

BBVA

**Pillar 3**  
**2Q 2024**



The amounts shown in this report are presented in millions of euros; therefore, certain items shown without a balance could have a balance if smaller units had been used. In order to present the amounts in millions of euros, the balances have been rounded; therefore, the amounts shown in certain tables may not be the exact arithmetic sum of the preceding figures

The English language version of this report is a free translation from the original, which was prepared in Spanish. All possible care has been taken, to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in Spanish take precedence over the translation.

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# Executive Summary

The BBVA Group's earnings have contributed to achieving a consolidated fully loaded CET1 ratio of 12.75% as of June 30, 2024, which allows maintaining a large management buffer over the Group's CET1 requirement as of that date (9.13%), and which is also above the Group's target management range of 11.5 - 12.0% CET1.

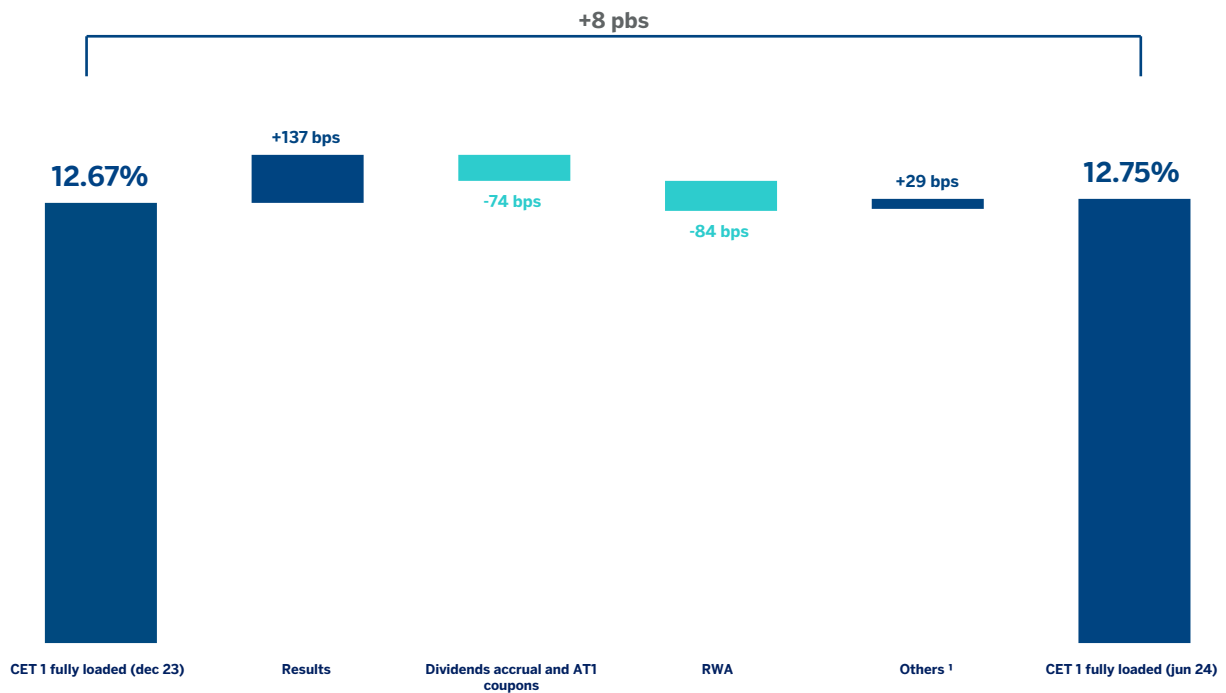
The fully loaded CET1 ratio increased by 8 basis points in the first half of the year, mainly explained by the generation of earnings (+137 basis points) which, net of shareholder remuneration and payment of convertible contingent instrument coupons (CoCos), generated a positive contribution of +63 basis points.

Meanwhile, the increase in risk-weighted assets (RWA) derived from the organic growth of the business in constant terms has drained the ratio -84 basis points.

Finally, the other elements that make up CET 1, had a positive contribution of +29 basis points; among them, the negative impacts due to the effects of market evolution are included, mitigated by the calculation of minority interests as well as the positive impact in OCI equivalent to the net monetary position value loss in hyperinflationary economies registered in results.

The evolution through the first half of 2024 of the CET1 fully loaded ratio, breaking down by main factors is presented below:

**Chart 1.** Half-yearly evolution of the CET1 fully loaded ratio



<sup>1</sup>Includes, among others, FX and mark to market of HTC&S portfolios, minority interests, and a positive impact in OCI equivalent to the Net Monetary Position value loss in hyperinflationary economies registered in results.

As of June 30, 2024 there are no differences between the consolidated fully-loaded ratios and the phased-in ratios given that the impact associated with the transitional adjustments associated with IFRS 9 is nil.

The BBVA Group maintains a solid liquidity position in every geographical area in which it operates, with ratios well above the minimum required:

- The BBVA Group's liquidity coverage ratio (LCR) remained comfortably above 100% throughout the first half of 2024, the average ratio over the last 12 months stood at 148%. For the

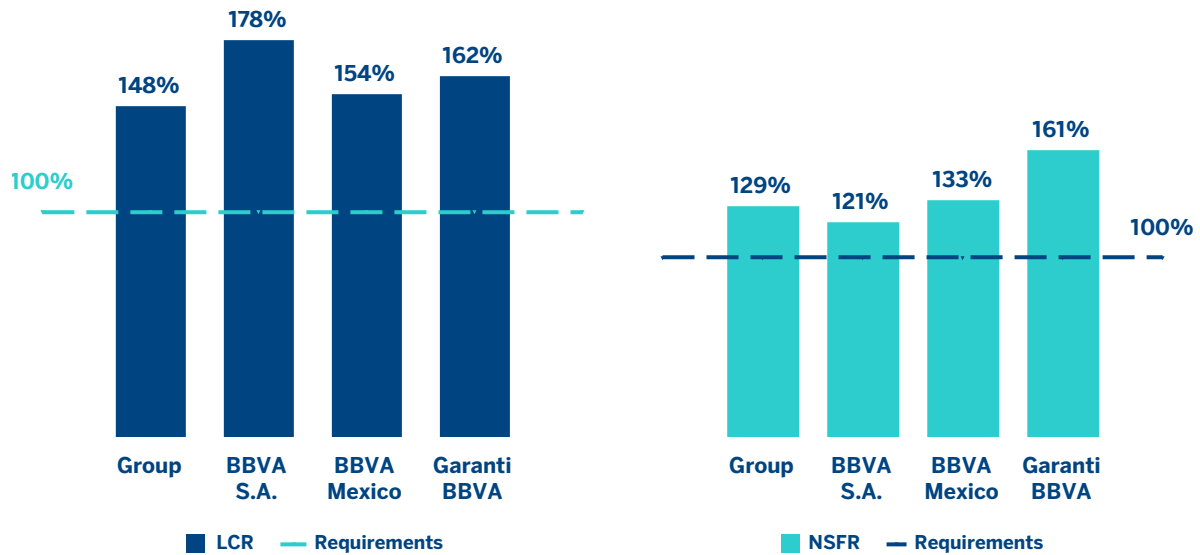
calculation of this ratio, it is assumed that there is no transfer of liquidity among subsidiaries; i.e. no type of excess liquidity levels in foreign subsidiaries is being considered in the calculation of the consolidated ratio. When considering these excess liquidity levels, the average BBVA Group's LCR would stand at 186%.

- The net stable funding ratio (NSFR), defined as the result between the amount of stable funding available and the amount of stable funding required, demands 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 BBVA Group's NSFR ratio, stood at 129% as of June 30, 2024.

As of June 30, 2024, the breakdown of the punctual ratios in the main geographical areas where the Group operates is shown below:

Chart 2. Liquidity ratios by LMUs



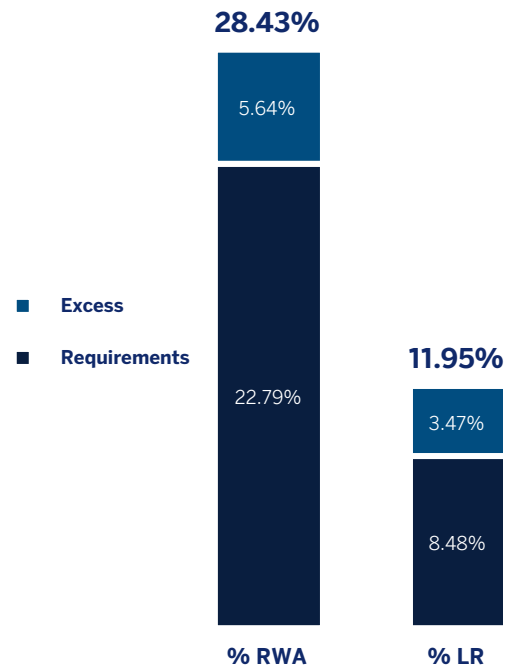
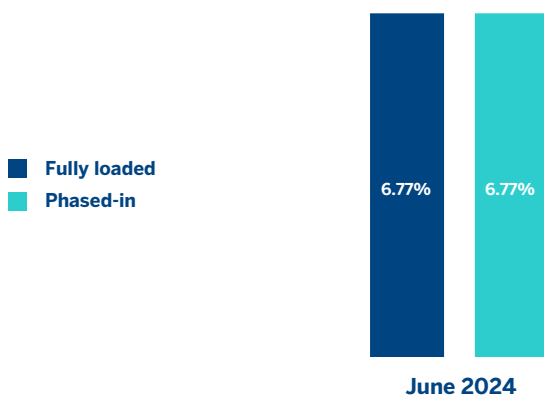
As for the leverage ratio, as of June 30, 2024, the fully loaded ratio stood at 6.77% (the same as phased-in), above the minimum required ratio of 3.00 %.

These data are shown below in a chart:

The fully loaded and phased-in ratios as of June 30, 2024 are shown below:

Chart 4. MREL requirements and ratios

Chart 3. Fully loaded and phased-in leverage ratio



With respect to MREL, as of June 30, 2024, both the RWA and Leverage ratios (LR) were at 28.43% and 11.95%, respectively, both comfortably above their respective requirements (22.79% and 8.48%).

The following table shows the main regulatory metrics in accordance with Article 447 of the CRR:

**Table 1.** EU KM1 - Key metrics (Million Euros)

	6-30-2024	3-31-2024	12-31-2023	9-30-2023	6-31-2023
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	48,860	48,740	46,116	45,567	45,146
Tier 1 capital	54,776	53,868	52,150	51,735	51,316
Total capital	64,243	63,318	60,332	59,085	58,337
<b>Risk-weighted exposure amounts</b>					
Total risk-weighted exposure amount	383,179	380,044	363,915	357,972	347,442
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
Common Equity Tier 1 ratio (%)	12.75 %	12.82 %	12.67 %	12.73 %	12.99 %
Tier 1 ratio (%)	14.30 %	14.17 %	14.33 %	14.45 %	14.77 %
Total capital ratio (%)	16.77 %	16.66 %	16.58 %	16.51 %	16.79 %
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.68 %	1.68 %	1.71 %	1.71 %	1.71 %
Of which: to be made up of CET1 capital (percentage points)	1.02 %	1.02 %	0.96 %	0.96 %	0.96 %
Of which: to be made up of Tier 1 capital (percentage points)	1.31 %	1.31 %	1.28 %	1.28 %	1.28 %
Total SREP own funds requirements (%)	9.68 %	9.68 %	9.71 %	9.71 %	9.71 %
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>					
Capital conservation buffer (%)	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	—	—	—	—	—
Institution specific countercyclical capital buffer (%)	0.11 %	0.09 %	0.08 %	0.07 %	0.06 %
Systemic risk buffer (%)	—	—	—	—	—
Global Systemically Important Institution buffer (%)	—	—	—	—	—
Other Systemically Important Institution buffer	1.00 %	1.00 %	0.75 %	0.75 %	0.75 %
Combined buffer requirement (%)	3.61 %	3.59 %	3.33 %	3.32 %	3.31 %
Overall capital requirements (%)	13.29 %	13.27 %	13.04 %	13.03 %	13.02 %
CET1 available after meeting the total SREP own funds requirements (%)	6.99 %	6.87 %	6.87 %	6.64 %	7.08 %
<b>Leverage ratio</b>					
Total exposure measure	809,063	830,725	797,888	784,906	792,045
Leverage ratio (%)	6.77 %	6.48 %	6.54 %	6.59 %	6.48 %
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>					
Additional own funds requirements to address the risk of excessive leverage (%)	—	—	—	—	—
Of which: to be made up of CET1 capital (percentage points)	—	—	—	—	—
Total SREP leverage ratio requirements (%)	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
Leverage ratio buffer requirement (%)	—	—	—	—	—
Overall leverage ratio requirements (%)	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
<b>Liquidity Coverage Ratio (1)</b>					
Total high-quality liquid assets (HQLA) (Weighted value)	105,561	104,238	102,242	105,540	108,202
Cash outflows - Total weighted value	101,834	99,635	98,715	100,134	100,055
Cash inflows - Total weighted value	30,558	29,577	29,777	30,995	31,532
Total net cash outflows (adjusted value)	71,276	70,060	68,939	69,138	68,523
Liquidity coverage ratio (%)	148.00 %	148.70 %	148.40 %	152.60 %	158.00 %
<b>Net Stable Funding Ratio</b>					
Total available stable funding	459,757	462,200	439,706	435,429	436,217
Total required stable funding	355,489	350,199	335,942	335,789	329,695
NSFR ratio (%)	129.33 %	131.98 %	130.89 %	129.67 %	132.31 %

(1) The EBA "mapping tool" links the LCR information to the regulatory models C72, C73, C74 and C76, which show end-of-quarter point-in-time values. However, article 447(f) of Regulation 575/2013 (CRR) establishes that the information related to the LCR and its components should be disclosed as the average of the preceding 12 months' values and not as point-in-time as of the end of the quarter. As a consequence, this information is not based on the EBA "mapping tool" but on table 78 (EU LIQ1)

The following sections detail matters relating to the Group's solvency. These are supplemented by information included in the Interim Consolidated Report BBVA Group (hereinafter, Interim Report) as of June 30, 2024, which also contains the Group's main activity and profitability indicators.

# 1. Introduction

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## 1.2. Corporate name and scope of application

Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter “the Bank”, “BBVA” or “BBVA, S.A.”) 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](http://www.bbva.com)).

Solvency regulations are applicable at a consolidated level for the whole Group.

## 1.2. Applicable regulatory framework

As a Spanish credit institution, BBVA is subject to Directive 2013/36/EU of the European Parliament and of the Council dated June 26, 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "CRD IV Directive") which main amendment is Directive 2019/878/EU (the "CRD V Directive").

The major regulation governing the solvency of credit institutions is (EU) Regulation No. 575/2013 of the European Parliament and of the Council of June 26, 2013, on the prudential requirements for credit institutions and investment firms amending (EU) Regulation No 648/2012 ("CRR" and in conjunction with Directive CRD IV and any implementing measures of CRD IV, "CRD IV"), which is complemented by several binding Regulatory Technical Standards that are directly applicable to all EU member states, without the need to implement national measures. This Regulation was mainly amended by Regulation 2019/876/EU ("CRR2") and Regulation 2020/873/EU ("Quick Fix").

The CRD IV Directive was transposed to Spanish national law by means of the Royal Decree-Law 14/2013, of November 29 ("RD-L 14/2013"), Law 10/2014 of June 26, Royal Decree 84/2015, of February 13 ("RD 84/2015"), Bank of Spain Circular 2/2014 of January 31 and Circular 2/2016 of February 2 ("Bank of Spain Circular 2/2016"), which has been amended by Circular 3/2022 of March, 30.

During 2021, Directive 2019/878 was transposed into the Spanish legal system through the publication of Royal Decree-Law 7/2021, of April 27 (amending Law 10/2014), Royal Decree 970/2021, of November 8 (which modifies RDL 84/2015) and Circular 5/2021, of September 22 (which modifies Circular 2/2016).

In the Macroprudential field, Royal Decree 102/2019 was published in March 2019, establishing the Macroprudential Authority of the Financial Stability Board, establishing its legal regime. The aforementioned Royal Decree also develops certain aspects related to the macroprudential tools contained in Royal Decree-Law 22/2018. Among them, it provides that the Bank of Spain may adopt measures such as the countercyclical buffer for a given sector, sectoral limits on the concentration of exposures or the establishment of limits and conditions on the granting of loans and other operations. These measures are developed in Bank of Spain Circular 5/2021, of September 22.

In addition to the regulation on the prudential supervision of institutions, Directive 2014/59/EU ("BRRD") was approved in 2014, which establishes a framework for the restructuring and resolution of credit institutions, making it mandatory for institutions to have an adequate funding structure to absorb losses.

The aforementioned Directive was integrated into the Spanish legal system through its transposition by Law 11/2015, of June 18, and its main amendment was made by Directive 2019/879 ("BRRD2"), which was subsequently incorporated into Spanish law by Royal Decree-Law 7/2021, of April 27.

## 1.3. Contents of the 2Q 2024 Prudential Relevance Report

Article 13 of the CRR establishes that the parent entities of the European Union are subject, based on their consolidated situation, to the disclosure requirements set by Part Eight of CRR.

The Prudential Relevance Report (Pillar 3) of the BBVA Group, corresponding to the first half of 2024 provides the prudential information of BBVA Consolidated Group as of June 30, 2024. This report has been prepared in accordance with the precepts contained in Part Eight of the CRR, complying with the guidelines published by EBA and the applicable technical implementation standards.

The introductory qualitative information of each section should be considered together with analogous information included in the last published annual report ([Pillar 3 2023](#)), which contains more detailed information than that included in this report.

Annex VII.a of this report contains the correspondence of the articles of Part Eight of the CRR on disclosure of information that are applicable at the date of the report with the different sections of the document where the required information is found. Additionally, Annex VII.b contains the correspondence of the articles of Annex II of the Commission Implementing Regulation (EU) 2022/2453 on ESG risk disclosure with the different sections of this report.

The aforementioned annex, together with the other annexes and the tables included in this report, are published in an editable format in order to facilitate their treatment, following the recommendations of the EBA Guidelines. This document is called "Pillar 3 2Q 2024 - Tables & Annexes" and available in the Shareholders and Investors / Financial Information section of the Group's website.

## 1.4. Differences between the consolidated group for the purposes of solvency regulations and accounting criteria

The BBVA Group's Interim Report is presented 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 endorsed by the European Union (hereinafter, "EU-IFRS") applicable as of June 30, 2024, considering the Bank of Spain Circular 4/2017, as well as its successive amendments, 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.

On the basis of accounting criteria, companies are considered to form part of a consolidated group when the parent entity holds or can hold, directly or indirectly, control of them. An institution is understood to control a subsidiary when it is exposed, or is entitled to, variable returns as a result of its involvement in the subsidiary and has the capacity to influence those returns through the power it exercises over the subsidiary.

Therefore, in drawing up the Interim Report, all dependent companies and consolidating structured entities have been consolidated by applying the full consolidation method.

Associated companies, as well as joint ventures (those over which joint control arrangements are in place), are valued using the equity method.

For the purposes of solvency regulations, the subsidiaries that form part of the consolidated group, are defined in Article 18 of the CRR.

Therefore, for the purposes of calculating solvency requirements, and hence the drawing up of this Prudential Relevance Report, the scope of consolidating entities is different from the scope defined for the purposes of drawing up the Interim Report.

The effect of the difference between the two regulations is mainly due to:

- Withdrawals from the balance made by entities (largely insurance companies regulated by the Solvency II regulatory framework) that are consolidated in the Interim Report by the full consolidation method and consolidated for the purposes of solvency by applying the equity method.
- Entries to the balance contributed mainly by financial entities, consolidated by applying the equity method at the accounting level, but for the purposes of solvency, are proportionally integrated.

The following table includes an exercise in transparency to show the reconciliation process between the book balances reported in the public balance sheet (attached to the Interim Report) and the book balances this report uses (regulatory perimeter), revealing the main differences between both perimeters.



**Table 2.** EU CC2 - Reconciliation of regulatory capital to balance sheet (Million Euros, 6-30-2024)

Public Balance Sheet Headings	Public Balance Sheet	Regulatory balance sheet	Reference to template EU CC1
Cash, cash balances at central banks and other demand deposits	45,055	45,200	
Financial assets held for trading	123,821	124,864	
Non-trading financial assets mandatorily at fair value through profit or loss	10,584	2,258	
Financial assets designated at fair value through profit or loss	856	—	
Financial assets at fair value through accumulated other comprehensive income	60,691	39,497	
Financial assets at amortised cost	481,213	480,779	
Derivatives - Hedge accounting	1,212	1,154	
Fair value changes of the hedged items in portfolio hedges of interest rate risk	(96)	(96)	
Joint ventures and associates	964	3,884	
Insurance and reinsurance assets	206	—	
Tangible assets	9,650	8,729	
Intangible assets	2,379	2,358	g)
Tax assets	18,111	17,214	
<i>Of which: deferred tax assets</i>	14,788	14,021	h)
Other assets	4,017	5,104	
Non-current assets and disposal groups classified as held for sale	871	833	
<b>Total Assets</b>	<b>759,534</b>	<b>731,778</b>	
Financial liabilities held for trading	93,546	93,984	
Financial liabilities designated at fair value through profit or loss	14,935	4,500	
Financial liabilities at amortised cost	565,752	561,402	o) q)
Derivatives - Hedge accounting	2,525	2,282	
Fair value changes of the hedged items in portfolio hedges of interest rate risk	—	—	
Liabilities under insurance and reinsurance contracts	11,520	—	
Provisions	4,658	4,317	
Tax liabilities	3,050	2,011	
<i>Of which: deferred tax liabilities</i>	2,332	1,323	
Other liabilities	6,457	6,287	
Liabilities included in disposal groups classified as held for sale	—	—	
<b>Total liabilities</b>	<b>702,443</b>	<b>674,785</b>	
Capital	2,824	2,824	a)
Share premium	19,184	19,184	a)
Equity instruments issued other than capital	—	—	
Other equity	32	32	c)
Retained earnings	40,895	39,030	b)
Revaluation reserves	—	—	
Other reserves	1,833	3,443	c)
Less: treasury shares	(106)	(106)	l)
Profit or loss attributable to owners of the parent	4,994	4,988	e)
Less: interim dividend	—	—	e)
Accumulated other comprehensive income (loss)	(16,416)	(16,168)	c)
Minority interests	3,851	3,766	
<b>Total equity</b>	<b>57,091</b>	<b>56,994</b>	
<b>Total equity and total liabilities</b>	<b>759,534</b>	<b>731,778</b>	

The main differences between the public balance sheet and the regulatory balance sheet are due to withdrawals from the balance generated by insurance, real estate and financial entities that are consolidated through the application of the equity method for the amount of €-29,199 million; and balance entries generated by entities that are consolidated using the proportional integration method for an amount of €+1,443 million.

# 2. Eligible own funds and minimum capital requirements

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## 2.1. BBVA Group’s regulatory capital tiers

The CRR establishes that credit institutions must maintain a minimum own funds requirements at all times for:

- a. Common Equity Tier 1 capital ratio (CET1).
- b. Tier 1 capital ratio (T1).
- c. Total capital ratio.

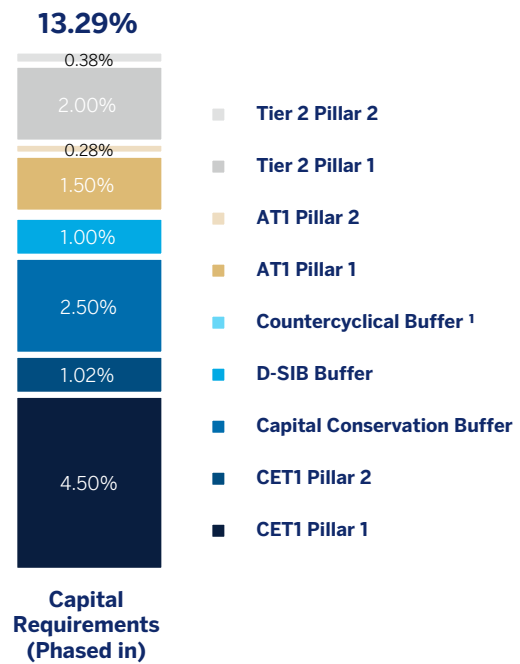
With regard to minimum capital requirements, as of June 30, 2024, BBVA must maintain a CET1 capital ratio of 9.13% and a total capital ratio of 13.29% at a consolidated level.

Thus, the consolidated overall capital requirement includes: i) the minimum capital requirement of Common Equity Tier 1 (CET1) of Pillar 1 (4.50%); ii) the capital requirement of Additional Tier 1 (AT1) of Pillar 1 (1.50%); iii) the capital requirement of Tier 2 of Pillar 1 (2.00%); iv) the CET1 requirement of Pillar 2 (1.02%), v) the capital requirement of Additional Tier 1 (AT1) of Pillar 2 (0.28%); vi) the capital requirement of Tier 2 of Pillar 2 (0.38%); vii) the capital conservation buffer (2.50% of CET1); viii) the capital buffer for Other Systemically Important Institutions (O-SIIs) (1.00% of CET1); and ix) the countercyclical buffer (CCyB) (0.11% of CET1 as of June 30, 2024).

The BBVA Group has set the objective of maintaining a fully loaded CET1 ratio at a consolidated level between 11.5% and 12.0%. As of June 30, 2024, the fully loaded CET1 ratio was above this target management range.

CET1 phased-in ratio reach 12.75% which represents 362 basis points over the minimum requirement of 9.13%.

Chart 5. Capital requirements and capital ratios (Phased-in)



<sup>(1)</sup> The countercyclical capital buffer as of June 30, 2024 amounts to 0.11%.

The following table shows the distribution by geographical areas of the credit exposure for calculation of the countercyclical capital buffer. Countries where no buffer is established and have no materiality are grouped:

**Table 3.1.** EU CCyB1 - Geographical breakdown of relevant credit exposures for the calculation of the countercyclical capital buffer (Million Euros. 6-30-2024)

	General credit exposures <sup>(1)</sup>		Trading book exposure		Securitisation exposure	Total exposure value	Own funds requirements			Total	Risk-weighted exposure amounts	Own funds requirements weights	Countercyclical capital buffer rate
	Exposure value for SA	Exposure value for IRB	Sum of long and short position of trading book	Trading book exposure value for internal models	Exposure value for SA		Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures				
<b>Geographical breakdown</b>													
Germany	175	6,217	225	216	5	6,838	210	—	—	210	2,628	0.92 %	0.75
Armenia	—	—	—	—	—	—	—	—	—	—	—	— %	1.50
Australia	43	442	—	—	—	485	20	—	—	20	248	0.09 %	1.00
Belgium	82	920	8	8	—	1,019	37	—	—	37	457	0.16 %	0.50
Bulgaria	26	1	—	—	—	27	2	—	—	2	28	0.01 %	2.00
Cyprus	—	—	—	—	—	—	—	—	—	—	—	— %	1.00
South Korea	10	497	2	2	—	511	13	—	—	13	161	0.06 %	1.00
Croatia	14	—	—	—	—	14	—	—	—	—	1	— %	1.50
Denmark	—	168	4	4	—	177	6	—	—	6	72	0.03 %	2.50
Slovakia	—	141	—	—	—	141	12	—	—	12	144	0.05 %	1.50
Slovenia	—	—	—	—	—	—	—	—	—	—	—	— %	0.50
Estonia	—	1	—	—	—	1	—	—	—	—	—	— %	1.50
France	1,122	7,144	104	103	—	8,473	285	3	—	288	3,598	1.26 %	1.00
Hong-Kong	2	3,402	1	1	—	3,405	65	—	—	65	807	0.28 %	1.00
Ireland	6	986	4	4	460	1,460	35	—	7	42	530	0.19 %	1.50
Iceland	—	—	—	—	—	—	—	—	—	—	—	— %	2.50
Lithuania	—	1	—	—	—	1	—	—	—	—	—	— %	1.00
Luxembourg	99	2,486	16	10	—	2,611	125	1	—	125	1,568	0.55 %	0.50
Norway	9	104	11	13	—	138	2	—	—	2	26	0.01 %	2.50
Netherlands	673	4,916	184	177	—	5,949	219	2	—	221	2,761	0.96 %	2.00
United Kingdom	2,106	8,900	117	121	—	11,244	533	5	—	538	6,724	2.35 %	2.00
Czech Republic	4	103	—	—	—	107	4	—	—	4	47	0.02 %	1.75
Romania	2,424	10	—	—	—	2,435	135	—	—	135	1,682	0.59 %	1.00
Sweden	26	285	11	11	—	333	14	—	—	15	185	0.06 %	2.00
Uruguay	2,581	73	—	—	—	2,655	151	—	—	151	1,884	0.66 %	0.50
<b>Total countries with countercyclical capital buffer</b>	<b>9,404</b>	<b>36,797</b>	<b>688</b>	<b>669</b>	<b>465</b>	<b>48,023</b>	<b>1,865</b>	<b>11</b>	<b>7</b>	<b>1,884</b>	<b>23,552</b>	<b>8.22 %</b>	
Argentina	5,593	131	—	—	—	5,724	384	—	—	384	4,801	1.68 %	
Colombia	17,259	1,277	56	21	—	18,613	1,110	4	—	1,114	13,922	4.86 %	
Spain	20,991	149,210	1,590	109	5,044	176,944	6,864	111	47	7,021	87,769	30.65 %	
United States	7,907	29,947	65	52	—	37,972	1,576	6	—	1,582	19,773	6.90 %	
Mexico	47,158	48,337	307	336	—	96,138	5,837	51	—	5,888	73,603	25.70 %	
Peru	12,957	725	—	—	—	13,682	736	—	—	736	9,199	3.21 %	
Portugal	2,438	2,433	18	19	—	4,907	233	—	—	233	2,907	1.02 %	
Turkey	47,313	613	80	—	—	48,006	3,175	6	—	3,181	39,764	13.89 %	
<b>Total countries with a 0% countercyclical buffer or without countercyclical capital buffer (with own funds requirements greater than 1%)</b>	<b>161,615</b>	<b>232,674</b>	<b>2,116</b>	<b>537</b>	<b>5,044</b>	<b>401,985</b>	<b>19,913</b>	<b>179</b>	<b>47</b>	<b>20,139</b>	<b>251,737</b>	<b>87.91 %</b>	
Other areas <sup>(2)</sup>	3,760	16,577	157	78	—	20,571	878	9	—	887	11,084	3.87 %	
<b>Total countries without countercyclical capital buffer (with own funds requirements less than 1%)</b>	<b>3,760</b>	<b>16,577</b>	<b>157</b>	<b>78</b>	<b>—</b>	<b>20,571</b>	<b>878</b>	<b>9</b>	<b>—</b>	<b>887</b>	<b>11,084</b>	<b>3.87 %</b>	
<b>Total</b>	<b>174,780</b>	<b>286,047</b>	<b>2,960</b>	<b>1,283</b>	<b>5,509</b>	<b>470,579</b>	<b>22,656</b>	<b>199</b>	<b>54</b>	<b>22,910</b>	<b>286,373</b>	<b>100.00 %</b>	

<sup>(1)</sup> Credit exposure excludes exposures to Central Governments or Central Banks, Regional Governments or Local Authorities, Public sector entities, Multilateral Development Banks, International Organisations and Institutions in accordance with art. 140.4 of Directive 2013/36/EU.<sup>(2)</sup> A full breakdown of the countries with relevant exposures for the calculation of the countercyclical capital buffer which are included in "Other areas", is in Annex III.

**Table 3.2.** EU CCyB2 - Amount of institution-specific countercyclical capital buffer (Million Euros. 6-30-2024)

Total risk exposure amount	383,179
Institution specific countercyclical buffer rate <sup>(1)</sup>	0.11 %
Institution specific countercyclical buffer requirement	417

<sup>(1)</sup> Countercyclical capital buffer calculated as of June 2024 in accordance with Commission Delegated Regulation (EU) 2015/1555.

The countercyclical capital buffer requirement applicable to the BBVA Group is 0.11%, which increased 3 basis points compared to December 2023. This requirement means that the Group must maintain an additional capital buffer of 417 million euros at the end of December 2024.

The growth is mainly due to the increase of the requirement in the Netherlands (currently 2%) from 1%, as well as the growth of exposures in the United Kingdom, which has gained weight in the Group during the half-year, and the increase in France's requirement to 1% (compared to 0.5% as of December 2023), other territory where the Group has significant exposures, making both among the top 10 countries where the Group has the greatest exposure. The increase of the requirement in Uruguay (0.25% higher than in December 2023) has also affected, although to a lesser extent. Lastly, the requirement has been less affected by the activation or increase of the requirement in other less relevant geographies for the Group.

## 2.2. Eligible own funds

For the purposes of calculating minimum capital requirements, according to Regulation (EU) 575/2013 and subsequent amendments, which are applicable as of the report date, the elements and instruments of Tier 1 capital are defined as the sum of Common Equity Tier 1 capital (CET1) and additional Tier 1 capital (AT1), as defined in Part Two, Title I, Chapters I to III of the CRR, as well as their corresponding deductions, in accordance with Articles 36 and 56, respectively.

Also considered are the elements of Tier 2 capital defined in Part Two, Title I of Chapter IV, Section I of the CRR. The deductions defined as such in Section II of the same Chapter are also considered.

Annex II outlines the main characteristics of capital instruments eligible for inclusion as additional Tier 1 and Tier 2 capital, in accordance with the standard template EU CCA.

The amount of total eligible capital, net of deductions, for the different items making up the capital base as of June 30, 2024, March 31, 2024 and December 31, 2023, respectively, is below, in accordance with the requirements for the disclosure of information related to regulatory own funds established by the Implementing Technical Standards (EBA/ITS/2020/04) (Implementing Regulation 2021/637 of March 15, 2021):

**Table 4.** Amount of capital (EU CC1) (Million Euros)

Reference to template EU CC2 <sup>(1)</sup>	6-30-2024	3-31-2024	12-31-2023
a) Capital and share premium	22,008	22,629	22,629
b) Retained earnings	39,030	38,571	34,889
c) Other accumulated earnings and other reserves	(12,693)	(10,532)	(12,872)
d) Minority interests eligible as CET1	2,223	2,187	1,864
e) Net profit of the year attributable to the Group (2)	2,491	1,093	4,759
<b>Common Equity Tier 1 Capital before other regulatory adjustments</b>	<b>53,059</b>	<b>53,947</b>	<b>51,269</b>
f) Additional value adjustments	(414)	(406)	(362)
g) Intangible assets	(1,462)	(1,479)	(1,421)
h) Deferred tax assets	(903)	(953)	(988)
i) Fair value reserves related to gains or losses on cash flow hedges	(203)	(113)	(114)
j) Expected losses in equity	(453)	(320)	(200)
k) Profit or losses on liabilities measured at fair value	(45)	(93)	(55)
l) Direct, indirect and synthetic holdings of own instruments	(319)	(1,069)	(331)
m) Securitisation tranches at 1250%	(7)	(7)	—
n) Other CET1 regulatory adjustments (3)	(393)	(768)	(1,681)
<b>Total Common Equity Tier 1 regulatory adjustments</b>	<b>(4,199)</b>	<b>(5,208)</b>	<b>(5,153)</b>
<b>Common Equity Tier 1 (CET1)</b>	<b>48,860</b>	<b>48,740</b>	<b>46,116</b>
o) Equity instruments and AT1 share premium	5,552	4,775	5,715
p) Qualifying Tier 1 capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	363	353	319
<b>Additional Tier 1 before regulatory adjustments</b>	<b>5,916</b>	<b>5,128</b>	<b>6,033</b>
<b>Additional Tier 1 (AT1)</b>	<b>5,916</b>	<b>5,128</b>	<b>6,033</b>
<b>Tier 1 (Common Equity Tier 1+Additional Tier 1)</b>	<b>54,776</b>	<b>53,868</b>	<b>52,150</b>
q) Equity instruments and Tier 2 share premiums	5,601	5,639	5,214
r) Eligible own funds instruments included in consolidated Tier 2 issued by subsidiaries and held by third parties	3,877	3,821	2,890
s) Credit risk adjustments	—	—	88
<b>Tier 2 before regulatory adjustments</b>	<b>9,477</b>	<b>9,460</b>	<b>8,192</b>
<b>t) Tier 2 regulatory adjustments</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>
<b>Tier 2</b>	<b>9,467</b>	<b>9,450</b>	<b>8,182</b>
<b>Total Capital (Total capital = Tier 1 + Tier 2)</b>	<b>64,243</b>	<b>63,318</b>	<b>60,332</b>
<b>Total RWA</b>	<b>383,179</b>	<b>380,044</b>	<b>363,915</b>
CET 1 (phased-in)	12.75 %	12.82 %	12.67 %
CET 1 (fully loaded)	12.75 %	12.82 %	12.67 %
TIER 1 (phased-in)	14.30 %	14.17 %	14.33 %
TIER 1 (fully loaded)	14.30 %	14.17 %	14.33 %
Total Capital (phased-in)	16.77 %	16.66 %	16.58 %
Total Capital (fully loaded)	16.77 %	16.66 %	16.58 %

<sup>(1)</sup> Until December 31, 2024, the transitional treatment of certain capital elements is in force, mainly the impact of IFRS 9, to which the BBVA Group has voluntarily adhered (in accordance with article 473 bis of the CRR), however, in the periods shown there are no differences between the ratios due to this transitional treatment. See table 7 for more information on the transitional impact of IFRS 9.

(1) References to regulatory balance sheet (EU CC2) where these items are included.

<sup>(2)</sup> As of December 31, 2023, the foreseeable cash dividend from the total shareholder remuneration subject to General Shareholders Meeting approval is deducted.

<sup>(3)</sup> As of December 31, 2023, the foreseeable share buy-back component from the total shareholder remuneration subject to General Shareholders meeting approval is deducted.

Annex I shows the full breakdown of the elements making up the capital base (EU CC1).

The CET1 fully loaded ratio of the BBVA Group stood at 12.75% as of June 30, 2024, which allows maintaining a large management buffer over the Group's CET 1 requirement (9.13%) and over the Group's target management range established between 11.5%-12% of CET 1. The phased-in CET 1 ratio was also 12.75%, given that there is no difference between the two ratios by the effect of the transitional adjustments of the IFRS9 impacts on solvency indicators.

The CET1 fully loaded ratio has increased by 8 basis points in the first half of the year, mainly explained by the generation of earnings (+137 basis points) which, net of shareholder remuneration and payment of convertible contingent instrument coupons (CoCos), generated a positive contribution of +63 basis points.

Meanwhile, the increase in risk-weighted assets (RWA) derived from the organic growth of the business in constant terms has drained the ratio -84 basis points.

Finally, the other elements that make up CET 1, had a positive contribution of +29 basis points; among them, the negative impacts due to the effects of market evolution are included, mitigated by the calculation of minority interests as well as the positive impact in OCI equivalent to the net monetary position value loss in hyperinflationary economies registered in results.

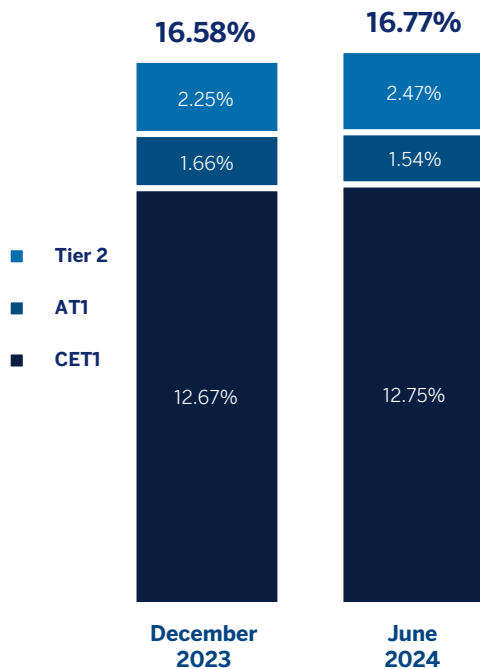
The consolidated fully-loaded additional Tier 1 (AT1) capital ratio stood at 1.54% as of June 30, 2024, -12 basis points lower than as of December 31, 2023. In this period, BBVA S.A completed an issuance for an amount of €750 million Contingent Convertible instruments (CoCos) in June 2024. In addition, in March 2024, the call for redemption of another issuance of Contingent Convertible instruments for a total amount of €1.0 billion was made.

The consolidated fully loaded Tier 2 ratio stood at 2.47% as of June 30, 2024, which represents an increase of 22 basis points compared to December 31, 2023, mainly due to the issuance of a subordinated bond in Spain for €1,250 million in February 2024, and, to a lesser extent, the issuance in Mexico, Turkey and Peru of subordinated debt for amounts of \$900 million, \$500 million and \$300 million, respectively in the first quarter. On the other hand, a subordinated debt issuance amounting to €750 million was redeemed in Spain.

As a consequence of the foregoing, the consolidated fully loaded total capital ratio stood at 16.77% as of June 30, 2024, while the total phased-in ratio is also 16.77% as of the same date.

The composition of the fully loaded total capital ratio as of December 31, 2023 and June 30, 2024 is shown below:

Chart 6. Composition of the fully loaded total capital ratio



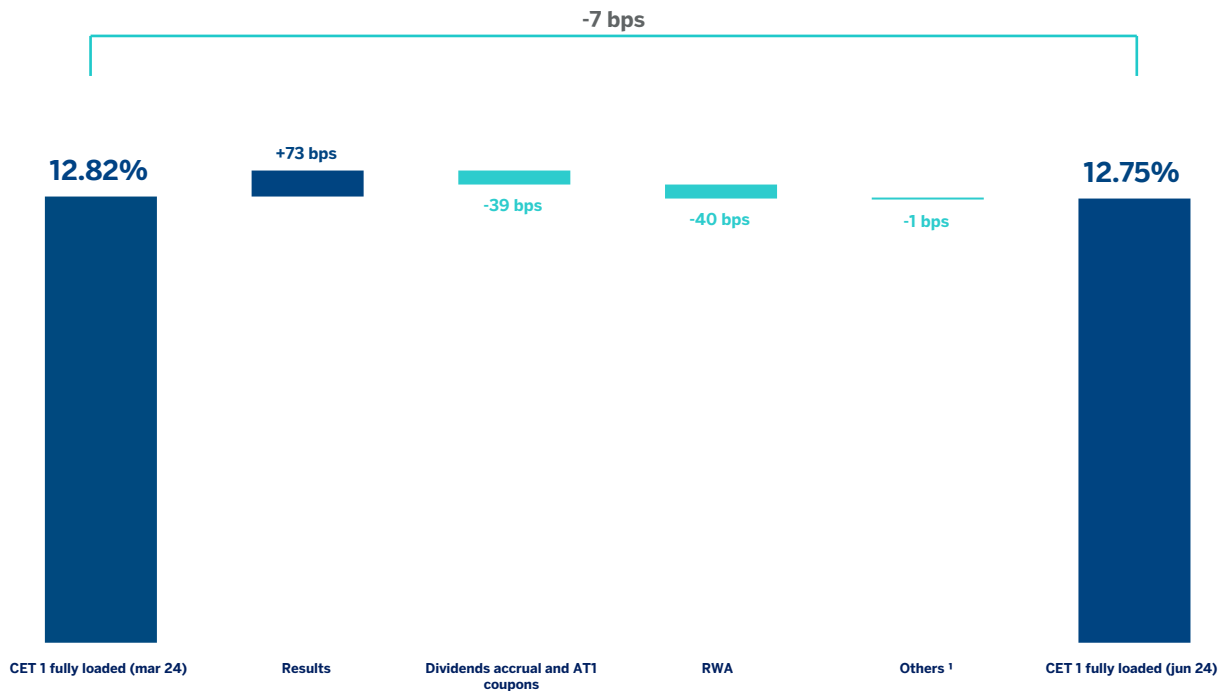
Regarding the specific variation During the second quarter, the Group's CET1 fully loaded decreased by -7 basis points with respect to the March level (12.82%).

