



BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

**RATIFICATION OF THE SPECIAL REPORT ISSUED ON 28th FEBRUARY
2024 ON THE ISSUANCE OF PREFERRED SECURITIES CONTINGENTLY
CONVERTIBLE INTO ORDINARY SHARES WITH THE EXCLUSION OF THE
PRE-EMPTIVE SUBSCRIPTION RIGHT IN THE CASE ESTABLISHED IN
ARTICLES 414, 417, 510 AND 511 OF THE AMENDED TEXT OF THE
CORPORATE ENTERPRISE ACT**

Bilbao, 27th May 2024

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To the General Shareholders' Meeting of Banco Bilbao Vizcaya Argentaria, S.A.:

On 28th February 2024, for the purposes foreseen in Articles 414, 417, 510 and 511 of the Amended Text of the Corporate Enterprise Act (hereinafter CEA) and pursuant to the engagement received from Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter BBVA, the Bank or the Entity), at the designation of the Bizkaia Company Registrar Ms María Begoña Ruiz Alutiz, we issue this Special Report on the issuance of preferred securities contingently convertible into ordinary BBVA shares, with the exclusion of the pre-emptive subscription right, with the authorization and, consequently, the delegation conferred by the Bank's Annual General Meeting of 20th April 2021 to the Board of Directors, the conclusion of which was as follows:

“According to the work performed with the scope described above, and considering the important aspects to be considered in the interpretation of the results of our work, all with the exclusive object of complying with the requirements established in Articles 414, 417, 510 and 511 of the CEA, it is our professional opinion that:

- 1. The attached report by the Directors of Banco Bilbao Vizcaya Argentaria, S.A. on the agreement to issue preferred securities contingently convertible into Bank shares, with the exclusion of shareholders' preferential subscription right, contains the information required by articles 414 and 417 of the Amended Text of the Corporate Enterprise Act and what is applicable according to the Technical Standard for the Preparation of Special Reports on the issuance of convertible securities.*
- 2. The information contained in the Bank's Directors' Report to justify the exclusion of the preferential subscription right is reasonable, as it is appropriately documented and set out.*
- 3. The conversion rate for the preferred securities contingently convertible into BBVA shares, with the exclusion of the preferential subscription right and, where relevant, its adjustment formulae, are appropriate for giving economic compensation for any dilution of the shareholders' share, with the underlying value of the preferential subscription right associated with these securities on the date of the report being nil, considering the characteristics and context of the proposed issue operation. “*

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We have been informed by Banco Bilbao Vizcaya Argentaria, S.A. that, to date, the issuance of preferred securities contingently convertible into ordinary shares, with the exclusion of the pre-emptive subscription right, has not taken place.

In this context and in accordance with Article 347 of Company House Regulations, which indicates that *“the report issued by the expert will expire three months after its date, unless it has previously been ratified by said expert, in which case it will be valid for a further three months from the date of ratification”*, we were applied to for ratification of our Special Report dated 28th February 2024.

1. SCOPE OF THE CHECKS CONDUCTED AND PROCEDURES USED

In order to ratify our report, we have updated some of the procedures applied and detailed in our Special Report of 28th February 2024. Specifically, we conducted the following procedures:

- a) Obtaining confirmation that the Bank’s Finance Division Report and the financial and legal reports issued by the Bank’s advisors in relation to the foreseen transaction and the current legislation are still valid.
- b) Obtaining and reading the consolidated intermediate Financial Statements, the limited review report on the intermediate Financial Statements and the explanatory notes issued by Ernst & Young, S.L., and the consolidated intermediate Management Report for the 3-month period between 1st January and 31st March 2024.
- c) Holding different meetings and conversations with Bank’s Management in order to collect all the information we believe is useful for us to perform our work.
- d) Analysis of Material Events communicated to the Spanish Stock Exchange Commission (Comisión Nacional del Mercado de Valores- CNMV) in the period since the issuance of our report of 28th February 2024 and this ratification.
- e) Reading the resolutions taken by the General Shareholders’ Meeting and the available minutes of the Board of Directors’ meetings held since the date of our Special Report of 28th February 2024 and the date of issuing this ratification.
- f) Analysis of the evolution of the share price of the Bank's shares determining the average price of such shares during the last representative trading period prior to the date of ratification of the Special Report (the last quarter) and of the last available share price prior to such date, considering the frequency and volume of trading during the periods under analysis.

