2,476	561	534	1,860	1,782	2,196	1,646	14,571	14,233
<i>Construction and property development</i>	3,184	2,835	374	472	75	60	37	37	35	37	130	105	32	19	42	57	28	25	561	525
<i>Construction of civil works</i>	6,553	6,187	663	612	215	156	52	49	128	120	145	119	53	47	245	234	110	106	871	959
<i>Other purposes</i>	86,158	80,581	7,432	6,776	2,002	1,874	1,239	1,342	2,788	2,429	2,405	2,252	476	468	1,573	1,491	2,059	1,515	13,138	12,749
<i>Large companies</i>	59,794	54,722	3,099	2,488	1,246	1,109	917	1,037	2,062	1,758	1,242	1,124	285	272	688	595	1,242	694	7,284	6,886
<i>SMEs and individual entrepreneurs</i>	26,365	25,859	4,332	4,288	756	765	322	305	726	671	1,163	1,128	191	196	884	896	817	821	5,854	5,864
Other households and NPISHs	93,357	90,506	14,794	14,191	1,431	1,393	1,278	1,251	2,010	1,976	4,132	3,982	898	874	2,662	2,598	3,123	3,016	27,065	26,665
<i>Housing</i>	72,038	70,761	11,333	11,017	1,060	1,064	907	901	1,563	1,568	2,762	2,731	724	708	1,875	1,881	2,328	2,279	21,928	21,770
<i>Consumer</i>	17,680	16,271	3,107	2,820	333	293	304	286	417	381	1,271	1,153	144	137	726	657	669	616	4,054	3,826
<i>Other purposes</i>	3,639	3,474	355	353	39	37	66	64	30	27	99	98	30	29	62	60	127	121	1,083	1,069
TOTAL	286,263	263,657	26,090	25,910	4,068	3,833	3,070	3,044	5,179	4,922	7,588	7,304	3,490	3,291	4,820	4,556	6,862	6,147	44,524	43,147

(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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Credit institutions	—	—	20	32	18,751	12,206	—	—	—	—	677	1,129	253	132	—	—	—	—
Government agencies	155	114	787	820	3,606	3,119	38	57	305	302	1,569	546	1,507	1,390	7	79	19	39
<i>Central Administration</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Other</i>	155	114	787	820	3,606	3,119	38	57	305	302	1,569	546	1,507	1,390	7	79	19	39
Other financial institutions and financial individual entrepreneurs	2	2	27	30	9,375	10,016	51	5	6	3	19	7	2,997	884	—	—	—	—
Non-financial institutions and non-financial individual entrepreneurs	1,007	1,023	3,096	3,014	37,700	34,391	1,634	1,626	1,195	1,084	7,179	6,607	6,680	6,755	384	353	115	115
<i>Construction and property development</i>	11	9	92	68	1,354	1,145	73	55	54	2	222	152	60	59	4	6	1	1
<i>Construction of civil works</i>	52	52	397	344	2,928	2,710	81	89	58	55	323	304	190	187	27	30	15	13
<i>Other purposes</i>	944	962	2,607	2,602	33,419	30,536	1,480	1,482	1,083	1,027	6,633	6,151	6,430	6,508	353	318	99	100
<i>Large companies</i>	404	429	1,621	1,611	28,499	25,872	797	769	819	737	4,033	3,789	5,352	5,386	192	153	11	13
<i>SMEs and individual entrepreneurs</i>	540	533	986	991	4,920	4,664	682	713	264	290	2,600	2,362	1,079	1,122	161	165	88	87
Other households and NPISHs	1,607	1,549	3,443	3,268	15,670	14,931	2,101	2,026	508	499	8,368	8,172	3,146	3,018	342	337	780	761
<i>Housing</i>	1,144	1,124	2,465	2,412	12,284	11,827	1,542	1,511	383	386	6,322	6,280	2,536	2,431	257	259	624	612
<i>Consumer</i>	420	384	784	731	2,333	2,114	520	478	109	98	1,837	1,679	437	416	72	65	143	137
<i>Other purposes</i>	42	41	193	126	1,052	990	39	37	15	15	210	212	172	171	12	13	13	12
TOTAL	2,771	2,688	7,373	7,164	85,102	74,664	3,824	3,714	2,014	1,887	17,812	16,462	14,583	12,178	733	770	914	914

Appendix XII. Agency Network

JON MIKEL LEJONA DE SOLA	CRISTINA RUBIO SEGARRA	DACEZA SOLUCIONES S L U
EMILIO GUSTAVO GONZALEZ GUTIERREZ	AROA ATIENZA QUINTERO	GERARD MARTINEZ ALCAÑIZ
GESTION ESTUDIO Y AUDITORIA DE EMPRESAS GEA S.R.L.	EDUARD AMAT RAMIREZ	LLUIS CASAS CASTELLA
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SIRA ASUNCION ORUE BARASOAIN	PEDRO PRIGMAN RUIZ	MARIA ISABEL GONZALEZ ALVAREZ
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GONZALO CASTEJON DE LA ENCINA	SERGIO DIENTE ALONSO	DAVID LLOPIS GINESTRA
CARLOS VELEZ GOMEZ	EMASFA S.L.	SONIA PERANSI MELICH
FRANCISCO JAVIER MARIN ALFONSO	TELEMEDIDA Y GAS S.L.	LAURA BARBAZAN DURAN
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JAVIER CANALES FUENTE	FRANCISCO JAVIER SMITH BASTERRA	ORIO L MURIA GALLEGO
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CRISTINA ACEBES PEREZ	MARIA ENCARNACION MARTINEZ MEZQUITA	TERESA ROSARIO FABRA VERGE
PATRICIA LOPEZ SANCHEZ	LAURA GISTAU LATRE	MARIA PILAR CALVET REVERTE
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CARLOS GOMEZ EBRI	LAURA SOTUCA SANCHEZ	MARIA DOLORES SUBIRATS ESPUNY
EZEQUIEL AND SANCHEZ CONSULTORES S.L.	JOSEFA FOLCRA MARTIN	JOSE JOAQUIN GIMENO PLA
LEONILA PLUS S.L.	ELISABET LOPEZ BASCOMPTE	JOAN CATALA FERRE
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SANDRA LLORENS MARTINEZ	VICENTE MONTESINOS CONTRERAS	ESTIBALIZ REBOLLO GARCIA
LEOPOLDO MARTINEZ BERMUDEZ	IGNACIO VALLS BENAVIDES	FAMILYSF SALUFER S.L.
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LAFUENTE SERVICIOS EXTERNOS S.L.	TIO CODINA ASSESSORS D INVERSIONS S.L.	EDUARDO BALLESTER GOMILA
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MARIA DE LAS MER AIX MARTINEZ	MITJAVILA Y ASOCIADOS ESTUDIO JURIDICO FISCAL S.L.	LAURA RIERA GARCIA
MERCEDES LOZANO CALVO		

Glossary

Actuarial risk	Arising from deviations in the biometric or behavioral variables used in the valuation of future commitments (such as mortality, longevity, disability, or persistence) which may negatively affect the technical balance of insurance or social security products.
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: <ul style="list-style-type: none"> · 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: <ul style="list-style-type: none"> 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)	<p>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:</p> <ol style="list-style-type: none"> 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. <p>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).</p>
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 been 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: <ul style="list-style-type: none"> 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	<p>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:</p> <p>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.</p> <p>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.</p>
Significant influence	<p>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.</p> <p>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.</p>
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	<p>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).</p> <p>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.</p>