The strong earnings generation during the second quarter (+73 basis points), higher than in the first quarter, net of shareholder remuneration and payment of capital instruments (CoCos), generated a positive contribution of +34 basis points to CET1 ratio, which, together with the offsetting in equity of the negative effect in results of value loss of the net monetary position in hyperinflationary economies, made it possible to absorb the growth of risk-weighted assets (RWA) derived from the organic growth of activity in constant terms (consumption of -40 basis points), in line with the Group's strategy of continuing to promote profitable growth.

Among the remaining impacts, in addition to the one referred to from hyperinflationary economies, it is worth

highlighting those associated with market variables, which drained -23 basis points of the ratio, where the negative evolution in the quarter due to the evolution of the main currencies (highlighting the impact of the evolution of the Mexican peso), and, to a lesser extent, the valuation of fixed income portfolios stand out.

Chart 7. Quarterly evolution of the CET1 fully loaded ratio



<sup>(1)</sup> Includes, among others, FX and mark to market of HTC&S portfolios, minority interests, and a positive impact in OCI equivalent to the Net Monetary Position value loss in hyperinflationary economies registered in results.

The AT1 fully loaded ratio showed an increase of 19 basis points compared to March 31, 2024 due to the CoCos issuance in June by BBVA S.A.

The Tier 2 fully loaded ratio has not experienced a significant variation (-2 basis points in the quarter), mainly impacted by the growth of RWA



## 2.3. Own Funds requirements by risk type

### 2.3.1. Entity risk profile

The BBVA Group has a general risk management and control model (hereinafter, the "Model") that is appropriate for its business model, its organisation, the countries where it operates and its corporate governance system. This model allows the Group to carry out its activity within the risk management and control strategy and policy defined by the corporate bodies of BBVA and to adapt itself to a changing economic and regulatory environment, facing this management at a global level and aligned to the circumstances at all times. The Model establishes a suitable risk management system related to the risk profile and strategy of the entity.

The types of risk inherent in the business that make up the risk profile of the Group are as follows:

- **Credit risk and dilution:** Credit risk arises from the probability that one party to a financial instrument will fail to meet its contractual obligations for reasons of insolvency or inability to pay and cause a financial loss for the other party. This includes counterparty risk, issuer risk, liquidation risk and country risk.
- **Counterparty risk:** The credit risk corresponding to derivative instruments, repurchase and reverse repurchase transactions, securities or commodities lending or borrowing transactions and deferred settlement transactions.
- **Credit Valuation Adjustment Risk (CVA):** Its aim is to reflect the impact on the fair value of the counterparty's credit risk, resulting from OTC derivative instruments which are not recognised credit derivatives for the purpose of reducing the amount of credit risk weighted exposure
- **Market risk:** Market risk originates in the possibility that there may be losses in the value of positions held due to movements in the market variables that affect the valuation of financial products and assets in the trading book. This includes risk with respect to the position in debt and equity instruments, exchange rate risk and commodity risk.
- **Operational risk:** a risk that may cause losses as a result of human error; inadequate or defective internal processes; inadequate conduct toward customers, in the markets or against the company; failures, interruptions or deficiencies in systems or communications; theft, loss or misuse of information, as well as deterioration of its quality; internal or external fraud including, in all cases, fraud resulting from cyber-attacks; theft or physical damage to assets or persons; legal risks; risks resulting from workforce and occupational health management; and inadequate service provided by suppliers. This definition includes legal risk, but excludes strategic and/or business risk and reputational risk.
- **Structural risk:** This is divided into structural interest-rate risk (movements in market interest rates that cause changes in an entity's net interest income and book value) and structural exchange-rate risk (exposure to variations in exchange rates originating in the Group's foreign companies and in the provision of funds to foreign branches financed in a different currency from that of the investment).
- **Liquidity risk:** Risk of an entity having difficulties in duly meeting its payment commitments, or where, to meet them, it has to resort to funding under burdensome terms which may harm the Group's image or reputation.
- **Reputational risk:** Considered to be the potential loss in earnings as a result of events that may negatively affect the perception of the Group's different stakeholders.

The following table shows the total capital requirements broken down by risk type as of quarter-end from December 31, 2023 to June 30, 2024:

Table 5. EU OV1 - Overview of RWA (Million Euros)

	RWEAs			Minimum Capital Requirements <sup>(1) (2)</sup>
	6-30-2024	3-31-2024	12-31-2023	6-30-2024
<b>Credit risk (excluding CCR) <sup>(3)</sup></b>	<b>321,041</b>	<b>319,549</b>	<b>306,177</b>	<b>25,953</b>
Of which the standardised approach <sup>(4)</sup>	157,286	158,367	147,485	12,583
Of which the Foundation IRB (F-IRB) approach	—	—	—	—
Of which: slotting approach	6,238	5,970	5,809	499
Of which equity IRB under the simple risk-weighted approach <sup>(5)</sup>	3,171	3,760	3,269	254
Of which the Advanced IRB (A-IRB) approach <sup>(6)</sup>	141,253	139,600	138,722	11,300
<b>Counterparty credit risk - CCR</b>	<b>11,138</b>	<b>11,224</b>	<b>10,288</b>	<b>891</b>
Of which the standardised approach <sup>(7)</sup>	6,463	6,905	6,333	517
Of which internal model method (IMM)	—	—	—	—
Of which exposures to a CCP <sup>(8)</sup>	754	797	726	60
Of which credit valuation adjustment - CVA	1,173	1,243	1,429	94
Of which other CCR	2,747	2,279	1,800	220
<b>Settlement risk</b>	<b>—</b>	<b>—</b>	<b>44</b>	<b>—</b>
<b>Securitisation exposures in the non-trading book (after the cap) <sup>(9)</sup></b>	<b>677</b>	<b>646</b>	<b>502</b>	<b>54</b>
Of which internal assessment approach (SEC-IRBA)	579	579	434	46
Of which external assessment approach (SEC-ERBA)	98	67	68	8
Of which standardised approach (SEC-SA)	—	—	—	—
Of which 1250% deduction <sup>(9)</sup>	—	—	—	—
<b>Market Risk</b>	<b>17,044</b>	<b>16,157</b>	<b>16,101</b>	<b>1,363</b>
Of which the standardised approach (SA)	7,098	6,331	6,464	568
Of which IMA	9,946	9,317	8,406	796
<b>Large exposures</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Operational risk <sup>(10)</sup></b>	<b>33,278</b>	<b>32,467</b>	<b>30,805</b>	<b>2,392</b>
Of which basic indicator approach	1,248	1,261	1,297	100
Of which standardised approach	28,658	29,520	29,508	2,293
Of which advanced measurement approach	—	—	—	—
<b>Amounts below the thresholds for deduction (subject to 250% risk weight) <sup>(11)</sup></b>	<b>18,340</b>	<b>18,280</b>	<b>17,296</b>	<b>1,467</b>
<b>Total</b>	<b>383,179</b>	<b>380,044</b>	<b>363,915</b>	<b>30,654</b>

<sup>(1)</sup> Considering the minimum total capital requirement of 8% (Article 92 of the CRR).

<sup>(2)</sup> Under the total capital requirement ratio after the supervisory review process (SREP), the total capital requirement ratio amounts to 13.29% (€50,924 million as of the reporting date).

<sup>(3)</sup> Including amounts below the deduction thresholds subject to 250% weight (DTAs rise to €9,787 million and significant investments in financial sector entities and insurance companies amounting to €8,552 million as of June, 30, 2024).

<sup>(4)</sup> Excluding deferred tax assets arising from temporary differences subject to 250% risk weight in accordance with Article 48.4 CRR. This amount is €9,787 million as of June 30, 2024.

<sup>(5)</sup> It only includes equity exposures under the simple method of IRB approach.

<sup>(6)</sup> It only includes credit risk exposures under the advanced internal ratings-based approach (AIRB).

<sup>(7)</sup> It only includes SA-CCR for derivatives.

<sup>(8)</sup> This row includes the total RWA corresponding to exposures with central counterparties (CCPs), both qualified and non-qualified, among which are also the initial margins.

<sup>(9)</sup> The BBVA Group deducts from capital those securitisations meeting the deduction requirements, so it does not apply a weight of 1,250% to these exposures. In this row, the value of €93 million that would result from applying this weight to the exposures deducted is not included as of June, 30, 2024.

<sup>(10)</sup> This line includes capital consumptions that the Group incorporates to reflect a more conservative treatment of certain elements in accordance with article 3 CRR.

<sup>(11)</sup> The information in this row is disclosed for information purposes only, as the amount included here is also included in row 1, where institutions are requested to disclose information on credit risk. As a consequence, this row should not be taken into account when calculating the total indicated at the bottom of the table.

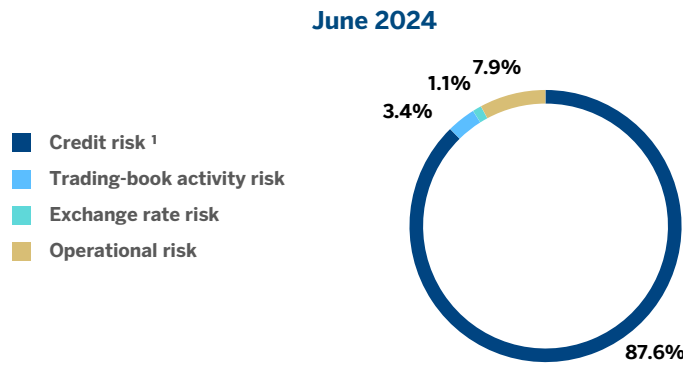
In the first half of 2024, risk-weighted assets have grown by approximately €19 billion, mainly in credit risk, highlighting the corporate portfolio.

The exchange rate effect led to a reduction of around €5.5 billion, mainly concentrated in Mexico and, to a lesser extent, in Turkey.

The evolution of RWA by type of risk is explained in more detail in the respective sections of the report.

Total risk-weighted assets are shown below, broken down by type of risk (where credit risk includes counterparty risk) as of June 30, 2024:

**Chart 8.** Distribution of RWA by risk type eligible on Pillar 1



<sup>1)</sup> Credit risk includes CVA risk

### 2.3.2. Breakdown of minimum capital requirements by risk type

This section provides an overview of risk-weighted assets and the minimum capital requirements established by Article 92 of the CRR.

The following table is a breakdown of risk-weighted assets and capital requirements broken down by risk type and exposure categories as of June 30, 2024, March 31, 2024 and December 31, 2023:

**Table 6.** Capital requirements by risk type and exposure class (Million Euros)

Exposure Class and risk type	RWA			Capital requirements <sup>(1)</sup>		
	6-30-2024	3-31-2024	12-31-2023	6-30-2024	3-31-2024	12-31-2023
<b>Credit Risk</b>	<b>160,968</b>	<b>162,460</b>	<b>150,580</b>	<b>12,877</b>	<b>12,997</b>	<b>12,046</b>
Central governments or central banks	30,269	31,495	29,349	2,421	2,520	2,348
Regional governments or local authorities	1,277	1,705	1,320	102	136	106
Public sector entities	886	915	932	71	73	75
Multilateral development banks	7	6	6	1	—	—
International organisations	—	—	—	—	—	—
Institutions	4,081	5,109	4,548	326	409	364
Corporates	50,809	48,922	45,522	4,065	3,914	3,642
Retail	43,326	42,500	39,973	3,466	3,400	3,198
Secured by mortgages on immovable property	11,390	11,643	11,056	911	931	884
Exposures in default	3,090	3,132	3,064	247	251	245
Exposures associated with particularly high risk	3,781	3,804	3,219	302	304	258
Covered bonds	—	—	—	—	—	—
Claims on institutions and corporates with a short-term credit assessment	1	1	—	—	—	—
Collective investments undertakings	1	1	1	—	—	—
Equity exposures	—	—	—	—	—	—
Other exposures	12,053	13,228	11,590	964	1,058	927
<b>Total credit risk by standardised approach</b>	<b>160,968</b>	<b>162,460</b>	<b>150,580</b>	<b>12,877</b>	<b>12,997</b>	<b>12,046</b>
<b>Credit Risk</b>	<b>153,699</b>	<b>151,368</b>	<b>150,223</b>	<b>12,296</b>	<b>12,109</b>	<b>12,018</b>
Central governments or central banks	1,611	1,283	1,249	129	103	100
Institutions	9,595	8,703	8,407	768	696	673
Corporates	99,031	96,435	95,402	7,923	7,715	7,632
Of which: SMEs	19,484	17,953	17,942	1,559	1,436	1,435
Of which: Specialised lending	6,428	6,171	6,060	514	494	485
Of which: Others	73,119	72,311	71,401	5,850	5,785	5,712
Retail	43,461	44,947	45,164	3,477	3,596	3,613
Of which: Secured by mortgages on immovable property (SME)	1,793	1,820	1,844	143	146	147
Of which: Secured by mortgages on immovable property (non-SME)	14,396	14,683	15,721	1,152	1,175	1,258
Of which: Qualifying revolving	17,598	18,425	17,710	1,408	1,474	1,417
Of which: Other SMEs	1,980	1,923	1,902	158	154	152
Of which: Other Non-SMEs	7,694	8,096	7,988	616	648	639
<b>Equity</b>	<b>16,265</b>	<b>15,612</b>	<b>14,161</b>	<b>1,301</b>	<b>1,249</b>	<b>1,133</b>
Simple risk weight approach	3,171	3,760	3,269	254	301	262
Exposures in sufficiently diversified portfolios (RW 190%)	2,328	1,866	1,727	186	149	138
Exchange traded exposures (RW 290%)	842	1,024	836	67	82	67
Others (RW 370%)	1	870	706	—	70	57
PD/LGD approach	2,641	2,657	2,320	211	213	186
Internal models approach	600	382	257	48	31	21
Exposures subject to 250% risk weight	8,552	8,812	8,314	684	705	665
CIU exposures subject to the fall-back approach	104	—	—	1,300	—	—
<b>Total credit risk by IRB approach</b>	<b>169,964</b>	<b>166,980</b>	<b>164,384</b>	<b>13,597</b>	<b>13,358</b>	<b>13,151</b>
<b>Total contributions to the default fund of a CCP</b>	<b>75</b>	<b>91</b>	<b>72</b>	<b>6</b>	<b>7</b>	<b>6</b>
<b>Securitisation exposures</b>	<b>677</b>	<b>646</b>	<b>502</b>	<b>54</b>	<b>52</b>	<b>40</b>
<b>Total credit risk</b>	<b>331,683</b>	<b>330,176</b>	<b>315,538</b>	<b>26,535</b>	<b>26,414</b>	<b>25,243</b>
<b>Settlement risk</b>	<b>—</b>	<b>—</b>	<b>44</b>	<b>—</b>	<b>—</b>	<b>3</b>
Standardised approach:	7,098	6,331	6,464	568	506	517
Of which: Fixed income price risk	2,953	2,836	2,697	236	227	216
Of which: Equity market risk	19	25	15	2	2	1
Of which: Price risk in CIUs	111	121	119	9	10	10
Of which: Foreign exchange risk	4,015	3,349	3,632	321	268	291
Of which: Commodities risk	—	—	—	—	—	—
IMA: Market Risk	9,946	9,317	8,406	796	745	672
<b>Total trading book risk</b>	<b>17,044</b>	<b>15,648</b>	<b>14,870</b>	<b>1,363</b>	<b>1,252</b>	<b>1,190</b>
<b>CVA risk</b>	<b>1,173</b>	<b>1,243</b>	<b>1,429</b>	<b>94</b>	<b>99</b>	<b>114</b>
<b>Operational risk</b>	<b>29,906</b>	<b>30,781</b>	<b>30,805</b>	<b>2,392</b>	<b>2,463</b>	<b>2,464</b>
<b>Others <sup>(1)</sup></b>	<b>3,372</b>	<b>2,195</b>	<b>1,231</b>	<b>270</b>	<b>176</b>	<b>98</b>
<b>Capital requirements</b>	<b>383,179</b>	<b>380,044</b>	<b>363,915</b>	<b>30,654</b>	<b>30,403</b>	<b>29,113</b>

<sup>(1)</sup> Calculated on the minimum total capital requirements of 8% (Article 92 of the CRR).<sup>(2)</sup> This line includes capital consumptions that the Group incorporates to reflect a more conservative treatment of certain elements in accordance with article 3 CRR.

## 2.4. IFRS 9 and OCI transitional arrangements

The table below shows a comparison of institutions' own funds and capital and leverage ratios with and without the application of the transitional treatment of IFRS9 impact, and with and without the application of the transitional treatment in accordance with Article 468 of the CRR, according to the standard format set by EBA guidelines (EBA/GL/2018/01).

Since 2018 BBVA Group has applied the transitional treatment of IFRS9 impact. Therefore, phased-in capital ratios and leverage ratio are calculated taking into account the transitional provisions as defined by article 473a of the CRR and its subsequent amendments made by Regulation 2020/873 of the Parliament and Council of 24 June 2020 in response to the COVID-19 pandemic. The Group also applies paragraph 7a of the aforementioned article in calculating the impact of the transitional treatment on phased-in risk-weighted assets.

The aforementioned static transitional treatment ceased to be in effect on January 1, 2023, and therefore, from that date until December 31, 2024, the ratio is only affected by the dynamic treatment.

In addition, the Group decided not to apply the transitional treatment of unrealised gains and losses measured at fair value through other comprehensive income (hereinafter, unrealised gains and losses measured at FVTOCI) outlined in Article 1, Paragraph 6 of the aforementioned regulation amending Article 468 of the CRR. This transitional provision ended on 1 January 2023.

As of June 30, 2024, the transitional provisions have no impact on the ratio, so fully loaded and phased-in are the same.

**Table 7.** IFRS 9-FL - Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs and with and without the application of the temporary treatment of gains and losses measured at Fair Value through OCI (Million Euros)

<b>Available capital (Million Euros)</b>	<b>6-30-2024</b>	<b>3-31-2024</b>	<b>12-31-2023</b>	<b>9-30-2023</b>	<b>6-31-2023</b>
Common Equity Tier 1 Capital (CET1)	48,860	48,740	46,116	45,567	45,146
Common Equity Tier 1 (CET1) if the transitional provisions of IFRS 9 or similar ECL had not been applied	48,860	48,740	46,116	45,567	45,146
Common Equity Tier 1 (CET1) if the transitional treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) had not been applied					
Tier 1 capital (T1)	54,776	53,868	52,150	51,735	51,316
Tier 1 capital (T1) if the transitional provisions of IFRS 9 or similar ECL had not been applied	54,776	53,868	52,150	51,735	51,316
Tier 1 (T1) capital if the transitional treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) had not been applied					
Total capital	64,243	63,318	60,332	59,085	58,337
Total capital if the transitional provisions of IFRS 9 or similar ECL had not been applied	64,243	63,318	60,332	59,085	58,337
Total capital if the transitional treatment of unrealized gains and losses measured at fair value with changes in OCI had not been applied (other comprehensive income)					
<b>Risk-weighted assets (Million Euros)</b>					
Total risk-weighted assets	383,179	380,044	363,915	357,972	347,442
Total risk-weighted assets had the transitional provisions of IFRS 9 or similar ECL not been applied	383,179	380,044	363,915	357,972	347,442
Total risk-weighted assets if the transitional treatment of unrealised gains and losses measured at fair value through OCI had not been applied (other comprehensive income)					
<b>Capital ratios</b>					
Common Equity Tier 1 (CET1) (as a percentage of the risk exposure amount)	12.75 %	12.82 %	12.67 %	12.73 %	12.99 %
Common Equity Tier 1 (CET1) (as a percentage of the risk exposure amount) if the transitional provisions of IFRS 9 or similar ECL had not been applied	12.75 %	12.82 %	12.67 %	12.73 %	12.99 %
Common Equity Tier 1 (CET1) (as a percentage of the risk exposure amount) if the transitional treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) had not been applied					
Tier 1 capital (T1) (as a percentage of the amount of the exposure)	14.30 %	14.17 %	14.33 %	14.45 %	14.77 %
Tier 1 capital (T1) (as a percentage of the exposure amount) if the transitional provisions of IFRS 9 or similar ECL had not been applied	14.30 %	14.17 %	14.33 %	14.45 %	14.77 %
Tier 1 (T1) capital (as a percentage of the exposure amount) if the transitional treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) had not been applied					
Total capital (as a percentage of the amount of the exposure)	16.77 %	16.66 %	16.58 %	16.51 %	16.79 %
Total capital (as a percentage of the amount of the exposure) if the transitional provisions of IFRS 9 or similar ECL had not been applied	16.77 %	16.66 %	16.58 %	16.51 %	16.79 %
Total capital (as a percentage of the amount of the risk exposure) if the transitional treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) had not been applied					
<b>Leverage ratio</b>					
Measurement of total exposure corresponding to the leverage ratio (Million Euros)	809,063	830,725	797,888	784,906	792,045
Leverage ratio	6.77 %	6.48 %	6.54 %	6.59 %	6.48 %
Leverage ratio if the transitional provisions of IFRS 9 or similar ECL had not been applied	6.77 %	6.48 %	6.54 %	6.59 %	6.48 %
Leverage ratio if the transitional treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) had not been applied					

# 3. Risk

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## 3.1. General Risk Management and Control Model

The BBVA Group has a general risk management and control model (hereinafter, the "Model") that is appropriate for its business model, its organization, the countries where it operates and its corporate governance system. This model allows the Group to carry out its activity within the management and risk control strategy and policy defined by the corporate bodies of BBVA where sustainability is specifically considered, and the alignment to a changing economic and regulatory environment, facing this management at a global level and aligned to the circumstances at all times.

The Model, for which the Group's Chief Risk Officer (CRO) is responsible and that must be updated or reviewed at least annually, is fully applied in the Group and it comprises the following basic elements:

- Governance and organization
- Risk Appetite Framework
- Assessment, monitoring and reporting
- Infrastructure.

The Group promotes the development of a risk culture that ensures a consistent application of the Model in the Group, and that guarantees that the risks function is understood and internalized at all levels of the organization.



## 3.2. Credit and Counterparty Risk

### 3.2.1. General information on credit risk

#### 3.2.1.1. Exposure to credit risk

According to Article 5 of the CRR, with respect to the regulatory capital requirements for credit risk, exposure is understood to be any asset item and all items included in the Group's off-balance sheet accounts involving credit risk and not deducted from the Group's bank capital. Accordingly, mainly loan and advances to customers are included, with their corresponding undrawn balances, letters of credit and guarantees, debt securities and capital instruments, cash and balances with central banks and credit institutions, repurchase and reverse repurchase agreements, financial derivatives and intangible assets.

The credit risk exposure specified in the following sections of this document is broken down into credit risk according to the standardised approach (Section 3.2.2), credit risk according to the advanced approach (Section 3.2.3), counterparty credit risk (Section 3.2.4), securitisation credit risk (Section 3.2.5) and structural equity risk (Section 3.4.3).

The following table shows the main metrics of credit risk (including counterparty credit risk) by approach and exposure class as of June 30, 2024 and as of December 31, 2023:

**Table 8.** Credit Risk and Counterparty Risk Exposure (Million Euros, 6-30-2024)

Exposure Class	Original Exposure <sup>(1)</sup>	Provisions <sup>(2)</sup>	Net exposure of provisions <sup>(3)</sup>	On-balance exposure after credit risk mitigation techniques <sup>(4a)</sup>	Off-balance exposure after credit risk mitigation techniques <sup>(4b)</sup>	Exposure in the adjusted value <sup>(5)</sup>	EAD <sup>(6)</sup>	RWA	RWA density
Central governments or central banks	153,481	(162)	153,319	163,563	4,963	170,998	168,127	30,269	18 %
Regional governments or local authorities	7,751	(8)	7,743	1,687	309	1,966	1,895	1,277	67 %
Public sector entities	1,445	(4)	1,441	945	347	1,325	1,125	886	79 %
Multilateral development banks	211	—	211	209	—	213	213	7	3 %
International organisations	742	—	742	479	—	479	479	—	—
Institutions	54,726	(24)	54,703	9,748	33,603	45,224	13,155	4,081	31 %
Corporates	74,952	(561)	74,391	43,873	16,772	62,561	54,462	50,809	93 %
Retail	119,949	(1,795)	118,154	61,890	49,616	107,853	62,086	43,326	70 %
Secured by mortgages on immovable property	31,847	(158)	31,689	31,197	487	31,572	31,315	11,390	36 %
Exposures in default	7,837	(4,235)	3,602	2,939	290	3,181	3,000	3,090	103 %
Exposures associated with particularly high risk	3,459	(249)	3,210	2,508	465	2,776	2,520	3,781	150 %
Covered bonds	—	—	—	—	—	—	—	—	—
Claims on institutions and corporates with a short-term credit assessment	3	—	3	3	—	3	3	1	26 %
Collective investments undertakings	1	—	1	—	1	1	1	1	100 %
Other exposures	21,183	—	21,183	21,390	5	21,395	21,392	12,053	56 %
<b>Total standardised approach</b>	<b>477,588</b>	<b>(7,197)</b>	<b>470,391</b>	<b>340,431</b>	<b>106,858</b>	<b>449,547</b>	<b>359,774</b>	<b>160,968</b>	<b>45 %</b>
Central governments or central banks	12,036	(1)		11,161	801	12,933	12,531	1,611	13 %
Institutions	157,494	(15)		17,390	12,232	142,995	136,924	9,595	7 %
Corporates	229,826	(1,388)		115,622	100,344	222,700	178,171	99,031	56 %
Corporates (SMEs)	26,035	(676)		19,024	5,059	24,174	20,683	19,484	94 %
Corporates: Specialised lending	10,287	(53)		6,799	3,192	10,287	8,892	6,428	72 %
Corporates: Others	193,504	(660)		89,799	92,093	188,239	148,595	73,119	49 %
Retail	129,215	(3,432)		95,813	31,421	127,236	100,963	43,461	43 %
Of which: secured by immovable property	72,826	(1,114)		68,522	4,304	72,826	68,821	16,189	24 %
Of which: Qualifying revolving	37,903	(1,156)		11,567	26,336	37,903	15,960	17,598	110 %
Of which: Others	18,486	(1,162)		15,723	781	16,507	16,182	9,675	60 %
Retail: Other SMEs	5,585	(207)		2,871	754	3,627	3,317	1,980	60 %
Retail: Other Non-SMEs	12,902	(954)		12,853	27	12,879	12,865	7,694	60 %
<b>Total IRB approach</b>	<b>528,572</b>	<b>(4,836)</b>		<b>239,986</b>	<b>144,798</b>	<b>505,865</b>	<b>428,590</b>	<b>153,699</b>	<b>36 %</b>
<b>Total positions in securitisation (7)</b>	<b>5,947</b>	<b>(2)</b>	<b>5,944</b>	<b>5,690</b>	<b>—</b>	<b>5,509</b>	<b>5,509</b>	<b>677</b>	<b>12 %</b>
<b>Total credit risk dilution and delivery</b>	<b>1,012,106</b>	<b>(12,035)</b>	<b>476,336</b>	<b>586,107</b>	<b>251,656</b>	<b>960,920</b>	<b>793,873</b>	<b>315,344</b>	<b>40 %</b>
<b>Equity</b>	<b>6,751</b>			<b>6,751</b>	<b>58</b>	<b>6,809</b>	<b>6,809</b>	<b>16,265</b>	<b>220 %</b>
Simple risk weight approach	1,458			1,458	58	1,516	1,516	3,171	209 %
Exposures in sufficiently diversified portfolios (RW 190%)	1,167			1,167	58	1,225	1,225	2,328	190 %
Exchange traded exposures (RW 290%)	290			290	—	290	290	842	290 %
Others (RW 370%)	—			—	—	—	—	1	370 %
PD/LGD approach	1,581			1,581	—	1,581	1,581	2,641	167 %
Internal models approach	291			291	—	291	291	600	206 %
Exposures subject to a 250% risk weight	3,421			3,421	—	3,421	3,421	8,552	250 %
CIU exposures subject to the fall-back approach								1,300	— %
<b>Total credit risk</b>	<b>1,018,857</b>	<b>(12,035)</b>	<b>476,336</b>	<b>592,857</b>	<b>251,714</b>	<b>967,729</b>	<b>800,682</b>	<b>331,608</b>	<b>41 %</b>

<sup>(1)</sup> Gross exposure value before credit risk mitigation techniques and CCF, excluding contributions to the default fund for a CCP.

<sup>(2)</sup> Includes provisions and impairment of financial assets and contingent risk and commitments.

<sup>(3)</sup> Standardised Approach exposures are adjusted by credit risk adjustments. The original equity exposure is shown net of impairment.

<sup>(4a)</sup> <sup>(4b)</sup> Eligible credit risk mitigation techniques are included, either on-balance sheet or off-balance sheet, not subject to counterparty credit risk according to Chapter 4 of CRR. In the case of securitisation exposure, unfunded credit protection is included.

<sup>(5)</sup> Under the standardised approach, it corresponds to the exposure value after the application of the eligible credit risk mitigation techniques, net of volatility adjustments.

<sup>(6)</sup> Exposure at default, calculated as (4a)+((4b)\*CCF).

<sup>(7)</sup> This row includes the SEC-SA, SEC-ERBA and SEC-IRBA methods. The exposure of securitisations with a risk weight of 1.250% which are deducted from own funds is included (€355 thousand).

## Credit Risk and Counterparty Risk Exposure (Million Euros. 31-12-2023)

Exposure Class	Original Exposure <sup>(1)</sup>	Provisions	Net exposure of provisions <sup>(3)</sup>	On-balance exposure after credit risk mitigation techniques <sup>(4a)</sup>	Off-balance exposure after credit risk mitigation techniques <sup>(4b)</sup>	Exposure in the adjusted value <sup>(5)</sup>	EAD <sup>(6)</sup>	RWA	RWA density
Central governments or central banks	171,009	(167)	170,841	182,007	4,973	189,468	186,545	29,349	16%
Regional governments or local authorities	7,951	(10)	7,941	1,525	359	1,856	1,682	1,320	79%
Public sector entities	2,972	(4)	2,967	871	482	1,366	1,107	932	84%
Multilateral development banks	207	—	207	206	—	209	209	6	3%
International organisations	735	—	735	475	—	475	475	—	—
Institutions	46,875	(28)	46,847	9,955	18,094	29,660	13,303	4,548	34%
Corporates	66,764	(684)	66,080	39,897	14,788	55,592	48,680	45,522	94%
Retail	98,756	(1,717)	97,039	57,662	34,557	88,340	57,157	39,973	70%
Secured by mortgages on immovable property	31,106	(172)	30,934	30,516	413	30,829	30,606	11,056	36%
Exposures in default	7,736	(4,180)	3,556	2,906	303	3,163	2,968	3,064	103%
Exposures associated with particularly high risk	3,110	(292)	2,818	2,149	492	2,414	2,146	3,219	150%
Covered bonds	—	—	—	—	—	—	—	—	—
Claims on institutions and corporates with a short-term credit assessment	1	—	1	1	—	1	1	—	56%
Collective investments undertakings	1	—	1	—	1	1	1	1	100%
Other exposures	21,702	—	21,702	21,923	22	21,947	21,942	11,590	53%
<b>Total standardised approach</b>	<b>458,924</b>	<b>(7,255)</b>	<b>451,669</b>	<b>350,094</b>	<b>74,485</b>	<b>425,319</b>	<b>366,822</b>	<b>150,580</b>	<b>41%</b>
Central governments or central banks	11,597	(3)		10,795	360	12,647	12,466	1,249	10%
Institutions	197,989	(16)		14,645	11,195	184,189	178,650	8,407	5%
Corporates	221,080	(1,450)		110,803	96,178	213,644	171,329	95,402	56%
Corporates (SMEs)	26,190	(690)		16,274	5,092	21,470	17,977	17,942	100%
Corporates: Specialised lending	8,983	(50)		5,615	3,052	8,983	7,672	6,060	79%
Corporates: Others	185,907	(710)		88,914	88,033	183,191	145,680	71,401	49%
Retail	128,812	(3,508)		96,453	30,221	126,675	101,439	45,164	45%
Of which: secured by immovable property	73,552	(1,154)		69,089	4,463	73,552	69,398	17,564	25%
Of which: Qualifying revolving	36,614	(1,098)		11,687	24,927	36,614	15,886	17,710	111%
Of which: Others	18,645	(1,257)		15,677	830	16,508	16,155	9,890	61%
Retail: Other SMEs	5,627	(188)		2,714	800	3,515	3,179	1,902	60%
Retail: Other Non-SMEs	13,018	(1,069)		12,963	30	12,993	12,976	7,988	62%
<b>Total IRB approach</b>	<b>559,478</b>	<b>(4,976)</b>		<b>232,697</b>	<b>137,953</b>	<b>537,154</b>	<b>463,884</b>	<b>150,223</b>	<b>32%</b>
<b>Total positions in securitisation (7)</b>	<b>4,602</b>	<b>(2)</b>	<b>4,600</b>	<b>4,570</b>	<b>—</b>	<b>4,371</b>	<b>4,371</b>	<b>502</b>	<b>11%</b>
<b>Total credit risk dilution and delivery</b>	<b>1,023,004</b>	<b>(12,233)</b>	<b>456,269</b>	<b>587,361</b>	<b>212,439</b>	<b>966,845</b>	<b>835,078</b>	<b>301,305</b>	<b>36%</b>
<b>Equity</b>	<b>6,164</b>			<b>6,164</b>		<b>6,164</b>	<b>6,164</b>	<b>14,161</b>	<b>230%</b>
Simple risk weight approach	1,388			1,388		1,388	1,388	3,269	236%
Exposures in sufficiently diversified portfolios (RW 190%)	909			909		909	909	1,727	190%
Exchange traded exposures (RW 290%)	288			288		288	288	836	290%
Others (RW 370%)	191			191		191	191	706	370%
PD/LGD approach	1,390			1,390		1,390	1,390	2,320	167%
Internal models approach	60			60		60	60	257	427%
Exposures subject to a 250% risk weight	3,326			3,326		3,326	3,326	8,314	250%
<b>Total credit risk</b>	<b>1,029,168</b>	<b>(12,233)</b>	<b>456,269</b>	<b>593,524</b>	<b>212,439</b>	<b>973,008</b>	<b>841,241</b>	<b>315,466</b>	<b>38%</b>

<sup>(1)</sup> Gross exposure value before credit risk mitigation techniques and CCF, excluding contributions to the default fund for a CCP.

<sup>(2)</sup> Includes provisions and impairment of financial assets and contingent risk and commitments.

<sup>(3)</sup> Standardised Approach exposures are adjusted by credit risk adjustments. The original equity exposure is shown net of impairment.

<sup>(4a)</sup> <sup>(4b)</sup> Eligible credit risk mitigation techniques are included, either on-balance sheet or off-balance sheet, not subject to counterparty credit risk according to Chapter 4 of CRR. In the case of securitisation exposure, unfunded credit protection is included.

<sup>(5)</sup> Under the standardised approach, it corresponds to the exposure value after the application of the eligible credit risk mitigation techniques, net of volatility adjustments.

<sup>(6)</sup> Exposure at default, calculated as (4a)+((4b)\*CCF).

<sup>(7)</sup> This row includes the SEC-SA, SEC-ERBA and SEC-IRBA methods. The exposure of securitisations with a risk weight of 1,250% which are deducted from own funds is included (€860 thousand).

During the first half of 2024, the evolution in exposure and RWA is mainly due to increase in the lending activity in the different geographies, among which Turkey stands out.

See following sections for more information on the variations of RWA by standardised and IRB approaches.

### **3.2.1.2. Credit quality of exposures**

The carrying amount of performing and non-performing exposures, broken down by product and counterparty sector, as of June 30, 2024 and as of December 31, 2023, is below:

**Table 9.** EU CR1 - Performing and non-performing exposures and related provisions (Million Euros, 6-30-2024)

	Gross carrying amount/nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions <sup>(1)</sup>								Collateral and financial guarantees received		
	Performing exposures <sup>(2)</sup>		Non-performing exposures		Performing exposures				Non-performing exposures				Accumulated partial write-off	On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3							
<b>Cash balances at central banks and other demand deposits</b>	<b>38,466</b>	<b>38,466</b>	—	—	—	—	(10)	(10)	—	—	—	—	—	—	—
<b>Loans and advances</b>	<b>419,305</b>	<b>381,763</b>	<b>37,258</b>	<b>14,682</b>	—	<b>14,682</b>	<b>(4,037)</b>	<b>(2,179)</b>	<b>(1,858)</b>	<b>(7,250)</b>	—	<b>(7,250)</b>	<b>(241)</b>	<b>191,277</b>	<b>5,291</b>
Central banks	7,367	7,367	—	—	—	—	(11)	(11)	—	—	—	—	—	313	—
General governments	23,308	23,165	143	28	—	28	(14)	(7)	(7)	(6)	—	(6)	—	7,993	1
Credit institutions	21,051	20,631	420	4	—	4	(13)	(11)	(1)	(1)	—	(1)	—	8,005	—
Other financial corporations	14,010	13,752	258	12	—	12	(17)	(12)	(5)	(8)	—	(8)	—	4,654	3
Non-financial corporations	178,738	164,184	14,377	5,523	—	5,523	(1,162)	(511)	(650)	(2,940)	—	(2,940)	(241)	78,210	1,812
Of which: SME	55,143	48,438	6,597	3,398	—	3,398	(519)	(253)	(266)	(1,697)	—	(1,697)	(70)	33,377	1,380
Households	174,831	152,663	22,059	9,114	—	9,114	(2,819)	(1,625)	(1,194)	(4,296)	—	(4,296)	—	92,103	3,474
<b>Debt securities</b>	<b>98,106</b>	<b>94,953</b>	<b>2,522</b>	<b>56</b>	—	<b>56</b>	<b>(149)</b>	<b>(42)</b>	<b>(106)</b>	<b>(42)</b>	—	<b>(42)</b>	—	—	—
Central banks	549	257	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
General governments	87,030	84,235	2,521	—	—	—	(140)	(33)	(106)	—	—	—	—	—	—
Credit institutions	3,480	3,480	—	—	—	—	(2)	(2)	—	—	—	—	—	—	—
Other financial corporations	2,535	2,469	—	54	—	54	(3)	(3)	—	(40)	—	(40)	—	—	—
Non-financial corporations	4,512	4,511	—	2	—	2	(3)	(3)	—	(2)	—	(2)	—	—	—
<b>Off-balance-sheet exposures</b>	<b>256,007</b>	<b>247,563</b>	<b>8,444</b>	<b>960</b>	—	<b>960</b>	<b>359</b>	<b>225</b>	<b>134</b>	<b>293</b>	—	<b>293</b>		<b>7,854</b>	<b>108</b>
Central banks	—	—	—	—	—	—	—	—	—	—	—	—		—	—
General governments	2,876	2,857	19	1	—	1	1	1	—	—	—	—		11	—
Credit institutions	38,533	38,452	80	—	—	—	6	5	2	—	—	—		1	—
Other financial corporations	15,023	14,814	209	1	—	1	5	4	1	—	—	—		97	—
Non-financial corporations	128,509	123,928	4,581	835	—	835	159	78	81	249	—	249		7,461	101
Households	71,065	67,511	3,554	122	—	122	188	137	51	44	—	44		283	6
<b>Total</b>	<b>811,883</b>	<b>762,744</b>	<b>48,223</b>	<b>15,698</b>	—	<b>15,698</b>	<b>(4,555)</b>	<b>(2,456)</b>	<b>(2,099)</b>	<b>(7,585)</b>	—	<b>(7,585)</b>	<b>(241)</b>	<b>199,131</b>	<b>5,398</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(1)</sup> Off-balance sheet exposures provisions are shown as positive, in line with FINREP regulatory financial reporting models.

<sup>(2)</sup> Includes gross carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios. Due to this, the balance of the rows other than "Cash and balances with central banks" performing may differ from the sum of the balances of stage 1 and stage 2 columns for these rows.

## EU CR1 - Performing and non-performing exposures and related provisions (Million Euros. 12-31-2023)

	Gross carrying amount/nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions <sup>(1)</sup>								Collateral and financial guarantees received		
	Performing exposures <sup>(2)</sup>		Non-performing exposures		Performing exposures				Non-performing exposures				Accumulated write-off	On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3							
<b>Cash balances at central banks and other demand deposits</b>	<b>67,866</b>	<b>67,866</b>	—	—	—	—	(29)	(29)	—	—	—	—	—	—	—
<b>Loans and advances</b>	<b>398,754</b>	<b>360,524</b>	<b>37,939</b>	<b>14,452</b>	—	<b>14,452</b>	<b>(4,195)</b>	<b>(2,169)</b>	<b>(2,026)</b>	<b>(7,161)</b>	—	<b>(7,161)</b>	<b>(224)</b>	<b>184,341</b>	<b>5,268</b>
Central banks	7,176	7,176	—	—	—	—	(25)	(25)	—	—	—	—	—	1,347	—
General governments	23,269	23,105	164	25	—	25	(22)	(9)	(12)	(7)	—	(7)	—	8,069	1
Credit institutions	16,631	16,614	18	2	—	2	(19)	(18)	—	(2)	—	(2)	—	4,457	—
Other financial corporations	13,120	12,933	187	12	—	12	(13)	(9)	(4)	(7)	—	(7)	—	3,791	5
Non-financial corporations	170,162	154,686	15,298	5,520	—	5,520	(1,311)	(516)	(795)	(2,962)	—	(2,962)	(224)	74,852	1,797
<i>Of which: SME</i>	<i>53,086</i>	<i>46,074</i>	<i>6,900</i>	<i>3,381</i>	—	<i>3,381</i>	<i>(566)</i>	<i>(252)</i>	<i>(313)</i>	<i>(1,755)</i>	—	<i>(1,755)</i>	<i>(76)</i>	<i>32,730</i>	<i>1,334</i>
Households	168,394	146,010	22,272	8,893	—	8,893	(2,805)	(1,591)	(1,214)	(4,183)	—	(4,183)	—	91,825	3,465
<b>Debt securities</b>	<b>89,201</b>	<b>88,186</b>	<b>552</b>	<b>53</b>	—	<b>53</b>	<b>(120)</b>	<b>(69)</b>	<b>(51)</b>	<b>(38)</b>	—	<b>(38)</b>	—	—	—
Central banks	530	530	—	—	—	—	(4)	(4)	—	—	—	—	—	—	—
General governments	77,344	76,394	552	—	—	—	(107)	(56)	(51)	—	—	—	—	—	—
Credit institutions	3,397	3,397	—	—	—	—	(2)	(2)	—	—	—	—	—	—	—
Other financial corporations	3,037	2,974	—	51	—	51	(3)	(3)	—	(37)	—	(37)	—	—	—
Non-financial corporations	4,892	4,890	—	2	—	2	(3)	(3)	—	(1)	—	(1)	—	—	—
<b>Off-balance-sheet exposures</b>	<b>212,945</b>	<b>204,534</b>	<b>8,411</b>	<b>1,030</b>	—	<b>1,030</b>	<b>438</b>	<b>214</b>	<b>224</b>	<b>332</b>	—	<b>332</b>	—	<b>7,364</b>	<b>130</b>
Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General governments	3,515	3,429	85	1	—	1	1	1	—	0	—	—	—	6	—
Credit institutions	20,178	20,114	64	2	—	2	7	5	1	1	—	1	—	17	—
Other financial corporations	10,765	10,595	170	1	—	1	8	7	—	—	—	—	—	60	—
Non-financial corporations	122,521	117,223	5,298	925	—	925	260	82	178	307	—	307	—	6,974	121
Households	55,965	53,172	2,793	102	—	102	162	119	44	24	—	24	—	307	9
<b>Total</b>	<b>768,766</b>	<b>721,110</b>	<b>46,903</b>	<b>15,536</b>	—	<b>15,536</b>	<b>(4,782)</b>	<b>(2,481)</b>	<b>(2,301)</b>	<b>(7,532)</b>	—	<b>(7,532)</b>	<b>(224)</b>	<b>191,705</b>	<b>5,398</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(1)</sup> Off-balance sheet exposures provisions are shown as positive, in line with FINREP regulatory financial reporting models.

