

Required information on the transition process for the purposes of the second transitory provision of Royal Decree-Law 24/2021

The second transitional provision of Royal Decree-Law 24/2021 of 2 November on the transposition of European Union directives on covered bonds, cross-border distribution of collective investment undertaking, open data and the re-use of public sector information, exercise of copyright and related rights applicable to certain online transmissions and retransmissions of radio and television programmes, temporary exemptions for certain imports and supplies, for consumers and for the promotion of clean and energy-efficient road transport vehicles (the "**Royal Decree-Law 24/2021**") states the following:

"Credit institutions that have issued covered bonds in accordance with the regulations in force on the date of entry into force of Book One of this Royal Decree-Law shall establish a procedure to ensure the neutrality and quality of assets transferred to the cover pool. This procedure must allow the portfolio transferred to maintain a minimum level of credit quality, consistency between the average maturities of the loans and the maturity of the securities in circulation, geographical diversification and adequate granularity. The controller of the cover pool must verify the chosen procedure and check that the assets transferred comply with the criteria established by the credit institution".

Furthermore, it is established that: *Credit institutions must provide investors with the necessary information on the transition process via their website.*

In response to the terms of the second transitional provision of Royal Decree-Law 24/2021, set out below is the strategy arranged by Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") in relation to the segregation and transfer of assets to the corresponding cover pools.

Specifically, at the date of entry into force of Royal Decree-Law 24/2021 (8 July 2022), BBVA has the following issuances of mortgage covered bonds (the "**Outstanding Mortgage Covered Bonds**") and Public Sector covered bonds (the "**Outstanding Public Sector Covered Bonds**"):

OUTSTANDING MORTGAGE COVERED BONDS

ISIN	Expiration date	Outstanding principal (€)
ES0312298021	14/12/2022	72.592.592
ES0312298021	14/12/2022	95.000.000
ES0413211790	30/01/2023	1.000.000.000
ES0413211873	18/03/2023	1.250.000.000
ES0413211949	29/03/2023	3.000.000.000
ES0413211774	02/06/2023	500.000.000

ES0413211956	26/07/2023	3.000.000.000
ES0413211972	10/10/2023	2.500.000.000
ES0312298096	25/10/2023	100.000.000
ES0413211816	12/06/2024	1.000.000.000
ES0413211071	25/02/2025	2.000.000.000
ES0413211840	14/05/2025	2.000.000.000
ES0317046003	21/05/2025	200.000.000
ES0317046003- RETAP6	21/05/2025	60.000.000
ES0317046003	23/05/2025	60.000.000
ES0312342019	28/06/2025	51.282.051
ES0413211A18	14/10/2025	2.000.000.000
ES0413211A26	25/01/2026	1.500.000.000
ES0413211915	22/11/2026	1.000.000.000
ES0312298120	25/05/2027	100.000.000
XS0308135291	01/10/2027	110.556.653
ES0413211923	15/01/2028	3.000.000.000
ES0371622020	08/04/2031	500.000.000
ES0371622020	10/04/2031	150.000.000
ES0413211147	02/02/2037	200.000.000
ES0413211A34	17/05/2026	3.000.000.000
ES0413211A59	02/02/2027	1.500.000.000

OUTSTANDING PUBLIC SECTOR COVERED BONDS

ISIN	Expiration date	Outstanding principal (€)
ES0413211477	03/08/2023	200.000.000
ES0413211980	14/10/2024	500.000.000
ES0413211998	12/06/2025	1.500.000.000
ES0413211A00	14/09/2025	1.500.000.000
ES0413211A42	20/10/2026	2.000.000.000
ES0413211A67	22/03/2027	540.000.000

These issues have been specially guaranteed by the regime set forth in Law 2/1981, of 25 March 1981, in the case of the Outstanding Mortgage Covered Bonds, and in Law 44/2002, of 22 November 2002, in the case of the Outstanding Public Sector Covered Bonds (the "**Original Legal Regime**").

However, in order to comply with the provisions of the second additional provision of Royal Decree-Law 24/2021, i.e. to guarantee the neutrality and quality of assets

transferred to the cover pool, BBVA has decided to transfer the entire portfolio that served as hedging in accordance with the provisions of the Original Legal Regime that meets the criteria set forth in Royal Decree-Law 24/2021 for its eligibility.

Therefore, all of the assets that form part of BBVA's balance sheet that may serve as coverage for the Outstanding Mortgage Covered Bonds or Outstanding Public Sector Covered Bonds issues will be transferred to the cover pool established within the corresponding mortgage or public sector bond program, guaranteeing that the portfolio transferred maintains a minimum level of credit quality, consistency between the average maturities of the loans and the maturity of the outstanding securities, geographic diversification and adequate granularity, in relation to the guarantees provided by the Original Legal Regime prior to the entry into force of Royal Decree-Law 24/2021.

Likewise, BBVA expects that the credit ratings granted by various rating agencies to the Outstanding Mortgage Covered Bonds and Outstanding Public Sector Covered Bonds issues listed above will remain unchanged after the entry into force of Royal Decree-Law 24/2021, further ensuring that the transferred portfolio maintains a minimum level of credit quality.

Additionally, after the entry into force of Royal Decree-Law 24/2021 it is stated the following:

- BBVA complies with the provisions of Royal Decree-Law 24/2021 on the valuation of real estate collateral for mortgage loans included in the cover pool of Mortgage Covered Bonds.
- The Bank of Spain has authorized the mortgage covered bonds program and the public sector covered bonds program of BBVA on 8 July 2022. Therefore, all Outstanding Mortgage Covered Bonds and Outstanding Public Sector Covered Bonds are automatically integrated and covered by the applicable issuance program.
- BBVA has appointed Deloitte Advisory, S.L. as the external cover pool monitor of all the covered bonds programs of BBVA.
- Deloitte Advisory, S.L. as the external cover pool monitor of the mortgage covered bonds program and the public sector covered bonds program of BBVA has already given its approval to the application of the second transitional provision, having verified the transition procedure proposed and carried out by BBVA.