Statements of cash flows	<p>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:</p> <ul style="list-style-type: none"> · 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	<p>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.</p> <p>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.</p>
Statements of recognized income and expenses	<p>The statement of recognized income and expenses reflect the income and expenses generated in each fiscal year, distinguishing between those recognized in the income statement and the "Other recognized income and expenses"; which are recorded directly in the equity.</p> <p>The "Other recognized income and expenses" includes the variations that have occurred in the period in "accumulated other comprehensive income", detailed by concepts.</p> <p>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".</p>
Structured credit products	Special financial instrument backed by other instruments building a subordination structure.
Structured Entities	<p>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:</p> <ol style="list-style-type: none"> 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	<p>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:</p> <ol style="list-style-type: none"> 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)	<p>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:</p> <p>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.</p> <p>a. VaR with smoothing, which weighs more recent market information more heavily. This is a metric which supplements the previous one.</p> <p>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.</p>
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, geopolitical tensions and tariff policies; (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. 2025

Management Report



Contents

1. BBVA in brief	2
2. Financial information	3
3.1 Balance sheet, business activity and earnings	3
3.2 Capital base and solvency	4
3. Risk management	5
3.1 General risk management and control model	5
3.2 Risks associated with climate change	19
3.3 Operational risk	19
3.4 Reputational risk	25
3.5 Risk factors	26
4. Non-financial Information Statement	32
Subsequent events	33
Annual Corporate Governance Report	34
Annual Report on Directors' Remuneration	35
Legal Disclaimer	36

1. BBVA in brief

Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, the Bank or BBVA) is a private law entity, subject to the regulations and rules of banking entities operating in Spain.

BBVA is a bank founded in 1857 and is the parent company of the Banco Bilbao Vizcaya Argentaria Group (hereinafter, the BBVA Group or the Group), a global financial group with a customer-centric vision and a significant presence in the traditional banking business of retail banking, asset management and wholesale banking.

Throughout its 165-year history, BBVA has distinguished itself through its leadership in transforming the financial industry, a commitment reflected in the Group's new Purpose: **"Support your drive to go further"**. Within the framework of its new 2025-2029 strategic cycle, BBVA is focused on radically placing the customer at the heart of everything it does and decides. Innovation remains a key driver of growth, with data and Artificial Intelligence playing a leading role. Sustainability also reaffirms its importance as a lever for differentiation and growth. Furthermore, in this cycle, BBVA will place special emphasis on corporate clients, supporting them in achieving their objectives and helping them grow sustainably to reach even greater heights.

BBVA, S.A., as the parent company of the BBVA Group, operates internationally and is therefore affected by economic and regulatory trends in all the geographic areas where it operates through the BBVA Group entities. Further information regarding the economic and sectoral environment and outlook, as well as a summary of significant regulatory aspects, is included in the "Macroeconomic and Regulatory Environment" chapter of the BBVA Group's Consolidated Management Report.

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:

As of December 31, 2025, the Bank's total assets increased compared to December 2024 to €532,047 million from €468,295 million, mainly due to the rise in "Financial assets held for trading" (€98,448 million as of December 31, 2025 against €89,167 million as of the same date of the prior year); "Financial assets at amortized cost" (€338,143 million at the end of 2025 compared to €295,471 million as of the same date of the prior year) and "Cash, cash balances at central banks and other demand deposits" which showed an increase from €20,755 million as of December 31, 2024 to €31,176 million as of December 31, 2025.

On the other hand, as of December 31, 2025, total liabilities increased compared to December 2024, 494,979 million against 431,229 million, registering increases especially in the headings of "Financial liabilities at amortized cost" (405,055 million euros as of December 31, 2025 compared to 349,381 million of the previous year) and "Financial liabilities held for trading" (€77,667 million as of December 31, 2025 against €70,943 million as of December 31, 2024).

In 2025, the Bank obtained a profit for the year of €7,157 million, compared to €10,235 million of the previous year and the result of the following factors:

- Net interest income rose during the year from €6,396 million at December 31, 2024 to €6,642 million at December 31, 2025, mainly due to lower interest expenses.
- Dividend income have experienced a decrease compared to the previous year, from €5,417 million as of December 31, 2024 to €4,656 million as of December 31, 2025.
- Gross margin in 2025 stood at €14,710 million, compared to €15,373 million obtained in 2024, thanks mainly to dividend income and Gains (losses) on financial assets and liabilities.
- Compared to the previous year, the environment was marked by inflationary pressure, where administrative expenses increased (€-4,760 million in fiscal year 2025 against €-4,540 million in fiscal year 2024), 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" stood at -58 million, mainly as a result of the valuation of the stake in Garanti BBVA, and compares negatively with the year 2024, 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 implemented a comprehensive Risk Management and Control Model (the "Model") tailored to its business model, organizational structure, countries of operation, and corporate governance system. The Model enables the Group to operate in alignment with the risk strategy and policy defined by BBVA's governing bodies, providing both those bodies and the highest executive levels with a holistic view of all risks to which the Group is exposed.

The Model is applied across the entire Group and consists of the following core elements:

- a governance model, both at the level of the corporate bodies and the executive domain;
- a Risk Appetite Framework;
- a set of processes for risk assessment, monitoring, and reporting;
- a set of internal regulations, resources, and infrastructure; and
- a risk culture led by senior management (tone from the top).

The Model also incorporates the regulatory environment applicable to the Bank, supervisory expectations, and the evolving economic and regulatory landscape in which the Group operates.

General principles

Risk management and control within the BBVA Group shall be carried out in accordance with the provisions of the General Policies (including the Model) and the decisions adopted by the corporate bodies (including the Risk Appetite Framework), and in compliance with the following general principles:

- Prudence: risk management at BBVA is guided by a prudent approach, aiming to ensure the Group's preparedness to address risks, even under highly adverse scenarios.
- Proactivity and foresight: BBVA adopts a proactive and forward-looking approach to risk management, enabling the swift implementation of measures in response to any early signs of undesired risk increases.
- Comprehensive Management (end-to-end): BBVA manages risk throughout its entire lifecycle: origination and/or identification, measurement, monitoring, and management (including mitigation and/or prevention, as applicable). This requires proper coordination among all relevant executive areas.
- Critical thinking: risk management and control at BBVA shall be carried out in an environment that enables and encourages constructive challenge, critical thinking, and diversity of perspectives to enrich the decision-making process.

- Integrity, ethical conduct, and regulatory compliance: the effectiveness of BBVA's risk management and control model requires maintaining the highest standards of corporate integrity and ethical conduct by all its members, in accordance with the BBVA Group's Code of Conduct, the Group's purpose and values, and in full compliance with all laws and regulations applicable to the Bank in the course of its activities.
- Well-defined organizational responsibilities: risk management relies on a governance framework that must include clearly defined organizational responsibilities, commonly referred to as the «three lines of defense»:
 - the business line;
 - an independent risk management and compliance function, separate from the first line of defense; and
 - an internal audit function, independent from both the first and second lines of defense.
- Accountability: the effectiveness of BBVA's risk management and control model depends on each employee fulfilling and taking responsibility for the functions assigned to them under the three lines of defense model.

Risk governance within the corporate bodies

The BBVA Group's risk governance model is characterized by the active involvement of its corporate bodies, both in setting the risk strategy and in continuously overseeing its implementation. This provides them with a holistic view of all the risks to which the Group is exposed.

In accordance with BBVA's corporate governance system, the Board of Directors reserves certain responsibilities related both to management—by adopting the most significant decisions—and to oversight and control—by monitoring and supervising decisions taken and the Bank's management.

To ensure the effective performance of these management and supervisory responsibilities, the corporate governance system provides for various committees that support the Board of Directors in matters within its remit, as defined by the specific regulations governing each committee. A coordinated working structure among these governing bodies has been established.

The following sections outline the roles of BBVA's corporate bodies in the Group's risk management and control framework:

Board of Directors

The Board of Directors is responsible for setting the Group's risk strategy and, in carrying out this function, defines the risk management and control policy, which is embodied in:

- the Group's Risk Appetite Framework, as defined in the Model;
- the set of General Risk Management Policies for the various risk types to which the Bank is or may be exposed, which establish the core principles for managing and controlling risks in a consistent and uniform manner across the Group, and in alignment with the Model and the Risk Appetite Framework; and
- the Model.