<sup>(2)</sup> Includes gross carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios. Due to this, the balance of the rows other than "Cash and balances with central banks" performing may differ from the sum of the balances of stage 1 and stage 2 columns for these rows.

During the first half of 2024, there has been an increase in exposure, mainly linked to the organic growth of the activity, highlighting corporate and retail lending.

Non-performing exposures, in constant terms, have increased slightly compared to December 2023 levels, with the consumer portfolio standing out.

Lastly, accumulated impairment and negative changes in fair value has remained in line with 2023 figures.

The distribution of exposures by geographical area as of June 30, 2024 and as of December 31, 2023 are below:

**Table 10.** EU CQ4 - Quality of non-performing exposures by geography (Million Euros, 6-30-2024)

<b>Gross carrying amount <sup>(1)</sup> / nominal amount</b>							<b>Accumulated negative changes in fair value due to credit risk on non-performing exposures</b>
		<b>Of which: non performing</b>	<b>Of which: defaulted</b>	<b>Of which: subject to impairment <sup>(3)</sup></b>	<b>Accumulated impairment</b>	<b>Provisions on off-balance sheet <sup>(2)</sup></b>	
<b>On balance exposures</b>	<b>532,149</b>	<b>14,738</b>	<b>14,738</b>	<b>531,233</b>	<b>(11,477)</b>		—
Spain	217,147	7,598	7,598	217,131	(4,202)		—
Mexico	112,355	2,528	2,528	112,056	(3,043)		—
Turkey	55,847	1,642	1,642	55,845	(1,547)		—
South America	58,138	2,396	2,396	57,589	(2,245)		—
Other areas <sup>(4)</sup>	88,662	574	574	88,612	(440)		—
<b>Off balance exposures</b>	<b>256,967</b>	<b>960</b>	<b>960</b>			<b>653</b>	
Spain	55,511	525	525			132	
Mexico	29,289	10	10			106	
Turkey	45,877	245	245			291	
South America	17,366	162	162			95	
Other areas <sup>(4)</sup>	108,924	18	18			29	
<b>Total</b>	<b>789,116</b>	<b>15,698</b>	<b>15,698</b>	<b>531,233</b>	<b>(11,477)</b>	<b>653</b>	<b>—</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(2)</sup> Includes gross carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios.

<sup>(3)</sup> Off-balance sheet exposures provisions are shown as positive, in line with FINREP regulatory financial reporting models.

<sup>(4)</sup> Includes gross carrying amount of assets at amortised cost and assets at fair value through other comprehensive income.

<sup>(5)</sup> Other Countries includes mainly exposures in Europe (excluding Spain), United States and Asia.



## EU CQ4 - Quality of non-performing exposures by geography (Million Euros. 12-31-2023)

**Gross carrying amount <sup>(1)</sup> / nominal amount**

		<b>Of which: non performing</b>	<b>Of which: defaulted</b>	<b>Of which: subject to impairment <sup>(3)</sup></b>	<b>Accumulated impairment</b>	<b>Provisions on off-balance sheet <sup>(2)</sup></b>	<b>Accumulated negative changes in fair value due to credit risk on non-performing exposures</b>
<b>On balance exposures</b>	<b>502,460</b>	<b>14,505</b>	<b>14,505</b>	<b>501,707</b>	<b>(11,515)</b>		<b>—</b>
Spain	203,123	7,682	7,682	203,107	(4,304)		—
Mexico	112,192	2,475	2,475	111,887	(3,053)		—
Turkey	50,226	1,594	1,594	50,224	(1,580)		—
South America	54,528	2,223	2,223	54,145	(2,152)		—
Other areas <sup>(4)</sup>	82,391	531	531	82,344	(426)		—
<b>Off balance exposures</b>	<b>213,975</b>	<b>1,030</b>	<b>1,030</b>			<b>770</b>	
Spain	54,540	572	572			204	
Mexico	27,691	10	10			100	
Turkey	32,530	266	266			323	
South America	13,577	163	163			112	
Other areas <sup>(4)</sup>	85,637	19	19			31	
<b>Total</b>	<b>716,435</b>	<b>15,536</b>	<b>15,536</b>	<b>501,707</b>	<b>(11,515)</b>	<b>770</b>	<b>—</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(1)</sup> Includes gross carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios.

<sup>(2)</sup> Off-balance sheet exposures provisions are shown as positive, in line with FINREP regulatory financial reporting models.

<sup>(3)</sup> Includes gross carrying amount of assets at amortised cost and assets at fair value through other comprehensive income.

<sup>(4)</sup> Other Countries includes mainly exposures in Europe (excluding Spain), United States and Asia.

Throughout the first half of 2024, a growth in activity in the main geographies in which the Group operates. This growth is the result of a great dynamism in lending activity, especially in Spain, where the volume of corporate and retail lending has increased, as well as in Mexico. In Turkey, there has been an increase in lending in Turkish lira.

In terms of non-performing exposure, there was a slight increase in Mexico, Peru, Colombia and Turkey, partially offset by a decrease in Spain, where non-performing portfolios were sold.

The distribution by counterparty sector of total and non-performing exposures of loans and advances, as well as their impairment as of June 30, 2024 and as of December 31, 2023, are shown below:

**Table 11.** EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry (Million Euros. 6-30-2024)

	<b>Gross carrying amount <sup>(1)</sup>/nominal amount</b>					<b>Accumulated negative changes in fair value due to credit risk on non-performing exposures</b>
		<b>Of which: non performing</b>	<b>Of which: defaulted</b>	<b>Of which: subject to impairment <sup>(2)</sup></b>	<b>Accumulated impairment</b>	
Agriculture, forestry and fishing	4,577	157	157	4,577	(120)	—
Mining and quarrying	4,884	31	31	4,884	(27)	—
Manufacturing	46,888	827	827	46,819	(611)	—
Electricity, gas, steam and air conditioning supply	16,034	241	241	16,034	(277)	—
Water supply	1,227	27	27	1,227	(16)	—
Construction	8,488	624	624	8,488	(391)	—
Wholesale and retail trade	34,326	1,233	1,233	34,326	(869)	—
Transport and storage	10,437	301	301	10,436	(210)	—
Accommodation and food service activities	8,172	294	294	8,172	(194)	—
Information and communication	8,469	143	143	8,469	(119)	—
Financial activities and insurance	9,347	231	231	9,347	(115)	—
Real estate activities	12,856	698	698	12,751	(492)	—
Professional, scientific and technical activities	4,139	184	184	4,139	(114)	—
Administrative and support service activities	4,930	155	155	4,930	(104)	—
Public administration and defence, compulsory social security	313	5	5	313	(10)	—
Education	614	33	33	614	(19)	—
Human health services and social work activities	2,188	51	51	2,188	(42)	—
Arts, entertainment and recreation	987	43	43	987	(27)	—
Other services	5,384	245	245	5,384	(344)	—
<b>Total</b>	<b>184,261</b>	<b>5,523</b>	<b>5,523</b>	<b>184,085</b>	<b>(4,101)</b>	<b>—</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(1)</sup> Includes gross carrying amount of assets at amortised cost, assets at fair value through other comprehensive income and assets designated at fair value through profit and loss other than those held for trading.

<sup>(2)</sup> Includes gross carrying amount of assets at amortised cost and assets at fair value through other comprehensive income.

## EU CQ5 - Credit quality of loans and advances to non-financial corporations by activity sector (Million Euros. 12-31-2023)

	Gross carrying amount <sup>(1)</sup> /nominal amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: non performing	Of which: defaulted	Of which: subject to impairment <sup>(2)</sup>		
Agriculture, forestry and fishing	4,530	133	133	4,530	(136)	—
Mining and quarrying	4,924	27	27	4,924	(30)	—
Manufacturing	45,958	814	814	45,893	(685)	—
Electricity, gas, steam and air conditioning supply	15,801	444	444	15,801	(454)	—
Water supply	905	16	16	905	(11)	—
Construction	8,269	665	665	8,269	(426)	—
Wholesale and retail trade	32,080	1,241	1,241	32,080	(883)	—
Transport and storage	10,380	310	310	10,378	(213)	—
Accommodation and food service activities	7,957	329	329	7,957	(208)	—
Information and communication	7,619	71	71	7,619	(54)	—
Financial activities and insurance	7,818	187	187	7,818	(121)	—
Real estate activities	12,661	658	658	12,550	(508)	—
Professional, scientific and technical activities	4,053	178	178	4,053	(124)	—
Administrative and support service activities	4,581	151	151	4,581	(111)	—
Public administration and defence, compulsory social security	303	10	10	303	(11)	—
Education	586	30	30	586	(21)	—
Human health services and social work activities	2,171	129	129	2,171	(48)	—
Arts, entertainment and recreation	906	53	53	906	(42)	—
Other services	4,179	74	74	4,179	(186)	—
<b>Total</b>	<b>175,682</b>	<b>5,520</b>	<b>5,520</b>	<b>175,504</b>	<b>(4,273)</b>	<b>—</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(1)</sup> Includes gross carrying amount of assets at amortised cost, assets at fair value through other comprehensive income and assets designated at fair value through profit and loss other than those held for trading.

<sup>(2)</sup> Includes gross carrying amount of assets at amortised cost and assets at fair value through other comprehensive income.

During the first half of 2024, the gross book balance of loans and advances to non-financial corporations has grown about 5% respect to December 2023 meanwhile default exposures remain stable with respect to that date. Regarding accumulated impairment slightly reduces, also reducing the impairment ratio -21 basis points in the first half of the year.

The distribution of the gross book value of performing and non-performing exposures of loans and debt securities by residual maturity is presented below. The accounting values as of June 30, 2024 and as of December 31, 2023 are presented:

Table 12. EU CR1-A - Maturity of exposures (Million Euros. 6-30-2024)

	Value of net exposure <sup>(1)</sup>					Total
	On demand	≤ 1 year	> 1 year ≤ 5 year	> 5 year	No stated maturity	
Loans and advances	4,393	131,555	124,534	162,218	—	422,700
Debt securities	—	19,023	49,265	28,738	85	97,111
<b>Total</b>	<b>4,393</b>	<b>150,578</b>	<b>173,799</b>	<b>190,956</b>	<b>85</b>	<b>519,811</b>

<sup>(1)</sup> Includes gross carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios.

## EU CR1-A - Maturity of exposures (Million Euros. 12-31-2023)

	Value of net exposure <sup>(1)</sup>					Total
	On demand	≤ 1 year	> 1 year ≤ 5 year	> 5 year	No stated maturity	
Loans and advances	3,037	121,546	115,373	161,893	—	401,849
Debt securities	—	19,818	46,212	22,717	69	88,816
<b>Total</b>	<b>3,037</b>	<b>141,364</b>	<b>161,585</b>	<b>184,610</b>	<b>69</b>	<b>490,665</b>

<sup>(1)</sup> Includes gross carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios.

The changes of non performing exposures between December 31, 2023 and June 30, 2024 are shown below in the following tables:

**Table 13.** EU CR2 - Changes in the balance of exposures to credit risk in default and impaired (Million Euros)

	Gross book value of defaulted exposures
<b>Opening balance as at December 2023</b>	<b>14,701</b>
Loans and debt securities that have defaulted or whose value has deteriorated since the last reporting period	5,132
Reclassification to non-default status	(2,886)
Amounts recognized as write-offs	(1,958)
Other changes	(74)
<b>Closing balance as at June 2024</b>	<b>14,915</b>

The balance of defaulted exposures has increased by approximately 1% (+2.2% at constant rates), concentrated in the retail portfolios, mainly affected by the entry of unique clients. In the first half of the year there were portfolio sales in several geographies, among which Spain stands out.

A table with a general overview of forborne exposures is shown below, which includes the amounts as of June 30, 2024 and as of December 31, 2023:

**Table 14.** EU CQ1 - Credit quality of forborne exposures (Million Euros. 6-30-2024)

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions <sup>(1)</sup>		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
<b>Cash balances at central banks and other demand deposits</b>	—	—	—	—	—	—	—	—
<b>Loans and advances</b>	<b>4,117</b>	<b>7,451</b>	<b>7,451</b>	<b>7,451</b>	<b>(403)</b>	<b>(3,495)</b>	<b>5,342</b>	<b>2,915</b>
Central banks	—	—	—	—	—	—	—	—
General governments	32	13	13	13	(5)	(3)	1	1
Credit institutions	—	—	—	—	—	—	—	—
Other financial corporations	15	6	6	6	(3)	(3)	6	2
Non-financial corporations	1,893	3,247	3,247	3,247	(225)	(1,752)	2,013	930
Households	2,177	4,184	4,184	4,184	(170)	(1,737)	3,322	1,981
<b>Debt Securities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Loan commitments given</b>	<b>179</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>9</b>	<b>2</b>	<b>—</b>	<b>—</b>
<b>Total exposures</b>	<b>4,297</b>	<b>7,478</b>	<b>7,478</b>	<b>7,478</b>	<b>(412)</b>	<b>(3,497)</b>	<b>5,342</b>	<b>2,915</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(1)</sup> Off-balance sheet exposures provisions are shown as positive, in line with FINREP regulatory financial reporting models.

## EU CQ1 - Credit quality of forbore exposures (Million Euros. 12-31-2023)

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions <sup>(1)</sup>		Collateral received and financial guarantees received on forbore exposures	
	Non-performing forbore				On performing forbore exposures	On non-performing forbore exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
	Performing forbore	Of which defaulted	Of which impaired					
Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
<b>Loans and advances</b>	<b>4,704</b>	<b>7,659</b>	<b>7,659</b>	<b>7,659</b>	<b>(515)</b>	<b>(3,597)</b>	<b>5,816</b>	<b>3,053</b>
Central banks	—	—	—	—	—	—	—	—
General governments	22	16	16	16	(2)	(4)	5	1
Credit institutions	—	—	—	—	—	—	—	—
Other financial corporations	17	7	7	7	(2)	(2)	10	4
Non-financial corporations	2,368	3,409	3,409	3,409	(332)	(1,893)	2,211	969
Households	2,297	4,227	4,227	4,227	(178)	(1,698)	3,590	2,078
<b>Debt Securities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Loan commitments given</b>	<b>215</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>14</b>	<b>3</b>	<b>—</b>	<b>—</b>
<b>Total exposures</b>	<b>4,920</b>	<b>7,691</b>	<b>7,691</b>	<b>7,691</b>	<b>(529)</b>	<b>(3,600)</b>	<b>5,816</b>	<b>3,053</b>

<sup>(1)</sup> Includes the carrying amount of reverse repurchase agreements and positions subject to the securitisation framework.

<sup>(2)</sup> Off-balance sheet exposures provisions are shown as positive, in line with FINREP regulatory financial reporting models.

The amounts of collateral obtained by taking possession and execution processes as of June 30, 2024 and as of

December 31, 2023 are shown below, differentiating property, plant and equipment from other collateral:

Table 15. EU CQ7 - Collateral obtained by taking possession and execution processes (Million Euros)

	6-30-2024		12-31-2023	
	Collateral obtained		Collateral obtained	
	Value at initial recognition <sup>(1)</sup>	Accumulated negative changes <sup>(2)</sup>	Value at initial recognition <sup>(1)</sup>	Accumulated negative changes <sup>(2)</sup>
Property, plant and equipment (PP&E)	—	—	—	—
<b>Other than PP&amp;E</b>	<b>1,120</b>	<b>(395)</b>	<b>1,209</b>	<b>(466)</b>
Residential immovable property	796	(254)	934	(344)
Commercial Immovable property	252	(108)	263	(116)
Movable property (auto, shipping, etc.)	8	(5)	8	(5)
Equity and debt instruments	38	(27)	—	—
Other	25	(1)	4	(1)
<b>Total</b>	<b>1,120</b>	<b>(395)</b>	<b>1,209</b>	<b>(466)</b>

<sup>(1)</sup> Value at initial recognition: the gross carrying amount of the collateral obtained by taking possession at initial recognition.

<sup>(2)</sup> Cumulative negative changes: cumulative impairment or negative cumulative changes in the value of collateral initially recognised.

## 3.2.2. Information on the standardised approach

The original exposure net of value adjustments and provisions, exposure after risk mitigation techniques, and

RWA density for each exposure category, according to the standardised approach, are shown below, excluding securitisation and counterparty credit risk exposure:

**Table 16.** EU CR4 - Standardised approach - credit risk exposure and credit risk mitigation effects (Million Euros. 6-30-2024)

Exposure Class	Exposures before CCF and CRM <sup>(1)</sup>		Exposures post-CCF and CRM <sup>(2)</sup>		RWA <sup>(3)</sup> and RWA Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
Central governments or central banks	130,497	1,434	163,563	2,092	29,917	18 %
Regional governments or local authorities	7,443	287	1,655	238	1,276	67 %
Public sector entities	1,026	347	945	138	848	78 %
Multilateral development banks	206	—	209	—	6	3 %
International Organisations	741	—	479	—	—	—
Institutions	9,729	33,528	9,735	1,531	3,541	31 %
Corporates	44,797	16,763	41,994	8,457	48,069	95 %
Retail	67,975	50,156	58,622	3,451	43,317	70 %
Secured by mortgages on immovable property	31,202	487	31,086	230	11,390	36 %
Exposures in default	3,309	291	2,901	98	3,087	103 %
Exposures associated with particularly high risk	2,744	466	2,312	208	3,781	150 %
Covered bonds	—	—	—	—	—	—
Institutions and corporates with a short term credit assessment	3	—	3	—	1	26 %
Collective Investment Undertakings	—	1	—	1	1	100 %
Equity	—	—	—	—	—	—
Other Items	21,183	—	21,390	2	12,053	56 %
<b>Total</b>	<b>320,857</b>	<b>103,759</b>	<b>334,892</b>	<b>16,445</b>	<b>157,286</b>	<b>45 %</b>

<sup>(1)</sup> Net OE: original exposure net of value adjustments and provisions.

<sup>(2)</sup> EAD: original exposure net of value adjustments and provisions after CRM and CCF.

<sup>(3)</sup> RWA: EAD after risk-weighting.

**EU CR4 - Standardised approach - credit risk exposure and credit risk mitigation effects (Million Euros. 12-31-2023)**

Exposure Class	Exposures before CCF and CRM <sup>(1)</sup>		Exposures post-CCF and CRM <sup>(2)</sup>		RWA <sup>(3)</sup> and RWA Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
Central governments or central banks	151,316	1,040	182,007	2,051	29,145	16 %
Regional governments or local authorities	7,505	348	1,490	185	1,316	79 %
Public sector entities	953	482	871	143	859	85 %
Multilateral development banks	204	—	206	—	6	3 %
International Organisations	735	—	475	—	—	—
Institutions	9,908	18,020	9,923	1,737	3,980	34 %
Corporates	40,923	14,871	37,504	7,690	43,301	96 %
Retail	62,004	35,002	54,142	2,994	39,959	70 %
Secured by mortgages on immovable property	30,521	413	30,417	189	11,056	36 %
Exposures in default	3,245	304	2,868	93	3,054	103 %
Exposures associated with particularly high risk	2,325	493	1,925	221	3,219	150 %
Covered bonds	—	—	—	—	—	—
Institutions and corporates with a short term credit assessment	1	—	1	—	—	56 %
Collective Investment Undertakings	—	1	—	1	1	100 %
Equity	—	—	—	—	—	—
Other Items	21,686	14	21,923	17	11,589	53 %
<b>Total</b>	<b>331,326</b>	<b>70,990</b>	<b>343,752</b>	<b>15,320</b>	<b>147,485</b>	<b>41 %</b>

<sup>(1)</sup> Net OE: original exposure net of value adjustments and provisions.

<sup>(2)</sup> EAD: original exposure net of value adjustments and provisions after CRM and CCF.

<sup>(3)</sup> RWA: EAD after risk-weighting.

The increase in exposure observed during the period is mainly explained by the increase in the retail and corporate portfolios, although this organic growth is compensated by decrease in balances with central banks subject to 0% risk weight.

The average density in these categories remains largely unchanged, and therefore the evolution of RWA is in line with this growth in exposure.

In addition, the following tables show the exposure net of provisions, before and after the application of credit risk mitigation techniques by risk weights and exposure categories under the standardised approach, excluding

securitisation positions and counterparty credit risk exposure.

Exposure net of provisions and after applying CCF and CRM related to counterparty credit risk are shown in table EU CCR3 of Section 3.2.4.1.1 of this report.

**Table 17.** EU CR5 - Standardised approach: exposure values after application of credit risk mitigation techniques (Million Euros. 6-30-2024)

Exposure Class	Risk Weight															Total credit exposures amount (post-CCF and post-CRM)	Of which: unrated <sup>(1)</sup>
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
Central Government or central banks	137,270	—	—	—	201	—	8,603	—	—	14,722	664	3,915	—	—	279	165,655	9,550
Regional government or local authorities	520	—	—	—	120	—	1	—	—	1,251	—	—	—	—	—	1,892	37
Public sector entities	136	—	—	—	51	—	115	—	—	781	—	—	—	—	—	1,082	4
Multilateral development banks	197	—	—	—	—	—	12	—	—	—	—	—	—	—	—	209	—
International Organisations	479	—	—	—	—	—	—	—	—	—	—	—	—	—	—	479	—
Institutions	—	116	—	—	9,259	—	464	—	—	1,372	55	—	—	—	—	11,266	11,266
Corporates	—	—	—	—	802	—	942	—	—	47,010	1,697	—	—	—	—	50,451	34,346
Retail	—	—	—	—	—	—	—	—	62,072	—	—	—	—	—	—	62,072	62,072
Secured by mortgages on immovable property	—	—	—	—	—	26,150	4,947	—	3	216	—	—	—	—	—	31,315	31,315
Exposures in default	—	—	—	—	—	—	—	—	—	2,822	177	—	—	—	—	2,999	2,999
Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	2,520	—	—	—	—	2,520	2,520
Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	3	—	—	—	—	—	—	—	—	—	—	3	—
Collective investment undertakings	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	1	1
Equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other items	9,236	—	—	—	128	—	—	—	—	12,027	—	—	—	—	—	21,392	21,392
<b>Total</b>	<b>147,838</b>	<b>116</b>	<b>—</b>	<b>—</b>	<b>10,564</b>	<b>26,150</b>	<b>15,084</b>	<b>—</b>	<b>62,075</b>	<b>80,202</b>	<b>5,114</b>	<b>3,915</b>	<b>—</b>	<b>—</b>	<b>279</b>	<b>351,337</b>	<b>175,502</b>

<sup>(1)</sup> Of which: Unrated refers to exposure for which no credit rating from designated ECAIs is available.



## EU CR5 - Standardised approach: exposure values after application of credit risk mitigation techniques (Million Euros, 12-31-2023)

Exposure Class	Risk Weight															Total credit exposures amount (post-CCF and post-CRM)	Of which: unrated <sup>(1)</sup>
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
Central Government or central banks	156,446	—	—	253	217	—	7,403	—	—	15,652	494	3,593	—	—	—	184,058	54,888
Regional government or local authorities	84	—	—	—	306	—	58	—	—	1,226	—	—	—	—	—	1,674	132
Public sector entities	83	—	—	—	4	—	138	—	—	790	—	—	—	—	—	1,014	820
Multilateral development banks	195	—	—	—	—	—	11	—	—	—	—	—	—	—	—	206	92
International Organisations	475	—	—	—	—	—	—	—	—	—	—	—	—	—	—	475	475
Institutions	—	128	—	—	8,799	—	1,067	—	—	1,630	36	—	—	—	—	11,660	5,458
Corporates	—	—	—	—	151	—	1,038	—	—	42,726	1,279	—	—	—	—	45,194	39,063
Retail	—	—	—	—	—	—	—	—	57,136	—	—	—	—	—	—	57,136	57,136
Secured by mortgages on immovable property	—	—	—	—	—	25,832	4,639	—	2	132	—	—	—	—	—	30,606	30,606
Exposures in default	—	—	—	—	—	—	—	—	—	2,776	186	—	—	—	—	2,961	2,961
Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	2,146	—	—	—	—	2,146	2,146
Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—
Collective investment undertakings	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	1	1
Equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other items	10,288	—	—	—	79	—	—	—	—	11,573	—	—	—	—	—	21,940	21,940
<b>Total</b>	<b>167,572</b>	<b>128</b>	<b>—</b>	<b>253</b>	<b>9,556</b>	<b>25,832</b>	<b>14,354</b>	<b>—</b>	<b>57,138</b>	<b>76,506</b>	<b>4,141</b>	<b>3,593</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>359,073</b>	<b>215,719</b>

<sup>(1)</sup> Of which: Unrated refers to exposure for which no credit rating from designated ECAIs is available.

The largest changes in exposures by risk weights during the period occurred, on the one hand, in exposures to retail and corporate customers subject to 75% and 100% risk weight, respectively, as a result of the boost in the growth of activity with this type of exposures, on the other hand, in sovereign exposures subject to a 0% risk weight due to the decrease in balances with central banks which is partially compensated by an increase in sovereign bonds. In addition, exchange rate movements observed in some geographies eliminated the impact of activity increase observed in some categories.

The following table shows the flow statements of credit and counterparty credit risk RWA under standardised approach during the second quarter of 2024:

**Table 18.** RWA flow statements of credit risk exposures under the standardised approach (Million Euros)

	Credit Risk		Counterparty Credit Risk		Total	
	RWA amounts	Capital Requirements	RWA amounts	Capital Requirements	RWA amounts	Capital requirements
<b>RWA as of March 31, 2024</b>	<b>158,367</b>	<b>12,669</b>	<b>4,093</b>	<b>327</b>	<b>162,460</b>	<b>12,997</b>
Asset size	3,076	246	(378)	(30)	2,697	216
Asset quality	74	6	(2)	—	72	6
Model updates	—	—	—	—	—	—
Methodology and policy	—	—	—	—	—	—
Acquisitions and disposals	—	—	—	—	—	—
Foreign exchange movements	(4,231)	(338)	(31)	(2)	(4,261)	(341)
Other	—	—	—	—	—	—
<b>RWA as of June 30, 2024</b>	<b>157,286</b>	<b>12,583</b>	<b>3,682</b>	<b>295</b>	<b>160,968</b>	<b>12,877</b>

During the second quarter of 2024, risk-weighted assets grow in line with the organic activity of the Group, especially in the geographies of Mexico and Turkey under this method. Lower positions against sovereigns (reserves and bonds in foreign currency) and other institutions at the end of the quarter mitigate the growth of RWA.

The reduction in RWA due to the exchange rate effect is mainly caused by the significant depreciation of the Mexican peso during the quarter.

The reduction in counterparty risk RWA is due to a positive evolution in derivative activity.

The full series of RWA flow of credit risk under the standardised approach during the first half of 2024 is available in the editable file "Pillar 3 2Q 2024 – Tables & Annexes".

### 3.2.3. Information on the IRB approach

The BBVA Group is authorised by the supervisor to use the IRB method for different parameters, both in BBVA S.A. and BBVA Mexico. The Group also has approval for the Equity capital model.

#### 3.2.3.1. Exposure values by category and PD range

The following table presents the information on credit risk as of June 30, 2024 and as of December 31, 2023 (excluding counterparty credit risk, which is set out in detail in Table CCR4 in section 3.2.4.1.2) using the internal ratings-based (IRB) approach, by debtor grade for the different categories of exposure:

**Table 19.** EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range (Million Euros, 6-30-2024)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Prudential portfolios for AIRB approach</b>	<b>233,187</b>	<b>141,606</b>	<b>4.65 %</b>	<b>298,912</b>	<b>0.32 %</b>	<b>16,909</b>	<b>4.49 %</b>		<b>141,253</b>	<b>5 %</b>	<b>5,096</b>	<b>(4,782)</b>
<b>Central governments or central banks</b>	<b>11,161</b>	<b>801</b>	<b>49.80 %</b>	<b>11,560</b>	<b>0.55 %</b>	<b>62</b>	<b>25.73 %</b>	<b>2</b>	<b>1,608</b>	<b>14 %</b>	<b>25</b>	<b>(1)</b>
0,00 to <0,15	10,705	636	49.75 %	11,021	0.02 %	21	25.03 %	2	734	7 %	1	—
0,00 to <0,10	10,671	505	49.73 %	10,922	0.02 %	18	24.89 %	2	712	7 %	1	—
0,10 to <0,15	33	131	49.86 %	99	0.14 %	3	40.00 %	1	22	22 %	—	—
0,15 to <0,25	34	—	8.72 %	34	0.20 %	6	40.03 %	4	19	55 %	—	—
0,25 to <0,50	37	35	50.11 %	54	0.31 %	5	40.30 %	1	22	41 %	—	—
0,50 to <0,75	—	—	50.00 %	—	0.51 %	1	40.00 %	1	—	— %	—	—
0,75 to <2,50	—	—	32.86 %	—	1.32 %	5	40.52 %	1	—	83 %	—	—
0,75 to <1,75	—	—	32.86 %	—	1.32 %	5	40.52 %	1	—	83 %	—	—
1,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <10,00	93	128	49.99 %	157	3.15 %	12	40.01 %	3	199	126 %	2	(1)
2,50 to <5,00	93	128	49.99 %	157	3.15 %	7	40.00 %	3	198	126 %	2	(1)
5,00 to <10,00	—	—	50.00 %	—	7.85 %	5	52.87 %	1	—	252 %	—	—
10,00 to <100,00	293	2	52.73 %	294	18.89 %	10	40.01 %	2	635	216 %	22	—
10,00 to <20,00	293	2	50.00	294	18.88 %	3	40.01 %	2	634	216 %	22	—
20,00 to <30,00	—	—	—	—	— %	—	— %	—	—	— %	—	—
30,00 to <100,00	—	—	93.72 %	—	36.54 %	7	39.77 %	2	—	259 %	—	—
100,00 (Default)	—	—	—	—	100.00 %	2	33.76 %	2	—	15 %	—	—
<b>Institutions</b>	<b>17,390</b>	<b>12,232</b>	<b>50.16 %</b>	<b>23,551</b>	<b>0.21 %</b>	<b>2,659</b>	<b>41.03 %</b>	<b>6</b>	<b>6,337</b>	<b>27 %</b>	<b>18</b>	<b>(14)</b>
0,00 to <0,15	12,561	9,334	46.60 %	16,896	0.07 %	1,392	41.21 %	7	3,146	19 %	5	(4)
0,00 to <0,10	9,688	7,770	44.37 %	13,107	0.06 %	285	41.81 %	8	2,156	16 %	3	(2)
0,10 to <0,15	2,873	1,563	57.73 %	3,789	0.11 %	1,107	39.11 %	2	990	26 %	2	(3)
0,15 to <0,25	2,525	1,758	61.01 %	3,603	0.19 %	530	42.25 %	3	1,430	40 %	3	(1)
0,25 to <0,50	1,131	857	63.64 %	1,710	0.34 %	297	35.26 %	1	666	39 %	2	(1)
0,50 to <0,75	266	108	69.01 %	341	0.54 %	136	38.79 %	3	239	70 %	1	—
0,75 to <2,50	810	96	56.79 %	866	0.97 %	134	44.69 %	1	640	74 %	4	—
0,75 to <1,75	810	96	56.79 %	866	0.97 %	134	44.69 %	1	640	74 %	4	—
1,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <10,00	88	49	60.34 %	117	4.31 %	86	43.11 %	3	184	156 %	2	(1)
2,50 to <5,00	73	31	56.07 %	90	3.13 %	68	43.96 %	3	126	140 %	1	(1)
5,00 to <10,00	16	17	68.07 %	27	8.24 %	18	40.32 %	3	58	212 %	1	—
10,00 to <100,00	3	31	31.07 %	13	21.45 %	52	46.09 %	3	30	242 %	1	(1)
10,00 to <20,00	1	29	29.24 %	10	15.23 %	8	45.79 %	1	22	226 %	1	(1)
20,00 to <30,00	—	—	20.00	—	20.79 %	2	45.00 %	679	—	271 %	—	—
30,00 to <100,00	2	1	71.86 %	3	41.44 %	42	47.04 %	3	9	293 %	1	—
100,00 (Default)	6	—	49.20 %	6	100.00 %	32	10.96 %	4	1	20 %	1	(3)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Corporate - SMEs</b>	<b>19,024</b>	<b>5,059</b>	<b>33.36 %</b>	<b>20,592</b>	<b>6.56 %</b>	<b>52,710</b>	<b>48.43 %</b>	<b>2</b>	<b>19,351</b>	<b>94 %</b>	<b>776</b>	<b>(676)</b>
0,00 to <0,15	980	539	42.85 %	1,192	0.12 %	3,581	51.33 %	2	397	33 %	1	(1)
0,00 to <0,10	54	1	6.88 %	55	0.04 %	131	42.45 %	5	18	33 %	—	—
0,10 to <0,15	926	538	42.93 %	1,137	0.12 %	3,450	51.76 %	2	379	33 %	1	(1)
0,15 to <0,25	974	354	41.64 %	1,108	0.20 %	2,265	50.39 %	2	543	49 %	1	(1)
0,25 to <0,50	3,879	616	37.05 %	4,105	0.35 %	5,460	49.70 %	2	2,638	64 %	7	(5)
0,50 to <0,75	2,555	472	38.56 %	2,723	0.54 %	4,519	50.49 %	2	2,191	80 %	8	(6)
0,75 to <2,50	5,416	966	35.06 %	5,730	1.18 %	9,185	48.23 %	2	6,165	108 %	36	(30)
0,75 to <1,75	5,244	964	35.12 %	5,558	1.16 %	8,990	48.32 %	2	5,942	107 %	34	(28)
1,75 to <2,50	172	3	14.81 %	172	2.04 %	195	45.19 %	3	224	130 %	2	(2)
2,50 to <10,00	3,711	1,863	25.09 %	4,135	4.40 %	8,605	43.64 %	2	5,387	130 %	85	(71)
2,50 to <5,00	2,846	1,529	24.49 %	3,187	3.43 %	5,839	44.21 %	2	3,957	124 %	52	(50)
5,00 to <10,00	865	334	27.83 %	948	7.66 %	2,766	41.73 %	2	1,430	151 %	33	(21)
10,00 to <100,00	646	103	43.48 %	691	23.09 %	14,259	45.16 %	3	1,633	237 %	80	(44)
10,00 to <20,00	383	34	39.17 %	394	14.51 %	1,141	43.03 %	3	775	197 %	27	(29)
20,00 to <30,00	50	8	20.18 %	51	23.89 %	247	48.01 %	2	138	269 %	7	(4)
30,00 to <100,00	214	62	48.76 %	246	36.66 %	12,871	47.98 %	2	721	294 %	47	(10)
100,00 (Default)	863	146	32.87 %	910	100.00 %	4,836	55.76 %	2	396	44 %	557	(518)
<b>Corporate - Non-SMEs</b>	<b>89,799</b>	<b>92,093</b>	<b>56.91 %</b>	<b>142,248</b>	<b>0.93 %</b>	<b>13,520</b>	<b>46.23 %</b>	<b>2</b>	<b>70,497</b>	<b>50 %</b>	<b>620</b>	<b>(660)</b>
0,00 to <0,15	16,413	28,113	61.21 %	33,643	0.09 %	1,391	45.16 %	1	7,893	23 %	14	(4)
0,00 to <0,10	8,838	15,370	61.35 %	18,281	0.07 %	354	45.08 %	1	3,439	19 %	6	(1)
0,10 to <0,15	7,575	12,743	61.03 %	15,362	0.12 %	1,037	45.26 %	2	4,454	29 %	8	(2)
0,15 to <0,25	40,924	41,625	57.57 %	64,830	0.20 %	3,352	46.57 %	2	26,619	41 %	62	(15)
0,25 to <0,50	18,035	13,009	54.91 %	25,274	0.37 %	2,176	46.67 %	2	15,605	62 %	44	(13)
0,50 to <0,75	5,096	2,151	54.59 %	6,270	0.59 %	1,509	47.35 %	2	5,210	83 %	18	(11)
0,75 to <2,50	6,033	4,695	44.59 %	8,109	1.28 %	1,947	46.35 %	2	8,828	109 %	49	(45)
0,75 to <1,75	4,606	3,923	43.09 %	6,270	1.13 %	1,636	46.52 %	2	6,902	110 %	34	(19)
1,75 to <2,50	1,427	772	52.16 %	1,840	1.80 %	311	45.78 %	1	1,926	105 %	15	(26)
2,50 to <10,00	2,363	2,262	32.68 %	3,113	4.52 %	1,870	44.06 %	2	5,264	169 %	64	(125)
2,50 to <5,00	1,530	1,671	26.51 %	1,968	3.23 %	1,066	43.69 %	2	3,075	156 %	29	(59)
5,00 to <10,00	834	591	50.13 %	1,145	6.75 %	804	44.70 %	2	2,188	191 %	35	(66)
10,00 to <100,00	264	86	52.36 %	294	24.44 %	775	48.72 %	1	927	315 %	36	(24)
10,00 to <20,00	101	42	30.70 %	112	14.71 %	231	50.87 %	1	358	318 %	9	(6)
20,00 to <30,00	84	4	33.04 %	85	22.94 %	44	43.62 %	2	216	255 %	9	(14)
30,00 to <100,00	79	40	76.86 %	98	36.96 %	500	50.67 %	1	353	362 %	19	(5)
100,00 (Default)	670	152	31.28 %	713	100.00 %	500	46.27 %	2	152	21 %	334	(422)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Retail - Immovable property SMEs</b>	<b>834</b>	<b>265</b>	<b>6.88 %</b>	<b>853</b>	<b>26.30 %</b>	<b>16,243</b>	<b>30.69 %</b>	<b>—</b>	<b>1,793</b>	<b>210 %</b>	<b>81</b>	<b>(9)</b>
0,00 to <0,15	—	—	—	—	—	—	—	—	—	—	—	—
0,00 to <0,10	—	—	—	—	—	—	—	—	—	—	—	—
0,10 to <0,15	—	—	—	—	—	—	—	—	—	—	—	—
0,15 to <0,25	—	—	—	—	—	—	—	—	—	—	—	—
0,25 to <0,50	—	—	—	—	—	—	—	—	—	—	—	—
0,50 to <0,75	—	—	—	—	—	—	—	—	—	—	—	—
0,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
0,75 to <1,75	—	—	—	—	—	—	—	—	—	—	—	—
1,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <10,00	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <5,00	—	—	—	—	—	—	—	—	—	—	—	—
5,00 to <10,00	—	—	—	—	—	—	—	—	—	—	—	—
10,00 to <100,00	805	264	6.88 %	823	23.65 %	15,729	30.65 %	—	1,781	216 %	70	(3)
10,00 to <20,00	—	—	—	—	—	—	—	—	—	—	—	—
20,00 to <30,00	793	264	6.88 %	811	22.72 %	15,561	30.67 %	—	1,773	219 %	67	(2)
30,00 to <100,00	12	—	—	12	85.84 %	168	29.58 %	—	7	62 %	4	(1)
100,00 (Default)	30	1	6.88 %	30	100.00 %	514	31.67 %	—	12	40 %	11	(6)
<b>Retail - Immovable property non-SMEs</b>	<b>67,688</b>	<b>4,039</b>	<b>6.95 %</b>	<b>67,969</b>	<b>5.34 %</b>	<b>939,513</b>	<b>33.48 %</b>	<b>—</b>	<b>14,396</b>	<b>21 %</b>	<b>1,095</b>	<b>(1,106)</b>
0,00 to <0,15	44,783	2,879	6.93 %	44,983	0.05 %	629,663	33.24 %	—	2,469	5 %	8	(21)
0,00 to <0,10	42,730	2,787	6.93 %	42,924	0.04 %	603,894	33.03 %	—	2,191	5 %	6	(19)
0,10 to <0,15	2,053	92	6.91 %	2,059	0.13 %	25,769	37.63 %	—	278	14 %	1	(2)
0,15 to <0,25	6,761	482	6.94 %	6,795	0.19 %	97,401	34.73 %	—	1,130	17 %	5	(9)
0,25 to <0,50	4,941	262	6.97 %	4,959	0.35 %	69,848	36.46 %	—	1,345	27 %	7	(11)
0,50 to <0,75	1,291	80	6.97 %	1,296	0.59 %	20,288	35.11 %	—	493	38 %	3	(7)
0,75 to <2,50	4,095	201	7.00 %	4,109	1.41 %	58,507	34.23 %	—	2,715	66 %	23	(40)
0,75 to <1,75	3,219	163	7.03 %	3,231	1.26 %	47,751	32.75 %	—	1,873	58 %	15	(26)
1,75 to <2,50	875	38	6.88 %	878	1.97 %	10,756	39.70 %	—	842	96 %	8	(14)
2,50 to <10,00	1,500	93	7.10 %	1,506	4.99 %	18,706	37.60 %	—	2,246	149 %	33	(94)
2,50 to <5,00	921	57	7.11 %	925	3.40 %	11,421	37.07 %	—	1,138	123 %	14	(68)
5,00 to <10,00	578	37	7.08 %	581	7.51 %	7,285	38.44 %	—	1,107	191 %	20	(26)
10,00 to <100,00	1,132	32	6.90 %	1,134	21.88 %	12,022	39.36 %	—	2,925	258 %	118	(64)
10,00 to <20,00	610	23	6.88 %	612	13.50 %	6,612	38.30 %	—	1,467	240 %	37	(29)
20,00 to <30,00	316	10	6.94 %	317	23.69 %	3,410	39.79 %	—	904	285 %	35	(16)
30,00 to <100,00	205	—	6.88 %	205	44.04 %	2,000	41.86 %	—	554	270 %	45	(19)
100,00 (Default)	3,186	10	7.84 %	3,187	100.00 %	33,078	23.87 %	—	1,073	34 %	898	(859)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Retail - Other exposures SMEs</b>	<b>2,871</b>	<b>754</b>	<b>67.12 %</b>	<b>3,315</b>	<b>12.28 %</b>	<b>194,637</b>	<b>54.14 %</b>	<b>—</b>	<b>1,980</b>	<b>60 %</b>	<b>284</b>	<b>(207)</b>
0,00 to <0,15	287	200	69.18 %	403	0.12 %	29,886	52.68 %	—	62	15 %	—	—
0,00 to <0,10	—	—	—	—	—	—	—	—	—	—	—	—
0,10 to <0,15	287	200	69.18 %	403	0.12 %	29,886	52.68 %	—	62	15 %	—	—
0,15 to <0,25	140	64	69.25 %	179	0.20 %	9,921	51.86 %	—	40	22 %	—	—
0,25 to <0,50	250	84	69.86 %	301	0.31 %	15,432	52.50 %	—	90	30 %	1	(1)
0,50 to <0,75	325	107	67.95 %	389	0.51 %	18,582	52.19 %	—	156	40 %	1	(1)
0,75 to <2,50	661	170	68.28 %	767	1.16 %	38,013	52.18 %	—	449	59 %	5	(4)
0,75 to <1,75	661	170	68.28 %	767	1.16 %	38,013	52.18 %	—	449	59 %	5	(4)
1,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <10,00	614	85	65.55 %	663	4.20 %	37,105	52.40 %	—	527	79 %	16	(10)
2,50 to <5,00	496	74	66.60 %	540	3.38 %	29,255	52.54 %	—	420	78 %	11	(6)
5,00 to <10,00	118	12	58.97 %	124	7.80 %	7,850	51.78 %	—	107	87 %	6	(3)
10,00 to <100,00	338	10	55.95 %	343	27.95 %	29,513	61.85 %	—	609	178 %	69	(17)
10,00 to <20,00	52	5	62.92 %	55	14.49 %	3,641	50.76 %	—	57	103 %	5	(4)
20,00 to <30,00	257	2	38.38 %	258	29.46 %	23,785	65.55 %	—	513	199 %	57	(8)
30,00 to <100,00	28	3	53.31 %	29	39.99 %	2,087	50.29 %	—	39	131 %	7	(4)
100,00 (Default)	257	34	43.02 %	271	100.00 %	16,185	62.52 %	—	47	17 %	192	(174)
<b>Retail - Other exposures Non-SMEs</b>	<b>12,853</b>	<b>27</b>	<b>49.75 %</b>	<b>12,865</b>	<b>8.97 %</b>	<b>1,251,975</b>	<b>62.16 %</b>	<b>—</b>	<b>7,694</b>	<b>60 %</b>	<b>730</b>	<b>(954)</b>
0,00 to <0,15	4,569	3	69.87 %	4,571	0.06 %	369,734	61.45 %	—	730	16 %	2	(18)
0,00 to <0,10	3,382	—	98.35 %	3,382	0.04 %	252,473	59.32 %	—	379	11 %	1	(11)
0,10 to <0,15	1,187	3	69.41 %	1,188	0.12 %	117,261	67.51 %	—	351	30 %	1	(7)
0,15 to <0,25	887	2	73.86 %	888	0.22 %	96,896	66.53 %	—	380	43 %	1	(7)
0,25 to <0,50	1,130	2	64.57 %	1,131	0.38 %	128,871	66.22 %	—	680	60 %	3	(11)
0,50 to <0,75	607	2	73.69 %	608	0.60 %	67,813	65.46 %	—	464	76 %	3	(6)
0,75 to <2,50	3,488	4	66.62 %	3,490	1.45 %	389,387	62.58 %	—	3,516	101 %	36	(62)
0,75 to <1,75	2,415	4	66.60 %	2,416	1.10 %	281,771	64.30 %	—	2,358	98 %	20	(37)
1,75 to <2,50	1,074	—	71.80	1,074	2.26 %	107,616	58.73 %	—	1,157	108 %	17	(25)
2,50 to <10,00	873	2	60.45 %	874	4.52 %	81,727	61.09 %	—	1,109	127 %	29	(65)
2,50 to <5,00	607	2	68.82 %	608	3.79 %	53,437	58.68 %	—	707	116 %	16	(38)
5,00 to <10,00	266	1	42.82 %	266	6.20 %	28,290	66.58 %	—	403	151 %	13	(26)
10,00 to <100,00	354	12	29.03 %	358	29.72 %	35,540	65.02 %	—	718	201 %	79	(76)
10,00 to <20,00	179	4	17.49 %	180	13.53 %	18,167	66.32 %	—	329	182 %	19	(23)
20,00 to <30,00	50	1	26.88 %	51	25.70 %	4,746	69.77 %	—	128	253 %	10	(8)
30,00 to <100,00	124	7	35.93 %	127	54.27 %	12,627	61.29 %	—	261	206 %	49	(44)
100,00 (Default)	944	—	35.05 %	944	100.00 %	82,007	52.90 %	—	99	10 %	577	(710)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Retail - qualifying revolving (QRRE)</b>	<b>11,567</b>	<b>26,336</b>	<b>16.68 %</b>	<b>15,960</b>	<b>7.87 %</b>	<b>14,437,924</b>	<b>81.08 %</b>	<b>—</b>	<b>17,598</b>	<b>110 %</b>	<b>1,466</b>	<b>(1,156)</b>
0,00 to <0,15	737	3,331	21.05 %	1,438	0.04 %	1,799,030	56.41 %	—	32	2 %	—	(1)
0,00 to <0,10	671	3,174	20.97 %	1,337	0.03 %	1,646,886	56.26 %	—	26	2 %	—	(1)
0,10 to <0,15	66	158	22.60 %	102	0.13 %	152,144	58.38 %	—	6	6 %	—	—
0,15 to <0,25	531	2,308	22.54 %	1,051	0.19 %	1,554,180	56.82 %	—	88	8 %	1	(5)
0,25 to <0,50	430	2,066	9.72 %	631	0.47 %	455,087	82.57 %	—	162	26 %	3	(8)
0,50 to <0,75	1,054	3,842	10.30 %	1,450	0.63 %	1,117,192	82.34 %	—	464	32 %	10	(23)
0,75 to <2,50	3,191	7,432	14.82 %	4,293	1.46 %	3,040,248	85.64 %	—	2,710	63 %	75	(116)
0,75 to <1,75	2,304	5,570	13.80 %	3,072	1.21 %	2,106,931	85.14 %	—	1,678	55 %	44	(74)
1,75 to <2,50	887	1,862	17.88 %	1,220	2.10 %	933,317	86.91 %	—	1,032	85 %	31	(42)
2,50 to <10,00	3,341	5,903	18.12 %	4,411	5.59 %	4,133,992	86.70 %	—	7,145	162 %	298	(262)
2,50 to <5,00	1,576	2,464	19.22 %	2,050	3.61 %	1,717,434	85.71 %	—	2,492	122 %	87	(94)
5,00 to <10,00	1,765	3,439	17.33 %	2,362	7.31 %	2,416,558	87.56 %	—	4,654	197 %	211	(168)
10,00 to <100,00	1,861	1,434	27.85 %	2,261	22.44 %	2,046,382	86.48 %	—	6,975	308 %	585	(387)
10,00 to <20,00	1,009	929	31.04 %	1,298	13.23 %	1,223,057	88.18 %	—	3,594	277 %	211	(137)
20,00 to <30,00	400	225	19.63 %	444	23.99 %	353,662	86.98 %	—	1,573	355 %	129	(92)
30,00 to <100,00	453	280	23.90 %	520	44.11 %	469,663	81.80 %	—	1,807	348 %	245	(158)
100,00 (Default)	421	18	21.91 %	425	100.00 %	291,813	85.03 %	—	21	5 %	492	(355)
<b>Total IRB Approach</b>	<b>233,187</b>	<b>141,606</b>	<b>4.65 %</b>	<b>298,912</b>	<b>0.32 %</b>	<b>16,909</b>	<b>4.49 %</b>	<b>—</b>	<b>141,253</b>	<b>5 %</b>	<b>5,096</b>	<b>(4,782)</b>