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- g) Analysis of later material events between the formulation of the last audited consolidated annual accounts of Banco Bilbao Vizcaya Argentaria, S.A. for financial year 2023 and the date of this ratification, which might have a significant effect on the issuance of the preferred securities contingently convertible into BBVA shares.
- h) Obtaining a letter signed by Bank Management with sufficient powers to represent BBVA, which confirms, amongst other aspects, that we have been provided with all the information necessary to prepare our report, and that there were no subsequent events until the date of our report which we have not been informed of and which might have a significant effect on the results of our work.

2. IMPORTANT ASPECTS AND SPECIAL DIFFICULTIES TO BE CONSIDERED IN THE INTERPRETATION OF THE RESULTS OF OUR WORK

We should point out that some aspects of our work, such as the interpretation of Articles 414, 417, 510 and 511 of the CEA or the opinions expressed in this ratification, implicitly contain, apart from objective factors, other factors which involve judgement and establishing working assumptions, the fulfilment of which largely depends on future events. It is not currently possible to know the final outcome of these events and, thus, we cannot guarantee that third parties would necessarily agree with the interpretation and judgements expressed in this ratification of our Special Report of 28th February 2024.

The information required for us to perform our work was provided by BBVA's Management or was obtained from public sources and it was not part of our work to contrast this information with external evidence, without prejudice to the fact that, as far as possible, we checked that the information presented is consistent with other information obtained in the course of our work.

We have no obligation to update this ratification of our report as a result of events that might occur after its date of issuance. The contents of this ratification should be understood to refer to all the information received on events which occurred prior to its date.

Moreover, we should emphasize that our work is independent and, consequently, it does not constitute any recommendation to Bank Management, its shareholders or third parties in relation to the position they should adopt in relation to the operation analysed of the issuance of preferred securities contingently convertible into BBVA shares with the exclusion of the pre-emptive subscription right.

It should be noted that the CET1 ratios observed in the annual accounts for the financial years 2022 and 2023 and in the latest interim financial statements were as follows:

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- As of 31st December 2022, according to the information contained in the Management Report which accompanies the consolidated annual accounts for financial year 2022, the phased-in CET1 ratio was 12.68%, being 12.61% fully-loaded.
- As of 31st December 2023, the CET1 phased-in and fully-loaded ratios were 12.67%.
- As of 31st March 2024, the CET1 phased-in and fully-loaded ratios were 12.82%.

In 2021 and 2022, the disparity between phased-in and fully-loaded ratios arises due to the temporary treatment of certain capital elements, mainly as a result of the Bank's voluntary implementation of International Financial Reporting Standard 9 (IFRS 9), pursuant to Article 473a of the Capital Requirements Regulation (CRR) and the subsequent amendments introduced by the European Union Regulation 2020/873. However, for the year 2023, no divergences arise between phased-in and fully-loaded ratios due to the aforementioned transitional treatment.

Thus, considering that common equity tier 1 ratio should be less than 5.125% for the possible conversion of the Securities to take place, it is likely that the conversion will never take place.

The price per share at the close on 24th May 2024 was 9.9640 euros and the average price per share for the three-month period ended as of 24th May 2024 was 10.1964 euros, as shown in the certificate issued by Bilbao Stock Exchange to this end.

3. CONCLUSION

In accordance with the work done, the scope described in the above paragraphs and in compliance with Article 347 of Company House Regulations, we ratify the conclusion issued in our Special Report of 28th February 2024 on the issuance of preferred securities contingently convertible into ordinary shares of Banco Bilbao Vizcaya Argentaria, S.A., with the exclusion of the pre-emptive subscription right.

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This ratification of our Special Report was prepared exclusively for the purposes foreseen in Articles 414, 417, 510 and 511 of the Amended Text of the Corporate Enterprise Act and, consequently, may not be used for any other purpose.

Bilbao, 27th May 2024

PKF ATTEST Servicios Empresariales, S.L.
Entered in the ROAC with No. S1520

[Signed on the original in Spanish]

Juan Basterra
Accounts Auditor - Partner
Entered in the ROAC with No. 23.765

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