These responsibilities are carried out in coordination with the Bank's other strategic and forward-looking decisions, including the Strategic Plan, the Annual Budget, the Capital Plan, and the Liquidity and Funding Plan, as well as other management objectives, all of which are also subject to the approval of the Board of Directors.

In addition to defining the risk strategy, the Board of Directors exercises oversight and control functions related to risk by monitoring the evolution of risks at the Group level and across its main business areas, to ensure alignment with the Group's Risk Appetite Framework. The Board also oversees the internal information and control systems.

In discharging all of these responsibilities, the Board of Directors is supported by its Committees, in accordance with the roles set out in their respective regulations and as described below.

The Risk and Compliance Committee

The Risk and Compliance Committee ("RCC") is a committee of the Board composed of non-executive directors. Its primary role is to assist the Board of Directors in defining and monitoring the Group's risk management and control policy.

In line with the responsibilities assigned under its regulations, the Committee supports the Board of Directors by performing, among others, the following functions:

- It reviews, based on the strategic foundations set by the Board of Directors (or, where applicable, by the Executive Committee), proposals related to the Group's risk strategy, control, and management—such as the Risk Appetite Framework and the Model—and submits them to the Board for consideration and, where appropriate, approval;
- It proposes, in alignment with the Group's Risk Appetite Framework and the Model, the General Risk Management Policies for the Group's various risk types and supervises the internal control and information systems;
- It monitors the evolution of both financial and non-financial risks and their alignment with the Risk Appetite Framework and the general policies, providing more detailed and frequent oversight than that performed by the Board of Directors or the Executive Committee;
- It preliminarily assesses risk mitigation measures that fall under the authority of the Executive Committee or the Board of Directors;
- It oversees the procedures, tools, and indicators used for Group-wide risk measurement and ensures compliance with regulatory and supervisory requirements in risk-related matters;
- It analyzes the risks associated with projects deemed strategic for the Group or corporate transactions to be submitted to the Board of Directors or the Executive Committee, within its scope of competence;
- It participates in the design of the remuneration policy, ensuring that it is consistent with sound and effective risk management and does not encourage risk-taking that exceeds the Group's risk tolerance; and
- It promotes the risk culture throughout the Group.

In 2025, the CRC has held 22 meetings.

Executive Committee

In order to maintain a comprehensive and integrated view of the Group's overall business performance and that of its business units, the Executive Committee monitors the evolution of the Group's risk profile and the key metrics defined by the Board of Directors. It is informed of any deviations or breaches of the metrics established in the Risk Appetite Framework and, where appropriate, adopts the necessary measures, as outlined in this Model.

In addition, the Executive Committee supports the Board of Directors in the development of the foundations for the Risk Appetite Framework, ensuring alignment and coherence with the Bank’s broader strategic and forward-looking decisions, as well as with its management objectives.

Lastly, the Executive Committee assists the Board of Directors in decision-making related to business risk and reputational risk, in accordance with its own regulations.

Other Committees

In addition to the functions carried out by the Risk and Compliance Committee and the Executive Committee, the Board of Directors is also supported by other specialized committees in overseeing certain non-financial risks that fall within the purview of the Risk and Compliance Committee. These include the Audit Committee, which is responsible for the supervision of accounting, tax, and public reporting risks, in addition to its oversight function regarding the independent review activities performed by the Internal Audit Area; and the Technology and Cybersecurity Committee, which oversees risks related to technology and cybersecurity.

Risk Governance model within the executive domain

To carry out the Group’s risk management and control activities, BBVA’s corporate bodies rely on the executive areas, which perform the functions assigned to them under the general policies (including the Model) and the remaining internal regulations. These functions must be carried out in accordance with the Group’s Risk Appetite Framework and the management objectives established by the corporate bodies.

Accordingly, the Board of Directors has defined a model for the management and control of financial and non-financial risks across the Group, based on the three lines of defense model, with clearly defined and independent roles:

Lines of defense	Responsible Area	Functions
First line of defense	Executive areas, depending on the type of risk	Manage and control financial and/or non-financial risks to which the Bank and its Group entities are exposed during the development of their duties including risk identification, measurement, monitoring, and reporting. Risk management and control shall be conducted in accordance with external and internal regulations, while incorporating the challenge function performed by the second and third lines of defense within their respective areas of responsibility.
Second line of defense	Global Risk Management (GRM) Regulation & Internal Control (R&IC)	Acting independently from the first line of defense, it shall be responsible for identifying, measuring, monitoring, and reporting the risks affecting the Group. Establish (or submit to the corporate bodies for approval) the financial and/or non-financial risk management and control frameworks across all executive areas of the Bank, within their respective scopes. Challenge how the executive areas manage and/or control their respective risks throughout their life cycles; and Conduct reviews of the Group’s risk management and control practices.
Third line of defense	Internal Audit	Conduct independent reviews of how the other executive areas fulfill their first and second line risk management and control responsibilities.

The following section outlines, at a general level, the roles and responsibilities of the various executive areas involved in risk management and control under this three lines of defense model, without prejudice to the specific functions assigned to them under other applicable internal and external regulations in force at any given time.

Enterprise Risk Management Committee

To ensure a holistic view of all risks—both financial and non-financial—within key risk planning processes, the BBVA Group has established the Enterprise Risk Management Committee (ERMC). This is a high-level executive committee responsible for the comprehensive management and control of risks.

The committee is co-chaired by the Group Heads of Global Risk Management (GRM) and Regulation & Internal Control (R&IC), and includes other senior executives responsible for financial and non-financial risks across the Group, all of whom perform second line of defense functions. Among its key responsibilities:

- It reviews and endorses the final proposals for the Group's Risk Appetite Framework and the Model, prior to their submission to BBVA's corporate bodies for consideration and, where appropriate, approval. It also monitors compliance with these frameworks throughout the year;
- It promotes a holistic risk management across the BBVA Group, integrating both financial and non-financial risks into the Group's planning processes and into the most relevant regulatory processes (e.g., ICAAP, ILAAP, or the Recovery Plan); and
- It fosters a strong risk culture across the Group, encouraging informed and responsible decision-making aligned with BBVA's Purpose and values, and tracks its evolution over time.

Financial risk domain

BBVA has a Global Risk Management (GRM) area, which is responsible for:

- safeguarding the solvency of the Group and its constituent entities;
- supporting the definition of the Group's strategy in relation to financial risk; and
- supporting the business development through independent and comprehensive financial risk management.

In this context, the GRM area ensures the consistent integration and application of the financial risk strategy across the Group, as well as a uniform regulatory framework, infrastructure, and control environment for this type of risk. To this end, GRM is supported by a committee structure that includes both first and second lines of defense units.

Head of Global Risk Management (GRM)

The Chief Risk Officer (CRO), who leads the Global Risk Management function, is appointed by BBVA's Board of Directors and reports to the Board on the evolution of the Group's financial risks. Functionally, the CRO reports to the Chief Executive Officer and is assigned the responsibilities defined in the General Policy on executive decision-making, as approved by the Board. Specifically, the CRO performs the second line of defense function for financial risks and is granted the independence, authority, seniority, experience, expertise, and resources necessary to perform this role effectively.

To better fulfill its responsibilities, the CRO relies, on the one hand, on an organizational structure composed of financial risk units at the corporate level and the Internal Risk Control Unit. On the other hand, risk units are also embedded within the business units, performing first line of defense functions.

Additionally, the CRO relies on a governance structure composed of various specialized committees, depending on the nature of the risks under his/her responsibility. These culminate in the Global Risk Management Committee (GRMC), which serves as the main executive-level committee for financial risks. Its objective is to develop the strategies, internal regulations, and infrastructure necessary to identify, assess, measure, and manage the risks within its scope of responsibility that the Group faces in the course of its business activities. In some cases, these may be subject to approval by BBVA's corporate governing bodies.