<sup>(1)</sup> Exposures of less than 500,000 euros rounded down to zero are shown with a dash.

<sup>(1)</sup> PD intervals established by the CRR2 EBA ITS.

<sup>(2)</sup> Calculated as EAD after CCF for off-balance sheet exposure over total off-balance exposure before CCF.

<sup>(3)</sup> Corresponds to obligor grade PD weighted by EAD post CRM.

<sup>(4)</sup> Corresponds to obligor grade LGD weighted by EAD post CRM.

<sup>(5)</sup> Corresponds to the maturity of the obligor in years weighted by EAD. In accordance with Regulation (EU) 680/2014, it is reported only for those categories where average maturities are relevant for the calculation of RWA. Residual maturities of less than one year are rounded to 1.

<sup>(6)</sup> Specialised lending exposures are included in the FIRB approach. The Group has chosen to use the supervisory category attribution criteria method, in line with the provisions of article 153.5 of the CRR, and therefore, following the CRR2 EBA ITS, Specialised lending exposures are not included in this table.

## EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range (Million Euros. 12-31-2023)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Prudential portfolios for AIRB approach</b>	<b>227,082</b>	<b>134,901</b>	<b>4.68 %</b>	<b>290,025</b>	<b>0.32 %</b>	<b>15,972</b>	<b>4.49 %</b>		<b>138,722</b>	<b>5 %</b>	<b>4,924</b>	<b>(4,926)</b>
<b>Central governments or central banks</b>	<b>10,795</b>	<b>360</b>	<b>49.71 %</b>	<b>10,974</b>	<b>0.38 %</b>	<b>83</b>	<b>25.13 %</b>	<b>1</b>	<b>1,247</b>	<b>11 %</b>	<b>16</b>	<b>(3)</b>
0,00 to <0,15	10,519	166	48.99 %	10,601	0.03 %	25	24.60 %	1	675	6 %	1	—
0,00 to <0,10	10,497	5	20.69 %	10,498	0.02 %	19	24.45 %	1	652	6 %	1	—
0,10 to <0,15	22	161	49.88 %	102	0.14 %	6	40.00 %	1	23	23 %	—	—
0,15 to <0,25	31	—	9.22 %	31	0.20 %	4	40.01 %	4	18	57 %	—	—
0,25 to <0,50	25	52	51.15 %	52	0.31 %	4	40.21 %	1	22	43 %	—	—
0,50 to <0,75	—	—	63.33 %	—	0.51 %	6	54.35 %	1	—	81 %	—	—
0,75 to <2,50	—	—	50.00	—	1.29 %	5	40.74 %	1	—	86 %	—	—
0,75 to <1,75	—	—	50.00	—	1.29 %	5	40.74 %	1	—	86 %	—	—
1,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <10,00	88	141	50.01 %	158	4.41 %	11	40.00 %	3	235	149 %	3	(1)
2,50 to <5,00	88	141	49.98 %	158	4.41 %	6	40.00 %	3	235	149 %	3	(1)
5,00 to <10,00	—	—	98.72 %	—	7.85 %	5	40.00 %	2	—	170 %	—	—
10,00 to <100,00	131	—	52.00 %	132	23.87 %	27	40.02 %	1	296	224 %	13	—
10,00 to <20,00	—	—	—	—	18.90 %	1	54.81 %	1	1	377 %	—	—
20,00 to <30,00	130	—	—	130	23.81	2	40.00	1	292	224.12	12	—
30,00 to <100,00	1	—	52.00 %	1	30.71 %	24	39.66 %	1	3	233 %	—	—
100,00 (Default)	—	—	—	—	100.00	1	40.00	2	—	6.90	—	(1)
<b>Institutions</b>	<b>14,645</b>	<b>11,195</b>	<b>50.07 %</b>	<b>20,302</b>	<b>0.20 %</b>	<b>2,704</b>	<b>40.08 %</b>	<b>4</b>	<b>5,587</b>	<b>28 %</b>	<b>14</b>	<b>(15)</b>
0,00 to <0,15	11,056	8,304	47.16 %	14,967	0.08 %	1,466	40.49 %	5	3,208	21 %	4	(4)
0,00 to <0,10	7,517	6,826	45.26 %	10,590	0.06 %	305	40.73 %	6	1,933	18 %	2	(1)
0,10 to <0,15	3,540	1,478	55.95 %	4,377	0.11 %	1,161	39.92 %	2	1,275	29 %	2	(3)
0,15 to <0,25	2,194	1,861	57.76 %	3,269	0.18 %	515	41.63 %	3	1,211	37 %	2	(3)
0,25 to <0,50	873	664	58.36 %	1,316	0.34 %	276	30.56 %	2	526	40 %	1	(1)
0,50 to <0,75	346	239	70.67 %	515	0.55 %	133	40.74 %	2	356	69 %	1	—
0,75 to <2,50	104	46	51.13 %	129	1.35 %	125	43.10 %	1	104	81 %	1	—
0,75 to <1,75	104	46	51.13 %	129	1.35 %	125	43.10 %	1	104	81 %	1	—
1,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <10,00	62	53	50.09 %	89	4.99 %	84	46.97 %	3	161	180 %	2	(1)
2,50 to <5,00	39	25	62.50 %	55	2.91 %	61	50.37 %	2	87	157 %	1	—
5,00 to <10,00	23	29	39.47 %	34	8.33 %	23	41.52 %	5	74	216 %	1	—
10,00 to <100,00	2	23	27.67 %	8	17.84 %	57	46.00 %	4	20	238 %	1	(2)
10,00 to <20,00	2	21	25.57 %	7	14.86 %	9	46.26 %	1	17	234 %	1	(1)
20,00 to <30,00	—	—	20.00	—	22.36 %	2	45.00 %	126	—	250 %	—	—
30,00 to <100,00	—	1	64.79	1	41.54 %	46	44.03 %	3	2	266 %	—	—
100,00 (Default)	7	4	22.07 %	8	100.00 %	48	17.32 %	4	2	23 %	1	(4)



PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Corporate - SMEs</b>	<b>16,274</b>	<b>5,092</b>	<b>34.07 %</b>	<b>17,874</b>	<b>7.31 %</b>	<b>51,868</b>	<b>49.20 %</b>	<b>2</b>	<b>17,811</b>	<b>100 %</b>	<b>746</b>	<b>(690)</b>
0,00 to <0,15	880	538	44.88 %	1,102	0.12 %	3,528	51.23 %	2	354	32 %	1	(1)
0,00 to <0,10	54	1	6.88 %	54	0.05 %	129	41.53 %	5	18	33 %	—	—
0,10 to <0,15	826	537	44.95 %	1,048	0.12 %	3,399	51.73 %	2	336	32 %	1	(1)
0,15 to <0,25	679	306	41.75 %	798	0.20 %	2,187	51.14 %	2	374	47 %	1	(1)
0,25 to <0,50	2,312	533	39.69 %	2,513	0.34 %	5,353	49.94 %	2	1,547	62 %	5	(6)
0,50 to <0,75	2,346	556	41.78 %	2,567	0.54 %	4,388	50.58 %	2	2,018	79 %	8	(7)
0,75 to <2,50	4,681	871	37.68 %	4,970	1.20 %	8,239	49.58 %	2	5,335	107 %	32	(34)
0,75 to <1,75	4,542	869	37.74 %	4,831	1.17 %	8,038	49.58 %	2	5,144	106 %	31	(32)
1,75 to <2,50	139	2	14.11 %	140	2.04 %	201	49.33 %	3	190	136 %	2	(2)
2,50 to <10,00	3,975	1,997	24.31 %	4,419	4.54 %	8,652	45.78 %	2	6,154	139 %	99	(96)
2,50 to <5,00	2,901	1,626	23.82 %	3,255	3.43 %	5,830	45.90 %	2	4,218	130 %	56	(52)
5,00 to <10,00	1,074	371	26.47 %	1,164	7.64 %	2,822	45.45 %	3	1,936	166 %	44	(45)
10,00 to <100,00	604	124	44.99 %	657	26.27 %	14,677	48.70 %	2	1,731	263 %	92	(49)
10,00 to <20,00	249	48	38.43 %	264	13.84 %	1,145	47.01 %	2	540	204 %	19	(17)
20,00 to <30,00	53	9	19.10 %	54	23.88 %	197	50.40 %	3	156	288 %	7	(9)
30,00 to <100,00	303	67	53.21 %	339	36.37 %	13,335	49.76 %	2	1,035	306 %	66	(23)
100,00 (Default)	796	167	31.31 %	848	100.00 %	4,844	54.36 %	2	298	35 %	509	(497)
<b>Corporate - Non-SMEs</b>	<b>88,914</b>	<b>88,033</b>	<b>57.46 %</b>	<b>139,436</b>	<b>0.87 %</b>	<b>13,164</b>	<b>46.28 %</b>	<b>2</b>	<b>68,914</b>	<b>49 %</b>	<b>547</b>	<b>(710)</b>
0,00 to <0,15	17,544	26,238	63.02 %	34,094	0.09 %	1,414	45.21 %	2	7,940	23 %	14	(4)
0,00 to <0,10	10,524	15,507	63.05 %	20,298	0.07 %	356	45.05 %	2	3,903	19 %	7	(2)
0,10 to <0,15	7,020	10,732	62.97 %	13,796	0.12 %	1,058	45.44 %	2	4,037	29 %	7	(2)
0,15 to <0,25	39,780	42,001	57.82 %	63,983	0.20 %	3,288	46.53 %	2	26,182	41 %	60	(18)
0,25 to <0,50	18,648	11,014	55.23 %	24,765	0.37 %	2,102	46.86 %	2	15,453	62 %	43	(23)
0,50 to <0,75	4,664	1,944	53.45 %	5,708	0.59 %	1,386	47.69 %	2	4,848	85 %	16	(12)
0,75 to <2,50	4,858	4,063	43.01 %	6,591	1.33 %	1,772	46.63 %	2	7,408	112 %	41	(45)
0,75 to <1,75	3,365	3,236	40.22 %	4,636	1.12 %	1,493	47.03 %	2	5,283	114 %	25	(15)
1,75 to <2,50	1,493	827	53.95 %	1,955	1.80 %	279	45.69 %	2	2,126	109 %	16	(30)
2,50 to <10,00	2,526	2,528	31.26 %	3,317	4.68 %	1,933	45.39 %	2	5,796	175 %	73	(230)
2,50 to <5,00	1,410	2,077	27.04 %	1,971	3.22 %	1,072	44.66 %	2	3,251	165 %	30	(109)
5,00 to <10,00	1,115	450	50.73 %	1,346	6.83 %	861	46.46 %	2	2,544	189 %	43	(120)
10,00 to <100,00	350	78	58.77 %	384	22.54 %	790	48.42 %	2	1,131	295 %	43	(32)
10,00 to <20,00	206	31	41.93 %	219	15.99 %	223	48.01 %	2	597	273 %	17	(18)
20,00 to <30,00	75	2	47.51 %	75	23.09 %	46	46.88 %	2	212	281 %	8	(7)
30,00 to <100,00	70	44	71.08 %	90	38.03 %	521	50.73 %	2	322	359 %	17	(7)
100,00 (Default)	545	167	32.09 %	595	100.00 %	479	42.42 %	2	155	26 %	257	(348)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Retail - Immovable property SMEs</b>	<b>869</b>	<b>278</b>	<b>6.88 %</b>	<b>888</b>	<b>26.56 %</b>	<b>17,027</b>	<b>30.27 %</b>	<b>—</b>	<b>1,844</b>	<b>208 %</b>	<b>83</b>	<b>(10)</b>
0,00 to <0,15	—	—	—	—	—	—	—	—	—	—	—	—
0,00 to <0,10	—	—	—	—	—	—	—	—	—	—	—	—
0,10 to <0,15	—	—	—	—	—	—	—	—	—	—	—	—
0,15 to <0,25	—	—	—	—	—	—	—	—	—	—	—	—
0,25 to <0,50	—	—	—	—	—	—	—	—	—	—	—	—
0,50 to <0,75	—	—	—	—	—	—	—	—	—	—	—	—
0,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
0,75 to <1,75	—	—	—	—	—	—	—	—	—	—	—	—
1,75 to <2,50	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <10,00	—	—	—	—	—	—	—	—	—	—	—	—
2,50 to <5,00	—	—	—	—	—	—	—	—	—	—	—	—
5,00 to <10,00	—	—	—	—	—	—	—	—	—	—	—	—
10,00 to <100,00	838	277	6.88 %	857	23.94 %	16,468	30.36 %	—	1,832	214 %	74	(3)
10,00 to <20,00	—	—	—	—	—	—	—	—	—	—	—	—
20,00 to <30,00	822	277	6.88 %	841	22.72 %	16,224	30.36 %	—	1,821	217 %	68	(2)
30,00 to <100,00	17	—	—	17	85.84 %	244	30.43 %	—	11	64 %	5	(1)
100,00 (Default)	30	1	6.88 %	31	100.00 %	559	27.56 %	—	12	38 %	10	(7)
<b>Retail - Immovable property non-SMEs</b>	<b>68,221</b>	<b>4,185</b>	<b>6.93 %</b>	<b>68,511</b>	<b>5.36 %</b>	<b>950,683</b>	<b>33.42 %</b>	<b>—</b>	<b>15,721</b>	<b>23 %</b>	<b>1,069</b>	<b>(1,144)</b>
0,00 to <0,15	43,595	2,941	6.92 %	43,798	0.05 %	626,417	32.96 %	—	2,382	5 %	7	(24)
0,00 to <0,10	41,510	2,841	6.92 %	41,706	0.04 %	599,864	32.72 %	—	2,100	5 %	6	(21)
0,10 to <0,15	2,085	100	6.94 %	2,092	0.13 %	26,553	37.62 %	—	282	13 %	1	(3)
0,15 to <0,25	6,983	518	6.93 %	7,018	0.19 %	101,181	34.74 %	—	1,171	17 %	5	(9)
0,25 to <0,50	5,324	292	6.96 %	5,344	0.35 %	72,731	36.73 %	—	1,467	27 %	8	(12)
0,50 to <0,75	1,510	84	7.00 %	1,516	0.59 %	22,082	35.72 %	—	586	39 %	4	(9)
0,75 to <2,50	4,733	207	6.98 %	4,747	1.40 %	61,581	35.21 %	—	3,213	68 %	28	(50)
0,75 to <1,75	3,757	167	6.99 %	3,769	1.26 %	50,525	33.92 %	—	2,265	60 %	19	(33)
1,75 to <2,50	976	40	6.93 %	979	1.96 %	11,056	40.18 %	—	947	97 %	9	(17)
2,50 to <10,00	1,616	96	6.99 %	1,622	4.95 %	19,956	38.51 %	—	2,465	152 %	37	(107)
2,50 to <5,00	1,003	57	6.99 %	1,007	3.40 %	12,071	38.17 %	—	1,276	127 %	15	(79)
5,00 to <10,00	613	39	6.99 %	615	7.47 %	7,885	39.05 %	—	1,189	193 %	21	(29)
10,00 to <100,00	1,302	38	6.97 %	1,305	23.57 %	13,914	39.54 %	—	3,387	260 %	147	(92)
10,00 to <20,00	633	26	6.98 %	634	13.55 %	7,119	38.24 %	—	1,521	240 %	39	(34)
20,00 to <30,00	367	12	6.93 %	368	23.53 %	4,010	39.67 %	—	1,047	284 %	41	(23)
30,00 to <100,00	302	—	6.88 %	302	44.64 %	2,785	42.11 %	—	819	271 %	68	(35)
100,00 (Default)	3,158	9	6.98 %	3,158	100.00 %	32,821	22.36 %	—	1,050	33 %	833	(841)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Retail - Other exposures SMEs</b>	<b>2,714</b>	<b>800</b>	<b>66.79 %</b>	<b>3,179</b>	<b>12.03 %</b>	<b>196,507</b>	<b>53.73 %</b>	<b>—</b>	<b>1,902</b>	<b>60 %</b>	<b>256</b>	<b>(188)</b>
0,00 to <0,15	277	230	68.60 %	409	0.12 %	33,155	52.65 %	—	63	15 %	—	—
0,00 to <0,10	—	—	—	—	—	—	—	—	—	—	—	—
0,10 to <0,15	277	230	68.60 %	409	0.12 %	33,155	52.65 %	—	63	15 %	—	—
0,15 to <0,25	130	70	70.30 %	173	0.20 %	10,059	52.19 %	—	39	22 %	—	—
0,25 to <0,50	222	101	68.75 %	283	0.31 %	16,406	52.31 %	—	85	30 %	1	(1)
0,50 to <0,75	312	105	67.34 %	373	0.51 %	18,999	52.41 %	—	150	40 %	1	(1)
0,75 to <2,50	624	152	68.53 %	717	1.17 %	37,608	52.30 %	—	422	59 %	5	(5)
0,75 to <1,75	624	152	68.53 %	717	1.17 %	37,608	52.30 %	—	422	59 %	5	(5)
1,75 to <2,50	—	—	—	—	— %	—	— %	—	—	— %	—	—
2,50 to <10,00	582	90	66.72 %	636	4.21 %	36,072	51.82 %	—	499	79 %	16	(10)
2,50 to <5,00	466	78	67.21 %	513	3.35 %	28,919	51.98 %	—	394	77 %	10	(7)
5,00 to <10,00	116	12	63.56 %	123	7.80 %	7,153	51.15 %	—	105	86 %	6	(4)
10,00 to <100,00	333	11	52.53 %	338	28.02 %	29,636	61.46 %	—	595	176 %	67	(14)
10,00 to <20,00	52	6	61.62 %	55	14.44 %	3,773	50.53 %	—	57	103 %	5	(3)
20,00 to <30,00	257	2	26.87 %	257	29.53 %	23,939	65.25 %	—	508	198 %	57	(6)
30,00 to <100,00	24	2	56.44 %	26	42.17 %	1,924	46.89 %	—	30	117 %	6	(4)
100,00 (Default)	233	40	41.42 %	249	100.00 %	14,572	58.72 %	—	48	19 %	166	(157)
<b>Retail - Other exposures Non-SMEs</b>	<b>12,963</b>	<b>30</b>	<b>47.67 %</b>	<b>12,976</b>	<b>9.59 %</b>	<b>1,253,674</b>	<b>63.07 %</b>	<b>—</b>	<b>7,988</b>	<b>62 %</b>	<b>777</b>	<b>(1,069)</b>
0,00 to <0,15	4,360	3	66.04 %	4,362	0.06 %	353,347	61.28 %	—	688	16 %	2	(21)
0,00 to <0,10	3,330	—	95.16 %	3,330	0.04 %	244,140	59.21 %	—	379	11 %	1	(12)
0,10 to <0,15	1,030	3	64.99 %	1,032	0.13 %	109,207	67.96 %	—	309	30 %	1	(8)
0,15 to <0,25	1,000	2	61.90 %	1,001	0.21 %	101,250	67.06 %	—	424	42 %	2	(8)
0,25 to <0,50	1,243	1	68.75 %	1,244	0.38 %	134,786	67.81 %	—	773	62 %	4	(13)
0,50 to <0,75	662	3	60.10 %	663	0.61 %	73,643	67.17 %	—	530	80 %	3	(7)
0,75 to <2,50	3,514	4	59.25 %	3,516	1.44 %	393,260	64.89 %	—	3,709	105 %	38	(69)
0,75 to <1,75	2,462	4	59.25 %	2,463	1.09 %	279,109	65.94 %	—	2,476	101 %	20	(42)
1,75 to <2,50	1,052	—	— %	1,052	2.25 %	114,151	62.45 %	—	1,233	117 %	17	(27)
2,50 to <10,00	821	4	54.12 %	823	4.59 %	79,489	62.90 %	—	1,089	132 %	28	(68)
2,50 to <5,00	544	3	61.89 %	545	3.81 %	48,608	60.75 %	—	666	122 %	15	(42)
5,00 to <10,00	277	1	32.24 %	278	6.13 %	30,881	67.14 %	—	423	152 %	13	(27)
10,00 to <100,00	329	13	29.92 %	333	32.35 %	32,800	64.55 %	—	677	203 %	80	(73)
10,00 to <20,00	145	4	17.26 %	145	13.26 %	14,427	65.05 %	—	257	176 %	14	(17)
20,00 to <30,00	43	1	24.44 %	44	26.48 %	3,884	69.46 %	—	111	254 %	9	(6)
30,00 to <100,00	141	8	37.08 %	144	53.48 %	14,489	62.55 %	—	309	215 %	56	(50)
100,00 (Default)	1,035	—	56.51 %	1,035	100.00 %	85,099	51.91 %	—	100	10 %	621	(809)

PD Scale <sup>(1) (6)</sup>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF <sup>(2)</sup>	EAD post CRM and post-CCF	Average PD <sup>(3)</sup>	Number of obligors	Average LGD <sup>(4)</sup>	Average Maturity (days) <sup>(5)</sup>	RWA	RWA Density	EL	Value adjustments and provisions
<b>Retail - qualifying revolving (QRRE)</b>	<b>11,687</b>	<b>24,927</b>	<b>16.84 %</b>	<b>15,886</b>	<b>7.65 %</b>	<b>13,486,586</b>	<b>81.21 %</b>	<b>—</b>	<b>17,710</b>	<b>111 %</b>	<b>1,415</b>	<b>(1,098)</b>
0,00 to <0,15	774	3,177	20.68 %	1,431	0.04 %	1,744,999	56.21 %	—	32	2 %	—	(1)
0,00 to <0,10	709	3,027	20.59 %	1,332	0.03 %	1,601,486	56.05 %	—	26	2 %	—	(1)
0,10 to <0,15	65	149	22.42 %	98	0.13 %	143,513	58.32 %	—	6	6 %	—	—
0,15 to <0,25	551	2,169	22.13 %	1,031	0.19 %	1,466,048	56.58 %	—	86	8 %	1	(5)
0,25 to <0,50	368	1,726	9.81 %	537	0.47 %	391,069	82.01 %	—	136	25 %	3	(6)
0,50 to <0,75	1,009	3,519	10.48 %	1,378	0.63 %	1,024,843	82.17 %	—	441	32 %	10	(21)
0,75 to <2,50	3,299	7,180	15.15 %	4,387	1.46 %	2,838,395	85.90 %	—	2,782	63 %	77	(114)
0,75 to <1,75	2,375	5,396	14.10 %	3,136	1.21 %	1,959,412	85.42 %	—	1,724	55 %	45	(72)
1,75 to <2,50	924	1,784	18.34 %	1,251	2.09 %	878,983	87.08 %	—	1,058	85 %	32	(42)
2,50 to <10,00	3,438	5,757	18.30 %	4,492	5.61 %	3,844,978	86.91 %	—	7,305	163 %	305	(260)
2,50 to <5,00	1,613	2,417	19.22 %	2,077	3.62 %	1,607,951	85.86 %	—	2,533	122 %	89	(94)
5,00 to <10,00	1,825	3,340	17.64 %	2,414	7.32 %	2,237,027	87.80 %	—	4,772	198 %	216	(166)
10,00 to <100,00	1,863	1,384	27.39 %	2,243	22.23 %	1,895,855	86.56 %	—	6,907	308 %	574	(370)
10,00 to <20,00	1,032	897	30.84 %	1,309	13.23 %	1,154,195	88.39 %	—	3,634	278 %	213	(134)
20,00 to <30,00	389	222	18.13 %	429	23.82 %	311,954	87.13 %	—	1,519	354 %	124	(83)
30,00 to <100,00	443	266	23.47 %	505	44.19 %	429,706	81.35 %	—	1,754	347 %	237	(152)
100,00 (Default)	384	15	20.04 %	387	100.00 %	280,399	84.37 %	—	20	5 %	445	(320)
<b>Total IRB Approach</b>	<b>227,082</b>	<b>134,901</b>	<b>4.68 %</b>	<b>290,025</b>	<b>0.32 %</b>	<b>15,972</b>	<b>4.49 %</b>		<b>138,722</b>	<b>5 %</b>	<b>4,924</b>	<b>(4,926)</b>

<sup>(1)</sup> Exposures of less than 500,000 euros rounded down to zero are shown with a dash.

<sup>(1)</sup> PD intervals established by the CRR2 EBA ITS.

<sup>(2)</sup> Calculated as EAD after CCF for off-balance sheet exposure over total off-balance exposure before CCF.

<sup>(3)</sup> Corresponds to obligor grade PD weighted by EAD post CRM.

<sup>(4)</sup> Corresponds to obligor grade LGD weighted by EAD post CRM.

<sup>(5)</sup> Corresponds to the maturity of the obligor in years weighted by EAD. In accordance with Regulation (EU) 680/2014, it is reported only for those categories where average maturities are relevant for the calculation of RWA. Residual maturities of less than one year are rounded to 1.

<sup>(6)</sup> Specialised lending exposures are included in the FIRB approach. The Group has chosen to use the supervisory category attribution criteria method, in line with the provisions of article 153.5 of the CRR, and therefore, following the CRR2 EBA ITS, Specialised lending exposures are not included in this table.

For information about exposures and RWA under IRB approach, see Table 20.

The following table shows the flow statements of credit and counterparty credit risk RWA under internal model (IRB) during the second quarter of 2024:

**Table 20.** EU CR8 - RWA flow statements of credit and counterparty risk exposures under the IRB approach (Million Euros)

	Credit Risk		Counterparty Credit Risk		Total	
	RWA amounts	Capital Requirements	RWA amounts	Capital Requirements	RWA amounts	Capital requirements
<b>RWA as of March 31, 2024</b>	<b>145,571</b>	<b>11,646</b>	<b>5,797</b>	<b>464</b>	<b>151,368</b>	<b>12,109</b>
Asset size	4,505	360	271	22	4,775	382
Asset quality	(347)	(28)	173	14	(174)	(14)
Model updates	—	—	—	—	—	—
Methodology and policy	—	—	—	—	—	—
Acquisitions and disposals	—	—	—	—	—	—
Foreign exchange movements	(2,238)	(179)	(33)	(3)	(2,270)	(182)
Other	—	—	—	—	—	—
<b>RWA as of June 30, 2024</b>	<b>147,490</b>	<b>11,799</b>	<b>6,208</b>	<b>497</b>	<b>153,699</b>	<b>12,296</b>

In the second quarter of 2024, the risk-weighted assets under the IRB method increase in line with the growth of activity in Spain and the authorized portfolios in Mexico, without significant differences due to the asset quality. During the quarter, a securitization was issued with risk transfer of consumer loans (BBVA Consumer 2024-1 FT) with an exposure value of 800 million euros.

The exchange rate variations are caused by the depreciation of the Mexican peso, partially offset by the appreciation of the US dollar.

The full series of RWA flow of credit risk under the IRB approach over the first half of 2024 is available in the editable file "Pillar 3 2Q 2024 – Tables & Annexes".

### 3.2.3.2. Risk weights of specialised lending exposure

The solvency regulation stipulates that the classification of specialised lending companies should apply to legal entities with the following characteristics:

- The exposure is to an entity created specifically to finance and/or operate physical assets.
- The contractual arrangements give the lender a substantial degree of control over the assets and income they generate.

- The primary source of repayment of the obligation is the income generated by the assets being financed, rather than the independent capacity of the borrower.

The Group uses the Supervisory Slotting Approach for RWA calculations.

The following tables show information on specialised lending exposures by type according to CRR2 EBA ITS, as of June 30, 2024 and as of December 31, 2023:

**Table 21.** EU CR10 (1-4) - IRB: specialised lending (Million Euros. 6-30-2024)

Specialised lending: Project Finance							
Regulatory categories	Remaining maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected losses
Category 1	Less than 2.5 years	93	10	50%	98	42	—
Category 1	Equal to or more than 2.5 years	1,577	407	70%	1,787	1,133	7
Category 2	Less than 2.5 years	538	260	70%	703	380	3
Category 2	Equal to or more than 2.5 years	2,422	1,832	90%	3,374	2,652	27
Category 3	Less than 2.5 years	231	335	115%	456	409	13
Category 3	Equal to or more than 2.5 years	777	198	115%	910	922	26
Category 4	Less than 2.5 years	—	—	250%	—	—	—
Category 4	Equal to or more than 2.5 years	5	3	250%	7	17	1
Category 5	Less than 2.5 years	48	—		48	—	24
Category 5	Equal to or more than 2.5 years	136	11		141	—	70
<b>Total</b>	<b>Less than 2.5 years</b>	<b>910</b>	<b>605</b>		<b>1,304</b>	<b>831</b>	<b>39</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>4,917</b>	<b>2,451</b>		<b>6,219</b>	<b>4,724</b>	<b>131</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

Specialised lending: IPRE & HVCRE							
Regulatory categories	Remaining maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected losses
Category 1	Less than 2.5 years	415	136	50 %	517	258	—
Category 1	Equal to or more than 2.5 years	752	—	70 %	752	526	3
Category 2	Less than 2.5 years	—	—	70 %	—	—	—
Category 2	Equal to or more than 2.5 years	89	—	50 %	89	80	1
Category 3	Less than 2.5 years	—	—	115 %	—	—	—
Category 3	Equal to or more than 2.5 years	—	—	115 %	—	—	—
Category 4	Less than 2.5 years	—	—	250 %	—	—	—
Category 4	Equal to or more than 2.5 years	—	—	250 %	—	—	—
Category 5	Less than 2.5 years	—	—		—	—	—
Category 5	Equal to or more than 2.5 years	—	—		—	—	—
<b>Total</b>	<b>Less than 2.5 years</b>	<b>415</b>	<b>136</b>		<b>517</b>	<b>258</b>	<b>—</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>840</b>	<b>—</b>		<b>840</b>	<b>606</b>	<b>4</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

## Specialised lending: Object Finance

Regulatory categories	Remaining Maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected Losses
Category 1	Less than 2.5 years	1	—	50 %	1	1	—
Category 1	Equal to or more than 2.5 years	11	—	70 %	11	8	—
Category 2	Less than 2.5 years	—	—	70 %	—	—	—
Category 2	Equal to or more than 2.5 years	—	—	90 %	—	—	—
Category 3	Less than 2.5 years	—	—	115 %	—	—	—
Category 3	Equal to or more than 2.5 years	—	—	115 %	—	—	—
Category 4	Less than 2.5 years	—	—	250 %	—	—	—
Category 4	Equal to or more than 2.5 years	—	—	250 %	—	—	—
Category 5	Less than 2.5 years	—	—		—	—	—
Category 5	Equal to or more than 2.5 years	—	—		—	—	—
<b>Total</b>	<b>Less than 2.5 years</b>	<b>1</b>	<b>—</b>		<b>1</b>	<b>1</b>	<b>—</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>11</b>	<b>—</b>		<b>11</b>	<b>8</b>	<b>—</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

## Specialised lending: Commodities Finance

Regulatory categories	Remaining Maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected Losses
Category 1	Less than 2.5 years	—	—	50%	—	—	—
Category 1	Equal to or more than 2.5 years	—	—	70%	—	—	—
Category 2	Less than 2.5 years	—	—	70%	—	—	—
Category 2	Equal to or more than 2.5 years	—	—	90%	—	—	—
Category 3	Less than 2.5 years	—	—	115%	—	—	—
Category 3	Equal to or more than 2.5 years	—	—	115%	—	—	—
Category 4	Less than 2.5 years	—	—	250%	—	—	—
Category 4	Equal to or more than 2.5 years	—	—	250%	—	—	—
Category 5	Less than 2.5 years	—	—		—	—	—
Category 5	Equal to or more than 2.5 years	—	—		—	—	—
<b>Total</b>	<b>Less than 2.5 years</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

## EU CR10 (1-4) - IRB: specialised lending (Million Euros. 12-31-2023)

## Specialised lending: Project Finance

Regulatory categories	Remaining Maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure Amount <sup>(3)</sup>	RWA	Expected Losses
Category 1	Less than 2.5 years	178	13	50%	184	77	—
Category 1	Equal to or more than 2.5 years	1,813	424	70%	2,035	1,304	8
Category 2	Less than 2.5 years	304	201	70%	415	256	2
Category 2	Equal to or more than 2.5 years	2,276	2,038	90%	3,433	2,923	28
Category 3	Less than 2.5 years	2	246	115%	179	206	5
Category 3	Equal to or more than 2.5 years	268	97	115%	313	359	9
Category 4	Less than 2.5 years	—	—	250%	—	—	—
Category 4	Equal to or more than 2.5 years	134	6	250%	137	344	11
Category 5	Less than 2.5 years	24	—		24	—	12
Category 5	Equal to or more than 2.5 years	96	—		96	—	48
<b>Total</b>	<b>Less than 2.5 years</b>	<b>508</b>	<b>459</b>		<b>802</b>	<b>539</b>	<b>19</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>4,586</b>	<b>2,566</b>		<b>6,014</b>	<b>4,930</b>	<b>103</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

## Specialised lending: IPRE &amp; HVCRE

Regulatory categories	Remaining Maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure Amount <sup>(3)</sup>	RWA	Expected Losses
Category 1	Less than 2.5 years	97	12	50 %	102	51	—
Category 1	Equal to or more than 2.5 years	615	15	70 %	628	440	3
Category 2	Less than 2.5 years	—	—	70 %	—	—	—
Category 2	Equal to or more than 2.5 years	86	—	90 %	86	77	1
Category 3	Less than 2.5 years	—	—	115 %	—	—	—
Category 3	Equal to or more than 2.5 years	—	—	115 %	—	—	—
Category 4	Less than 2.5 years	—	—	250 %	—	—	—
Category 4	Equal to or more than 2.5 years	—	—	250 %	—	—	—
Category 5	Less than 2.5 years	—	—		—	—	—
Category 5	Equal to or more than 2.5 years	—	—		—	—	—
<b>Total</b>	<b>Less than 2.5 years</b>	<b>97</b>	<b>12</b>		<b>102</b>	<b>51</b>	<b>—</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>701</b>	<b>15</b>		<b>714</b>	<b>517</b>	<b>3</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

## Specialised lending: Object Finance

Regulatory categories	Remaining Maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected Losses
Category 1	Less than 2.5 years	27	—	50 %	27	14	—
Category 1	Equal to or more than 2.5 years	12	—	70 %	12	8	—
Category 2	Less than 2.5 years	—	—	70 %	—	—	—
Category 2	Equal to or more than 2.5 years	—	—	90 %	—	—	—
Category 3	Less than 2.5 years	—	—	115 %	—	—	—
Category 3	Equal to or more than 2.5 years	—	—	115 %	—	—	—
Category 4	Less than 2.5 years	—	—	250 %	—	—	—
Category 4	Equal to or more than 2.5 years	—	—	250 %	—	—	—
Category 5	Less than 2.5 years	—	—		—	—	—
Category 5	Equal to or more than 2.5 years	—	—		—	—	—
<b>Total</b>	<b>Less than 2.5 years</b>	<b>27</b>	<b>—</b>		<b>27</b>	<b>14</b>	<b>—</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>12</b>	<b>—</b>		<b>12</b>	<b>8</b>	<b>—</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

## Specialised lending: Commodities Finance

Regulatory categories	Remaining Maturity	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected Losses
Category 1	Less than 2.5 years	—	—	50%	—	—	—
Category 1	Equal to or more than 2.5 years	—	—	70%	—	—	—
Category 2	Less than 2.5 years	—	—	70%	—	—	—
Category 2	Equal to or more than 2.5 years	—	—	90%	—	—	—
Category 3	Less than 2.5 years	—	—	115%	—	—	—
Category 3	Equal to or more than 2.5 years	—	—	115%	—	—	—
Category 4	Less than 2.5 years	—	—	250%	—	—	—
Category 4	Equal to or more than 2.5 years	—	—	250%	—	—	—
Category 5	Less than 2.5 years	—	—		—	—	—
Category 5	Equal to or more than 2.5 years	—	—		—	—	—
<b>Total</b>	<b>Less than 2.5 years</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>Equal to or more than 2.5 years</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.



For risk measurement of the Specialised Lending portfolio, the Group uses the "slotting criteria" approach, which classifies exposures into different regulatory categories based on the risk assessment performed by the entity and the residual maturity. In terms of the type of specialised lending, project finance represents 86% of total portfolio with a total exposure of €7,523 million and RWA consumption of €5,555 million.

During the first half of the year there were no significant movements in the portfolio capital requirements.

### 3.2.3.3. Equity exposure by method

The following table shows equity exposure by the following approaches: internal, PD/LGD and simple method (in this case, broken down by risk weights), as of June 30, 2024 and as of December 31, 2023.