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.
- Work Out Committee: Its purpose is to analyze and make decisions regarding the admission of wholesale credit risks of customers classified as Watch List, "non-performing" or write-offs in accordance with the criteria established in the Group, as well as to be informed of the decisions adopted by the Head in GRM WR of the Portfolio Surveillance & Work Out function within its area of responsibility; it will also include the approval of proposals related to changes in the classification of risks within its scope of responsibility; 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: it is the executive body responsible for ensuring a holistic view of all risks and promoting the optimal mix and composition of portfolios under the constraints imposed by the Risk Appetite Framework ("RAF"). In this way, the aim is to obtain an adequate return for the risks incurred through the cycle and to maintain a robust financial position, reflected in the sufficiency of liquidity and capital to face stress situations.
- 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.
- 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:

- Global Credit Committee of CIB: its purpose is to analyze and make decisions related to wholesale credit risk admission from certain segments of BBVA Group's customer base in addition to receiving information about relevant decisions adopted in this area.
- Global Operational Market and Counterparty Risk Committee: is the executive body responsible for ensuring adequate operational management of these risks in all the group's units, through the design, approval and supervision of the processes necessary for said management, including decision-making with respect to the most relevant operations.

- 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.

Corporate GRM units

The GRM units at the corporate level, as part of the second line of defense for financial risks, support the CRO in the development of the elements used to define the proposal for the Group's Risk Appetite Framework, general policies, internal regulations, and global infrastructures—within the action framework approved by BBVA's corporate governing bodies. They also ensure the implementation of these elements and report—either directly or through the CRO—to BBVA's corporate governing bodies.

Heads of Risk in business units

Each business unit is headed by a Local Head of Risk, who, within the scope of their first line of defense responsibilities, performs risk management and control functions. This role is responsible for managing and controlling the financial risks of the corresponding business area through the consistent application of the Group's Risk Model, general policies, and other internal regulations approved at Group level—adapting them, where necessary, to local requirements—and reporting accordingly to the local corporate governing bodies.

The CRO shall be responsible for ensuring that local Risk units operate with full independence from the units directly linked to the business and are guided by their own risk management criteria. To this end, the CRO assumes the following responsibilities:

- Set the performance objectives for the local Heads of Risk.
- Validate, or if necessary, adjust the performance evaluation of the local Heads of Risk conducted by their hierarchical managers. In the event of a discrepancy, the opinion of the CRO shall prevail.
- Approve the appointment of local Heads of Risk, with the right to veto such appointments, as well as the authority to unilaterally remove them from their position.

In addition, the CRO has access to forums—such as the Global Risk Management Committee (GRMC)—to ensure appropriate coordination with the local Heads of Risk in the execution of their financial risk management and control responsibilities.

Internal Risk Control

The Group has a dedicated Internal Risk Control Unit, whose Group-level head reports directly to the Group CRO. This unit acts as a control function over the activities carried out by the GRM area and the Local Risk areas.

Specifically, the Internal Risk Control Unit is responsible for:

- verifying that the normative framework, models, processes, and measures established by GRM are appropriate and sufficient for each type of financial risk;

- overseeing their implementation and performance, ensuring proper segregation of duties among units;
- challenging decisions made in GRM's most relevant committees, applying an independent and expert perspective;
- conducting validation of risk models; and
- supporting the Risk and Compliance Committee in carrying out its responsibilities related to financial risks.

The Internal Risk Control function operates on a global and cross-cutting basis under a unified methodological framework that covers the full lifecycle of financial risk management. It promotes a critical and analytical perspective, and actively fosters the Group's risk culture.

Non-financial risk domain

BBVA has a Regulation & Internal Control (R&IC) area, which, as a cross-functional unit serving all BBVA Group businesses, is responsible for:

- supporting the definition of its strategy regarding non-financial risks; and
- assisting business areas in operating with integrity and in compliance with applicable laws, regulations, and self-regulatory standards.

To this end, it defines the Group's internal control model for non-financial risks, supervises its effectiveness, and ensures that non-financial risks are managed and controlled by the executive areas in line with the guidelines approved by the corporate bodies and by the R&IC area itself. This includes applying appropriate independent challenge by R&IC.

This area includes, among others, the Non-Financial Risk and Compliance units, as well as Risk Control Specialists, all of whom perform second line of defense functions in the domain of other non-financial risks.

Group head of Regulation & Internal Control

The Group Head of Regulation & Internal Control (R&IC) is appointed by BBVA's Board of Directors, upon proposal by the Risk and Compliance Committee. This executive reports directly to the corporate bodies on the performance of their duties, which reinforces their independence from the rest of the Group's executive areas. The role is endowed with the authority, seniority, experience, expertise, and resources necessary to carry out their responsibilities effectively.

As the person responsible for the second line of defense for non-financial risks, the Head of R&IC ensures that such risks within the Group are managed and controlled in accordance with this Model and with the general policies for the various types of non-financial risk. This executive informs the corporate bodies about the status and evolution of the non-financial risks and internal control framework and, where appropriate, proposes the adoption of corrective measures deemed necessary at any given time, promoting a culture of integrity and compliance across the Group, and acting, in accordance with the BBVA Group's Compliance System and Statute, as the Chief Compliance Officer (the most senior executive responsible for the Compliance function).

To support decision-making, the Head of R&IC is backed by the Regulation & Internal Control Leadership Committee, the Group's primary executive forum for non-financial risk. This forum is responsible for:

- supporting the Head of R&IC in developing strategies, programs, projects, plans, internal regulations, and infrastructure necessary to appropriately identify, assess, measure, manage, and control non-financial risks arising from the Group's activities;
- coordinating the implementation of the above in the areas responsible for managing and controlling material non-financial risks; and
- monitoring, supervising, and controlling the main non-financial risks faced by the Group in the course of its activities; and
- proposing the inclusion of non-financial risks in the Risk Appetite Framework.

Non-Financial Risk, Compliance, and Risk Control Specialists Units

Within the Regulation & Internal Control (R&IC) area, the second line of defense for non-financial risks is composed of the following units, whose heads report directly to the Group Head of R&IC:

- Non-Financial Risk unit, responsible, among other functions, for:
 - submitting proposals to the corporate bodies regarding general policies for non-financial risk management, as well as developing, implementing and supervising the application of the internal regulations that operationalize those policies;
 - defining a common methodology and shared tools to enable executive areas to manage and control the non-financial risks within their remit, including the admission of operational risk within the Group;
 - coordinating the transversal processes related to the management of non-financial risks.
- Compliance unit, responsible, in accordance with the Compliance Function System and Statute, among other duties, for:
 - supporting the business areas in assessing the compliance risks inherent to BBVA Group activities by promoting, prioritizing, and, where appropriate, defining and implementing plans and actions for their prevention and management;
 - establishing and/or proposing internal regulations, as well as the systems, tools, procedures, indicators, and controls necessary for the management, control, and mitigation of compliance risk—including the management of certain related processes;
 - supervising and verifying the management of compliance risks in accordance with the internal regulations within its scope of responsibility;
 - conducting training and awareness programs for employees to foster a strong compliance culture; and
 - reporting relevant compliance risk information to Senior Management and the corporate bodies.
- Risk Control Specialists, responsible, among other functions, for:
 - defining a general, homogeneous framework across the Group for mitigating, controlling, and monitoring the most relevant non-financial risks within each area's scope of responsibility;

- participating in the definition of metrics, indicators, and limits that establish risk tolerance thresholds—both at the Group and business unit level—and performing periodic follow-ups to ensure that the non-financial risk profile remains within the defined parameters;
- challenging how executive areas manage their respective non-financial risks and promoting a consistent management approach across the Group.

To support decision-making in the non-financial risk domain, the R&IC area has a governance model that enables the identification and prioritization of relevant situations from a control and risk management perspective, and facilitates proper evaluation of initiatives involving significant non-financial risks, including approval of their associated control environments.

This governance model is structured through, among others, the Regulation & Internal Control Leadership, the Operational Risk Admission and Product Governance Committees, the Corporate Assurance Committees, the Internal Control Body for AML or the Criminal Responsibility Committee.

Executive areas

All of the Group's executive areas are responsible, as the first line of defense, for managing non-financial risks within their processes, activities, products, systems, and third-party relationships, including activities relying on outsourced services.

To ensure proper management and control of non-financial risks, each area is supported by a Risk Control Assurer (RCA) function, composed of individuals with the appropriate experience, expertise, and organizational standing. The RCA supports the area's most senior executive—and the area as a whole—in ensuring that non-financial risks are managed and controlled in line with the general mitigation, control, and monitoring frameworks established by the Risk Control Specialists, within the defined management parameters and applicable internal regulations.

Parent-Subsidiary risk management relationship model

In accordance with the BBVA Group's General Corporate Governance Policy, the Group operates under a common risk management and control framework that ensures integrated oversight. This framework consists of high-level guidelines—such as the Risk Appetite Framework—and general policies, including the Model, which are approved by BBVA's corporate bodies for the entire Group.

To ensure that the risk strategy and risk management model are effectively implemented at the subsidiary level, a parent-subsidiary governance model has been defined. This model includes a minimum catalog of decisions that must be adopted by the corporate bodies of subsidiaries. These decisions provide for a governance structure that is aligned with and coordinated by the parent company. Depending on the area of competence, it is the responsibility of the GRM or R&IC head of the respective business unit to formulate the relevant proposals for submission to the subsidiary's governing body for consideration and, if appropriate, approval.

The approval of such decisions by the subsidiary's corporate bodies entails the design and execution of a corresponding risk monitoring and control plan, which will be overseen by the proposing area.

Notwithstanding the above, certain risk-related decisions falling within the authority of the subsidiary's corporate bodies will require prior endorsement by BBVA's corporate bodies, in accordance with the provisions of the internal regulations in effect at any given time.

In the specific case of the Spain and Corporate & Investment Banking (CIB) business areas—which are not legally independent entities and therefore do not have their own corporate bodies separate from BBVA as the Group parent and transversal business unit, respectively—any references in this document to “corporate bodies” shall, where applicable, be understood to refer to the most senior executive responsible for the business area. In all other cases, they refer to BBVA’s own corporate bodies. Any actions involving proposals to these bodies shall be carried out in coordination with the Group’s Head of GRM and/or Head of R&IC, as appropriate.

Risk appetite framework

Elements

The Group’s Risk Appetite Framework (RAF) defines the Group’s target risk profile, including the level of risk the Group is willing to assume in order to achieve its objectives, taking into account the organic development of its business. The structure and key elements of the RAF are approved by the Board of Directors and are subject to regular review by the GRM and R&IC areas within the Enterprise Risk Management Committee (ERMC), and may also be updated following significant changes to the business strategy or material corporate transactions.

The RAF is tailored to each of the Group’s key business areas and is structured around the following elements approved by the Board of Directors:

- Risk Appetite Statement: articulates the general principles of the Group’s risk strategy and its 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.”

- Core Statements: based on the Risk Appetite Statement, these define the Group’s general risk management principles in the areas of solvency, liquidity and funding, and profitability and income recurrence.
- Core Metrics: quantitatively express the principles and target risk profile set out in the Risk Appetite Statement and the corresponding Core Statements. These metrics are organized under a traffic light approach, with the following thresholds:
 - Management reference: a comfortable risk level for the Group.
 - Maximum appetite: the highest risk level the Group is willing to accept in the normal course of business.
 - Maximum capacity: the highest level of risk the Group could assume, which in some metrics is linked to regulatory requirements.

- Statements by type of risk: based on the Core Statements, these outline the general principles for managing each specific type of risk, ensuring alignment with the overall Risk Appetite Statement.
- By type of risk Metrics: based on the Core Metrics, these define specific indicators for each risk type. Each includes a maximum appetite threshold to ensure consistency with the Risk Appetite Statement and Core Metrics.

In addition, the RAF includes a set of management limits and monitoring metrics that are defined at the executive level by the risk-owning areas to support proactive risk management and ensure alignment with the key elements of the RAF approved by the Board of Directors.

Each key business area has its own local Risk Appetite Framework, which consist of a local Risk Appetite Statement, Core Statements and Metrics, and By Type of Risk Statements and Metrics. These must be consistent with the Group-level RAF but tailored to the business area's specific context and approved by its respective governing bodies. Additionally, the local RAF establishes, at the local executive level, a set of management limits and monitoring metrics that are aligned with and consistent with the above.

Development process

The proposal for the Group's Risk Appetite Framework is jointly developed by the GRM and R&IC areas, each within their respective scope of responsibility. Both areas shall operate under robust governance models that ensure the proposal is properly challenged and refined.

In this context, for financial risks, the Internal Risk Control Unit conducts an effective challenge of the proposal presented to the Global Risk Management Committee (GRMC), whereas for non-financial risks, the corresponding statements and metrics are analyzed by the Regulation & Internal Control Leadership, which includes the Group's senior non-financial risk executives.

Once finalized, the Enterprise Risk Management Committee (ERMC) is responsible for reviewing the RAF proposal prior to its submission to BBVA's corporate bodies for consideration and, where appropriate, approval, in accordance with the functions set out in their respective regulations and described in the Model.

As with the Group-level RAF proposal, each business area's RAF proposal will be supported by solid governance models that ensure effective challenge and review before being submitted to the corporate governing bodies (or the most senior executive) of the respective business area. In addition, it will be ensured that the proposal is properly coordinated and aligned with the RAF approved at Group level.

Integration of the RAF into the management

The integration of the Risk Appetite Framework into the Group's day-to-day risk management relies on the following three foundational elements:

- A consistent normative framework, headed by a set of general policies for the various risk types. These policies define the basic management guidelines and are further developed through rules and procedures, as outlined in the Internal Normative Framework. This normative framework is complemented by specific frameworks and programs that guide the actions of executive areas to ensure appropriate risk management and control. Business units, in turn, adapt this normative framework to local requirements and their specific characteristics, ensuring that each unit has clearly defined decision-making, oversight, and control processes that are aligned with Group-wide general policies.

- The inclusion, within the Framework itself, of a set of management limits and monitoring metrics, defined by the GRM and R&IC areas within their respective scopes. These indicators guide executive areas in the day-to-day management of risks, helping to steer the Group's risk profile toward the target risk level.
- Comprehensive risk management across the full lifecycle, with a tailored approach based on the nature of each risk type.

Monitoring of the RAF and management of breaches

To enable the corporate bodies to effectively perform their assigned risk oversight functions, the senior executives responsible for risks must report regularly to them—with greater frequency and detail in the case of the Risk and Compliance Committee (RCC)—on the evolution of the Group's Risk Appetite Framework metrics. This ensures that the corporate bodies can verify the degree of compliance with the risk strategy approved by the Board of Directors.

If, during the monitoring of these metrics, the executive areas detect a significant deviation or breach of the maximum appetite threshold of the metrics that fall within the scope of the Board of Directors, they must promptly inform the RCC (via its Chair), along with a proposal for corrective measures if applicable. This communication is coordinated through the General Secretariat.

Once reviewed by the RCC, the breach is then reported to the Executive Committee—as part of its responsibility to monitor the Group's risk profile—and to the Board of Directors at its next scheduled meeting. The Board will decide whether to adopt any executive measures it deems necessary, including the potential revision of any RAF metric. To support this decision, the RCC will submit all relevant information, including the analysis provided by the executive areas and its own assessment.