**Table 22.** EU CR10 (5) - IRB: equity (Million Euros. 6-30-2024)

Categories	Equity under the IRB approach					
	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected Losses
Simple method - Private Equity Exposures	1,167	58	190 %	1,225	2,328	10
Simple method - Exchange-traded equity exposures	290	—	290 %	290	842	2
Simple method - Other Equity Exposures	—	—	370 %	—	1	—
<b>Total</b>	<b>1,458</b>	<b>58</b>		<b>1,516</b>	<b>3,171</b>	<b>12</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

**EU CR10 (5) - IRB: equity (Million Euros. 12-31-2023)**

Categories	Equity under the IRB approach					
	On-balance sheet amount <sup>(1)</sup>	Off-balance sheet amount <sup>(2)</sup>	RW	Exposure amount <sup>(3)</sup>	RWA	Expected Losses
Simple method - Private Equity Exposures	909	—	190 %	909	1,727	7
Simple method - Exchange-traded equity exposures	288	—	290 %	288	836	2
Simple method - Other Equity Exposures	191	—	370 %	191	706	5
<b>Total</b>	<b>1,388</b>	<b>—</b>		<b>1,388</b>	<b>3,269</b>	<b>14</b>

<sup>(1)</sup> Corresponds to the original exposure.

<sup>(2)</sup> Corresponds to the value of off-balance sheet exposure, regardless of credit conversion factors (CCF), or the effect of the Credit Risk Mitigation (CRM) techniques.

<sup>(3)</sup> Corresponds to exposure value after CRM and CCF.

During the second quarter of 2024 there has been some movements between different categories under simple method for equity instruments with no significant changes in the risk weighted assets under simple method.

### 3.2.4. Information on counterparty credit risk

Counterparty credit risk exposure involves that part of the original exposure corresponding to derivative instruments, repurchase and reverse repurchase transactions, securities or commodities lending transactions and deferred settlement transactions.

#### 3.2.4.1. Amounts of counterparty risk

The exposure value of derivative instruments will be determined based on one of the following methods established in sections 3 to 6 of chapter 6 of the CRR: standard method for counterparty credit risk, simplified standard method for credit risk counterparty, original risk method or internal models method.

The exposure value of the securities financing transactions (SFTs) is determined in accordance with the methods provided in the preceding paragraph or using those provided for in Chapter 4 of the CRR.

In this regard, the BBVA S.A. Group calculates the exposure value of derivative instruments in accordance with the standardised method for counterparty credit risk (SA-CCR) which is applicable since June 2021.

The SA-CCR framework calculates the aforementioned exposure by each netting set of the entity. The SA-CCR method defines the exposure value as the product of a surcharge ( $\alpha$ ) applied to the sum of the replacement cost (RC) and the potential future exposure (PFE). Where  $\alpha$  is equal to 1.4.

$$\text{Exposure value} = \alpha * (\text{RC} + \text{PFE})$$

The BBVA Group S.A. calculates the exposure value of the repurchase operations in accordance with the provisions of chapter 4 on credit risk mitigation and in accordance with the financial collateral comprehensive method.

A breakdown of the original exposure, EAD and RWA under counterparty credit risk (including exposures to Central Counterparties) is below:

**Table 23.** Positions subject to counterparty credit risk in terms of OE, EAD and RWA (Million Euros. 6-30-2024)

Exposure Class and risk types	Securities financing transactions			Derivatives and transactions with deferred settlement			Total		
	OE	EAD	RWA	OE	EAD	RWA	OE	EAD	RWA
Central governments or central banks	20,920	1,858	182	469	614	169	21,389	2,472	351
Regional governments or local authorities	—	—	—	13	3	2	13	3	2
Public sector entities	5	—	—	62	42	37	68	42	37
Multilateral Development Banks	—	—	—	5	5	1	5	5	1
International Organisations	—	—	—	—	—	—	—	—	—
Institutions	9,859	302	62	1,587	1,587	477	11,447	1,889	540
Corporates	9,815	994	973	3,017	3,017	1,766	12,832	4,011	2,740
Retail	11	1	—	13	13	9	24	14	9
Secured by mortgages on immovable property	—	—	—	—	—	—	—	—	—
Exposures in default	—	—	—	2	2	2	2	2	2
Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—	—	—	—
Short-term claims on institutions and corporate	—	—	—	—	—	—	—	—	—
Collective investments undertakings	—	—	—	—	—	—	—	—	—
Other exposures	—	—	—	—	—	—	—	—	—
<b>Total counterparty risk by standardised approach</b>	<b>40,610</b>	<b>3,154</b>	<b>1,218</b>	<b>5,168</b>	<b>5,282</b>	<b>2,464</b>	<b>45,778</b>	<b>8,436</b>	<b>3,682</b>
Central governments or central banks	968	968	—	3	3	3	971	971	3
Institutions	105,024	105,024	1,620	8,463	8,349	1,638	113,488	113,373	3,258
Corporates	39	39	—	6,695	6,695	2,946	6,734	6,734	2,946
Of which: SMEs	—	—	—	91	91	133	91	91	133
Of which: specialised lending	—	—	—	295	295	191	295	295	191
Of which: other	39	39	—	6,309	6,309	2,622	6,348	6,348	2,622
Retail	—	—	—	2	2	1	2	2	1
Of which: Secured by immovable property	—	—	—	—	—	—	—	—	—
Of which: Qualifying revolving	—	—	—	—	—	—	—	—	—
Of which: Other retail	—	—	—	2	2	1	2	2	1
Other retail: SMEs	—	—	—	2	2	1	2	2	1
Other retail: Non-SMEs	—	—	—	—	—	—	—	—	—
<b>Total counterparty risk by IRB approach</b>	<b>106,032</b>	<b>106,032</b>	<b>1,621</b>	<b>15,163</b>	<b>15,049</b>	<b>4,588</b>	<b>121,195</b>	<b>121,080</b>	<b>6,208</b>
<b>Total counterparty risk</b>	<b>146,642</b>	<b>109,186</b>	<b>2,839</b>	<b>20,331</b>	<b>20,331</b>	<b>7,052</b>	<b>166,972</b>	<b>129,517</b>	<b>9,890</b>

Positions subject to counterparty credit risk in terms of OE, EAD and RWA (Million Euros. 12-31-2023)

Exposure Class and risk types	Securities financing transactions			Derivatives and transactions with deferred settlement			Total		
	OE	EAD	RWA	OE	EAD	RWA	OE	EAD	RWA
Central governments or central banks	18,170	2,010	81	316	477	123	18,486	2,487	204
Regional governments or local authorities	—	—	—	88	7	4	88	7	4
Public sector entities	1,443	36	18	89	57	55	1,532	94	73
Multilateral Development Banks	—	—	—	3	3	—	3	3	—
International Organisations	—	—	—	—	—	—	—	—	—
Institutions	17,650	373	79	1,270	1,270	489	18,919	1,643	568
Corporates	7,359	551	548	2,935	2,935	1,673	10,295	3,486	2,221
Retail	12	1	—	21	21	13	33	21	14
Secured by mortgages on immovable property	—	—	—	—	—	—	—	—	—
Exposures in default	—	—	—	7	7	10	7	7	10
Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—	—	—	—
Short-term claims on institutions and corporate	—	—	—	—	—	—	—	—	—
Collective investments undertakings	—	—	—	—	—	—	—	—	—
Other exposures	—	—	—	2	2	2	2	2	2
<b>Total counterparty risk by standardised approach</b>	<b>44,634</b>	<b>2,971</b>	<b>727</b>	<b>4,730</b>	<b>4,778</b>	<b>2,368</b>	<b>49,364</b>	<b>7,749</b>	<b>3,095</b>
Central governments or central banks	1,483	1,483	2	8	8	1	1,492	1,492	2
Institutions	150,405	150,405	1,305	7,992	7,944	1,515	158,397	158,349	2,821
Corporates	29	29	—	6,634	6,634	2,869	6,663	6,663	2,869
Of which: SMEs	—	—	—	103	103	132	103	103	132
Of which: specialised lending	—	—	—	316	316	250	316	316	250
Of which: other	29	29	—	6,215	6,215	2,487	6,244	6,244	2,487
Retail	—	—	—	1	1	—	1	1	—
Of which: Secured by immovable property	—	—	—	—	—	—	—	—	—
Of which: Qualifying revolving	—	—	—	—	—	—	—	—	—
Of which: Other retail	—	—	—	1	1	—	1	1	—
Other retail: SMEs	—	—	—	1	1	—	1	1	—
Other retail: Non-SMEs	—	—	—	—	—	—	—	—	—
<b>Total counterparty risk by IRB approach</b>	<b>151,917</b>	<b>151,917</b>	<b>1,307</b>	<b>14,635</b>	<b>14,586</b>	<b>4,385</b>	<b>166,552</b>	<b>166,504</b>	<b>5,692</b>
<b>Total counterparty risk</b>	<b>196,551</b>	<b>154,888</b>	<b>2,034</b>	<b>19,365</b>	<b>19,365</b>	<b>6,753</b>	<b>215,916</b>	<b>174,253</b>	<b>8,787</b>

Exposures subject to counterparty credit risk increased in the first half of 2024. Under the standardised approach, there was an increase in securities financing transactions to central governments and corporates. As for the IRB Approach, there was an increase in RWA which is mainly due to the increase of securities financing transactions to institutions, and, to a lesser extent, to the increase of the exposure value of derivatives transactions, also, to institutions.

Below is an overview of the methods used to calculate the regulatory requirements for counterparty credit risk and the main parameters of each method (excluding requirements for CVA and exposure cleared through a CCP, which are shown in tables CCR2 and CCR8, respectively).

**Table 24.** EU CCR1 - Analysis of CCR exposure by approach (Million Euros)

	6-30-2024							
	Replacement cost (RC)	Potential future exposure (PFE)	Expected Effective Positive Exposure (EEPE)	Alpha	Exposure value pre-CRM	Exposure value post-CRM	Exposure value (without CVA)	RWEA
EU - Original Exposure Method (for derivatives)	—	—	—	1.40	—	—	—	—
EU - Simplified SA-CCR (for derivatives)	—	—	—	1.40	—	—	—	—
SA-CCR (for derivatives)	4,106	7,261	—	1.40	17,728	17,728	16,345	6,463
IMM (for derivatives and SFTs)	—	—	—	—	—	—	—	—
Of which securities financing transactions netting sets	—	—	—	—	—	—	—	—
Of which derivatives and long settlement transactions netting sets	—	—	—	—	—	—	—	—
Of which from contractual cross-product netting sets	—	—	—	—	—	—	—	—
Financial collateral simple method (for SFTs)	—	—	—	—	—	—	—	—
Financial collateral comprehensive method (for SFTs)	—	—	—	—	127,277	94,844	94,793	2,769
VaR for SFTs	—	—	—	—	—	—	—	—
<b>Total</b>					<b>145,005</b>	<b>112,572</b>	<b>111,138</b>	<b>9,232</b>

**EU CCR1** - Analysis of CCR exposure by approach (Million Euros)

	12-31-2022							
	Replacement cost (RC)	Potential future exposure (PFE)	Expected Effective Positive Exposure (EEPE)	Alpha	Exposure value pre-CRM	Exposure value post-CRM	Exposure value (without CVA)	RWEA
EU - Original Exposure Method (for derivatives)	—	—	—	1.40	—	—	—	—
EU - Simplified SA-CCR (for derivatives)	—	—	—	1.40	—	—	—	—
SA-CCR (for derivatives)	4,772	7,188	—	1.40	18,172	18,172	16,791	6,333
IMM (for derivatives and SFTs)	—	—	—	—	—	—	—	—
Of which securities financing transactions netting sets	—	—	—	—	—	—	—	—
Of which derivatives and long settlement transactions netting sets	—	—	—	—	—	—	—	—
Of which from contractual cross-product netting sets	—	—	—	—	—	—	—	—
Financial collateral simple method (for SFTs)	—	—	—	—	—	—	—	—
Financial collateral comprehensive method (for SFTs)	—	—	—	—	122,144	96,889	96,732	1,870
VaR for SFTs	—	—	—	—	—	—	—	—
<b>Total</b>					<b>140,317</b>	<b>115,062</b>	<b>113,523</b>	<b>8,204</b>

During the first half of 2024, the counterparty risk exposure arising from derivative instruments excluding exposures to central counterparties has decreased due to the lower reposition cost with different counterparties and the RWA have slightly increased. On the other hand, the exposure to counterparty risk under the comprehensive approach for securities financing transactions decreased under the IRB method and increased slightly under the standardised approach. SFTs RWA increase under both methods due to the slight change in portfolio composition.

#### 3.2.4.1.1. Counterparty credit risk by standardised approach

The following table shows a breakdown of exposure to counterparty credit risk (following credit risk mitigation and CCF techniques) calculated using the standardised approach, by exposure category and risk weights (excluding exposures to central counterparties):

**Table 25.** EU CCR3 - Standardised approach - CCR exposures by regulatory portfolio and risk (Million Euros. 6-30-2024)

Exposure Class	Risk weight											Total
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks	1,783	—	—	—	2	673	—	—	15	—	—	2,472
Regional government or local authorities	—	—	—	—	—	2	—	—	—	—	—	3
Public sector entities	—	—	—	—	—	10	—	—	33	—	—	42
Multilateral development banks	4	—	—	—	—	—	—	—	1	—	—	5
International organisations	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	—	83	34	—	1,192	562	—	—	16	1	—	1,889
Corporates	—	—	—	—	1,342	463	—	—	2,130	76	—	4,011
Retail	—	—	—	—	—	—	—	14	—	—	—	14
Institutions and corporates with a short term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	—	—	—	2	—	2
<b>Total</b>	<b>1,786</b>	<b>83</b>	<b>34</b>	<b>—</b>	<b>2,536</b>	<b>1,710</b>	<b>—</b>	<b>14</b>	<b>2,195</b>	<b>78</b>	<b>—</b>	<b>8,436</b>

**EU CCR3** - Standardised approach - CCR exposures by regulatory portfolio and risk (Million Euros. 12-31-2023)

Exposure Class	Risk weight											Total
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks	2,110	—	—	—	2	344	—	—	31	—	—	2,487
Regional government or local authorities	—	—	—	—	—	7	—	—	—	—	—	7
Public sector entities	—	—	—	—	—	41	—	—	53	—	—	94
Multilateral development banks	3	—	—	—	—	—	—	—	—	—	—	3
International organisations	—	—	—	—	—	—	—	—	—	—	—	—
Institutions	—	98	34	—	972	337	—	—	202	—	—	1,643
Corporates	—	—	—	—	1,320	469	—	—	1,633	64	—	3,486
Retail	—	—	—	—	—	—	—	21	—	—	—	21
Institutions and corporates with a short term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	—	—	2	7	—	8
<b>Total</b>	<b>2,113</b>	<b>98</b>	<b>34</b>	<b>—</b>	<b>2,294</b>	<b>1,198</b>	<b>—</b>	<b>21</b>	<b>1,921</b>	<b>71</b>	<b>—</b>	<b>7,749</b>

For information on counterparty trading activity under the standardised approach of credit risk, see comments on Table 23.

### 3.2.4.1.2. Composition of collateral for counterparty risk exposure

A table with a breakdown of collaterals contributed or received by the Group to strengthen or reduce exposure to counterparty credit risk related to derivatives transactions and securities financing transactions as of June 30, 2024 and as of December 31, 2023 is presented below:

**Table 26.** EU CCR4 - IRB approach: CCR exposures by portfolio and PD scale (Million Euros. 6-30-2024)

PD scale <sup>(1)(5)</sup>	EAD post-CRM	Average PD <sup>(2)</sup>	Number of Obligors	Average LGD <sup>(3)</sup>	Average Maturity (days) <sup>(4)</sup>	RWA	RWA Density
<b>Total AIRB approach</b>	<b>103,871</b>	<b>0.21 %</b>	<b>2,940</b>	<b>10.49 %</b>	<b>— %</b>	<b>5,699</b>	<b>5 %</b>
<b>Central governments or central banks</b>	<b>971</b>	<b>0.06 %</b>	<b>6</b>	<b>0.18 %</b>	<b>—</b>	<b>3</b>	<b>—</b>
0,00 <0,15	843	0.01 %	2	0.05 %	—	—	—
0,15 <0,25	30	0.20 %	1	—	—	—	—
0,25 <0,50	97	0.31 %	1	0.58 %	—	—	—
0,50 <0,75	—	—	—	—	—	—	—
0,75 <2,50	—	—	—	—	—	—	—
2,50 <10,00	2	5.05 %	2	40.00 %	1	3	166 %
10,00 <100,00	—	—	—	—	—	—	—
100,00 (Default)	—	—	—	—	—	—	—
<b>Institutions</b>	<b>96,459</b>	<b>0.21 %</b>	<b>922</b>	<b>8.27 %</b>	<b>—</b>	<b>2,940</b>	<b>3 %</b>
0,00 <0,15	76,991	0.06 %	682	9.17 %	—	1,930	3 %
0,15 <0,25	11,442	0.20 %	99	4.27 %	—	476	4 %
0,25 <0,50	5,775	0.34 %	48	3.26 %	—	189	3 %
0,50 <0,75	1,064	0.56 %	26	20.20 %	—	265	25 %
0,75 <2,50	1,088	1.01 %	59	1.69 %	—	42	4 %
2,50 <10,00	—	2.81 %	2	45.00 %	9	—	113 %
10,00 <100,00	14	41.49 %	3	40.05 %	5	37	261 %
100,00 (Default)	86	100.00 %	3	1.65 %	—	—	1 %
<b>Corporate - SMEs</b>	<b>91</b>	<b>6.36 %</b>	<b>766</b>	<b>48.61 %</b>	<b>2</b>	<b>133</b>	<b>147 %</b>
0,00 <0,15	4	0.11 %	54	40.74 %	1	1	19 %
0,15 <0,25	1	0.19 %	45	45.36 %	2	1	49 %
0,25 <0,50	5	0.40 %	160	49.67 %	1	3	73 %
0,50 <0,75	8	0.56 %	97	49.24 %	2	7	88 %
0,75 <2,50	53	1.29 %	217	50.20 %	2	73	139 %
2,50 <10,00	9	3.97 %	136	47.57 %	4	16	186 %
10,00 <100,00	11	39.87 %	40	44.74 %	2	32	280 %
100,00 (Default)	—	100.00 %	17	24.23 %	1	—	19 %
<b>Corporate - Non-SMEs</b>	<b>6,348</b>	<b>0.22 %</b>	<b>1,137</b>	<b>45.28 %</b>	<b>2</b>	<b>2,622</b>	<b>41 %</b>
0,00 <0,15	2,667	0.11 %	155	44.67 %	2	820	31 %
0,15 <0,25	2,963	0.19 %	401	45.74 %	2	1,180	40 %
0,25 <0,50	286	0.37 %	220	44.30 %	2	184	64 %
0,50 <0,75	204	0.60 %	111	48.20 %	2	154	75 %
0,75 <2,50	218	1.14 %	154	44.98 %	4	269	123 %
2,50 <10,00	7	3.89 %	78	46.87 %	1	13	174 %
10,00 <100,00	1	24.60 %	10	40.11 %	1	2	279 %
100,00 (Default)	—	100.00 %	8	44.68 %	—	—	14 %
<b>Retail - Other SMEs</b>	<b>2</b>	<b>0.92 %</b>	<b>108</b>	<b>40.26 %</b>	<b>—</b>	<b>1</b>	<b>40 %</b>
0,00 <0,15	—	0.14 %	9	40.00 %	—	—	—
0,15 <0,25	—	0.20 %	7	40.00 %	—	—	21 %
0,25 <0,50	—	0.31 %	8	40.00 %	—	—	22 %
0,50 <0,75	—	0.51 %	27	40.00 %	—	—	30 %
0,75 <2,50	2	0.88 %	29	40.30 %	—	1	41 %
2,50 <10,00	—	3.90 %	28	40.21 %	—	—	63 %
10,00 <100,00	—	—	—	—	—	—	—
100,00 (Default)	—	—	—	—	—	—	—

PD scale <sup>(1) (5)</sup>	EAD post-CRM	Average PD <sup>(2)</sup>	Number of Obligors	Average LGD <sup>(3)</sup>	Average Maturity (days) <sup>(4)</sup>	RWA	RWA Density
<b>Retail - Other Non-SMEs</b>	—	<b>0.88 %</b>	<b>1</b>	<b>40.00 %</b>	—	—	<b>33 %</b>
0,00 <0,15	—	— %	—	— %	—	—	— %
0,15 <0,25	—	— %	—	— %	—	—	— %
0,25 <0,50	—	— %	—	— %	—	—	— %
0,50 <0,75	—	— %	—	— %	—	—	— %
0,75 <2,50	—	0.88 %	1	40.00 %	—	—	33 %
2,50 <10,00	—	— %	—	— %	—	—	— %
10,00 <100,00	—	— %	—	— %	—	—	— %
100,00 (Default)	—	— %	—	— %	—	—	—
<b>Total AIRB Approach</b>	<b>103,871</b>	<b>0.21 %</b>	<b>2,940</b>	<b>10.49 %</b>	— %	<b>5,699</b>	<b>5 %</b>

<sup>(1)</sup> Exposures of less than 500,000 euros which are rounded down to zero are shown with a dash.

<sup>(2)</sup> PD intervals established by the CRR2 EBA ITS.

<sup>(3)</sup> Corresponds to obligor grade PD weighted by EAD.

<sup>(4)</sup> Corresponds to obligor grade LGD weighted by EAD.

<sup>(5)</sup> Corresponds to the maturity of the obligor in years weighted by EAD. In accordance with Regulation (EU) 680/2014, it is reported only for those categories where average maturities are relevant for the calculation of RWA. Residual maturities of less than one year are rounded to 1.

<sup>(6)</sup> Specialised lending exposures are included in the FIRB approach. The Group has chosen to use the supervisory category criteria method, in line with the provisions of article 153.5 of the CRR, therefore, following the CRR2 EBA ITS, Specialised Lending exposures are not included in this table.

#### EU CCR4 - IRB approach: CCR exposures by portfolio and PD scale (Million Euros. 12-31-2023)

PD scale <sup>(1) (5)</sup>	EAD post-CRM	Average PD <sup>(2)</sup>	Number of Obligors	Average LGD <sup>(3)</sup>	Average Maturity (days) <sup>(4)</sup>	RWA	RWA Density
<b>Total AIRB approach</b>	<b>106,928</b>	<b>0.13%</b>	<b>2,873</b>	<b>8.96%</b>	—	<b>5,180</b>	<b>5 %</b>
<b>Central governments or central banks</b>	<b>1,492</b>	<b>0.07%</b>	<b>4</b>	<b>0.98%</b>	—	<b>2</b>	<b>— %</b>
0,00 <0,15	1,396	0.05%	3	1.04%	—	2	—
0,15 <0,25	—	—	—	—	—	—	—
0,25 <0,50	95	0.31%	1	0.04%	—	—	— %
0,50 <0,75	—	—	—	—	—	—	—
0,75 <2,50	—	—	—	—	—	—	—
2,50 <10,00	—	—	—	—	—	—	—
10,00 <100,00	—	—	—	—	—	—	—
100,00 (Default)	—	—	—	—	—	—	—
<b>Institutions</b>	<b>99,089</b>	<b>0.12%</b>	<b>852</b>	<b>6.73%</b>	—	<b>2,559</b>	<b>3 %</b>
0,00 <0,15	76,159	0.06%	562	7.49%	—	1,659	2 %
0,15 <0,25	13,175	0.21%	102	4.00%	—	387	3 %
0,25 <0,50	7,060	0.34%	43	2.33%	—	170	2 %
0,50 <0,75	1,834	0.56%	33	13.21%	—	285	16 %
0,75 <2,50	803	0.98%	105	3.42%	—	57	7 %
2,50 <10,00	55	2.81%	4	0.77%	—	1	2 %
10,00 <100,00	—	41.58%	2	43.31%	3	—	266 %
100,00 (Default)	2	100.00%	1	45.00%	—	—	14 %
<b>Corporate - SMEs</b>	<b>103</b>	<b>3.35%</b>	<b>788</b>	<b>46.32%</b>	<b>3</b>	<b>132</b>	<b>128 %</b>
0,00 <0,15	5	0.11%	59	40.49%	2	1	21 %
0,15 <0,25	1	0.20%	49	44.63%	1	—	39 %
0,25 <0,50	3	0.37%	155	47.61%	1	2	57 %
0,50 <0,75	10	0.54%	117	46.72%	2	8	80 %
0,75 <2,50	55	1.18%	203	46.23%	3	69	126 %
2,50 <10,00	24	3.39%	151	47.10%	2	37	155 %
10,00 <100,00	4	32.27%	37	51.02%	3	15	347 %
100,00 (Default)	1	100.00%	17	25.52%	1	—	20 %
<b>Corporate - Non-SMEs</b>	<b>6,244</b>	<b>0.22%</b>	<b>1,101</b>	<b>45.53%</b>	<b>2</b>	<b>2,487</b>	<b>40 %</b>
0,00 <0,15	2,439	0.11%	147	44.46%	2	748	31 %
0,15 <0,25	3,078	0.19%	388	45.98%	2	1,155	38 %
0,25 <0,50	470	0.37%	225	47.44%	2	310	66 %
0,50 <0,75	112	0.60%	98	49.03%	2	89	79 %
0,75 <2,50	130	1.31%	138	45.09%	4	157	121 %
2,50 <10,00	11	4.28%	77	48.56%	2	21	184 %
10,00 <100,00	3	19.21%	20	43.07%	1	7	247 %
100,00 (Default)	—	100.00%	8	28.62%	—	—	17 %

PD scale <sup>(1) (5)</sup>	EAD post-CRM	Average PD <sup>(2)</sup>	Number of Obligors	Average LGD <sup>(3)</sup>	Average Maturity (days) <sup>(4)</sup>	RWA	RWA Density
<b>Retail - Other SMEs</b>	<b>1</b>	<b>1.41%</b>	<b>125</b>	<b>40.19%</b>	<b>—</b>	<b>—</b>	<b>34 %</b>
0,00 <0,15	—	0.11 %	20	40.00 %	—	—	9 %
0,15 <0,25	—	0.20 %	7	40.00 %	—	—	16 %
0,25 <0,50	—	0.31 %	14	40.02 %	—	—	22 %
0,50 <0,75	—	0.51 %	28	40.00 %	—	—	30 %
0,75 <2,50	—	1.00 %	28	40.00 %	—	—	43 %
2,50 <10,00	—	5.99 %	26	41.10 %	—	—	65 %
10,00 <100,00	—	0.00 %	—	0.00 %	—	—	— %
100,00 (Default)	—	0.00 %	2	0.00 %	—	—	— %
<b>Retail - Other Non-SMEs</b>	<b>—</b>	<b>0.51%</b>	<b>1</b>	<b>40.00%</b>	<b>—</b>	<b>—</b>	<b>— %</b>
0,00 <0,15	—	0.00 %	—	0.00 %	—	—	— %
0,15 <0,25	—	0.00 %	—	0.00 %	—	—	— %
0,25 <0,50	—	0.00 %	—	0.00 %	—	—	— %
0,50 <0,75	—	0.51 %	1	40.00 %	—	—	— %
0,75 <2,50	—	0.00 %	—	0.00 %	—	—	— %
2,50 <10,00	—	0.00 %	—	0.00 %	—	—	— %
10,00 <100,00	—	0.00 %	—	0.00 %	—	—	— %
100,00 (Default)	—	0.00 %	—	0.00 %	—	—	— %
<b>Total AIRB Approach</b>	<b>106,928</b>	<b>0.13%</b>	<b>2,873</b>	<b>8.96%</b>	<b>—</b>	<b>5,180</b>	<b>5 %</b>

<sup>(1)</sup> Exposures of less than 500,000 euros which are rounded down to zero are shown with a dash.

<sup>(1)</sup> PD intervals established by the CRR2 EBA ITS.

<sup>(2)</sup> Corresponds to obligor grade PD weighted by EAD.

<sup>(3)</sup> Corresponds to obligor grade LGD weighted by EAD.

<sup>(4)</sup> Corresponds to the maturity of the obligor in years weighted by EAD. In accordance with Regulation (EU) 680/2014, it is reported only for those categories where average maturities are relevant for the calculation of RWA. Residual maturities of less than one year are rounded to 1.

<sup>(5)</sup> Specialised lending exposures are included in the FIRB approach. The Group has chosen to use the supervisory category criteria method, in line with the provisions of article 153.5 of the CRR, therefore, following the CRR2 EBA ITS, Specialised Lending exposures are not included in this table.

As of June 30, 2024, exposures to central counterparties included in EU CCR8 table are excluded from this table. For more information on counterparty trading activity

under the standardized approach to credit risk, see table 23.

### 3.2.4.1.3. Composition of collateral for counterparty risk exposure

A table with a breakdown of collaterals contributed or received by the Group to strengthen or reduce exposure to counterparty credit risk related to derivatives

transactions and securities financing transactions as of June 30, 2024 and as of December 31, 2023 is presented below:

**Table 27.** EU CCR5 - Composition of collateral for exposure to Counterparty Credit Risk (Million Euros. 6-30-2024)

	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair Value of Collateral received		Fair Value of posted Collateral <sup>(1)</sup>		Fair Value of Collateral received		Fair Value of posted Collateral	
	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>
Cash- domestic currency	2	2,877	42	4,055	—	37,573	—	33,681
Cash- other currencies	169	1,150	142	1,551	—	41,361	—	23,916
Domestic sovereign debt	71	2,047	1,822	119	—	4,719	1,686	10,133
Other sovereign debt	623	501	649	73	—	34,664	—	29,692
Government agency debt	—	—	—	—	—	—	—	—
Corporate bonds	265	156	47	61	—	19,587	—	36,603
Equity securities	—	—	—	—	—	—	—	—
Other collateral	—	—	—	—	—	—	—	1,809
<b>Total</b>	<b>1,131</b>	<b>6,731</b>	<b>2,701</b>	<b>5,859</b>	<b>—</b>	<b>137,905</b>	<b>1,686</b>	<b>135,832</b>

<sup>(1)</sup> In accordance with Articles 279 and 298 of Regulation (EU) 2015/13 regarding the treatment of collateral for the purpose of calculating counterparty risk, the amount of collateral provided as collateral for the netting of derivative liability arrangements has been taken into account in the EAD calculation.

<sup>(2)</sup> Refers to collateral that is held in a bankruptcy-remote manner.

<sup>(3)</sup> Refers to collateral that is not held in a bankruptcy-remote manner.



## EU CCR5 - Composition of collateral for exposure to Counterparty Credit Risk (Million Euros. 12-31-2023)

	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair Value of Collateral received		Fair Value of posted Collateral <sup>(1)</sup>		Fair Value of Collateral received		Fair Value of posted Collateral	
	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>	Segregated <sup>(2)</sup>	Unsegregated <sup>(3)</sup>
Cash- domestic currency	—	2,640	—	4,138	265	61,220	—	49,951
Cash- other currencies	—	1,416	163	2,283	12	43,754	—	29,730
Domestic sovereign debt	54	2,020	929	210	—	7,852	—	12,415
Other sovereign debt	568	458	245	17	12	56,437	—	53,151
Government agency debt	—	—	—	—	—	—	—	—
Corporate bonds	59	198	51	48	—	13,647	—	32,018
Equity securities	—	—	—	—	—	—	—	—
Other collateral	—	—	—	—	—	—	—	1,692
<b>Total</b>	<b>680</b>	<b>6,732</b>	<b>1,388</b>	<b>6,697</b>	<b>290</b>	<b>182,909</b>	<b>—</b>	<b>178,957</b>

<sup>(1)</sup> In accordance with Articles 279 and 298 of Regulation (EU) 2015/13 regarding the treatment of collateral for the purpose of calculating counterparty risk, the amount of collateral provided as collateral for the netting of derivative liability arrangements has been taken into account in the EAD calculation.

<sup>(2)</sup> Refers to collateral that is held in a bankruptcy-remote manner.

<sup>(3)</sup> Refers to collateral that is not held in a bankruptcy-remote manner.

As of June 30, 2024, the composition of collateral for counterparty risk exposures used in derivative transactions evolves without significant changes and remained at levels similar to those recorded as of December 31, 2023. On the contrary, there has been a significant decrease in the fair value of the real guarantees received and delivered in securities financing operations due to operations in qualified CCPs.

### 3.2.4.1.4. Credit derivatives transactions

The table below shows the amounts of credit derivative transactions, broken down into purchased and sold derivatives:

Table 28. EU CCR6 - Credit derivatives exposures (Million Euros)

	6-30-2024		12-31-2023	
	Credit derivative hedges		Credit derivative hedges	
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
<b>Notionals</b>				
Single-name credit default swaps	6,533	5,896	5,073	5,488
Index credit default swaps	12,480	14,036	9,171	10,113
Total return swaps	—	1,462	—	1,475
Credit options	500	—	—	—
Other credit derivatives	566	—	159	—
<b>Notionals Total</b>	<b>20,079</b>	<b>21,394</b>	<b>14,403</b>	<b>17,076</b>
<b>Fair Values</b>				
Positive fair value (asset)	176	396	166	377
Negative fair value (liability)	(453)	(102)	(418)	(124)

The main variation during the first half of 2024 was due to new transactions in indexed CDS.

Additionally, as of June 30, 2024 and December 31, 2023, the Group has no credit derivatives used as collateral in brokerage activities.

### 3.2.4.2. CVA charge requirements

The CVA surcharge in Capital refers to the additional capital requirements to cover unexpected losses due to credit valuation adjustments.

As of June 30, 2024, BBVA calculates the capital requirements for credit valuation adjustment (CVA) according to the standard method.

The credit valuation adjustments in million euros as of June 30, 2024 and December 31, 2023 are shown below:

**Table 29.** EU CCR2 - CVA Capital Charge (Million Euros)

	6-30-2024		12-31-2023	
	Exposure value	RWA	Exposure value	RWA
<b>Total portfolios subject to the advanced method</b>	—	—	—	—
(i) VaR component (included 3x multiplier)				—
(ii) SVaR component (included 3x multiplier)				—
All portfolios subject to the standardised method	5,613	1,173	6,225	1,429
Portfolios subject to alternative approach (based on original exposure method)	—	—	—	—
<b>Total subject to the CVA capital charge</b>	<b>5,613</b>	<b>1,173</b>	<b>6,225</b>	<b>1,429</b>

As of June 30, 2024, the own funds requirements for CVA decrease by €256 million since December 31, 2023.

### 3.2.4.3. Exposure to central counterparty clearing houses

The following table presents a complete overview of the exposure to central counterparty clearing houses by type of exposure (arising from transactions, margins, or

contributions to the default fund) and their corresponding capital requirements:

**Table 30.** EU CCR8 - Exposures to CCPs (Million Euros)

	6-30-2024		12-31-2023	
	EAD post CRM	RWA	EAD post CRM	RWA
<b>Exposures to QCCPs (total)</b>		<b>154</b>		<b>285</b>
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	14,760	80	58,538	174
(i) OTC Derivatives	315	9	332	9
(ii) Exchange-traded derivatives	54	1	49	1
(iii) Securities financing transactions (SFTs)	14,392	70	58,157	164
(iv) Netting sets where cross-product netting has been approved	—	—	—	—
Segregated initial margin	2,699		1,626	
Non-segregated initial margin	49	1	563	41
Pre-funded default fund contributions	215	73	208	70
Unfunded default fund contributions	447	—	398	—
<b>Exposures to non-QCCPs (total)</b>		<b>600</b>		<b>441</b>
Exposures for trades at non-QCCPs (excluding initial margin and default to contributions); of which	3,618	578	2,692	410
(i) OTC Derivatives	32	3	27	2
(ii) Exchange-traded derivatives	3,587	575	2,665	407
(iii) Securities financing transactions (SFTs)	—	—	—	—
(iv) Netting sets where cross-product netting has been approved	—	—	—	—
Segregated initial margin	—		—	
Non-segregated initial margin	103	20	20	29
Pre-funded default fund contributions	—	1	2	2
Unfunded default fund contributions	—	—	—	—

As of June 30, 2024, exposures to central counterparties have decreased compared to December 2023 as a result of the reduction of securities financing transactions (SFTs) with qualified CCPs.

## 3.2.5. Information on securitisation

The main objective of securitisation is to serve as an instrument for the efficient management of the balance sheet, mainly as a source of liquidity at an efficient cost, obtaining liquid assets through eligible collateral, as a complement to other financial instruments. In addition, there are other secondary objectives associated with the use of securitisation instruments, such as the freeing up of regulatory capital by transferring risk, and the freeing of potential excess over the expected loss, as long as the volume of the first-loss tranche and risk transfer allow it.

### 3.2.5.1. Securitisation exposure in the banking and trading book

The Group has carried out four securitisations in the first half of 2024, three of them in cash or traditional format and the other in synthetic securitisation format. Two of them with risk transfer, one cash and one synthetic operation.

The first two of them in March, from a portfolio of Consumer loans (BBVA Consumo 13 FT) amounting to €2 billion, the second, a synthetic securitization for an amount of € 1,409 million (BBVA Vela Mortgage 2024-1), from a portfolio of mortgage loans. During the Q2 the last two securitizations were carried out. BBVA Consumer 2024-1 FT, for an amount of €800 million from a Consumer portfolio, and, the second transaction, a securitization on a Mortgage portfolio for an amount of €5,450 million.

Given that there is no risk transfer for the BBVA Consumo 13 FT and for BBVA RMBS 23 FT securitisation, these two operations are not included in the securitisation framework defined by the CRR, the calculation of its risk-weighted assets are based on the underlying loans.

Table EU SEC1 below shows the exposure to securitisations of the banking book, broken down by type of underlying asset, indicating whether it is traditional or synthetic securitisations, and identifying the functions (origination, sponsorship and investment). In the "Bank acts as originator" block, the figures presented in the total columns are the total securitised amounts, obtained as the sum of the amount corresponding to the first loss tranche, and those with risk transfer:



Regarding the securitisation positions in the trading book have been stable over the first half of 2024. The EU SEC2 table below shows the amounts in terms of net positions of the securitisation positions in the trading book, broken down by type of

underlying asset of the securitization, indicating whether it is traditional or synthetic securitisations, and identifying the functions (origination, sponsorship and investment):

**Table 32.** EU SEC2 - Securitisation exposures in the trading portfolio (Million Euros. 6-30-2024)

	Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
	Traditional		Synthetic	Subtotal	Traditional		Synthetic	Subtotal	Traditional		Synthetic	Subtotal
	STS	Non-STS			STS	Non-STS			STS	Non-STS		
<b>Total</b>	—	—	—	—	—	—	—	—	—	2	—	2
<b>Retail (total) - of which</b>	—	—	—	—	—	—	—	—	—	2	—	2
Residential mortgage	—	—	—	—	—	—	—	—	—	—	—	—
Credit card	—	—	—	—	—	—	—	—	—	—	—	—
Other retail exposures	—	—	—	—	—	—	—	—	—	1	—	1
Re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—
<b>Wholesale (total) - of which</b>	—	—	—	—	—	—	—	—	—	—	—	—
Loans to corporates	—	—	—	—	—	—	—	—	—	—	—	—
Commercial mortgage	—	—	—	—	—	—	—	—	—	—	—	—
Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—
Other wholesale	—	—	—	—	—	—	—	—	—	—	—	—
Re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—

<sup>(\*)</sup> It includes securitisation positions in the trading portfolio.

**EU SEC2 -** Securitisation exposures in the trading portfolio (Million Euros. 12-31-2023)

	Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
	Traditional		Synthetic	Subtotal	Traditional		Synthetic	Subtotal	Traditional		Synthetic	Subtotal
	STS	Non-STS			STS	Non-STS			STS	Non-STS		
<b>Total</b>	—	—	—	—	—	—	—	—	—	3	—	3
<b>Retail (total) - of which</b>	—	—	—	—	—	—	—	—	—	3	—	3
Residential mortgage	—	—	—	—	—	—	—	—	—	—	—	—
Credit card	—	—	—	—	—	—	—	—	—	—	—	—
Other retail exposures	—	—	—	—	—	—	—	—	—	3	—	3
Re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—
<b>Wholesale (total) - of which</b>	—	—	—	—	—	—	—	—	—	—	—	—
Loans to corporates	—	—	—	—	—	—	—	—	—	—	—	—
Commercial mortgage	—	—	—	—	—	—	—	—	—	—	—	—
Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—
Other wholesale	—	—	—	—	—	—	—	—	—	—	—	—
Re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—

<sup>(\*)</sup> It includes securitisation positions in the trading portfolio.

## 3.2.5.2. Securitisation – Group acting as originator

### 3.2.5.2.1. Positions in securitisation originated by the Group

The table below shows the EAD and RWA of securitisation positions originated by the Group in the banking book, broken down by type of securitised exposure, tranches and risk weight ranges and their

corresponding capital requirements as of June 30, 2024 and as of December 31, 2023.

**Table 33.** EU SEC3 - Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor (Million Euros, 6-30-2024)

	Exposure values (by RW bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital requirement after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW / deductions	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW / deductions
<b>Total Exposures</b>	<b>4,993</b>	<b>14</b>	—	—	<b>7</b>	<b>5,006</b>	—	—	<b>7</b>	<b>579</b>	—	—	—	<b>46</b>	—	—	—
<b>Traditional Securitisation</b>	<b>676</b>	<b>14</b>	—	—	—	<b>689</b>	—	—	—	<b>72</b>	—	—	—	<b>6</b>	—	—	—
Of which Securitisation	676	14	—	—	—	689	—	—	—	72	—	—	—	6	—	—	—
Of which retail underlying	676	14	—	—	—	689	—	—	—	72	—	—	—	6	—	—	—
Of which STS	676	14	—	—	—	689	—	—	—	72	—	—	—	6	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic Securitisation</b>	<b>4,317</b>	—	—	—	<b>7</b>	<b>4,317</b>	—	—	<b>7</b>	<b>507</b>	—	—	—	<b>41</b>	—	—	—
Of which Securitisation	4,317	—	—	—	7	4,317	—	—	7	507	—	—	—	41	—	—	—
Of which retail underlying	1,997	—	—	—	7	1,997	—	—	7	260	—	—	—	21	—	—	—
Of which wholesale	2,320	—	—	—	—	2,320	—	—	—	247	—	—	—	20	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

<sup>(1)</sup>Securitisations with a risk weight of 1,250% are deducted from own funds, as shown in row m) of table 4.

**EU SEC3 - Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor (Million Euros, 12-31-2023)**

	Exposure values (by RW bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital requirement after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW / deductions	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW / deductions
<b>Total Exposures</b>	<b>3,991</b>	<b>30</b>	—	—	—	<b>4,021</b>	—	—	—	<b>434</b>	—	—	—	<b>35</b>	—	—	—
<b>Traditional Securitisation</b>	<b>392</b>	<b>30</b>	—	—	—	<b>422</b>	—	—	—	<b>47</b>	—	—	—	<b>4</b>	—	—	—
Of which Securitisation	392	30	—	—	—	422	—	—	—	47	—	—	—	4	—	—	—
Of which retail underlying	392	30	—	—	—	422	—	—	—	47	—	—	—	4	—	—	—
Of which STS	392	30	—	—	—	422	—	—	—	47	—	—	—	4	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic Securitisation</b>	<b>3,599</b>	—	—	—	—	<b>3,599</b>	—	—	—	<b>387</b>	—	—	—	<b>31</b>	—	—	—
Of which Securitisation	3,599	—	—	—	—	3,599	—	—	—	387	—	—	—	31	—	—	—
Of which retail underlying	976	—	—	—	—	976	—	—	—	98	—	—	—	8	—	—	—
Of which wholesale	2,624	—	—	—	—	2,624	—	—	—	289	—	—	—	23	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

<sup>(1)</sup>Securitisations with a risk weight of 1,250% are deducted from own funds, as shown in row m) of table 4.

In the case of securitisations where the Group acts as originator, the variation of the requirements in the first half of 2024 is explained by the securitisations mentioned above which complied with the risk transfer requirements set in the applicable regulatory provision. The net effect on the Group's RWA by changing the capital consumption of the underlying assets under the credit risk framework to the capital consumption under the securitisation framework is a reduction of approximately € 1.010 million.