However, once the information has been analysed and the proposal for corrective measures reviewed by the CRC, the CDP may adopt, for urgent matters and in accordance with applicable legal provisions, the Executive Committee may adopt measures that would otherwise fall under the authority of the Board. These decisions must then be communicated to the RCC (via its Chair) and reported to the Board of Directors at its next meeting.

In all cases, enhanced monitoring will be implemented for the breached metric—including more frequent and granular reporting if needed—until the deviation is fully resolved. Updates will be provided to the corporate bodies in accordance with their respective supervisory and control functions.

Additionally, the executive areas may establish reinforced monitoring and breach management models to anticipate or address RAF metric breaches. Any such developments will be reported to the RCC, Executive Committee, and Board of Directors, following the communication standards outlined in this section—or with greater frequency if deemed appropriate.

Management thresholds for fundamental metrics shall be established as early-warning alerts prior to exceeding the maximum risk appetite, without requiring remediation plans if breached. A notification will occur at an executive level within the relevant area (GRM or R&IC), with updates provided to the Corporate Bodies during periodic monitoring session.

At the business unit level, the senior GRM and R&IC executives of each area must report periodically—within their respective scopes—to their local corporate bodies (or to the most senior executive, if no such bodies exist) on the evolution of their own RAF metrics. This follows a structure consistent with the Group-level governance model.

Assessment, monitoring and reporting

The assessment, monitoring, and reporting of both financial and non-financial risks at the Group level enable the Model to maintain a dynamic and forward-looking approach, ensuring compliance with the Risk Appetite Framework (RAF) approved by the Board, even under adverse scenarios.

This process is integrated into the day-to-day activities of the GRM and R&IC units, both at the corporate level and within business areas. Within the framework of the Enterprise Risk Management Committee (ERMC), the process also ensures that the highest executive level maintains a holistic view of the risks affecting the Group.

The process is structured across the following stages:

- Identification (Risk Assessment) of the material risks to which BBVA is exposed. This includes identifying key risk events (including emerging risks) as well as key vulnerabilities, both at the Group level and within individual business areas.
- Risk profile monitoring of the Group and the evolution of identified risk factors using a range of internal indicators, peer comparisons, and market data, enabling the anticipation of future developments.
- Impact assessment of realized risk factors on RAF metrics under various scenarios, including stress scenarios.
- Response to undesirable situations and corrective measures proposal, enabling the Group to manage risk proactively even before the undesired event materializes.
- Reporting: ensures that risk information is conveyed to the corporate bodies and senior management in a comprehensive and reliable manner, in accordance with principles of transparency, accountability, accuracy, completeness, clarity, relevance, timeliness, and confidentiality.

Internal regulation, resources and infrastructure

To ensure prudent and forward-looking risk management, as well as proper oversight and control, the Group relies on the following key enablers:

- Internal regulation, comprising general policies (including the Model), rules, and procedures that define roles, responsibilities, guidelines, and processes for risk management and control across the Group.
- A qualified team, composed of individuals with the necessary skills, experience, and technical capabilities, and sized appropriately to the Group's business activities. The composition and profile of the risk team will evolve over time based on the nature and level of risks the Group faces, the analytical and technological capabilities required, and the specific conditions in the markets where the Group operates.
- Appropriate methodologies and models, which support the measurement and management of different risk types, as well as the assessment of capital required to absorb those risks
- Technology infrastructure and systems, which support the Risk Appetite Framework, enable the calculation and measurement of variables, parameters, and data across different risk types, facilitate risk management and control, and provide a platform for storing and leveraging data needed for risk oversight and reporting to both corporate bodies and supervisory authorities.
- Data governance, which ensures that the Group has access to high-quality, sufficient data for its risk management processes, based on principles of governance, infrastructure, accuracy and integrity, completeness, timeliness, and adaptability.

All these components follow a global and consistent approach, delivering value both to the Group as a whole and to the individual entities that comprise it, in alignment with corporate-level standards.

Risk culture

BBVA has fostered a risk culture, grounded in the decisions and guidance issued by its corporate bodies. These have promoted responsible risk management, aligned with the Group's corporate culture and core values.

The Board of Directors and Senior Management actively promote a shared understanding of risk throughout the organization. This shared vision is communicated to all areas and levels, so that all employees understand, manage, and control the financial and non-financial risks relevant to their role, in a consistent manner according to the type of risk, and in line with the highest standards of integrity, ethical conduct, and compliance with applicable regulations.

This approach ensures that day-to-day decisions involving risk management and control are made based on a common set of attitudes and behaviors across the organization. These are built on a clear understanding of the risks being assumed (awareness), responsibility for one's risk-related actions (accountability), a constructive environment (atmosphere) that promotes open dialogue.

The Group's risk culture is developed and reinforced through a coherent set of integrated levers, including the Risk Appetite Framework, general policies and other internal regulations, decision-making processes, indicator-based monitoring and control (KPIs/KRIs), ongoing training, internal communication, incentives, testing exercises, and internal audits.

The Enterprise Risk Management Committee (ERMC), as the Group's most senior executive body in this area, is responsible for promoting, developing, and monitoring the risk culture across the organization. To this end, it is supported by the GRM and R&IC areas, which actively contribute to its promotion, action planning, and structured reporting on its progress.

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 anti-money 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

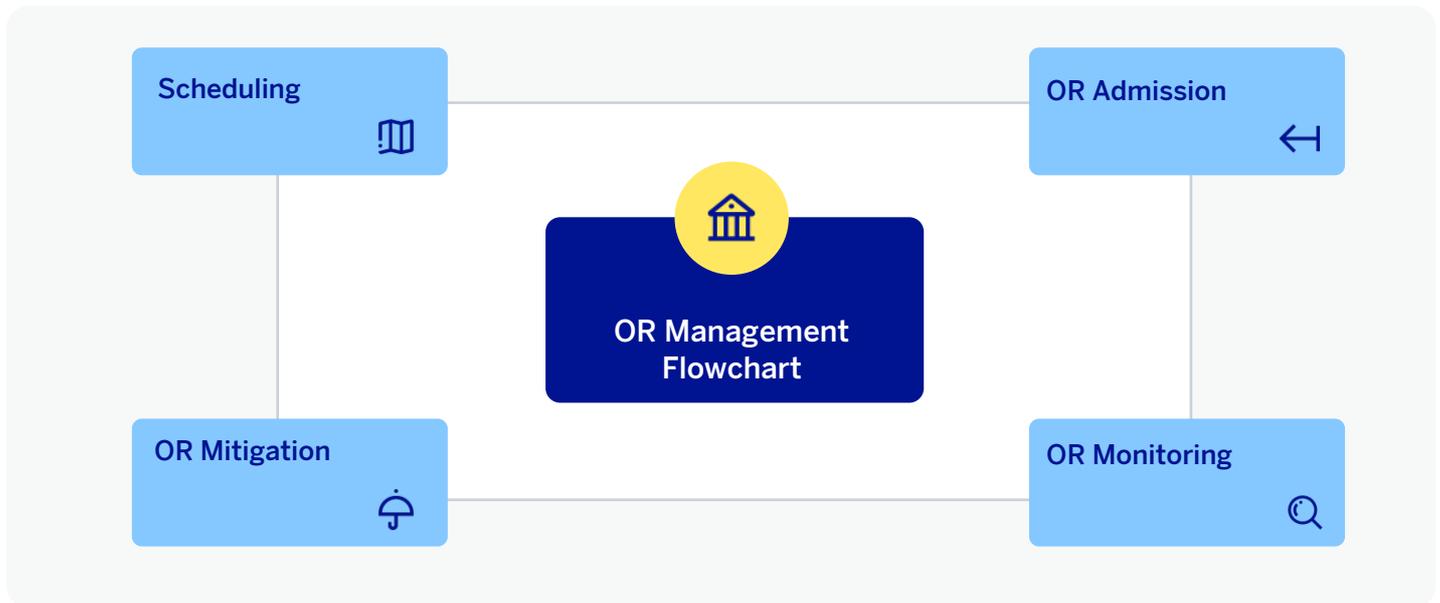
BBVA is committed to preferably applying advanced operational risk management models, regardless of the capital calculation regulatory model applicable at the time. Operational risk management at BBVA shall:

- 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.
- Establish 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 management model

The operational risk management cycle at BBVA is equivalent 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.