### 3.2.5.2.2. Breakdown of securitised positions by type of asset

The table below shows the outstanding amount, non-performing exposures and impairment losses recognised in the period by underlying assets of originated securitisation operations which meet the risk transfer criteria, broken down by asset type as of June 30, 2024 and as of December 31, 2023.

**Table 34.** EU SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments (Million Euros. 6-30-2024)

	Nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period(1)
<b>Total</b>	<b>35,670</b>	<b>378</b>	<b>—</b>
<b>Retail exposure</b>	<b>31,499</b>	<b>371</b>	<b>—</b>
Residential mortgage	23,462	233	—
Credit card	—	—	—
Other retail exposures	8,037	139	—
Re-securitisation	—	—	—
<b>Wholesale exposure</b>	<b>4,171</b>	<b>6</b>	<b>—</b>
Loans to corporates	2,267	—	—
Commercial mortgage	—	—	—
Lease and receivables	1,904	6	—
Other wholesale	—	—	—
Re-securitisation	—	—	—

<sup>(1)</sup> Negative amounts indicate an increase in credit risk adjustments during the period.

**EU SEC5** - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments (Million Euros. 12-31-2023)

	Nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period(1)
<b>Total</b>	<b>35,673</b>	<b>403</b>	<b>—</b>
<b>Retail exposure</b>	<b>30,223</b>	<b>399</b>	<b>—</b>
Residential mortgage	23,287	242	—
Credit card	—	—	—
Other retail exposures	6,936	157	—
Re-securitisation	—	—	—
<b>Wholesale exposure</b>	<b>5,449</b>	<b>4</b>	<b>—</b>
Loans to corporates	2,805	—	—
Commercial mortgage	—	—	—
Lease and receivables	2,645	4	—
Other wholesale	—	—	—
Re-securitisation	—	—	—

<sup>(1)</sup> Negative amounts indicate an increase in credit risk adjustments during the period.

The balance of defaulted exposures of securitizations with risk transfer remained stable in the first half of the year.

### 3.2.5.3. Securitisation - Group acting as investor

The amounts in terms of EAD and RWA of the securitisation positions of the banking book where the Group acts as investor are shown below, broken down by type of underlying asset, tranches and risk weight bands that correspond to the securitisations and their corresponding capital requirements as of June 30, 2024 and as of December 31, 2023.



**Table 35.** EU SEC4 - Securitisation exposures in the banking book and associated capital requirements – bank acting as investor (Million Euros. 6-30-2024)

	Exposure values (by RW bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital requirement after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW
<b>Total Exposures</b>	<b>288</b>	<b>208</b>	—	—	—	—	<b>495</b>	—	—	—	<b>98</b>	—	—	—	<b>8</b>	—	—
<b>Traditional Securitisation</b>	<b>288</b>	<b>208</b>	—	—	—	—	<b>495</b>	—	—	—	<b>98</b>	—	—	—	<b>8</b>	—	—
Of which Securitisation	288	208	—	—	—	—	495	—	—	—	98	—	—	—	8	—	—
Of which retail underlying	288	208	—	—	—	—	495	—	—	—	98	—	—	—	8	—	—
Of which STS	23	10	—	—	—	—	33	—	—	—	5	—	—	—	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic Securitisation</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

<sup>(1)</sup>Securitisations with a risk weight of 1250% are deducted from own funds, as explained in section m) of chapter 3.2 of this report.

## EU SEC4 - Securitisation exposures in the banking book and associated capital requirements – bank acting as investor (Million Euros, 12-31-2023)

	Exposure values (by RW bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital requirement after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA & SEC-IAA	SEC-SA	1250% RW
<b>Total Exposures</b>	<b>275</b>	<b>75</b>	—	—	—	—	<b>350</b>	—	—	—	<b>68</b>	—	—	—	<b>5</b>	—	—
<b>Traditional Securitisation</b>	<b>275</b>	<b>75</b>	—	—	—	—	<b>350</b>	—	—	—	<b>68</b>	—	—	—	<b>5</b>	—	—
Of which Securitisation	275	75	—	—	—	—	350	—	—	—	68	—	—	—	5	—	—
Of which retail underlying	275	75	—	—	—	—	350	—	—	—	68	—	—	—	5	—	—
Of which STS	47	—	—	—	—	—	47	—	—	—	7	—	—	—	1	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Synthetic Securitisation</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Of which re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

<sup>(1)</sup> Securitisations with a risk weight of 1250% are deducted from own funds, as explained in section m) of chapter 3.2 of this report.

In the first half of 2024 there have been no relevant variations in securitisation exposures, when the Group acts as an investor.

### 3.2.6. Information on credit risk mitigation techniques

This section shows the amounts of credit risk mitigation techniques.

In line with the EBA standards published in June 2020 (EBA/ITS/2020/04), the following table shows the book

value of secured and unsecured exposures, including all guarantees recognised for accounting purposes, regardless of their use for capital purposes. The main change with respect to the previous version is the inclusion of a row to breakdown non-performing exposures.

**Table 36.** EU CR3 - CRM techniques - overview (Million Euros. 6-30-2024)

	Exposures unsecured - carrying amount <sup>(1)</sup>	Exposures secured - carrying amount <sup>(1)</sup>	Exposures secured by collateral	Exposures secured by financial guarantees <sup>(2)</sup>	Exposures secured by credit derivatives
Total Loans	264,588	196,568	140,616	55,952	—
Total debt securities	97,111	—	—	—	—
<b>Total exposures</b>	<b>361,699</b>	<b>196,568</b>	<b>140,616</b>	<b>55,952</b>	<b>—</b>
<b>Of which: non performing</b>	<b>2,155</b>	<b>5,291</b>	<b>3,985</b>	<b>1,306</b>	<b>—</b>
<b>Of which: defaulted</b>	<b>2,155</b>	<b>5,291</b>	<b>3,985</b>	<b>1,306</b>	<b>—</b>

<sup>(1)</sup> Includes net carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios, as well as cash and balances with central banks.

<sup>(2)</sup> Excluding personal guarantees (unfunded credit protection which impacts on the PD but not in EAD).

**EU CR3 - CRM techniques - overview<sup>(\*)</sup>** (Million Euros. 12-31-2023)

	Exposures unsecured - carrying amount <sup>(1)</sup>	Exposures secured - carrying amount <sup>(1)</sup>	Exposures secured by collateral	Exposures secured by financial guarantees <sup>(2)</sup>	Exposures secured by credit derivatives
Total Loans	280,077	189,609	136,148	53,462	—
Total debt securities	88,816	—	—	—	—
<b>Total exposures</b>	<b>368,893</b>	<b>189,609</b>	<b>136,148</b>	<b>53,462</b>	<b>—</b>
<b>Of which: non performing</b>	<b>2,037</b>	<b>5,268</b>	<b>4,042</b>	<b>1,226</b>	<b>—</b>
<b>Of which: defaulted</b>	<b>2,037</b>	<b>5,268</b>	<b>4,042</b>	<b>1,226</b>	<b>—</b>

<sup>(1)</sup> Includes net carrying amount of the "amortised cost" portfolio, the "fair value through other comprehensive income" portfolio and the "fair value through P&L" portfolios, as well as cash and balances with central banks.

<sup>(2)</sup> Excluding personal guarantees (unfunded credit protection which impacts on the PD but not in EAD).

During the first half of 2024, a non significant variation has been observed in the coverage level, which reached as of June 30, 2024 a percentage of 35%, slightly higher than 2023 (34%).

The breakdown of the specific credit mitigation techniques used in the IRB credit risk approach is below.

**Table 37.** EU CR7-A - IRB approach – Disclosure of the extent of the use of CRM techniques (Million Euros, 6-30-2024)

Exposure class	Total exposures	Funded credit Protection (FCP)							Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)	
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)				Part of exposures covered by Other funded credit protection (%)			Part of exposures covered by Guarantees (%)			Part of exposures covered by Credit Derivatives (%)
			Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)					
Central governments and central banks	–	–	–	–	–	–	–	–	–	–	–	–	–
Institutions	–	–	–	–	–	–	–	–	–	–	–	–	–
Corporates	8,597	–	–	–	–	–	–	–	–	–	–	8,511	6,238
Of which Corporates – SMEs	–	–	–	–	–	–	–	–	–	–	–	–	–
Of which Corporates – Specialised lending	8,597	–	–	–	–	–	–	–	–	–	–	8,511	6,238
Of which Corporates – Other	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total FIRB</b>	<b>8,597</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,511</b>	<b>6,238</b>
Central governments and central banks	11,560	–	–	–	–	–	–	–	–	–	–	2,012	1,608
Institutions	23,551	1.39 %	0.41 %	0.36 %	–	0.05 %	–	–	–	–	–	14,778	6,337
Corporates	162,840	0.33 %	6.79 %	3.09 %	0.25 %	3.45 %	–	–	–	–	–	133,301	89,848
Of which Corporates – SMEs	20,592	1.10 %	27.48 %	12.75 %	1.54 %	13.20 %	–	–	–	–	–	33,439	19,351
Of which Corporates – Specialised lending	–	–	–	–	–	–	–	–	–	–	–	–	–
Of which Corporates – Other	142,248	0.21 %	3.79 %	1.69 %	0.06 %	2.04 %	–	–	–	–	–	99,862	70,497
Retail	100,961	0.03 %	60.70 %	60.49 %	–	0.21 %	–	–	–	–	–	61,750	43,460
Of which Retail – Immovable property SMEs	853	–	88.94 %	88.94 %	–	–	–	–	–	–	–	2,461	1,793
Of which Retail – Immovable property non-SMEs	67,969	–	88.59 %	88.56 %	–	0.03 %	–	–	–	–	–	15,085	14,396
Of which Retail – Qualifying revolving	15,960	–	–	–	–	–	–	–	–	–	–	32,465	17,598
Of which Retail – Other SMEs	3,315	0.95 %	9.28 %	3.63 %	–	5.65 %	–	–	–	–	–	3,997	1,980
Of which Retail – Other non-SMEs	12,865	0.01 %	0.02 %	0.01 %	–	0.02 %	–	–	–	–	–	7,741	7,694
<b>Total AIRB</b>	<b>298,912</b>	<b>0.30 %</b>	<b>24.23 %</b>	<b>22.14 %</b>	<b>0.13 %</b>	<b>1.95 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>211,841</b>	<b>141,253</b>

## EU CR7-A - IRB approach – Disclosure of the extent of the use of CRM techniques (Million Euros. 12-31-2023)

Exposure class	Total exposures	Funded credit Protection (FCP)							Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)			Part of exposures covered by Other funded credit protection (%)			Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
			Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)				
Central governments and central banks	–	–	–	–	–	–	–	–	–	–	–	–
Institutions	–	–	–	–	–	–	–	–	–	–	–	–
Corporates	7,356	–	–	–	–	–	–	–	–	–	7,475	5,809
Of which Corporates – SMEs	–	–	–	–	–	–	–	–	–	–	–	–
Of which Corporates – Specialised lending	7,356	–	–	–	–	–	–	–	–	–	7,475	5,809
Of which Corporates – Other	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total FIRB</b>	<b>7,356</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,475</b>	<b>5,809</b>
Central governments and central banks	10,974	–	–	–	–	–	–	–	–	–	1,585	1,247
Institutions	20,302	1.60 %	0.61 %	0.51 %	–	0.10 %	–	–	–	–	13,350	5,587
Corporates	157,311	0.26 %	5.18 %	2.41 %	0.09 %	2.68 %	–	–	–	–	130,311	86,724
Of which Corporates – SMEs	17,874	0.95 %	22.49 %	11.38 %	0.62 %	10.49 %	–	–	–	–	35,253	17,811
Of which Corporates – Specialised lending	–	–	–	–	–	–	–	–	–	–	–	–
Of which Corporates – Other	139,436	0.18 %	2.96 %	1.26 %	0.03 %	1.68 %	–	–	–	–	95,058	68,914
Retail	101,439	0.03 %	61.37 %	61.17 %	–	0.20 %	–	–	–	–	63,056	45,164
Of which Retail – Immovable property SMEs	888	–	89.76 %	89.76 %	–	– %	–	–	–	–	2,548	1,844
Of which Retail – Immovable property non-SMEs	68,511	–	89.24 %	89.22 %	–	0.03 %	–	–	–	–	16,455	15,721
Of which Retail – Qualifying revolving	15,886	–	–	–	–	–	–	–	–	–	32,017	17,710
Of which Retail – Other SMEs	3,179	0.89 %	9.95 %	4.05 %	–	5.90 %	–	–	–	–	3,997	1,902
Of which Retail – Other non-SMEs	12,976	– %	0.02 %	0.01 %	–	0.01 %	–	–	–	–	8,040	7,988
<b>Total AIRB</b>	<b>290,025</b>	<b>0.26 %</b>	<b>24.32 %</b>	<b>22.74 %</b>	<b>0.05 %</b>	<b>1.53 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>208,302</b>	<b>138,722</b>

The table includes all collaterals meeting the eligibility criteria for solvency purposes, and have an effect on EAD or other parameters such as LGD in the case of credit risk exposures under internal models (IRB).

Currently, the Group does not use credit derivatives as a credit risk mitigation technique, so the EU CR7 table “IRB Approach - Effect on RWA of credit derivatives used as credit risk mitigation techniques” is not applicable.

## 3.3. Market Risk

Market risk is the possibility that there may be losses in the value of positions held due to movements in the market variables that affect the valuation of financial products and assets.

The scope of market risk in the Group's trading portfolios is mainly defined by the portfolios originated by Global Markets valued at fair value and maintained for the purpose of trading and generates short term results. The market risk in the banking book is clearly delimited and separated in the structural risk of interest and credit spread, exchange rate and equity, which are broken down in section 3.4.

Analysis of the Group's RWA structure shows that almost 4% corresponds to Market Risk (including structural exchange risk).

### 3.3.1. Standardised approach

Market risk-weighted assets under the standardised approach (including structural exchange rate risk) account for 42% of total market risk-weighted assets.

The amounts in terms of RWA and market risk capital requirements calculated by standardised approach as of June 30, 2024 and as of December 31, 2023 are below.

**Table 38.** EU MR1 - Market risk under the standardised approach (Million Euros)

	6-30-2024		12-31-2023	
	RWA	Requirements	RWA	Requirements
<b>Outright Products</b>	<b>5,743</b>	<b>459</b>	<b>5,253</b>	<b>420</b>
Interest Rate Risk	1,598	128	1,486	119
Equity Risk	130	10	134	11
Foreign Exchange Risk	4,015	321	3,632	291
Commodity Risk	—	—	—	—
<b>Options</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Simplified approach	—	—	—	—
Delta-plus method	—	—	—	—
Scenario approach	—	—	—	—
<b>Securitisation</b>	<b>1,355</b>	<b>108</b>	<b>1,211</b>	<b>97</b>
<b>Total</b>	<b>7,098</b>	<b>568</b>	<b>6,464</b>	<b>517</b>

In the first half of 2024, the standard market risk own funds requirements are mainly affected by changes in currency fluctuations, as well as by positions subject to correlation risk in the trading portfolio (included in the "Securitization" row), and to a lesser extent by the evolution of the fixed-income trading portfolio.

### 3.3.2. Internal models

With respect to the risk measurement models used in the Group, the supervisor has authorised the use of the internal model to determine the regulatory capital requirements deriving from risk positions on the BBVA, S.A. and BBVA Mexico trading book, which together, account for around 66% of the Group's trading book market risk at June 30, 2024.

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).

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 are:

- VaR: In regulatory terms, the VaR charge incorporates the stressed VaR charge, and the sum of the two (VaR and stressed VaR).

- Specific Risk - Incremental Risk Capital ("IRC"). The IRC charge is exclusively applied in entities where the internal market risk model is approved (BBVA, S.A. and BBVA Mexico).
- Specific Risk: Securitization, correlation portfolios and Investment funds without look-through. All charges are calculated by the standard model.

Regarding the method of aggregating the capitals of the different geographies, the direct sum of the capital charges is applied without applying diversification among them.

#### 4.3.4.1. RWA performance under internal market risk models

According to article 455, letter d) and e) of the CRR - corresponding to the breakdown of information on internal models of Market Risk-, the elements that make up the Own Funds requirements to which a reference is made in articles 364 and 365 of the CRR, are presented below.

**Table 39.** EU MR2-A - Market risk under the IMA (Million Euros)

	6-30-2024		12-31-2023	
	RWA	Capital Requirements	RWA	Capital Requirements
<b>VaR</b>	<b>2,895</b>	<b>232</b>	<b>2,764</b>	<b>221</b>
Previous day's VaR		66		85
Average of the daily VaR on each of the preceding sixty business days (VaRavg) x multiplication factor		232		221
<b>SVaR</b>	<b>4,603</b>	<b>368</b>	<b>3,958</b>	<b>317</b>
Latest SVaR		106		109
Average of the SVaR during the preceding sixty business days (sVaRavg) x multiplication factor (mc)		368		317
<b>Incremental risk charge - IRC</b>	<b>2,448</b>	<b>196</b>	<b>1,684</b>	<b>135</b>
Most recent IRC value		196		119
Average of the IRC number over the preceding 12 weeks		137		135
<b>Comprehensive Risk Measure- CRM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Most recent risk number for the correlation trading portfolio over the preceding 12 weeks		-		-
Average of the risk number for the correlation trading portfolio over the preceding 12 weeks		-		-
8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio		-		-
<b>Others</b>		<b>-</b>		<b>-</b>
<b>Total</b>	<b>9,946</b>	<b>796</b>	<b>8,406</b>	<b>672</b>

For more information about RWA and capital requirements under IMA, see Table 41.



**Table 40.** EU MR3 - IMA values for trading portfolios (Million Euros)

	First half 2024	Second half 2023
<b>IMA values for trading portfolios</b>		
VaR (10 day 99%)		
Maximum value	94	92
Average value	66	65
Minimum value	34	41
Period value	66	85
SVar (10 day 99%)		
Maximum value	162	139
Average value	114	104
Minimum value	77	64
Period value	106	109
IRC (99.9%)		
Maximum value	207	164
Average value	132	132
Minimum value	98	90
Period value	196	119
CRM (99.9%)		
Maximum value	—	—
Average value	—	—
Minimum value	—	—
Period value	—	—

For more information about RWA and capital requirements under IMA, see Table 41.

The main changes in the market RWA, calculated using the method based on internal models are below:

**Table 41.** EU MR2-B - RWA flow statements of market risk exposures under the IMA (Million Euros)

	VaR	SVaR	IRC	CRM	Other	Total RWA	Total Capital Requirements
<b>RWA March, 2024</b>	<b>3,401</b>	<b>4,432</b>	<b>1,484</b>	<b>—</b>	<b>—</b>	<b>9,317</b>	<b>745</b>
Regulatory adjustments	(2,295)	(2,961)	—	—	—	(5,256)	(420)
<b>RWA as of last day of March 2024</b>	<b>1,106</b>	<b>1,472</b>	<b>1,484</b>	<b>—</b>	<b>—</b>	<b>4,061</b>	<b>325</b>
Level risk variation	(553)	178	1,466	—	—	1,091	87
Model updates	—	—	—	—	—	—	—
Methodology and policy	—	—	—	—	—	—	—
Acquisitions and disposals	—	—	—	—	—	—	—
Foreign Exchange movements	48	(7)	(502)	—	—	(462)	(37)
Other	—	—	—	—	—	—	—
<b>RWA as of last day of June 2024</b>	<b>820</b>	<b>1,325</b>	<b>2,448</b>	<b>—</b>	<b>—</b>	<b>4,593</b>	<b>367</b>
Regulatory adjustments	2,075	3,277	—	—	—	5,352	428
<b>RWA June, 2024</b>	<b>2,895</b>	<b>4,603</b>	<b>2,448</b>	<b>—</b>	<b>—</b>	<b>9,946</b>	<b>796</b>

In the second quarter of 2024, capital requirements for market risk under the internal model are mainly affected by the significant increase in capital requirements in IRC in BBVA Mexico. VaR capital requirement levels decrease mainly for BBVA S.A., and SVaR remains stable with respect to the first quarter of 2024.

Capital requirements in BBVA S.A. decreased as of June 30, 2024 mainly due to the decrease in VaR capital requirements as a result of a lower net sensitivity to market variables. No significant changes in SVaR and IRC capital requirements.

Capital requirements in BBVA Mexico remain stable at March 2024 levels in terms of VaR and SVaR. In terms of IRC, there was an increase in capital requirements.

The full series of RWA flow of market risk under the IMA over the first half of 2024 is available in the editable file "Pillar 3 2Q 2024 – Tables & Annexes".

### 3.3.2.2. Backtesting

#### Introduction

The ex-post or Backtesting validation is based on the comparison of the periodic results of the portfolio with the market risk measures from the established measurement system. The validity of a VaR model is particularly dependent on whether the empirical reality of the results does not enter into open contradiction with what is expected in the model. If the observed results were sufficiently adjusted to what was predicted by the

model, it would be rated as good, and if the discrepancy were notable, revisions would be required in order to correct possible errors or modifications and to improve quality.

In order to determine whether the results have been sufficiently adjusted to the risk measurements, it is necessary to establish objective criteria, which are specified in a series of validation tests carried out with a given methodology. In establishing the most appropriate methodology, the criteria recommended by Basel have been largely followed as they are considered appropriate.

**Validation test**

In the comparison between results and risk measurements, a key element that is of interest is the confidence that the losses do not exceed the VaR risk measurements made more than a number of times according to the level of confidence adopted in the

model. The validation test presented below, which focuses on contrasting this aspect, emphasizes that the risk measurement model is underestimating the risk that is actually being borne.

For the establishment of a hypothesis comparison test, we start from the observed results and try to infer whether there is enough evidence to reject the model (the null hypothesis that the trust of the model is established is not met).

In cases where the model functions properly, the VaR measurement indicates that the variation of the value of a portfolio in a given time horizon will not exceed the value obtained in a percentage of times determined by the level of confidence. In other words, the probability of having a loss that is higher than the VaR measurement, what we will call an exception, will be 1%, and the probability that the exception will not occur will be 99%.

<b>GREEN Zone: model acceptance zone</b>	It is characterised as being an area in which there is a high probability of accepting a suitable model and a low probability of accepting an unsuitable model. This is defined by the set for which the accumulated probability of less than 95%, with the null hypothesis proving correct. It covers a number between zero and four exceptions.
<b>YELLOW zone: ambiguous zone</b>	Possible results for both a suitable and inadequate model. It begins when the accumulated probability is greater than equal to 95% (it must be less than 99.99%), with the null hypothesis proving correct. It covers a number of between five and nine exceptions.
<b>RED zone: model rejection zone</b>	High probability that the model is unsuitable and unlikely to reject if suitable. It is defined by the fact that the level of significance is less than 0.1% or, which is the same, the accumulated probability is greater than or equal to 99.99%, with the null hypothesis proving correct. It corresponds to a number of exceptions equal to or greater than ten.

To carry out this test it is advisable to have, at least, a one-year historical series of both results and risk estimates on a daily basis.

The criterion used is perfectly adapted to the priority of supervisory, which is to avoid situations where excess risk for which the entity is not prepared jeopardizes its survival. However, the use of risk measurements as a tool for managing positions entails a concern that the risk measurements are adjusted to the real risk on both sides: not only is there concern that the risk is being underestimated, but also that it may be overestimating.

At the end of June 2024, the model is in the green zone of acceptance of the model, both in BBVA S.A. and BBVA Mexico.

**Backtesting results**

Regulatory backtesting is made up of two types: Hypothetical Backtesting and Actual Backtesting:

- Hypothetical Backtesting is defined as the contrast of the Hypothetical P&L on the estimated VaR, the day before the performance of said result. Actual Backtesting is defined as the contrast with the Actual P&L on the same estimated VaR, the day before the performance of said result.

- Actual Backtesting was implemented and entered into force on January 1, 2013, as a result of the transposition in the national legal order through the Bank of Spain Circular 4/2011 of November 30, of the CRD III that introduces Basel 2.5 in the European Union. The results that are used for the construction of both types of Backtesting are based on the actual results of the management tools.

According to Article 369 of the CRR, the P&L used in Backtesting should have a sufficient level of granularity in order to be shown at the "top-of-house" level, differentiating between Hypothetical and Actual P&L. In addition to the above, the historical Backtesting series will include a minimum of one year.

**Actual P&L**

The Actual P&L contains the complete management results, including the intraday operation and the daily and non-daily valuation adjustments, discounting the results of the franchises and commissions of each day and each desk.

The valuation functions and the parameters of the valuation models used in the calculation of the Actual P&L are the same as those used in the calculation of the Economic P&L.

### Hypothetical P&L

The Hypothetical P&L contains the management results without the P&L of the daily activity, it is said, excluding intraday operations, premiums, and commissions. The data is provided by the management systems and broken down by desk, in adherence with the Volcker Rule on desk distribution.

The valuation functions and the parameters assigned to the valuation models used in the calculation of the Hypothetical P&L are the same as those used in the calculation of the Actual P&L.

The P&L figures used in both Backtesting types exclude Credit Valuation Adjustments (CVA), Debt Valuation Adjustments (DVA) and Additional Valuation Adjustments (AVA). As well as any change in value resulting from migrations from rating to default, except those reflected in prices by the market itself, since the changes in value due to migration from rating to default are included in the Counterparty Credit Risk metrics.

### Perimeter of the backtesting and internal model exceptions

The calculation scope of VaR and P&L (Hypothetical and Actual) is limited to the totality of the Trading Book portfolios of the Global Markets Internal Model of BBVA S.A. and BBVA Mexico.

All the positions belonging to the Banking Book, the portfolios under the Standardised Approach and the trading activity with Hedge Funds (this activity was excluded from the Internal Model in its original approval) are thus excluded from this scope of application.

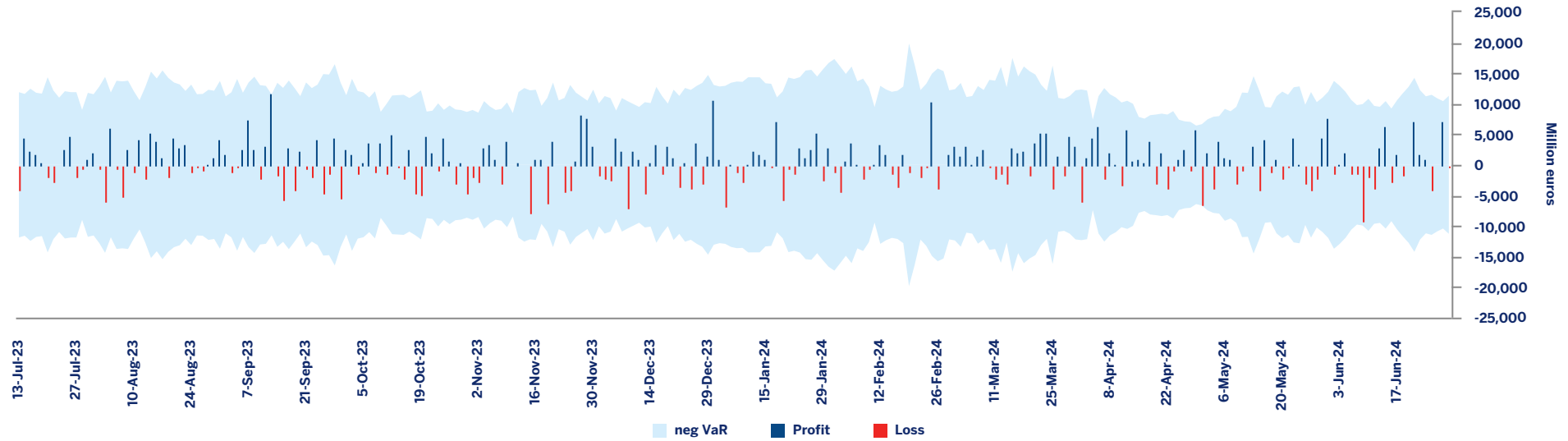
It is considered that there is an exception at the Top of House level, when the two following circumstances concur in the same internal model and date:

- The Hypothetical P&L and/or the Actual P&L are negative.
- With an amount equal to or greater than the maximum between VaR without smoothing and VaR with smoothing calculated based on the previous day

For the purposes of calculating the number of exceptions of the Regulatory Backtesting, exceptions will only be taken into account within a mobile window of 250 consecutive Business Days at the Top of House level in each respective internal model.

At the end of June 2024, there was not any exception nor in BBVA S.A. neither in BBVA Mexico Backtesting.

**Chart 9.** Trading book. Market Risk Model Validation for BBVA S.A. Hypothetical Backtesting (EU MR4)



**Chart 10.** Trading book. Market Risk Model Validation for BBVA S.A. Real Backtesting (EU MR4)

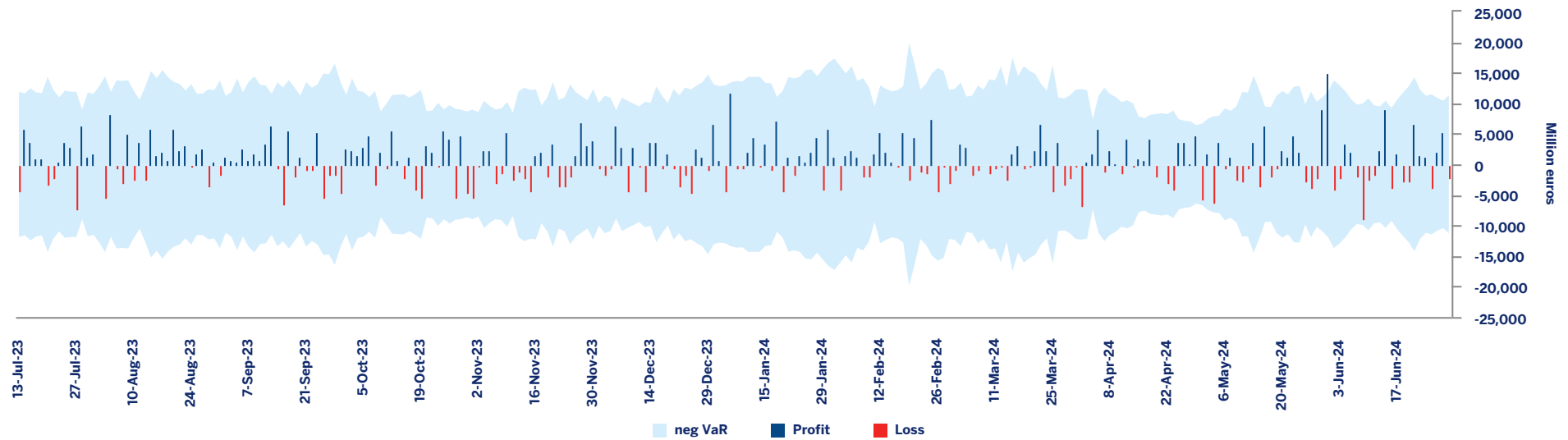


Chart 11. Trading book. Market Risk Model Validation for BBVA Mexico. Hypothetical Backtesting (EU MR4)

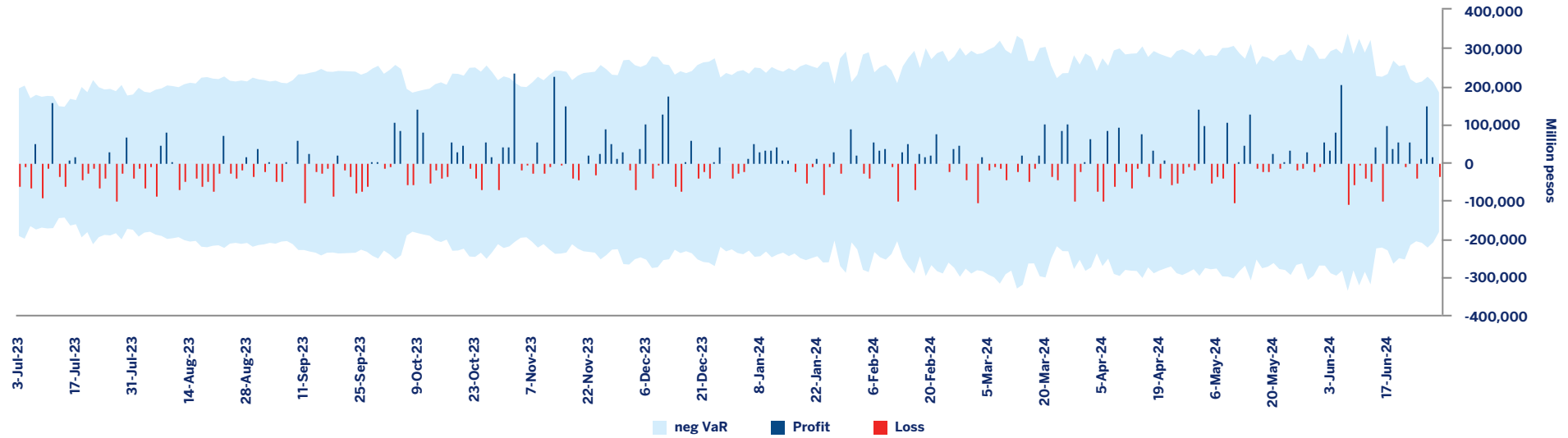
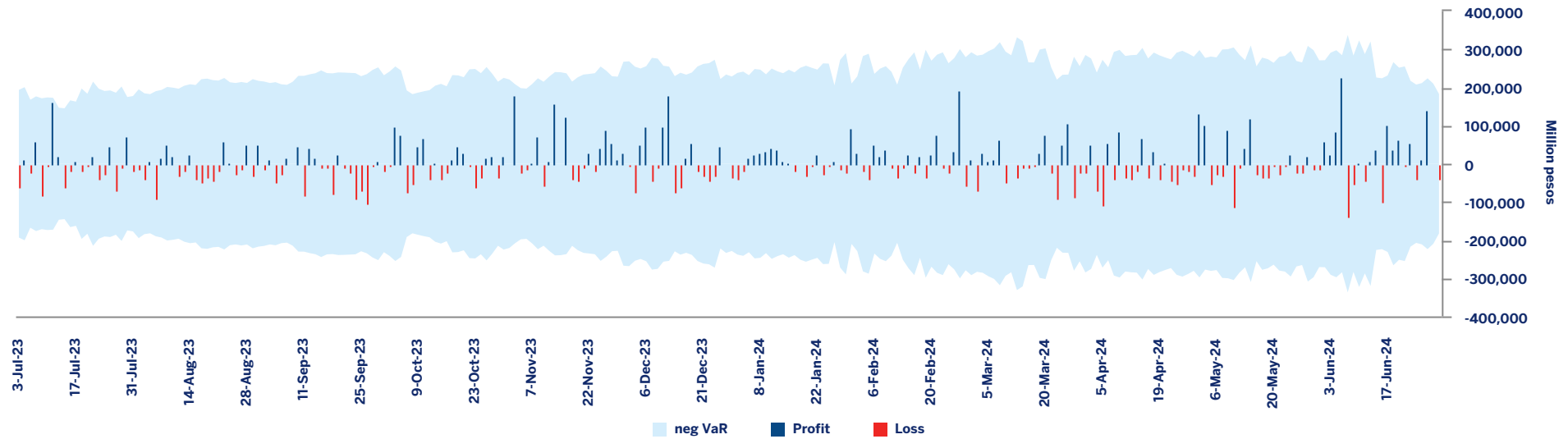


Chart 12. Trading book. Market Risk Model Validation for BBVA Mexico. Real Backtesting (EU MR4)



## 3.4. Structural risk

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

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

The scope of structural risks in the Group excludes market risks in the trading book that are clearly delimited and separated and are part of the Market Risks category.

### 3.4.1. Structural interest rate risk

The structural interest-rate risk in the Banking Book ("IRRBB") is defined as the potential change on the earnings, through the impact on an entity's net interest income and on the valuation of instruments accounted at fair value, as well as on the economic value of the equity due to variations in market interest rates.

Furthermore, the credit spread risk in the banking book (CSRBB) arises from the potential impacts on the earnings and/or on 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.

Structural interest rate risk may arise from different sources, which are part of the four types of risk faced by the entities:

- Repricing risk.
- Curve risk.
- Basis risk.
- Option risk.

In the context of the SREP, CRD IV provides for a review and evaluation of the IRRBB. The main instrument of this assessment is the Supervisory Outlier Test (SOT), which assesses the impact on Economic Value of Equity (EVE) and Net Interest Margin risks (NII) of the banking book under different interest rate variation scenarios. This exercise allows comparability between entities.

As described above, the structural interest rate risk in the banking book (IRRBB) is part of the entity's risk management framework and is included in the internal capital self-assessment process as part of Pillar 2.

The table below shows the changes in the economic value of equity (EVE) and in net interest income (NII) shown as % over Tier 1 Fully Loaded:

**Table 42.** EU IRRBB1 - Interest rate risk in the banking book

Currency	Δ EVE	Δ EVE	Δ NII	Δ NII
	6-30-2024	12-31-2023	6-30-2024	12-31-2023
Parallel up	(8.25)%	(6.14)%	0.63 %	0.60 %
Parallel down	2.91 %	1.16 %	(2.29)%	(2.46)%
Steeper	0.63 %	1.44 %		
Flattener	(3.03)%	(4.53)%		
Short rates up	(5.16)%	(5.66)%		
Short rates down	2.61 %	2.69 %		

The SOT regulatory metrics have been calculated as described in the guidelines.

IRRBB measures cover the four principal material currencies (EUR, USD, MXN and TRY) in the three main geographies up to a cumulative percentage of the banking book above 90%.

Reported changes of the economic value of equity (EVE) are calculated as follows:

- Changes in EVE under the six supervisory interest rate shock scenarios
- The supervisory maturity-dependent post-shock interest rate updated floor (-1.5%) has been applied for each currency

- Changes in EVE are expressed as a percentage of BBVA's Tier 1 fully loaded at the reporting date
- Aggregate EVE change for each interest rate shock scenario has been calculated by adding together any negative and positive changes to EVE occurring in each currency. Positive changes have been weighted by a factor of 50%.
- Run-off balance sheet assumption: existing positions mature and are not replaced
- Own equity has been excluded from the computation of the exposure level
- Commercial margins are included in the interest cash flows

- Cash flows have been discounted using one only risk-free rate yield curve

Reported changes of the net interest income (NII) are calculated as follows:

- Changes in projected NII over a forward-looking rolling 12-month period under the two parallel supervisory interest rate shock scenario out of the six supervisory shock scenarios for EVE
- The supervisory maturity-dependent post-shock interest rate updated floor (-1.5%) has been applied for each currency
- Instantaneous shocks are applied
- Changes in NII are expressed as a percentage of BBVA *Tier 1 fully loaded* as of the date of the report
- Aggregate NII change for each interest rate shock scenario has been calculated by adding together any negative and positive changes to NII occurring in each currency. Positive changes have been weighted by a factor of 50%.
- Constant balance sheet assumption
- New exposures are repriced considering the margin of new productions at the reporting date.
- Commercial margins are included in the interest cash flows
- Fees and commissions attributable for interest rate changes are not included

SOT metrics significance and evolution

SOT IRRBB metrics at Group level maintain a medium-low risk level, maintaining the negative exposure to parallel down scenario for the NII approach, while in the case of the EVE, the worst scenario among the 6 prescriptive scenarios becomes the scenario of parallel up scenario.

From both perspectives, the most significant impacts in the worst-case scenario come mainly from the local currency balance sheet of BBVA Mexico, because larger shocks are applied in the prescriptive scenarios, and from the euro balance sheet of BBVA S.A.. In addition, the dollar balance sheet of both entities contributes negatively to the impacts on NII in the parallel down scenario.

When compared to December-23 results, risk remains at moderate levels. From the EVE point of view, a higher impact is observed in the most damaging scenario, as a result of the increase in the duration of assets at BBVA S.A., motivated mainly by the NII risk hedging strategies, implemented through the increase in fixed rate bonds and hedging of floating rate loans.

From NII's perspective, the most damaging impact at Group level shows stability, while funding with less-sensitive liabilities (current accounts) is maintained and an improvement at the ratio level is observed, due to the organic increase in Group TIER I capital in the semester.

### 3.4.2. Structural exchange rate risk

Structural exchange rate risk, is defined as the possibility of impacts on solvency, equity value and results driven by fluctuations in the exchange rates due to exposures in foreign currencies.

Structural exchange rate risk is inherent to the business of international banking groups, such as BBVA, that develop their activities in different geographies and currencies. At a consolidated level, structural exchange-rate risk arises from the consolidation of holdings in subsidiaries with functional currencies other than the euro.

The evolution of the structural exchange risk requirements in the first half of 2024 is in section 3.3.1. of this Report.

### 3.4.3. Structural equity risk

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).

## 3.5. Liquidity 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.

### 3.5.1. Liquidity performance

The BBVA Group maintains a dynamic funding structure with a predominantly retail nature, where customer resources represent the main source of funding.

Liquidity and funding management at BBVA promotes the financing of the recurring growth of the banking business at suitable maturities and costs using a wide range of funding sources. BBVA's business model, risk appetite framework and funding strategy are designed to reach a solid funding structure based on stable customer deposits, mainly retail (granular). As a result of this model, deposits have a high degree of assurance in each geographical area, close to 55% in Spain and Mexico. It is important to note that, given the nature of BBVA's business, lending is mainly financed through stable customer funds.

One of the key elements in the BBVA Group's liquidity and funding management is the maintenance of large high-quality liquidity buffers in all geographical areas. In this respect, the Group has maintained during the last 12 months an average volume of high-quality liquid assets (HQLA) of €132.7 billion, of which 97% corresponded to maximum quality assets (level 1 in the liquidity coverage ratio, LCR).

Due to its subsidiary-based management model, BBVA is one of the few major European banks that follows the Multiple Point of Entry (MPE) resolution strategy: the parent company sets the liquidity policies, but the subsidiaries are self-sufficient and responsible for managing their own liquidity and funding (taking deposits or accessing the market with their own rating). This strategy limits the spread of a liquidity crisis among the Group's different areas and ensures the adequate transmission of the cost of liquidity and financing to the price formation process.

The BBVA Group maintains a solid liquidity position in every geographical area in which it operates, with ratios well above the minimum required:

- The LCR requires banks to maintain a volume of high-quality liquid assets sufficient to withstand liquidity stress for 30 days. BBVA Group's consolidated LCR remained comfortably above 100% during the first half of 2024 and stood at 148% as of June 30, 2024. It should be noted that, given the MPE nature of BBVA, this ratio limits the numerator of the LCR for subsidiaries of BBVA S.A. to 100% of their net outflows, therefore, the resulting ratio is below that of the

individual units (the LCR of the main components was 178% in BBVA, S.A., 154% in Mexico and 162% in Turkey). Without considering this restriction, the Group's LCR ratio was 179%.

**Table 43.** LCR main LMU

	June 2024	December 2023
<b>Group</b>	<b>148 %</b>	<b>149 %</b>
BBVA S.A.	178 %	178 %
BBVA Mexico	154 %	192 %
Garanti BBVA	162 %	212 %

- The net stable funding ratio (NSFR) requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. The BBVA Group's NSFR ratio stood at 129% as of June 30, 2024.