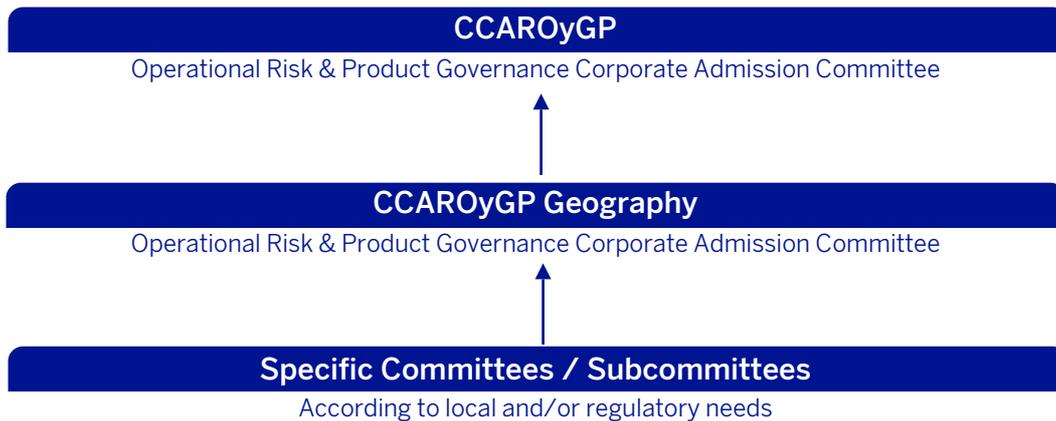
Operational risk admission

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 framework for the admission of Operational and Reputational Risk takes shape in 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.



The admission process covers any initiative (new business, product, outsourcing, contracting third-party services, process transformation, new systems, etc.), is proportionate to the level of risk involved in the initiatives, and includes monitoring them after their admission.

Operational risk monitoring

BBVA promotes continuous monitoring by the Areas of the proper functioning and effectiveness of their control environment, taking into account, among other elements, the evolution of the management indicators defined for the Area, the events and losses experienced (by the Group or by the Industry), scenarios, and the results of the activities of the second line of defense, internal audit, supervisors, or external auditors.

The objective in this phase is to ensure that the Group's operational risk profile remains within authorized limits.

The main components of this phase of the operational risk management life cycle are described below:

Risk and Control Self-Assessment (RCSA)

Proper operational risk management requires the establishment of methodologies and procedures to identify, assess, prioritize, and monitor this type of risk in order to implement the appropriate mitigation and control measures in each case.

The purpose of BBVA's operational risk self-assessment is to generate and maintain an up-to-date map of the relevant operational risks in each area and to assess the adequacy of the environment for monitoring and mitigating these risks, in order to identify risks that exceed the established tolerance level and promote their mitigation.

Monitoring of management parameters

The monitoring of management parameters allows the Group to identify sources of risk that behave abnormally, exceeding the established appetite levels, as well as relevant sources of risk not previously identified or underestimated; in these situations, the Group activates mechanisms to identify the root causes of these situations and to reinforce the mitigation environment, thus contributing to BBVA's RCSA process.

The RCSA, together with the operational risk admission process and the management derived from the monitoring of forward-looking parameters, make up the main structure of BBVA's operational risk proactive management processes.

Operational loss collection

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 both in the different entities of the Group and in other financial groups, with the appropriate level of detail to carry out an effective analysis that provides useful information for management purposes, preparation of regulatory or internal reports, calculation of economic capital and to contrast the consistency of the Group's operational risks map.

The monitoring activities result in a risk assessment of BBVA and its main geographical areas, which allows to focus its management and mitigation efforts.

Operational risk mitigation

BBVA promotes proactive and continuous risk mitigation through the establishment and improvement of the mitigation and control environment, taking into account proportionality criteria.

For risks that exceed the defined tolerance threshold, it will be necessary to either establish additional mitigation measures or accept the control weakness in accordance with the procedure defined for this purpose.

BBVA considers the option of transferring risks to third parties as a tool for managing operational risks when internal mitigation levels do not reach the desired target risk levels. The use of risk transfer mechanisms should not lead to a relaxation of internal mitigation measures, which must be maintained on a complementary basis.

Reporting

Proper decision-making requires systematic, timely, and high-quality reporting on the BBVA's risk situation and on the Model itself to the areas responsible for its management and supervision. To this end, each of the roles involved in risk management has specific reporting obligations in accordance with the BBVA's risk governance model.

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.

Three lines of defense control model

1.- First line of defense: composed 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 depend on third parties.

The Areas integrate operational risk management into their day-to-day activities, identifying and evaluating operational risks, carrying out controls and implementing mitigation plans for those risks with a residual level higher than acceptable.

2.- Second line of defense: composed of:

(i) the Non-Financial Risk Units, holding an locals.

(ii) the Specialized Control Units, in the areas of compliance, risk, finance, processes, technological security, physical security, information and data security, legal, people, and third parties.

Risk Control Specialists work across their geographical areas, performing their duties in those areas where operational risks in their field of expertise may arise.

The Non-Financial Risk Units and the Specialist Units report to the Regulation and Internal Control area in order to ensure a coordinated action of the second line of defense and to preserve their independence with respect to the first line of defense.

3.- Third line of defense: performed by BBVA Internal Audit, which:

- Performs an independent review of the control model, verifying compliance with and effectiveness of established general policies.
- Provides independent information on the control environment to the Corporate Assurance Committees.

Corporate Assurance Committee Scheme

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.



(1) CA: Corporate Assurance

Each 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 in the Group 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 Spain and the countries where its main subsidiaries are located.

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 the Group's 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 Group 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 Group level, these results are reported to the Global Corporate Assurance Committee and the corporate bodies.

4.5 Risk factors

BBVA 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 and the alteration of the institutional environment of the countries in which it operates, and is exposed to sovereign debt, particularly in Spain, Mexico and Turkey.

The global economy is undergoing significant changes, due in part to the policies of the U.S. administration. Uncertainty surrounding their consequences is exceptionally high, substantially increasing geopolitical, economic, and financial risks.

The increase in U.S. tariffs on imports from its trading partners has triggered financial market volatility, reinforcing global-wide risks. High uncertainty regarding the final level and duration of these tariffs could negatively impact the global economy, worsening the macroeconomic environment. As a result of adopted or announced tariffs, global growth could decelerate significantly.

While fiscal and monetary policies could partially offset the effects of global protectionism, notably in the Eurozone, where significant public spending increases have been announced, the impact of higher U.S. tariffs could be amplified by the adoption of retaliatory measures by other countries, sustained uncertainty, weakened confidence, and financial volatility, among other factors.

Rising tariffs also increase the risk of inflation in the United States and the Eurozone, which could further slow private demand and, at the same time, constrain the Federal Reserve's and the ECB's ability to lower rates if warranted by activity.

Beyond import tariffs, tighter controls on migration flows could also affect the labor market in the United States, add to inflationary pressures, and weigh on economic growth. The U.S. administration's fiscal, monetary, regulatory, industrial, and foreign policies could likewise contribute to financial and macroeconomic volatility. This is compounded by concerns that the Federal Reserve's independence in decision-making may be weakened by political considerations.

Amid growing uncertainty surrounding U.S. policies and the widening fiscal deficit, the U.S. risk premium could continue to rise, pushing up long-term sovereign yields and further weakening the U.S. dollar. These developments could trigger episodes of volatility, especially given the high public debt levels in both developed and emerging economies. Additionally, the relatively high valuations of AI-related assets constitute an additional source of uncertainty, with potential implications in the financial markets.