**Table 44.** NSFR main LMU

	June 2024	December 2023
<b>Group</b>	<b>129 %</b>	<b>131 %</b>
BBVA S.A.	121 %	120 %
BBVA Mexico	133 %	140 %
Garanti BBVA	161 %	178 %

In addition to the above, the most relevant aspects related to the main geographical areas are the following:

- BBVA, S.A. has maintained a strong position with a large high-quality liquidity buffer, having repaid the entire TLTRO III program, maintaining at all times the regulatory liquidity metrics well above the set minimums. During the first half of 2024, commercial activity has been broadly neutral in terms of liquidity, with growth in both customer deposits and lending activity.
- BBVA Mexico shows a solid liquidity situation, even though the credit gap increased in the first half of the year as a consequence of the outflows of deposits and strong dynamism of credit growth. Despite that, the cost of funds has been efficiently managed.
- In Turkey, in the first half of 2024, the lending gap in local currency remained stable (however, the performance by quarter has been very different, with an increase in the gap in the first quarter and a reduction in the second one). Regarding the credit gap in foreign currency, an increase was recorded, mainly originated by the outflow of deposits during the first half of the year due to dedollarization. Liquidity buffer has been reduced, mainly due to the increase in the currency gap and the reserve requirement. Garanti BBVA continues to maintain a stable liquidity position with comfortable ratios. On the other hand, the Central Bank of Turkey has continued updating the measures to continue



with the dedollarization process of the economy and control the inflation.

- In South America, the liquidity situation remains adequate throughout the region. In BBVA Argentina, the growth of excess liquidity slowed thanks to the increase loans in the quarter, which has equaled the growth of deposits. However, in the second half of the year, the growth in deposits exceeded the loans in local currency and with small differences in foreign

currency. In BBVA Colombia, the credit gap decreased in the first half of the year with a growth in deposits much higher than loans. BBVA Peru has shown a decrease in lending gap in the first half of 2024 with a growth in deposits higher than loans.

The main wholesale financing transactions carried out by the BBVA Group during the first half of 2024 are listed below:

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

Additionally, BBVA, S.A. redeemed two capital issuances in the first half of 2024: in February 2024, a Tier 2 issuance of subordinated bonds issued in February 2019, for an amount of €750m and, in March 2024, an AT1 issued in 2019 on its first date of optional redemption, for an amount of €1 billion.

BBVA Mexico issued in January 2024 Tier 2 bonds for USD 900m with a maturity of 15 years and an early repayment option in 10 years with a coupon of 8.125%. Additionally, on April 10 2024, BBVA Mexico issued bank stock certificates for 15 billion Mexican pesos in two tranches. The first one was placed at a term of three and a half years, with a variable TIIE rate (Interbank Equilibrium Interest Rate) for one-day Funding plus 32 basis points, amounting to a total of 8.4 billion Mexican pesos. The second tranche was issued for seven years, with a fixed rate of 10.35%, for a total of 6.6 billion Mexican pesos.

In Turkey, Garanti BBVA issued in February 2024 Tier 2 10-year bonds for an amount of USD 500m, with a coupon of 8.375% and an early redemption option in 5 years. Additionally, in June 2024, Garanti BBVA renewed the total syndicated loan based on environmental, social and governance (ESG) criteria, which consists of two separate tranches of USD 241m (SOFR+2.5%) and €179m (Euribor+2.25%), respectively.

For its part, BBVA Peru issued Tier 2 bonds in the international market for USD 300m, with a 6.20% coupon, a 10.25-year maturity and an early redemption option in the fifth year.

BBVA Colombia, together with the International Finance Corporation (IFC) and the Inter-American Development Bank (IDB) announced the launch of a green biodiversity bond for an amount of up to USD 70m and a term of 3 years. On 12 July 2024, thereunder a first tranche of USD 15m was announced..

In conclusion, the first half of 2024 has turned into one of the historically more active in terms of issuance of wholesale funding of BBVA, S.A., with €8 billion funded in 8 tranches. If we also consider the issuance activity of BBVA Mexico, BBVA Turkey and BBVA Peru, this access to international markets increases by USD 1.7 billion, which shows the strength of the Group's access to wholesale markets from its main issuance units.

### 3.5.2. LCR disclosure

A breakdown of the LCR disclosure as of June 30, 2024 is shown below, according to Article 435 of Regulation (EU) No 575/2013. These figures are calculated as simple averages of end-of-month observations from the twelve months preceding each quarter. No transfer of liquidity is assumed between subsidiaries, and therefore no excess liquidity is transferred from the entities abroad to the consolidated figures displayed in the following table:

**Table 45.** EU LIQ1: Liquidity Coverage Ratio disclosure (Rounded Million Euros)

End of the quarter	Total unweighted value (average)					Total weighted value (average)				
	June	March	December	September	June	June	March	December	September	June
	6-30-2024	3-31-2024	12-31-2023	9-30-2023	6-31-2023	6-30-2024	3-31-2024	12-31-2023	9-30-2023	6-31-2023
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12	12	12
<b>High-quality liquid assets</b>										
Total high-quality liquid assets (HQLA)						105,561	104,238	102,242	105,540	108,202
<b>Cash-outflows</b>										
Retail deposits and deposits from small business customers, of which:	255,043	254,140	252,828	252,407	251,426	17,323	17,094	16,900	16,905	16,980
Stable deposits	164,719	165,913	167,005	167,488	167,053	8,236	8,296	8,350	8,374	8,353
Less stable deposits	78,883	76,586	74,580	74,455	75,129	9,087	8,798	8,550	8,530	8,628
Unsecured wholesale funding	135,375	131,606	128,620	128,191	128,492	53,610	52,309	51,546	52,097	52,351
Operational deposits (all counterparties) and deposits in networks of cooperative banks	62,571	60,696	59,559	59,231	59,561	14,279	13,839	13,582	13,532	13,648
Non-operational deposits (all counterparties)	70,311	69,059	67,596	67,556	67,671	36,838	36,619	36,499	37,161	37,443
Unsecured debt	2,493	1,851	1,465	1,404	1,260	2,493	1,851	1,465	1,404	1,260
Secured wholesale funding						5,873	6,043	5,735	5,123	4,283
Additional requirements	90,065	88,011	87,693	88,660	89,057	16,646	16,550	17,523	19,214	19,947
Outflows related to derivative exposures and other collateral requirements <sup>(1)</sup>	5,687	5,973	7,149	8,938	9,781	5,687	5,973	7,137	8,926	9,769
Outflows related to loss of funding on debt products	—	10	125	148	157	—	10	125	148	157
Credit and liquidity facilities	84,378	82,028	80,419	79,574	79,119	10,959	10,567	10,261	10,140	10,021
Other contractual funding obligations	19,550	19,423	19,022	18,238	17,363	3,515	3,002	2,573	2,606	2,501
Other contingent funding obligations	125,867	119,365	113,891	109,052	104,936	4,867	4,637	4,438	4,189	3,992
<b>Total cash outflows</b>						<b>101,834</b>	<b>99,635</b>	<b>98,715</b>	<b>100,134</b>	<b>100,055</b>
<b>Cash - inflows</b>										
Secured lending (e.g. reverse repos)	36,132	35,434	32,464	30,814	28,130	2,330	2,141	1,917	1,868	1,627
Inflows from fully performing exposures	38,875	38,154	37,314	36,974	36,556	25,478	24,843	24,291	24,304	24,298
Other cash inflows	2,750	2,593	3,570	4,823	5,607	2,750	2,593	3,570	4,823	5,607
transactions in third countries where there are transfer restrictions or which are (Excess inflows from a related specialised credit institutions)										
<b>Total cash inflows</b>	<b>77,757</b>	<b>76,181</b>	<b>73,348</b>	<b>72,611</b>	<b>70,293</b>	<b>30,558</b>	<b>29,577</b>	<b>29,777</b>	<b>30,995</b>	<b>31,532</b>
Fully exempt inflows										
Inflows subject to 90% cap										
Inflows subject to 75% cap	77,757	76,181	73,348	72,611	70,293	30,558	29,577	29,777	30,995	31,532
<b>Total adjusted value</b>										
<b>Liquidity buffer</b>						<b>105,561</b>	<b>104,238</b>	<b>102,242</b>	<b>105,540</b>	<b>108,202</b>
<b>Total net cash outflows</b>						<b>71,276</b>	<b>70,060</b>	<b>68,939</b>	<b>69,138</b>	<b>68,523</b>
<b>Liquidity coverage ratio (%)</b>						<b>148 %</b>	<b>149 %</b>	<b>148 %</b>	<b>153 %</b>	<b>158 %</b>
<b>Liquidity buffer (including excess liquidity of subsidiaries)</b>						<b>132,711</b>	<b>132,516</b>	<b>130,770</b>	<b>134,290</b>	<b>138,123</b>
<b>Total net cash outflows</b>						<b>71,276</b>	<b>70,060</b>	<b>68,939</b>	<b>69,138</b>	<b>68,523</b>
<b>Liquidity coverage ratio (%)</b>						<b>186 %</b>	<b>189 %</b>	<b>190 %</b>	<b>194 %</b>	<b>202 %</b>

<sup>(1)</sup> Includes the amount of the collateral that the entity would have to provide in case of a credit downgrade, according to CRR Article 439(d).

The BBVA Group's consolidated ratio is mainly determined by the ratio of the three largest units that make up the Group: BBVA S.A., BBVA Mexico and Garanti BBVA. In addition, as no transferability of liquidity between the subsidiaries is assumed, no excess liquidity is transferred from the entities abroad to the consolidated metric, so the evolution of the consolidated ratio is closely linked to the evolution of BBVA S.A.'s LCR. Throughout the series shown in the table, the LCR has been at high levels, reflecting the Group's comfortable and comfortable liquidity situation.

As regards the numerator of the ratio, one of the key elements in the BBVA Group's management of liquidity and funding is the maintenance of large high-quality liquidity buffers in all geographic areas. In the last 12 months, the Group maintained an average volume of high quality liquid assets (HQLA) of €105.6 billion (€132.7 billion if we consider the excess liquidity of all the banks abroad), of which 97% corresponded to top quality assets (level 1).

As regards the composition of the denominator of the LCR, the main source of funding for all the Group's banks is retail deposits, liabilities of a stable nature which therefore produce fewer potential outflows in the LCR ratio. The Group also has sources of wholesale funding that are adequately diversified in terms of maturity, instrument, market, currency and counterparty, oriented toward the long term, which are considered less stable for the purposes of the LCR, generating greater potential outflows.

Regarding the sustainability of wholesale funding as a source of funding, this depends on the degree of diversification. In particular, in order to ensure adequate diversification by counterparties, specific concentration thresholds are set and must be met at all times by each LMU. As of June 30, 2024, except for the positions against central clearing houses, the secured funding operations with several Central Banks and public treasury auctions, the Group has no counterparties that maintain balances greater than 1,5% of the Group's total liabilities and the weight of the first 10 counterparties per balance represents 5,5%.

The establishment of an independent control framework for the Euro, USA, Mexico and Turkey LMUs, allows compliance with the Liquidity and Finance corporate requirements on the four main currencies in which the BBVA Group operates: Euro, Dollar, Mexican Peso and Turkish Lira.

With the exception of the dollar, significant currencies at the Group level are fully managed by entities resident in the jurisdictions of each of them, with their funding needs covered in the local markets in which they operate.

For those LMUs operating in dollarised economies (Argentina, Peru, Mexico and Turkey) there are specific regulatory requirements that limit the level of risk of each subsidiary. In addition, the LCR in US dollars in all of them exceeds 100%.

Finally, the Group's exposure to derivatives is limited (see section on counterparty risk exposure). In addition, the LCR of the different LMU's includes liquidity outflows arising from the need to post additional collateral, the most relevant cases being the deterioration of the entity's credit quality, the excess collateral to be returned to the counterparty, and the impact of an adverse market scenario. For the quantification of additional collateral in case of adverse market scenarios, a Historical Look Back Approach is used in accordance with the EBA RTS (Article 423(3) of the CRR).

### 3.5.3. Net Stable Funding Ratio

Within its risk appetite framework, BBVA has included the NSFR indicator within the limits scheme for both the Group as a whole and for each individual LMU, aimed at keeping this metric at a comfortable level above 100%.

A table including the main components of NSFR is shown below:

**Table 46.** EU LIQ2 - Net Stable Funding Ratio (Rounded Million euros. 6-30-2024)

	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to <1 year	>= 1 year	
<b>Available stable funding (ASF) Items</b>					
Capital items and instruments	58,973	—	—	10,577	69,550
Own funds	58,973	—	—	9,466	68,439
Other capital instruments		—	—	1,111	1,111
Retail deposits		249,565	8,143	1,176	241,436
Stable deposits		162,857	3,598	425	158,557
Less stable deposits		86,709	4,545	751	82,880
Wholesale funding:		254,314	22,484	52,975	137,077
Operational deposits		66,056	—	—	33,028
Other wholesale funding		188,257	22,484	52,975	104,049
Interdependent liabilities		—	—	—	—
Other liabilities:	3,662	22,665	2	11,693	11,694
NSFR derivative liabilities	3,662				
All other liabilities and capital instruments not included in the above categories		22,665	2	11,693	11,694
<b>Total available stable funding (ASF)</b>					<b>459,757</b>
<b>Required stable funding (RSF) Items</b>					
Total high-quality liquid assets (HQLA)					7,073
Assets encumbered for a residual maturity of one year or more in a cover pool		128	122	3,473	3,165
Deposits held at other financial institutions for operational purposes		149	—	—	75
Performing loans and securities:		154,739	45,344	268,549	286,950
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		32,200	3,734	8,599	11,568
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		21,221	2,757	10,924	14,128
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		84,843	31,943	154,442	186,646
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		6,309	4,791	18,457	17,662
Performing residential mortgages, of which:		2,816	2,961	84,552	62,253
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,240	2,382	63,759	43,959
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		13,659	3,949	10,033	12,355
Interdependent assets		—	—	—	—
Other assets:	—	22,868	977	44,962	49,545
Physical traded commodities				354	301
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		—	—	1,202	1,021
NSFR derivative assets		2,246	—	—	2,246
NSFR derivative liabilities before deduction of variation margin posted		9,938	—	—	497
All other assets not included in the above categories		10,684	977	43,406	45,480
Off-balance sheet items		9,841	2,341	148,369	8,683
<b>Total RSF</b>					<b>355,489</b>
<b>Net Stable Funding Ratio (%)</b>					<b>129 %</b>

## EU LIQ2 - Net Stable Funding Ratio (NSFR) (Rounded Million euros. 12-31-2023)

	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to <1 year	>= 1 year	
<b>Available stable funding (ASF) Items</b>					
Capital items and instruments	56,522	—	—	8,775	65,297
Own funds	56,522	—	—	8,182	64,704
Other capital instruments		—	—	593	593
Retail deposits		250,344	5,283	2,011	240,551
Stable deposits		167,868	1,651	746	161,789
Less stable deposits		82,475	3,632	1,266	78,762
Wholesale funding:		283,060	18,728	48,865	122,582
Operational deposits		63,141	—	—	31,570
Other wholesale funding		219,920	18,728	48,865	91,012
Interdependent liabilities		—	—	—	—
Other liabilities:	3,177	21,921	15	11,269	11,276
NSFR derivative liabilities	3,177				
All other liabilities and capital instruments not included in the above categories		21,921	15	11,269	11,276
<b>Total available stable funding (ASF)</b>					<b>439,706</b>
<b>Required stable funding (RSF) Items</b>					
Total high-quality liquid assets (HQLA)					6,256
Assets encumbered for a residual maturity of one year or more in a cover pool		220	211	5,785	5,283
Deposits held at other financial institutions for operational purposes		140	—	—	70
Performing loans and securities:		165,724	42,743	255,974	270,036
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		51,394	3,146	4,501	6,319
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		22,024	3,135	11,304	14,590
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		77,334	29,725	150,376	178,043
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,895	2,759	20,069	17,529
Performing residential mortgages, of which:		2,748	2,789	81,223	59,917
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,174	2,245	60,757	41,919
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		12,224	3,949	8,570	11,166
Interdependent assets		—	—	—	—
Other assets:	—	26,189	278	41,599	46,332
Physical traded commodities				168	143
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		—	—	1,126	957
NSFR derivative assets		3,097	—	—	3,097
NSFR derivative liabilities before deduction of variation margin posted		9,398	—	—	470
All other assets not included in the above categories		13,694	278	40,305	41,665
Off-balance sheet items		7,412	2,339	135,627	7,966
<b>Total RSF</b>					<b>335,942</b>
<b>Net Stable Funding Ratio (%)</b>					<b>131 %</b>

The table shows a balanced funding structure that maintains a significant volume of retail deposits as the main source of funding for investment activity. This type of funds is characterised by a more favourable treatment for NSFR purposes, given its low sensitivity to market fluctuations and its low volatility in aggregate balances per transaction, as a result of customer linkage. This results in a level of NSFR that comfortably exceeds the regulatory requirement of 100%, with a stable evolution over time.

# 4. Other prudential ratios

4.1. Leverage Ratio

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4.2. MREL

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## 4.1. Leverage Ratio

The leverage ratio (LR) is a regulatory measure (not risk-based) complementing capital designed to guarantee the soundness and financial strength of institutions in terms of indebtedness.

CRR2 introduces a mandatory minimum leverage ratio requirement, set at 3% of Tier 1 capital over the total exposure measure.

Described below are the elements making up the leverage ratio, in accordance with CRR2:

- Tier 1 capital: as seen in the section 2.2. of this document.
- Total Exposure: as set out in Article 429 of the CRR.

The table below shows a breakdown of the items making up the leverage ratio as of June 30, 2024, March 31, 2024 and as of December 31, 2023.

**Table 47.** EU LR1 - Summary reconciliation of accounting assets and exposure corresponding to the Leverage Ratio (Million Euros)

	6-30-2024		3-31-2024		12-31-2023	
	Phased-In	Fully Loaded	Phased-In	Fully Loaded	Phased-In	Fully Loaded
(a) Total assets as published financial statements	759,534	759,534	801,690	801,690	775,558	775,558
(b) Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(27,756)	(27,756)	(28,583)	(28,583)	(27,314)	(27,314)
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	(2,516)	(2,516)	(1,919)	(1,919)	(2,097)	(2,097)
(Adjustment for temporary exemption of exposures to central bank (if applicable))	—	—	—	—	—	—
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429a(1)(i) of Regulation (EU) No 575/2013)	—	—	—	—	—	—
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—	—	—	—	—	—
Adjustment for eligible cash pooling transactions	—	—	—	—	—	—
(c) Adjustments for derivative financial instruments	(4,073)	(4,073)	(8,651)	(8,651)	(8,339)	(8,339)
(d) Adjustments for securities financing transactions "SFTs"	7,672	7,672	(1,819)	(1,819)	(5,834)	(5,834)
(e) Adjustment for off-balance sheet items <sup>(1)</sup>	80,379	80,379	74,500	74,500	70,488	70,488
(Adjustment for prudent valuation adjustments and general credit risk adjustments which have reduced Tier 1 capital)	—	—	—	—	—	—
(f) (Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	—	—	—	—	—	—
(g) (Adjustment for exposures excluded from the total exposure measure corresponding to the leverage ratio under Article 429 (14) of Regulation (EU) No 575/2013)	—	—	—	—	—	—
(h) Other adjustments	(4,177)	(4,177)	(4,493)	(4,493)	(4,574)	(4,574)
<b>Leverage ratio total exposure measure</b>	<b>809,063</b>	<b>809,063</b>	<b>830,725</b>	<b>830,725</b>	<b>797,888</b>	<b>797,888</b>
<b>Capital Tier 1</b>	<b>54,776</b>	<b>54,776</b>	<b>53,868</b>	<b>53,868</b>	<b>52,150</b>	<b>52,150</b>
<b>Leverage ratio</b>	<b>6.77 %</b>	<b>6.77 %</b>	<b>6.48 %</b>	<b>6.48 %</b>	<b>6.54 %</b>	<b>6.54 %</b>

<sup>(1)</sup> Corresponds to the off-balance sheet exposure after applying the conversion factors obtained in accordance with Article 429(10) of the CRR.

As of June 30, 2024, the phased-in leverage ratio stood at 6.77% (6.77% fully loaded), increasing 29 basis points since March 2024. This growth is mainly due to the reduction of the exposure (approximately €22 billion), due to a significant decrease in deposits with Central Banks. This reduction, partially offset by the growth in loans and receivables, led to an increase of 18 basis points in the leverage ratio. In turn, this increase is complemented by the increase in Tier 1 (approximately €900 million), thanks to the generation of results that raise the CET1. This increase has contributed positively to the leverage ratio (11 basis points).

Additionally, during the first half, it is worth highlighting the increase in Tier 1 capital due to the generation of results, more than offsetting the growth in exposure supported by off-balance sheet assets. Both effects together led to an increase of 23 basis points compared to December 31, 2023 (6.54% phased-in).

The table below includes the breakdown of on balance sheet exposures, excluding derivatives and securities financing transactions.



**Table 48.** EU LR3 - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (Million euros)

	6-30-2024		12-31-2023	
	Phased-In	Fully Loaded	Phased-In	Fully Loaded
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	634,815	634,815	627,896	627,896
Trading book exposures	40,684	40,684	32,619	32,619
Banking book exposures, of which:	594,130	594,130	595,277	595,277
Covered bonds	2,050	2,050	1,881	1,881
Exposures treated as sovereigns	141,335	141,335	174,602	174,602
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	11,164	11,164	11,685	11,685
Institutions	23,274	23,274	18,090	18,090
Secured by mortgages of immovable properties	108,117	108,117	107,550	107,550
Retail exposures	99,568	99,568	91,903	91,903
Corporates	155,376	155,376	140,924	140,924
Exposures in default	7,440	7,440	4,528	4,528
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	45,807	45,807	44,113	44,113

As of June 30, 2024, the BBVA Group does not have any additional LR requirement, so the applicable requirement is 3%.

## 4.2. MREL

The Minimum Requirement for Own Funds and Eligible Liabilities, MREL, aims to ensure that institutions maintain a sufficient amount of equity and debt instruments available to absorb losses and, if necessary, convert into capital.

On March 27, 2024 the Group made public that it had received a communication from the Bank of Spain regarding its MREL requirement, established by the Single Resolution Board ("SRB"). According to this communication, BBVA must maintain, as from March 27, 2024, an MREL in RWA of 22.79%<sup>1</sup>. In addition, BBVA must reach, also as from March 27, 2024, a volume of own funds and eligible liabilities in terms of total exposure considered for purposes of calculating the leverage ratio of 8.48% (the "MREL in LR")<sup>2</sup>. These requirements do not include the current combined capital requirement, which, according to current regulations and supervisory criteria, is 3.65%.

With respect to the MREL ratios<sup>3</sup> achieved as of June 30, 2024, these were 28.43% and 11.95%, respectively for MREL in RWA and MREL in LR, reaching the subordinated ratios of both 22.18% and 9.33%, respectively. A summary table of the main metrics is presented below:

**Table 49.** EU KM2. Key metrics - MREL (Million euros)

	<b>6-30-2024</b>
<b>Own funds and eligible liabilities ratios and requirements</b>	
Own funds and eligible liabilities	54,100
Of which own funds and subordinated liabilities	48,430
Total risk exposure amount of the resolution group (TREA)	218,340
Own funds and eligible liabilities as a percentage of TREA	28.43%
Of which own funds and subordinated liabilities	22.18%
Total exposure measure of the resolution group	519,267
Own funds and eligible liabilities as a percentage of the total exposure measure	11.95%
Of which own funds and subordinated liabilities	9.33%
<b>Minimum requirement for own funds and eligible liabilities (MREL) <sup>(1)</sup></b>	
MREL requirement expressed as percentage of the total risk exposure amount	22.79%
Of which own funds and subordinated liabilities	13.50%
MREL requirement expressed as percentage of the total exposure measure	8.48%
Of which own funds and subordinated liabilities	5.78%

<sup>(1)</sup> Do not include the capital combined requirement: 3.65% as of June 30, 2024.

Given the structure of the resolution group's own funds and eligible liabilities, as of June 30, 2024, the Group meets the aforementioned requirements.

<sup>1</sup> The subordinated requirement in RWA is 13.50%.

<sup>2</sup> The subordinated requirement in LR is 5.78%.

<sup>3</sup> Calculated at subconsolidated level according to the resolution strategy MPE ("Multiple Point of Entry") of the BBVA Group, established by the SRB. The resolution group is made up of Banco Bilbao Vizcaya Argentaria, S.A. and subsidiaries that belong to the same European resolution group.

Likewise, with the aim of reinforcing compliance with these requirements, BBVA has made several debt issuances during the first half of 2024. For more information of issuances, see section 3.5.1 of this report.

# 5. Prudential disclosures on environmental, social and governance risks

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## 5.1. Introduction and governance model

### 5.1.1. Sustainability as a strategic priority

Sustainability for BBVA means "helping our clients in the transition to a sustainable future" by promoting environmental protection, economic growth and social development. BBVA contributes to various SDGs through: the development of its business by generating a positive impact through the multiplier effect of banking, the direct impact of its activity, as well as through its investment in the community.

Climate change requires the decarbonization of the economy, and this impacts on all industries and the way customers move, consume or fit out their homes, requiring significant investments that will last for decades to come.

Furthermore, climate change and human actions are stressing natural capital (water, crops, raw materials, etc.), making it increasingly relevant for customers to ensure the continued availability and quality of essential resources for production and service delivery.

Finally, there are still major inequalities in the world, which may be exacerbated by the decarbonization transformation or the destruction of natural capital. BBVA can play a fundamental role in the development of inclusive growth through the banking penetration of the population and financial education.

BBVA's sustainability strategy has a roadmap with two clear objectives:

- Fostering new business through sustainability with a global and holistic approach to global warming, natural capital and social issues: BBVA is aiming to reach €300 billion of sustainable business (2018-2025)<sup>4</sup>, having reached €252 billion by June 2024, around €46 billion deployed in the first half of 2024.

With regard to climate action, BBVA mobilized more than 35.1 € billion between January and June of 2024, which was earmarked, among other things, for the electrification of industry, energy efficiency measures, the development of renewable projects and the promotion of solar self-consumption, and the transformation of the transport and logistics sector.

In addition, the Bank has an opportunity in the development of inclusive growth, which accounts for around 23%. Notably, it has mobilized around 11 billion euros of the entire

sustainable business pipeline for the first half of 2024.

- Achieve net zero 2050 (Net Zero) with sectoral decarbonization plans in those sectors most relevant to decarbonization: BBVA has intermediate decarbonization targets (year 2030) that include oil and gas, power generation, auto, cement, steel, coal aviation and shipping sectors. In May 2024, BBVA published interim objectives for the reduction of financed emissions through to 2030 for two additional sectors: aluminum and real estate (both commercial and residential)<sup>5</sup>.

Intermediate decarbonization targets are monitored through alignment methodologies that help to understand how financial flows contribute to emission reductions. These metrics are compared with the baseline provided by climate change scenarios and, when combined with these, make it possible to design sectoral alignment plans. These plans help define the commercial strategy with customers and guide selective growth based on risk and business opportunity considerations, as well as the assessment of the customers' own transition plans.

Sustainability is governed by the principle of ensuring the needs of the present without compromising the needs of future generations, always without renouncing environmental protection, economic growth and social development. BBVA faces the challenge of "sustainable development" from a holistic perspective, taking into account environmental, social and governance aspects:

#### Environmental

The fight against climate change is one of the biggest disruptive events of all time, with extraordinary economic consequences to which all actors in our environment (governments, regulators, businesses, consumers and society in general) must adapt. BBVA understands the environmental dimension of sustainability as the management of the impacts, risks and opportunities linked to the fight against climate change, the transition to a low-carbon economy and the protection and regeneration of natural capital.

#### Social

Businesses are key actors in the development and progress of societies. BBVA understands the social dimension of sustainability as the management of impacts, risks and opportunities in relation to its

<sup>4</sup> It considers as a sustainable business channel any mobilization of financial flows, cumulatively, in relation to activities, customers or products considered sustainable or that promote sustainability in accordance with both internal and market standards, existing regulations and best practices. For more information, see section "5.2.1 Sustainability in business development".

<sup>5</sup> The geographical perimeter of the intermediate emissions reduction target for 2030 for the real estate sector is Spain.

customers, employees, suppliers, communities affected by its activity and society in general.

## Governance

Companies must conduct their business in strict compliance with the law at any given time, in a

### 5.1.2. Regulatory framework

#### ESG risk implementing technical standards

The European Banking Authority published on January 24, 2022 its final draft implementing technical standards (hereinafter "ITS") amending the CRR on Pillar 3 disclosures on environmental, social and governance (hereinafter "ESG") risks.

These ITS were subsequently incorporated into the body of European Union law in the Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards disclosure of information on environmental, social and governance risks.

Topic	Reporting criteria
Governance	Governance structure of organization, including the role that its various bodies perform, in relation to the identification, evaluation and management of risks and opportunities related to climate change.
Strategy	Strategic approach, in terms of adaptation and mitigation of the entities to manage the financial risks associated with climate change, taking into account the current risks at the time of writing the report, and those that may arise in the future, identifying the actions necessary at that time to mitigate such risks.
Impacts	The real and potential impacts of risks and opportunities associated with climate change on the organization's activities and its strategy, as well as on its financial planning.
Risk management	The processes for identifying, evaluating, controlling and managing climate-related risks and how these are integrated into its global business risk analysis and its integration into the organization's global risk management.
Metrics and goals	Metrics, scenarios and objectives used to assess and manage important risks and opportunities related to climate change and, if calculated, the scope 1, 2 and 3 of its carbon footprint and how its reduction is addressed.

### 5.1.3. Governance model

#### Corporate bodies

BBVA has a corporate governance system, comprising a set of principles, rules and mechanisms that integrate and regulate the structures and operation of its corporate bodies, which are responsible, at the highest level, for the governance of the Bank (hereinafter, the "System" or the "Corporate Governance System"). This system is mainly governed by the provisions of the Bank's Bylaws, the regulations of its various corporate bodies and certain general policies of the Bank.

In accordance with the regulations applicable to BBVA, as a listed credit institution, the Bank has a Board of Directors which, as the highest representative, administrative, management and supervisory body, performs both the functions of managing the Entity and those of supervising and controlling its management.

The Board of Directors also has a structure of specific Committees, which assist it in matters within its remit

responsible manner and in accordance with strict standards of ethical behavior. BBVA understands the governance dimension of sustainability to be linked to business conduct, policies and regulatory and control frameworks on sustainability.

#### Law 7/2021 on climate change

Under Law 7/2021, of May 20, on climate change and energy transition (Law 7/2021), an annual report must be presented in which an evaluation of the impact is made. financial burden on society of the risks associated with climate change generated by the exposure to it of its activity, including the risks of the transition toward a sustainable economy and the measures adopted to address said risks. Likewise, under the aforementioned Law, specific decarbonization objectives for the loan and investment portfolio aligned with the Paris Agreement must be published starting in 2023.

and which have been set up on the basis of an appropriate distribution of functions, as set out in their corresponding regulations (hereinafter, the "Corporate Bodies").

In exercising their functions, the Committees carry out an in-depth review of the matters and proposals submitted by the executive areas for consideration by the Corporate Bodies, thus becoming an essential element for the development of their functions.

This corporate governance system is aligned with BBVA's culture and values and is geared toward achieving the Bank's corporate interest and Purpose. To ensure this, the Board monitors its effectiveness, adapting it, where necessary or appropriate, to the environment in which the Bank and its Group operate. In addition, the design of the system takes into account the regulatory and supervisory requirements applicable at any given time and industry best practices, as well as the opinion of the Bank's various stakeholders.

As part of this System, the Board of Directors has the power to approve the Entity's general policies and strategies. In implementation of the above, the Board has defined a common management and control framework, consisting of strategic decisions (including, inter alia, the strategic plan, the budget, the risk appetite framework) and general policies, which include the main management guidelines for the Group's various areas of activity. For further information on BBVA's corporate governance system, please refer to the Corporate Governance Report 2023, which is attached to the BBVA Group's consolidated Directors' Report.

Within the context of the above, the Board of Directors has incorporated sustainability as one of the Bank's strategic priorities, as reflected in the Group's 2019 strategic plan, and has approved the General Sustainability Policy, which defines and establishes the general principles, management and control objectives and guidelines to be followed by the Group in the area of sustainable development.

In accordance with the General Sustainability Policy, BBVA understands "sustainable development" (or "sustainability", which includes environmental, social and governance aspects, referred to as "ESG") as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. BBVA faces the challenge of sustainable development from a holistic perspective, being aware that, by making the Purpose of "Bringing the age of opportunity to everyone" a reality, as well as the strategic priority of "helping our clients in the transition to a sustainable future", the Bank aims to generate a positive impact through the activities of its customers, its own activity, as well as its relationship with and support for society.

As an essential part of this approach, the Corporate Bodies promote the integration of sustainability in all the Group's businesses and activities. To this end, the Bank has a Global Sustainability Area (GSA), which is responsible, inter alia, for designing and promoting the implementation of the Group's strategic sustainability agenda (focusing on the fight against climate change, protection of natural capital and inclusive growth) and business development in this area; establishing the Group's objectives in these matters; and promoting and coordinating the different lines of work of the Group in this area, developed by the different areas; maintaining in all areas of the Group the objective of promoting integrity in the relationship with the different stakeholders.

In order to manage and supervise this area, the Board of Directors has adopted a governance model which, with the Board itself at the center, is supported by the specialized assistance of its Committees on matters within their respective areas of competence.

These Committees support the Board in the development of its functions in the area of sustainability by assigning specific tasks in this field. In the case of the

Executive Committee, it supports the Board of Directors in decision-making and recurrent monitoring of BBVA's strategy and objectives in sustainability matters, as well as their development and execution by the Group's executive areas. The Risk and Compliance Committee supports the Board in integrating sustainability into the analysis, planning and management of the Group's risks, and in supervising their execution. The Audit Committee supervises the preparation process and the content of the information to be prepared by the Corporate Bodies on sustainability for publication, as part of the Group's financial and non-financial information. The Appointments and Corporate Governance Committee, in addition to assisting the Board in assessing the effectiveness of the Corporate Governance System, ensures that sustainability-related competencies are taken into account when considering the composition of the Board of Directors. The Remuneration Committee analyses the selection and monitors the performance of strategic indicators linked to variable remuneration, including sustainability-related indicators, and the Technology and Cybersecurity Committee assists the Board in monitoring technology strategy and supervising technology risk and managing cybersecurity.

Through this governance model, the Corporate Bodies are able to define, supervise and monitor the implementation of the Group's sustainability strategy; this is carried out on the basis of the reports received both from the Global Sustainability Area and from the different areas of the Group, which include sustainability in the reporting of their businesses and activities. These reports are submitted to the corporate bodies according to their competencies, on a regular or ad hoc basis. To this end, it should be noted that in 2023, the Corporate Bodies have received, in general, specific sustainability reports every two months from the head of the Global Sustainability Area, the head of the Talent and Culture Area or the Global Risk Manager, as well as reports from the different areas of the Group in which sustainability-related issues have been addressed.

To achieve the best performance of its functions in this area, the Board believes it necessary to have suitable knowledge and experience in sustainability matters. To this end, it continues to conduct initiatives that involve the recruitment, within the process of gradual refreshment its members, of directors with extensive knowledge and experience in these matters, and in the extension of the continuous training program of its members to matters related to sustainability.

In 2022, the Board of Directors approved the update of the General Sustainability Policy, which integrates the previous Corporate Social Responsibility Policies and the General Sustainability Policy, and which defines and establishes the general principles, and the main management and control objectives and guidelines to be followed by the Group in terms of sustainable development with a focus on climate change, natural capital and inclusive growth.

Thus, in social terms, we can highlight that the General Sustainability Policy includes respect for human rights among its general principles and takes the United Nations Guiding Principles on Business and Human Rights as a reference.

Within the framework of the Sustainability area's reporting to corporate bodies, which includes the performance of the inclusive growth strategy, it has been reported to the Board on three occasions and four times to the Executive Committee (EC). With regard to

reporting on Human Rights, it has been reported to the members of BBVA's Senior Management on two occasions after the development of the due diligence process in this matter in 2021, which covers lines of work in different areas of the bank: Talent and Culture, Sustainability, Business and Shopping, among others.

Chart 13. Structure of corporate bodies



### Integration of sustainability at the executive level across areas

To implement the strategy approved by BBVA's governing bodies, the Group has a Global Sustainability Area, which reports directly to both the CEO and the Chair in matters of transformation and sustainability strategy.

The implementation of the sustainability strategy is a cross-cutting issue throughout the Group, and all areas are responsible for progressively incorporating it into their strategic agenda and work dynamics. To this end, the Global Sustainability Area is responsible for disseminating the Group's sustainability principles and objectives and advising the various executive areas responsible so that these can be implemented and integrated into the Group's activities.

Notably, the sustainability governance model in place at the Group combines the structure of the Corporate Bodies with a cross-cutting structure at the executive level, led by the Global Sustainability Area, which drives

the execution of the strategic priority in the different areas of the Group in accordance with the main focuses of action in the area of sustainability set out in the Group's General Sustainability Policy (climate change and protection of natural capital; and inclusive growth).

The strategy of inclusive growth, community investment, social standards in sustainability and aspects related to respect for human rights are developed within the Global Sustainability Area, although all employees and areas of the Group integrate sustainability in their day-to-day work.

Approval of the above issues is made by the Global Head of Sustainability, after being reviewed at the Sustainability Leadership Meeting or the Standards WG, as communication and challenge bodies.

This governance model provides the Board and its Committees with the necessary information to make appropriate decisions and to carry out their supervisory and control function.

Chart 14. Structure of the Global Sustainability Area



<sup>(1)</sup>This includes: CIB Investment Banking & Finance and Client Solutions Spain, Mexico, Turkey and South America.

As shown in the figure above, the Global Sustainability Area incorporates dependencies of the business units of both Client Solutions and CIB, the business unit with which it shares its top manager, with the aim of strengthening and accelerating the integration of sustainability into the Group's business.

In addition, BBVA has developed a network of experts, made up of sustainability specialists in different areas of the Group (Client Solutions, CIB, Asset Management, GRM, Finance, Regulation & Internal Control, Legal, Internal Audit and the Global Sustainability Area itself). These specialist teams are responsible for generating knowledge in the field of sustainability in the Group for proposals and solutions for customers, as well as for supporting the areas in the development and implementation of new value propositions in the field of sustainability, the integration of sustainability risks in risk management, the management of non-financial risks, as well as the definition of a public agenda and sustainability standards.

In 2022, the Sustainability Alignment Steering Group (SASG) was established to follow up on the alignment targets of the sectors for which targets have been set and to monitor compliance with these targets. It is made up of the heads of the CIB, GRM, Global Sustainability, Strategy and Regulation & Internal Control business areas.

After passing through the SASG, the monitoring of compliance with the objectives, including an explanation of possible deviations and measures to redirect them (if applicable), is presented quarterly for review at the highest executive level and subsequently to the Corporate Bodies, at least every two years.

The Group has also developed a procedure for managing environmental and social disputes in order to identify the existing processes that prevent disputes from materializing and to establish how to manage and resolve them in this regard. This procedure covers

environmental and social disputes associated with wholesale customers that are incorporated into the development of their financial programs. Notably, Corporate & Investment Banking (C&IB) clients must undergo a due diligence process to verify their compliance with the Environmental and Social Framework, the Equator Principles and the analysis and management of social controversies.

The C&IB Global Client Committee ("GCC"), or its local equivalent designated in each geography, monitors the dialogue and support plans with clients and assesses compliance with the Environmental and Social Framework described in section 5.3.1 Strategy and the business processes relating to Social Risk.

The GCC meets, by default, on a half-yearly basis, although ad-hoc meetings may be held if necessary.

The results of the dispute analysis and social analysis of customers and projects are managed through the New Business Committee (hereinafter, NBC), and also considered in the approval of financial programs of wholesale customers, which are managed through the credit risk approval committee structure.

The NBC is held at least weekly in 3 geographic areas (EMEA, Latam and United States). Each wholesale customer transaction must be approved taking into account the environmental, social and governance risk factors affecting the transaction, which are specifically defined and evaluated for each transaction proposal presented at the NBC. The proposals are evaluated by the committee members, together with a team from the Global Sustainability Area, which is responsible for completing the information and providing an assessment of the documentation analyzed by the committee. This way, the ESG risk factors can be evaluated by the members, along with the other relevant factors that are evaluated, to make the decision on whether to approve the transaction.



If the transaction is approved, it must be evaluated by the wholesale credit risk management committees, which also evaluate ESG risk factors, specifically including social and governance risks, as previously explained.

To facilitate the decision-making processes described above, the Sustainable Finance CIB team (which also handles the C&IB Reputation functions) may request a further analysis by the Reputation Holding unit. This unit periodically reports on the Group's reputational risks to the Corporate Assurance Committee and to the Executive Committee attached to the Board of Directors. This process may include an assessment of potential environmental, social or governance risks.

For more information, issues related to the ESG governance approach are also discussed in sections 5.2 Environmental Risk, 5.3 Social Risk and 5.4 Governance Risk, in the Strategy and Risk Management subsections of this report.

## Remuneration

BBVA has a General Remuneration Policy, which applies to all Group employees, including BBVA's Senior Management (with the exception of BBVA's executive directors) (the "BBVA Group General Remuneration Policy"), along with a Remuneration Policy for BBVA Directors (which applies to both non-executive and executive directors), as approved by the General Shareholders' Meeting. Both policies have been designed within the framework of the specific regulations applicable to credit institutions, taking into account best practices and recommendations in remuneration matters both locally and internationally (the "Remuneration Policies").

The BBVA Directors' Remuneration Policy was approved at the General Meeting held on March 17, 2023 and applies to financial years 2023, 2024, 2025 and 2026. In March 2023, the Board of Directors, at the proposal of the Remuneration Committee, also approved a new version of the BBVA Group's General Remuneration Policy, which governs remuneration from 2023 onwards. Both policies are the result of the reflection process carried out in 2022 on the Remuneration Policies, focusing on the variable remuneration model for executive directors and other employees whose professional activities have a significant impact on the risk profile (the "Identified Staff"), all with the overriding objective of bringing this segment's remuneration more closely in line with the creation of value, long-term sustainable performance and sound and effective risk management.

The main new feature of these Policies is a change in the annual variable remuneration scheme associated with the corporate model of the Identified Staff (the "Annual Variable Remuneration"), which, as of financial year 2023, now comprises a short-term incentive and a long-term incentive.

Both Remuneration Policies are based on the same principles and are geared towards the recurring generation of value for the Group, the alignment of the interests of its employees and shareholders with prudent risk management, and the development of the strategy defined by the Group. They are one of the key elements of BBVA's Corporate Governance System designed by the Board of Directors to foster the sound management and supervision of the Group. The general principles of these Policies are the creation of long-term value, the achievement of results based on a prudent and responsible assumption of risks, the attraction and retention of the best talent, rewarding each subject's responsibility and track record, ensuring internal equity and external competitiveness and equal pay between men and women, encouraging responsible conduct and fair treatment of customers, avoiding conflicts of interest, and ensuring the transparency of the remuneration model.

As established by the BBVA Group's General Remuneration Policy, the remuneration model applicable, in general, to the entire BBVA Group workforce consists of:

- A fixed remuneration, which takes into account the level of responsibility, the duties performed, and the career path of each employee, as well as the principles of internal equity and the value of the function in the market, being a relevant part of the total remuneration. The vesting and the amount of the fixed remuneration are based on objective, pre-determined and non-discretionary criteria.
- A variable remuneration comprising those payments or benefits additional to the fixed remuneration, whether monetary or not, that are based on variable parameters. This remuneration must be linked, in general, to the achievement of previously established targets and will include both the Annual Variable Remuneration corresponding to the corporate model (as defined below) and, as the case may be, other variable incentive schemes and any other variable component that the BBVA Group may grant at any time to its staff or to certain groups of employees.