The rise of trade protectionism and the growing rivalry between the United States and China could further intensify geopolitical tensions, especially against the backdrop of ongoing conflicts in Ukraine and the Middle East, recent tensions in Latin America and Iran, and the Greenland crisis. In response to these risks and to changes in U.S. foreign policy, the European Union has taken steps to increase military spending, which could support growth but also add upward pressure on inflation and interest rates in the region.

Overall, rising global geopolitical tensions are increasing uncertainty about the global economy and the likelihood of economic and financial disruptions, including a recession.

The Group is exposed to, among others, the following general risks related to the economic and institutional environment in the countries where it operates: a deterioration in economic activity, including potential recession scenarios; inflationary pressures that could lead to a tightening of monetary conditions; stagflation triggered by intense or prolonged supply shocks, including as a result of a protectionist escalation or an increase in oil and gas prices; exchange rate volatility; adverse developments in real estate markets; changes in the institutional environment of the countries where the Group operates, which could lead to sudden and pronounced GDP contractions and/or shifts in regulatory or government policy, including capital controls, dividend restrictions, or the imposition of new taxes or levies; high levels of public debt or external deficits, which could lead to sovereign credit rating downgrades or even defaults or debt restructurings; the impact of the policies adopted by the current U.S. administration, about which significant uncertainty remains; and episodes of financial market volatility, such as those observed recently, that could result in significant losses for the Group.

In Spain, political, regulatory, and economic uncertainty could negatively impact activity. In Mexico, considerable uncertainty persists regarding the impact of the recently approved constitutional reforms, as well as the policies of the U.S. administration and the outcome of the review of the United States-Mexico-Canada free trade agreement (USMCA). In Turkey, despite the gradual improvement in macroeconomic conditions, the situation remains relatively unstable, marked by pressure on the Turkish lira, high inflation, a significant trade deficit, relatively low central bank foreign exchange reserves, and high external financing costs. Recent political and social tensions could also generate renewed bouts of financial volatility and macroeconomic risks. Moreover, uncertainty remains over the impact on Turkey of the geopolitical situation in the Middle East. In South America, ongoing and potential interventionist actions by the United States in some of its countries constitute a significant source of risk. In Argentina, despite the improvement in prospects following significant fiscal, monetary and exchange rate adjustments, the risk of economic and financial turmoil persists. Lastly, in Colombia and Peru, meteorological events, political tensions, and a deterioration of public finances could weigh on economic performance.

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 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 section "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. In this sense, digital transformation is a priority for the Group, which includes among its commitments the development of advanced Next Gen technological capabilities, artificial intelligence, and continuous improvement of the customer experience.

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, 2025, the Group had €805 million and €791 million (€456 million and €419 million euros, respectively, for the Bank), respectively, 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 €583 million and €610 million, respectively, correspond to legal contingencies and €222 million and 181 million, respectively, to tax related matters (see Note 17). 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 employees of the Group, as well as former directors and officers, 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 employees of the Bank, as well as against some former directors and officers, 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. ESG is an area of significant public debate and focus for governments and regulators, investors, the Group's customers and counterparties, and other stakeholders, and, as a result, ESG risks are expected to continue to evolve, and may increase, over time.

Among others, ESG risks 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 and chronic shifts in the climate 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. The ESG legal and regulatory landscape is increasingly fragmented. While legislatures and regulatory authorities in many jurisdictions continue to impose extensive requirements for financial institutions to integrate ESG considerations into their risk management and reporting frameworks, others are taking a different approach, with regulatory developments moving in the opposite direction, and a reduced emphasis on climate-related risk supervision, adding further complexity and uncertainty to the compliance environment. Legal and regulatory changes related to how banks consider and manage climate and other ESG risks or otherwise affecting banking practices or disclosure of information have resulted, and may continue to result, in higher compliance, operational and credit risks and costs. The Group's customers and counterparties may be exposed to similar legal and regulatory changes, increasing their own compliance and operational risks and costs. Further, legal and regulatory changes have resulted, and may continue to 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. We expect ESG-related legal and regulatory requirements to continue to evolve in the coming years. In the case of banks in particular, such evolving laws and regulations could include further requirements or restrictions 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 modeling capabilities with respect to ESG-related matters and the collection and use 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 based on incorrect or insufficient customer, third-party or other data, any of which could adversely affect the Group's disclosure and financial reporting. Further, increased and/or divergent 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 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 other things, increased ESG concern, on the one hand, or an opposing sentiment, on the other. These changes could impact the demand for our products and services, as well as for those of our customers and counterparties, and investor interest in our securities. 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 matters as a risk and an appropriate consideration in business and investment decisions, by society, shareholders, customers, governments and other stakeholders (including NGOs), continues to evolve, 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, decisions, disclosures or communications. The Group's reputation and ability to attract or retain customers may be harmed if its response to concerns regarding ESG-related matters is deemed to be insufficient or inappropriate 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 ESG obligations or goals or to avoid reputational harm. 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, decisions, disclosures and communications, may result in litigation and investigations and supervisory actions (including potential greenwashing or greenhushing 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.

4. Non-financial Information Statement

In accordance with the provisions of the Commercial Code and the Corporate Enterprises Act, the Consolidated Non-Financial Information Statement (hereinafter, the “NFIS”) for the 2025 financial year includes, among other matters, the information necessary to understand the Group’s performance, results and position, as well as the impact of its activities with respect to environmental and social matters, respect for human rights, and the fight against corruption and bribery, as well as matters relating to personnel. The BBVA Group’s NFIS has been prepared in accordance with the regulatory framework in force in Spain as of December 31, 2025, specifically Law 11/2018 on non-financial information, Law 7/2021 on climate change and its implementing regulations, as well as the regulations relating to the European Taxonomy (Regulation (EU) 2020/852 and Commission Delegated Regulations 2021/2139 and 2021/2178, as amended by Delegated Regulations (EU) 2022/1214, 2023/2485, 2023/2486 and 2026/73), and has been subject to independent verification by Ernst & Young S.L.

In the absence of transposition into Spanish law of Directive (EU) 2022/2464, subsequently amended by Directive 2025/794, and Delegated Regulation (EU) 2023/2772 (amended in November 2025 by Commission Delegated Regulation 2025/1416 – “Quick-fix”), which specifically develops the common standards for sustainability reporting, the National Securities Market Commission and the Institute of Accounting and Auditing of Accounts issued a joint statement on November 19, 2025 recommending that large Spanish public-interest entities with more than 500 employees, required to report sustainability information for the 2025 financial year, publish, to the extent possible, the NFIS considering the European sustainability reporting standards, making use of the new transitional “Quick-fix” framework. Additionally, according to this statement, such reports must also comply with Law 11/2018.

The individual non-financial information corresponding to Banco Bilbao Vizcaya Argentaria, S.A., including information relating to its carbon footprint in accordance with Royal Decree 214/2025, has been included in the Consolidated NFIS, which in turn forms part of the BBVA Group Consolidated Management Report, as published on the Bank’s corporate website (www.bbva.com) and on the website of the Spanish Securities Market Commission (CNMV), as part of the annual report for the financial year ended December 31, 2025.

Subsequent events

On January 15, 2026, once the prior consent from the Regulator had been obtained, the Bank redeemed the issuance of green contingently convertible preferred securities carried out on July 15, 2020, for an amount of €1 billion, on the First Reset Date of said issuance.

On February 5, 2026, BBVA announced by means of an inside information notice filing with the CNMV a cash distribution in the amount of €0.60 gross, for each of the outstanding shares entitled to receive said distribution, to be paid tentatively in April 2026 as the final dividend for the year 2025, was planned to be proposed to the corresponding governing bodies for consideration as ordinary remuneration to shareholders for 2025.

From January 1, 2026 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, geopolitical tensions and tariff policies; (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.