BBVA's corporate variable remuneration model is generally applicable to all employees, depending on their functions, and consists of granting an incentive that reflects performance measured through the fulfillment of objectives associated with Group, Area and Individual indicators, financial and non-financial, measured annually. These indicators take into account the strategic priorities defined by the Group as well as current and future risks and serve as management parameters to determine the payment of annual variable remuneration based on the degree of compliance with BBVA's strategy.

The annual Group-wide indicators for calculating the Annual Variable Remuneration for financial year 2024 are as follows:

**Table 50.** 2024 short term annual indicators

	<b>Weight</b>
<b>Financial indicators</b>	
<b>Attributable Profit</b>	20%
<b>RORC</b>	20%
<b>Efficiency ratio</b>	20%
<b>Non-financial indicators</b>	
<b>Net Promoter Score (NPS)</b>	15%
<b>Target customers</b>	15%
<b>Mobilization of sustainable financing</b>	10%

The non-financial indicators used to calculate the Annual Variable Remuneration for financial year 2024 include a 'Channeling of sustainable business' indicator, which has a weighting of 10% of the total Group-wide indicators. This indicator measures the amount of sustainable or other kinds of business that champion sustainability channelled by BBVA and aimed at contributing to the fight against climate change and promoting inclusive growth.

In the case of the members of the Identified Staff, which includes the executive directors and the rest of BBVA's Senior Management, their Annual Variable Remuneration consists of a short-term incentive, for the calculation of which the same annual Group-wide indicators described above are used, as well as a long-term incentive, which is calculated based on the results of a series of multi-year metrics (both financial and non-financial), which will prioritize the creation of value and profitability for shareholders and for the Group in the long run, as well as the progressive achievement of the goals and objectives set by the Bank on matters of sustainability.

The long-term indicators for calculating the long-term incentive that forms part of the Annual Variable Remuneration for the year 2024 are as follows:

**Table 51.** 2024 long term annual Indicators

<b>Indicator</b>	<b>Weight</b>
<b>Financial indicators</b>	
<b>Tangible Book Value (TBV) per share</b>	40%
<b>Relative Total Shareholder Return (TSR)</b>	40%
<b>Non financial indicators</b>	
<b>Decarbonisation of the portfolio</b>	15%
<b>Percentage of women in management positions</b>	5%

\* With targets as of December 31, 2027, taking into account the evolution of these indicators since January 1, 2024.

These indicators include a Portfolio Decarbonization indicator, with a weighting of 15% of the total long-term indicators, which measures the degree of compliance with the decarbonization targets of a series of sectors for which the Bank has published specific targets, consistent

with the Net Zero commitment for 2030 and, therefore, is directly related to the BBVA Group's strategic priority of helping clients in the transition towards a sustainable future and with the Bank's objectives regarding climate action. It also includes a social indicator that measures the trend in the percentage of women holding management positions within the BBVA Group. This indicator has a weighting of 5% of the total long-term indicators, which is fully aligned with the strategic priority of having the best and most engaged and diverse team.

The vesting and granting of the Annual Variable Remuneration for the year 2024 will take place (if the conditions provided for in the Remuneration Policies are met) once the year 2024 ends.

## Integration of sustainability in financial planning

BBVA is incorporating aspects related to sustainability in its day-to-day business, both in customer relations and internal processes, including its management control and reporting processes.

BBVA in Spain is integrating sustainability into its financial reports to senior management and business areas. These reports include analyses of the evolution of profitability and impact on the income statement, and some internal resource allocation decisions are derived from them.

On a recurring basis, financial reports are used for decision-making based on the sustainability axis, including data on sustainable business channeling, profitability, sustainable activity penetration percentage, as well as balance sheets and income statements that allow monitoring of sustainable operations for each of the business segments.

Sustainability is expected to be progressively integrated into the financial reports of other geographical areas..

## 5.2. Environmental risk

### 5.2.1. Strategy and business processes

BBVA aims to generate a positive impact through the activities of its customers, its own activity, as well as its relationship with and support to society, in order to achieve its purpose of "bringing the age of opportunity to everyone" and to fulfill its strategic priority "Helping our clients transition to a sustainable future".

BBVA has therefore made sustainability one of its six strategic priorities, focusing on the fight against climate change, the protection of natural capital, and inclusive growth.

#### Sustainability in the business development

BBVA is driving the development of sustainable products or products that promote sustainability to capture the incremental business it represents, and takes a unique approach for each customer segment. These segments include wholesale customers (corporate and institutional), enterprises customers and retail customers. Moreover, BBVA offers sustainable investment products aimed primarily at retail customers through BBVA AM and its asset managers in the geographies where they operate.

The development of products and services is accompanied by interaction and constant dialogue with customers, the banking industry and the public sector, to help integrate sustainability into their financial decisions, identify best practices and take into account regulatory trends.

#### Channeling of sustainable business

In 2021 and 2022, BBVA increased its 2025 target for the channeling of sustainable business, tripling its initial target and setting it at €300 billion for the period 2018 - 2025.<sup>6</sup>

Between 2018 and June 2024, BBVA mobilized around €252 billion in sustainable business, of which approximately 77% has gone toward the fight against climate change, and 23% toward promoting inclusive growth. The amount channelled includes financing, brokerage, investment, off-balance sheet products and insurance. Around €46 billion was mobilized in the first half of 2024. This channeling activity in the first half of 2024 is up around 37% on the same half of 2023.

Of the amount channelled in the first half of 2024, around €5.3 billion related to the retail business, up 12% on the same period of the previous year. Around 32% of this amount is allocated to combating climate change.

Between January and June of 2024, the corporate business unit channeled around €15.8 billion, representing growth of 57% compared with the same period of the previous year. Of this amount, around 75% is allocated to combating climate change.

Last but not least, CIB channeled around €25 billion during the first half of 2024, up 32% on the same period of the previous year. Of this channeling, roughly 87% will go to the fight against climate change.

The following standards are taken into account when determining the channeling:

- Internal standards:

Internal standards inspired by the European taxonomy (insofar as they consider the "substantial contribution" element to the environmental objectives defined by said taxonomy) and best market practices, which may also present a certain degree of flexibility when applied in non-European geographic areas in order to reflect their different national situations and avoid excluding emerging economies. These could be applied in countries where local taxonomies exist.

In addition, given its significant presence in emerging countries, BBVA has developed an internal standard of inclusive growth, defining activities that can be considered sustainable due to their contribution to social objectives. This standard has been developed based on the UN SDGs, international human rights principles, the Social Bond Principles, best market practices and the EU draft social taxonomy. Because social aspects have very local and regional characteristics, methodologies have been developed and thresholds have been established based on national and international indicators.

CIB framework for sustainable products: applicable to certain products of BBVA's CIB activity such as transactional banking products or certain structured products of the Global Markets activity. It is based on the SDGs, market practices and internal standards, with the

<sup>6</sup> For the purposes of the 2025 Target, channeling is considered as any mobilization of financial flows, on a cumulative basis, in relation to activities, customers or products considered sustainable or that promote sustainability in accordance with internal standards inspired by existing regulations, market standards such as the Green Bond Principles, the Social Bond Principles and the Sustainability Linked Bond Principles of the International Capital Markets Association, as well as the Green Loan Principles, Social Loan Principles and Sustainability Linked Loan Principles of the Loan Market Association, existing regulations and best market practices. The foregoing is without prejudice to the fact that such mobilization, both initially and at a later time, may not be recorded in the balance sheet. To determine the amounts of sustainable business channelled, internal criteria are used based on both internal and external information, whether public, provided by customers or by a third party (mainly data providers and independent experts).

opinion of an independent third party. This Framework is public and available on the BBVA shareholders and investors website.

- Market standards for products and activities based on the use of funds:

Mainly the Green Bond Principles and the Social Bond Principles of the International Capital Markets Association, as well as the Green Loan Principles and the Social Loan Principles of the Loan Market Association. In addition, other market standards such as the SDGs are taken into account.

- Market standards for products and activities related to sustainability (generally linked to a series of indicators or criteria related to ESG aspects in order to encourage positive behavior in sustainability matters):

Mainly, the Sustainability Linked Bond Principles of the International Capital Markets Association and the Sustainability Linked Loan Principles of the Loan Market Association.

In addition to internal and market standards and best practices, existing regulations on the subject (most notably the Taxonomy Regulation 2020/852 and the Disclosure Regulation 2019/2088) are taken into account.

BBVA also considers the activities of its customers that comply with internal standards and applicable regulations, relying on external data providers and using company-level certifications of recognized prestige in the market.

The channeling of sustainable business referred to above is a metric that may differ from other metrics of a regulatory nature. In particular, this metric differs from the metrics to be broken down according to the European Taxonomy (Regulation 2020/852, Delegated Regulation 2021/2178, Delegated Regulation 2022/1214, Delegated Regulation 2023/2485 and Delegated Regulation 2023/2486) as well as from the information to be disclosed under the implementing technical standards (ITS) on Pillar 3 information related to environmental, social and governance risks<sup>7</sup>. The reasons for these differences stem mainly from the different criteria used in the various metrics. In general, the following stand out: (i) while channeling includes mobilization of financial flows in relation to activities, customers or products considered sustainable or promoting sustainability in accordance with both internal and market standards, existing regulations and best practices, regulatory metrics are constructed on the basis of environmentally sustainable economic activities in accordance with existing regulations; (ii) while

channeling includes mobilization of financial flows that may not be recorded on the balance sheet (e.g. certain transactional banking activity, mutual funds or bonds in which BBVA acts as bookrunner, etc.), regulatory metrics primarily include exposures on the asset side of the balance sheet<sup>8</sup>; (iii) while the channeling concept is cumulative (reflecting cumulative balances originated since 2018) and reflects the total flow mobilized at the time of origination, the regulatory metrics only include the current exposure, mainly on the balance sheet, as of the reporting date of the year in question; (iv) while the concept of channeling includes mobilization of flows that contribute to a social purpose such as inclusive growth and other environmental objectives, the regulatory metrics only consider the contribution to an environmental purpose.

Accordingly, the following sections show BBVA's sustainable exposures according to the European Union Taxonomy and the implementing technical standards (ITS), with respect to the ESG10 template on other mitigation actions, on Pillar 3 disclosures related to environmental, social and governance risks.

### Information related to Article 8 of the Taxonomy of the European Union

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (hereinafter referred to as the Taxonomy Regulation) on the establishment of a framework to facilitate sustainable investments aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable, compatible with the objective of keeping global warming below 1.5°C compared to pre-industrial levels and with the European Green Pact.

In addition, Article 8 establishes certain disclosure requirements for companies subject to the Non-Financial Reporting Directive (hereinafter, NFRD).

Based on the above, financial institutions must include in their non-financial information statement, a series of indicators related to sustainable economic activities according to the EU taxonomy.

The Taxonomy Regulation identifies six environmental objectives:

1. Climate change mitigation,
2. Climate change adaptation,
3. Sustainable use and protection of water and marine resources,
4. Transition to a circular economy,
5. Pollution prevention and control,
6. Protection and restoration of biodiversity and ecosystems.

<sup>7</sup> Incorporated in Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the technical implementing rules laid down in Implementing Regulation (EU) 2021/637.

<sup>8</sup> According to the regulatory definition (FINREP) of exposure: outstanding risk on loans and advances, as well as bonds in the investment portfolio.

Based on these objectives, the regulation has also developed technical criteria to assess whether an activity is environmentally sustainable.

The first step is to determine whether an activity falls within those detailed as eligible by the EU taxonomy, which are those that can potentially contribute to one or more of the environmental objectives. An economic activity, in order to be considered eligible, must be covered by the delegated acts that develop the European taxonomy, regardless of whether that economic activity does not meet any or all of the technical selection criteria set out in those delegated acts and ultimately cannot be classified as environmentally sustainable.

Subsequently, once eligibility has been determined, it is necessary to check whether the activity is aligned with the EU taxonomy by verifying that the following technical selection criteria are met:

- The activity contributes substantially to one or more of the six environmental objectives
- The activity does not cause significant harm to any of the other environmental objectives. Do Not Significantly Harm in English terminology (hereinafter DNSH)
- The activity is carried out in accordance with the human rights and Minimum Social Safeguards (MSS). OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight core conventions referred to in the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

In this regard, the main disclosure obligations for financial institutions are as follows:

- Economic activities aligned with the environmental objectives of climate change mitigation and adaptation. Delegated Regulation (EU) 2023/2485, supplementing the Taxonomy Regulation on climate change mitigation and adaptation targets, includes various new economic activities.
- Specific breakdowns on alignment of some Nuclear and Gas related activities
- Eligible economic activities in relation to environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and recovery of biodiversity and ecosystems.

It should be noted that those economic activities that do not fall within the framework of the EU taxonomy or do

not meet all of its requirements do not imply that they are harmful or that they have a negative impact on the environment, but rather that they do not meet all of the conditions for inclusion in this classification.

### **Economic activities aligned to the environmental objectives of Climate Change Mitigation and Adaptation**

The economic activities of credit institutions are mainly reflected in the different products and services they offer to customers as well as in the investments they make to manage their assets and liquidity. These activities are considered to be aligned in accordance with EU taxonomy to the extent that activities performing certain counterparts of such products or investments provided for in the regulations are aligned.

In order for credit institutions to calculate the alignment of their activity, it is necessary to consider whether the financing granted to a counterparty has a general purpose for the counterparty, or whether it responds to a specific purpose.

### **General purpose financing**

Non-financial companies subject to the NFRD Directive had to publish their KPIs related to climate change mitigation and adaptation objectives for the first time in their management reports at the end of the 2022 financial year: i) Turnover and ii) capital expenditures (CapEx) and operating expenses (OpEx). The indicators pertaining to the other environmental objectives will be added from 2024 onward.

The information published by non-financial companies subject to the NFRD is necessary for financial institutions to calculate the eligibility and alignment of certain exposures recognized in their assets. In this way, the information published by these counterparties is used to calculate the proportion of general purpose exposure aligned with the EU taxonomy. The Group has obtained the data published by certain companies through an external provider and uses it to calculate the alignment of the general purpose financing granted to these companies. Likewise, public information from customers has been used to more accurately reflect eligible activities, representing an evolution in the granular information of the main customers in the EU. In the retail portfolio (households), in contrast to the previous year, financing for the acquisition or renovation of housing and automobile financing have been included as eligible and, consequently, other general financing has been excluded.

The KPIs established by the regulation for credit institutions provide a comprehensive breakdown of the bank's exposures to activities covered (eligible) by the EU Taxonomy, and additionally those that are not only eligible, but also meet all the necessary requirements of the taxonomy to be considered sustainable (aligned).

### Financing for specific purposes

The alignment with the EU taxonomy of funding that is granted for a purpose or destination that is known to the entity must be analyzed taking into account all the requirements established by the technical selection criteria mentioned above (i) substantial contribution, ii) does not cause significant harm and iii) social safeguards.

In order to determine that specific funding does not cause significant harm (DNSH), it must be demonstrated that the remaining environmental objectives are not impaired based on guidelines established by the standard. Therefore, the financing granted to a company that contributes substantially to the climate change mitigation objective must also ensure compliance with the DNSH criteria for the remaining objectives. For example, in relation to the "power generation using solar photovoltaic technology" activity, which is a key technology for the EU's renewable energy transition, under the criterion of no significant harm to the circular economy objective, the expectation is that availability is assessed and, where feasible, equipment and components of high durability and recyclability are used, as well as it being easy to dismantle and refurbish," according to the taxonomy regulation.

BBVA assesses the substantial contribution of specific funding, however, the degree of maturity regarding the implementation and usability of the EU taxonomy in the banking industry makes the establishment of a similar process to ensure compliance with DNSH and MSS currently complex. Therefore, a portion of the specific funding granted by BBVA that contributes substantially to an environmental objective is not included in the alignment metrics. BBVA has identified specific funding with substantial contribution in other specific products such as project finance, automobiles or other products or activities included in the EU taxonomy that have not been included in the alignment metrics for the reasons described above. As an exception, loans granted to families (households) for the purchase of newly built, energy-efficient housing<sup>9</sup>, under the assumption that they have followed the technical building standards in force for this type of property, which include requirements to implement more sustainable construction practices that reduce the risks of environmental deterioration as well as mitigate the consequences of certain adverse atmospheric impacts.

### Green Asset Ratio

The Green Asset Ratio (GAR) is an indicator to reflect the extent to which certain assets on the bank balance sheet are aligned with the EU taxonomy. This indicator has been prepared following the regulatory definitions of the European Commission. At present, the EU Taxonomy methodology does not allow financial institutions to include exposures to companies not subject to the Non-Financial Reporting Directive (NFRD) in the numerator in their sustainability ratios. Therefore, exposures involving companies domiciled in a third country outside the EU and exposures to EU companies that are not subject to this Directive, e.g. the vast majority of SMEs, have been excluded from the indicator. In practice, this means that any eligible economic activity that is being financed outside the EU will not be counted in the ratio (with limited exceptions). This structural characteristic of the GAR leads to large differences depending on each bank's business model, customer base and geographic footprint.

### Information on EU taxonomy

Financial institutions are required to disclose information on EU taxonomy both in the management report (within the NFS non-financial information statement) and in the prudential relevance report (Pillar 3 report). The European Commission established the basis for the calculation and the first standardized templates. The EBA established similar disclosure requirements within its ITS requirements for Pillar 3, although with some differences that mainly consist of:

- i. Only the information of the counterparties related to Taxonomy-aligned Turnover is used for the calculation of the general purpose lending, without the alignment of investments in fixed assets (CapEx) being a requirement;
- ii. There are no further requirements beyond those established by the Commission regarding off-balance sheet information or assets under management, among others, although the European Banking Authority has focused on climate risks within the banking system.

Below is a breakdown of the exposures that comply with the European Union Taxonomy according to the requirements for Pillar 3:

**Table 52.** ESG6. Summary of key performance indicators for taxonomy-compliant exposures (6-30-2024)

<sup>9</sup> In accordance with a conservative approach, only properties that meet the criterion of substantial contribution to climate change mitigation described in section 7.7 are included. "Acquisition and ownership of buildings" and that a non-inferred energy efficiency certificate is available.

	KPI			% coverage (over total assets) <sup>(1)</sup>
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	0.49 %	0.04 %	0.53 %	63.33 %
GAR flow	0.43 %	0.05 %	0.48 %	12.82 %

\* The information includes the most significant BBVA Group entities, which represent 96,5% of total assets. The financial assets analyzed correspond to the categories of financial instruments valued "At amortized cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&G" and "Non-tradable at Fair Value through profit or loss". This data represents the best information available to date.

<sup>(1)</sup> % of assets covered by the KPI over banks' total assets.

\*\* The GAR flow is obtained using exclusively the operations opened during the current year and excludes any operation that, either due to its characteristics or nature, does not have an opening date, and those that have been signed prior to the date on which course.

**Table 53.** ESG7. Mitigation actions: Assets for the calculation of GAR (6-30-2024. Million euros)

	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional /	Of which enabling			
<b>GAR - Covered assets in both numerator and denominator</b>																
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	256,187	121,461	2,280	38	105	760	1,831	176	—	—	18	123,292	2,456	38	105	779
<b>Financial corporations</b>	<b>45,186</b>	<b>4,056</b>	<b>33</b>	<b>—</b>	<b>1</b>	<b>4</b>	<b>1,331</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,387</b>	<b>33</b>	<b>—</b>	<b>1</b>	<b>4</b>
Credit institutions	24,548	1,751	29	—	1	4	999	—	—	—	—	2,750	29	—	1	4
Loans and advances	21,056	1,158	22	—	—	3	703	—	—	—	—	1,861	22	—	—	3
Debt securities, including UoP	3,481	593	7	—	1	—	296	—	—	—	—	890	7	—	1	—
Equity instruments	12	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other financial corporations	20,637	2,306	4	—	—	1	331	—	—	—	—	2,637	4	—	—	1
of which investment firms	1,421	548	—	—	—	—	—	—	—	—	—	548	—	—	—	—
Loans and advances	1,269	536	—	—	—	—	—	—	—	—	—	536	—	—	—	—
Debt securities, including UoP	151	12	—	—	—	—	—	—	—	—	—	12	—	—	—	—
Equity instruments	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
of which management companies	884	91	—	—	—	—	2	—	—	—	—	93	—	—	—	—
Loans and advances	793	91	—	—	—	—	2	—	—	—	—	93	—	—	—	—
Debt securities, including UoP	19	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity instruments	73	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
of which insurance undertakings	1,903	12	—	—	—	—	69	—	—	—	—	82	—	—	—	—
Loans and advances	904	12	—	—	—	—	1	—	—	—	—	13	—	—	—	—
Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity instruments	998	—	—	—	—	—	69	—	—	—	—	69	—	—	—	—
<b>Non-financial corporations (subject to NFRD disclosure obligations)</b>	<b>22,974</b>	<b>6,240</b>	<b>1,364</b>	<b>38</b>	<b>104</b>	<b>756</b>	<b>500</b>	<b>175</b>	<b>—</b>	<b>—</b>	<b>18</b>	<b>6,740</b>	<b>1,539</b>	<b>38</b>	<b>104</b>	<b>775</b>



Loans and advances	20,202	5,899	1,179	38	98	689	471	173	—	—	17	6,370	1,352	38	98	706
Debt securities, including UoP	1,294	251	166	—	5	51	3	3	—	—	2	254	168	—	5	53
Equity instruments	1,477	90	19	—	—	16	25	—	—	—	—	116	19	—	—	16
<b>Households</b>	<b>183,945</b>	<b>111,165</b>	<b>883</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>111,165</b>	<b>883</b>	<b>—</b>	<b>—</b>	<b>—</b>
of which loans collateralised by residential immovable property	97,148	97,148	883	—	—	—	—	—	—	—	—	97,148	883	—	—	—
of which building renovation loans	4,746	4,746	—	—	—	—	—	—	—	—	—	4,746	—	—	—	—
of which motor vehicle loans	9,270	9,270	—	—	—	—	—	—	—	—	—	9,270	—	—	—	—
<b>Local governments financing</b>	<b>4,083</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other local governments financing	4,083	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Collateral obtained by taking possession: residential and commercial immovable properties	852	852	—	—	—	—	—	—	—	—	—	852	—	—	—	—
<b>TOTAL GAR ASSETS</b>	<b>257,039</b>	<b>122,313</b>	<b>2,280</b>	<b>38</b>	<b>105</b>	<b>760</b>	<b>1,831</b>	<b>176</b>	<b>—</b>	<b>—</b>	<b>18</b>	<b>124,143</b>	<b>2,456</b>	<b>38</b>	<b>105</b>	<b>779</b>
<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>																
<b>EU Non-financial corporations (not subject to NFRD disclosure obligations)</b>	<b>59,598</b>															
Loans and advances	58,874															
Debt securities	573															
Equity instruments	150															
<b>Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)</b>	<b>108,716</b>															
Loans and advances	105,184															
Debt securities	2,647															
Equity instruments	885															
Derivatives	1,154															
On demand interbank loans	9,251															
Cash and cash-related assets	6,744															
Other assets (e.g. Goodwill, commodities etc.)	20,943															
<b>TOTAL ASSETS IN THE DENOMINATOR (GAR)</b>	<b>463,445</b>															
<b>Other assets excluded from both the numerator and denominator for GAR calculation</b>																

Sovereigns	106,339	
Central banks exposure	37,130	
Trading book	124,864	
<b>TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR</b>	<b>268,333</b>	
<b>TOTAL ASSETS</b>	<b>731,778</b>	

\* The information includes the most significant BBVA Group entities, which represent 96.5% of total assets. The financial assets analyzed correspond to the categories of financial instruments valued "At amortized cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&G" and "Non-tradable at Fair Value through profit or loss". This data represents the best information available to date.

**Table 54.** ESG8. GAR (6-30-2024. % compared to total covered assets in the denominator)

% (compared to total covered assets in the denominator)	Accumulated															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					
	Of which specialised lending	Of which transitiona I	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitiona I / adaptation	Of which enabling					
<b>GAR</b>	<b>26.39</b>	<b>0.49</b>	<b>0.01</b>	<b>0.02</b>	<b>0.16</b>	<b>0.40</b>	<b>0.04</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>26.79</b>	<b>0.53</b>	<b>0.01</b>	<b>0.02</b>	<b>0.17</b>	<b>63.33</b>
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	47.41	0.89	0.01	0.04	0.30	0.71	0.07	—	—	0.01	48.13	0.96	0.01	0.04	0.30	35.01
Financial corporations	8.98	0.07	—	—	0.01	2.94	—	—	—	—	11.92	0.07	—	—	0.01	6.17
Credit institutions	7.13	0.12	—	—	0.01	4.07	—	—	—	—	11.20	0.12	—	—	0.01	3.35
Other financial corporations	11.17	0.02	—	—	—	1.60	—	—	—	—	12.78	0.02	—	—	—	2.82
of which investment firms	38.58	0.01	—	—	—	0.02	—	—	—	—	38.59	0.01	—	—	—	0.19
of which management companies	10.29	—	—	—	—	0.19	—	—	—	—	10.48	—	—	—	—	0.12
of which insurance undertakings	0.66	—	—	—	—	3.65	—	—	—	—	4.31	—	—	—	—	0.26
Non-financial corporations subject to NFRD disclosure obligations	27.16	5.94	0.17	0.45	3.29	2.18	0.76	—	—	0.08	29.34	6.70	0.17	0.45	3.37	3.14
Households	60.43	0.48	—	—	—						60.43	0.48	—	—	—	25.14
of which loans collateralised by residential immovable property	100.00	0.91	—	—	—						100.00	0.91	—	—	—	13.28
of which building renovation loans	100.00	—	—	—	—						100.00	—	—	—	—	0.65
of which motor vehicle loans	100.00	—	—	—	—						100.00	—	—	—	—	1.27
Local government financing	—	—	—	—	—						—	—	—	—	—	0.56
Housing financing	—	—	—	—	—						—	—	—	—	—	—
Other local governments financing	—	—	—	—	—						—	—	—	—	—	0.56
Collateral obtained by taking possession: residential and commercial immovable properties	100.00	0.02	—	—	—						100.00	0.02	—	—	—	0.12

\* The information includes the most significant BBVA Group entities, which represent 96.5% of total assets. The financial assets analyzed correspond to the categories of financial instruments valued "At amortized cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&G" and "Non-tradable at Fair Value through profit or loss". This data represents the best information available to date.

% (compared to total covered assets in the denominator)	Flow															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					
	Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional / adaptation	Of which enabling					
<b>GAR</b>	<b>13.35</b>	<b>0.43</b>	<b>—</b>	<b>0.01</b>	<b>0.13</b>	<b>0.84</b>	<b>0.05</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14.19</b>	<b>0.48</b>	<b>—</b>	<b>0.01</b>	<b>0.13</b>	<b>12.82</b>
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	31.07	0.99	—	0.03	0.31	1.94	0.12	—	—	—	33.02	1.11	—	0.03	0.31	5.51
Financial corporations	8.97	0.04	—	—	0.01	5.12	—	—	—	—	14.08	0.04	—	—	0.01	1.72
Credit institutions	4.85	0.07	—	—	0.01	10.12	—	—	—	—	14.96	0.07	—	—	0.01	0.86
Other financial corporations	13.05	0.01	—	—	—	0.16	—	—	—	—	13.21	0.01	—	—	—	0.86
of which investment firms	34.73	—	—	—	—	0.02	—	—	—	—	34.75	—	—	—	—	0.14
of which management companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.06
of which insurance undertakings	—	—	—	—	—	0.34	—	—	—	—	0.34	—	—	—	—	0.02
Non-financial corporations subject to NFRD disclosure obligations	28.80	4.26	—	0.15	1.76	1.96	0.67	—	—	0.02	30.77	4.93	—	0.15	1.78	0.96
Households	45.81	0.46	—	—	—	—	—	—	—	—	45.81	0.46	—	—	—	2.79
of which loans collateralised by residential immovable property	100.00	1.43	—	—	—	—	—	—	—	—	100.00	1.43	—	—	—	0.90
of which building renovation loans	100.00	—	—	—	—	—	—	—	—	—	100.00	—	—	—	—	0.12
of which motor vehicle loans	100.00	—	—	—	—	—	—	—	—	—	100.00	—	—	—	—	0.26
Local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.03
Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.03
Collateral obtained by taking possession: residential and commercial immovable properties	100.00	—	—	—	—	—	—	—	—	—	100.00	—	—	—	—	—

\* The information includes the most significant BBVA Group entities, which represent 96.5% of total assets. The financial assets analyzed correspond to the categories of financial instruments valued "At amortized cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&G" and "Non-tradable at Fair Value through profit or loss". This data represents the best information available to date.

## Other climate change mitigation measures not included in the European Taxonomy

**Table 55.** ESG10. Climate change mitigating actions not covered in the EU Taxonomy (6-30-2024)

Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)
Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	146
	Non-financial corporations	475
	Other counterparties	—
Loans and advances (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	1,893
	Non-financial corporations	22,147
	Of which Loans collateralised by commercial immovable property	3,441
	Households	2,853
	Of which Loans collateralised by residential immovable property	1,964
	Of which building renovation loans	421
	Other counterparties	856

\* Accounting portfolios: "At amortized cost", "Fair Value Through Other Comprehensive Income (FVOCI)", "Fair Value Through P&G", "Non-tradable at Fair Value Through Profit or Loss" and "Trading". Instruments: loans and fixed income, and additionally loans secured by commercial and residential real estate. Sectors: Central Banks and Public Administrations have been included as "other counterparties", credit institutions and other financial institutions as "financial companies". Fixed Income issues that comply with widely accepted environmental market standards, although they are not considered in the channeling. The detail of these actions is developed in the following sections of the report.

\*\* The information includes the most significant BBVA Group entities representing 96.5% of total assets. These data represent the best information available to date.

### Qualitative information on the nature of mitigation measures

The criteria used to catalog the products included in the above table of climate change mitigation measures<sup>10</sup> are set out in section 5.2.1 Strategy and business processes: sustainability in business development when describing the standards considered when determining the channeling of sustainable business. These figures represent BBVA's current exposure that complies with the aforementioned standards but is not necessarily aligned with the EU taxonomy. The Taxonomy-aligned exposure is included in section 5.2.1. Strategy and business processes: sustainability in business development – Information related to Art. 8 of the EU Taxonomy of this report.

#### Type of risk mitigated: transition risk linked to climate change

BBVA supports its clients by facilitating the mobilization of financial flows in relation to climate change mitigation objectives toward activities and products considered sustainable or that promote sustainability in accordance with the aforementioned standards and criteria.

Moreover, in relation to "transition" activities, this term is used to describe the changes in economies needed to meet the environmental objectives of various public agencies.

#### Type of risk mitigated: physical risk linked to climate change

For the time being, BBVA is focusing all its efforts on supporting the customer in mitigation measures and support for the ecological transition, although initial standards have also been developed for certain adaptation activities mainly for activities related to the primary sector, such as efficient agriculture, eco-schemes or drought-resistant seeds.

### Alignment of the loan portfolio with the Paris Agreement

Achieving net zero emissions by 2050 includes addressing emissions from customers who receive financing from the Group. In order to support its customers in the transition to a more sustainable future, BBVA continues to make progress in the publication of 2030 alignment targets for the sectors defined in the Net Zero Banking Alliance's Target Setting Guide. These alignment objectives<sup>11</sup> mean setting specific targets for the different sectors that are considered to be the largest emitters. According to the aforementioned Guide, these targets must be determined at sectoral level, which implies that adapted and specific targets will be set for each economic sector, in order to reduce its carbon footprint and move toward emission neutrality. This sectoral approach makes it possible to address the specific particularities and challenges of each industry on its path to environmental sustainability.

Considering the above, BBVA announced in 2021 its objective of phasing out thermal coal activities, by ceasing to finance companies involved in these activities in 2030 in developed countries and before 2040 globally

<sup>10</sup> Climatic criteria (mitigation or adaptation to climate change). No other environmental or social objectives are included.

<sup>11</sup> The achievement and progressive progress of the decarbonization objectives will depend to a large extent on the actions of third parties, such as customers, 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 and regulatory developments, military conflicts, the evolution of climate and energy crises, etc.). Consequently, these objectives may be subject to future revisions.

(under the terms of the Environmental and Social Framework).

In 2021, using the PACTA (Paris Agreement Capital Transition Assessment) methodology, BBVA published its 2030 alignment targets for the power generation, automobile, steel and cement sectors. The Net Zero scenario of the International Energy Agency (IEA\_NZE) and the Institute for Sustainable Futures Sectoral Pathways to Net Zero Emissions (ISF NZ) was used as a benchmark. In 2023, the International Energy Agency published an update to the 2050 net zero emissions scenario. BBVA's interim decarbonization targets to 2030 published in 2021 remain unchanged.

In 2022, BBVA published its alignment target for the oil & gas sector. Within the NZBA, BBVA participated in the definition of a specific guideline for this sector. However, given its relevance in global emissions, it was decided to publish a metric that would include the largest amount of emissions given the information available. The PCAF methodology has been used for the calculation and a scope 1, 2 and 3 absolute emission reduction target has been established for oil exploration and production.

In 2023, 2030 alignment targets were published for the aviation and shipping sectors. The Net Zero scenario of the International Energy Agency (IEA\_NZE) for aviation and the strategy set in 2018 by the IMO (International Maritime Organization) on emissions reduction for shipping have been used as benchmarks.

Lastly, in May 2024, BBVA expanded its interim emissions reduction targets for 2030 to include two new sectors: the real estate sector in Spain and aluminum globally.

BBVA establishes portfolio alignment objectives for 2030 in line with sector practices, and develops a Net Zero scenario year by year. One of the EBA's requests is to prepare short-term objectives (3 years), in this sense there is a route toward Net Zero but it is not an objective officially communicated by the Group.

The following table presents, for the sectors in which alignment objectives for 2030 have been defined, the details of the chosen metrics, the alignment for the reference year, as well as the distance to the considered scenario:

**Table 56.** ESG3: Banking book - Climate change transition risk: Alignment metrics (6-30-2024)

Sector	NACE Sectors	Portfolio gross carrying amount (Million euros)	Description	Alignment metric	Year of reference	Distance to IEA NZE2050 in the year 2030	Target (year of reference + 3 years)
Power	See Annex for detail	8,416	Average kilograms of CO2 per MWh	162	2022	25 %	Not Available
Automotive	See Annex for detail	1,019	Average grams of CO2 per passenger-km	170	2022	70 %	Not Available
Aviation	See Annex for detail	226	Average grams of CO2 per passenger-km	106	2022	49 %	Not Available
Cement, clinker and lime production	See Annex for detail	874	Average kilograms of CO2 per ton of production	729	2022	50 %	Not Available
Iron and steel, coke, and metal ore production	See Annex for detail	2,524	Average kilograms of CO2 per ton of production	1,140	2022	26 %	Not Available
Oil & Gas	See Annex for detail	2,420	Millions of tonnes of CO <sub>2</sub>	10.3	2022	12 %	Not Available
Carbon	See Annex for detail	66	Exposure (Million euros)	185	2022	phase-out	Not Available

\* Accounting portfolios: "At amortized cost", "Fair Value Through Other Comprehensive Income (FVOCI)", "Fair Value Through P&L" and "Non-tradable at Fair Value Through Profit or Loss". Instruments: loans and advances, fixed income and equities. Sectors: non-financial corporations. Special features: main activity code information (NACE) used for internal management and reporting. The figures may vary slightly from the calculations made on the PACTA portfolio alignment, because this methodology takes into account the committed available, while the figures shown in the table above correspond to transactions with gross book balance. The information includes the most significant BBVA Group entities, which include 96.5% of total assets. These data represent the best information available to date.

\*\* The base year for all sectors is 2022. Reduction targets to 2030 have been defined for the following sectors: 52% in Electricity, 46% in Automotive, 23% in Steel, 17% in Cement, all with base year 2020; 30% in Oil & Gas with base year 2021; 18% in Aviation with base year 2022. In Maritime Transport, the alignment delta is calculated by reference to the annual trajectory set by the IMO. BBVA aims to eliminate its exposure to coal customers by 2030 in developed countries and by 2040 globally.

\*\*\*BBVA sets portfolio alignment targets for 2030 in line with industry practices and draws up a Net Zero scenario year by year. One of the EBA's requests is to draw up short-term targets (3 years), and there is a \*\*\*\*\*path to Net Zero but it is not an objective officially communicated by the Group.

\*\*\*\* Carbon exposure includes financing provided and committed credit limits

## Methodological notes on the alignment calculation

### Scope

The analysis was carried out for BBVA S.A., BBVA Mexico, BBVA Peru, BBVA Argentina, BBVA Colombia and Garanti. In order to obtain the customers for which the metric has been calculated, a selection has been made of those whose activity is considered to be part of the value chain responsible for emissions in the sector. However, it has been considered that a high percentage of the emissions of each sector is covered. In addition to the selection made by the economic activity code (NACE), an additional selection was made to identify those customers who, despite having a main activity that was not included in the analysis, could have part of their activity within the sectors included in the alignment. The analysis does not include fixed income and variable income balances, which is expected to be incorporated at a later date.

Fossil fuel (Oil & Gas) sector metrics have been defined based on absolute emissions financed. Comprising the three scopes (1, 2 and 3) of upstream<sup>12</sup> and parent companies in the sector and emission reduction targets have been set. The absolute emissions figure financed in 2021 was 14 million tons of CO<sub>2</sub>e and the reduction target for 2030 is 30%. At the end of 2023, this figure stood at 10.6 million tons.

In 2023, BBVA added the aviation and shipping sectors to its objectives. The maritime transport data for 2023 shows a delta of +6.8%.

### Metric calculation

The metrics used are emissions intensity per unit of production for the sectors using the PACTA methodology (power generation, steel, cement, auto and aviation) in each sector, following NZBA recommendations. The key provider of emission intensity information is Asset Impact, which provides asset information for the portfolio included in the calculation perimeter. The percentage of coverage is between 95% and 100% depending on the sector under analysis. To calculate the metric, each customer is assigned an emissions intensity figure based on production capacity. This figure is obtained by weighting the different intensities that a customer may have depending on the different technologies used in their economic activity. The intensity metric is calculated as the average intensity per customer, weighted by the production with each technology.

Once the intensity per customer is obtained, the portfolio intensity is calculated as the weighted average by the weight of each customer's exposure over the total exposure under analysis. In this calculation, the

customer's total exposure (willing plus unwilling committed) is used.

In the case of the aviation sector, the Asset Impact database includes the belly freight factor, which makes the metric difficult to compare with our peers and with the different scenarios. To facilitate the analysis, the metric is calculated without a load factor (by applying a correction factor) and is published in the non-financial information statement. The figure without the load factor and after methodological adjustments is 89 grCo<sub>2</sub>/pkm).

In the case of the Oil and Gas sector, the methodology used is PCAF. First, the exposure of each customer within the scope is defined, i.e., which subsidiaries have upstream business. Once this exposure is calculated, it is used to calculate an emission attribution factor as indicated by PCAF. This factor is used to calculate the emissions to be attributed to BBVA as financier.

For the maritime transport and aluminum sector, a methodology inspired by the main alignment methodology of the sector has been used. In the case of maritime transport, an emissions intensity has been calculated for each client and each ship and has been individually compared with the specific trajectory set by the IMO (International Maritime Organization), yielding a score. These scores are aggregated and weighted by the exposure of each customer to obtain a portfolio score. In the case of the aluminum sector, the emissions intensity has been calculated for each client and compared with the individual trajectory according to the sector trajectory set by the IAI (International Aluminium Institute) and scored accordingly. These scores are aggregated and weighted by the exposure of each customer to obtain a portfolio score. In the shipping and aluminium sectors, a positive score indicates that the portfolio intensity is higher than required by the decarbonization pathway. A negative score or 0 indicates that the portfolio intensity is aligned.

For the CRE and RRE sectors, the CRREM methodology has been followed, which, based on PCAF data, calculates the intensity per square meter for each item of mortgage collateral. Once the calculation has been made, the average intensity of each portfolio (CRE and RRE) is calculated and the decarbonisation paths for each sector are projected. To establish targets for these sectors, the pathways set out in the PNIEC scenario (Spanish National Integrated Energy and Climate Plan) have been used.

It is important to emphasize that the baseline of these metrics may change, since the sources of information used<sup>13</sup> and the methodology are constantly changing. BBVA's objective is to maintain the level of ambition for reduction despite the fact that the baselines may change. In addition, the achievement of these objectives is not expected to be a linear process in the short term. It is

<sup>12</sup> Oil and Gas companies with exploration, drilling and extraction activities.

<sup>13</sup> The main supplier of information on emissions intensity is Asset Impact (formerly Asset Resolution), which provides asset information for the portfolio included in the calculation perimeter. The information coverage varies between 95% and 100%, depending on the sector analyzed.



possible that it may be necessary to assume some deterioration in alignment metrics in the short term in order to achieve them in the long term.

### Calculation of the scenario

To calculate the alignment, BBVA takes the IEA Net Zero scenario as a reference, except in the case of aviation and cement, where the ISF NZ scenario developed by the University of Technology Sydney for UNPRI has been used. However, the data used as a reference in 2030 for the calculation of the distance may differ from the data published by the scenarios. The PACTA methodology uses the scenario as a reference for emission decreases to meet a 1.5°C scenario, but applies a different starting point than the scenario. The starting point applied is the result of aggregating all the customers in the database used, taking this aggregation as the market reference. This database covers, according to data from the external provider, 87% of the Power sector assets, 96% of the automobile assets, 91% of the steel assets, 73% of the cement assets, and information on more than 47,000 airplanes. This figure, however, does not differ significantly from the scenario and is more ambitious in most cases.

### Integration in the management

The internal tools developed by BBVA are essential to integrating the management of reduction objectives into daily risk processes. These tools include:

- TRi, a tool that allows us to evaluate the current emissions profile and decarbonization strategies of each customer with a sectorial approach and based on the analysis of the most significant variables. This allows them to be categorized according to their transition risk and the maturity of their plans, allowing for a personalized assessment of their decarbonization strategy.
- Sustainability Client Toolkit, a tool that gathers ESG information from large corporations and/or entities with public information necessary for management, and offers it in a single repository. This makes it easy for front-line teams to access and use.

These resources are essential for portfolio alignment management and contribute to defining the risk appetite included in the Sector Frameworks. They allow for a comprehensive and detailed view of customers' ESG metrics and their impact on risk management strategies.

### Sector alignment plans

According to the Net Zero Banking Alliance (NZBA) guidelines, within 12 months of the publication of sectoral targets, banks must publish, at a minimum, a high-level transition plan outlining the actions planned to be implemented in order to meet the targets (customer

support, sectoral policies, capacity building, development of tools and products, strategy to increase the customer base, etc.).

BBVA has worked on a sectoral approach, developing sectoral alignment plans to analyze the part of the portfolio with the highest CO<sub>2</sub> emissions and deploy a decarbonization strategy to achieve net zero emissions by 2050.

Each plan includes a detailed analysis of each sector, assessing its role in the decarbonization of the economy, identifying opportunities and risks, and defining response strategies. The sector alignment plans include an analysis of the current state of the portfolio and the situation with respect to the target set by the BBVA Group for the sector. It also identifies the core areas for managing portfolio transition risk, including portfolio alignment metrics. The plans are based on risk considerations and on the identification of business opportunities with existing and new customers, expressed through different levels of appetite for customers in the sector.

All this is reflected in the formulation of a sector specific strategic plan that defines a commercial strategy for:

- Guiding selective growth by financing and supporting existing and new customers who are actively managing their transition to net-zero emissions by 2050
- Monitoring progress in the alignment exercise, to meet the intermediate targets set for 2030.
- Mitigating risks related to decarbonization in the balance sheet.

The sectoral alignment plans have been developed by multidisciplinary working groups made up of teams from GRM, the Global Sustainability and Strategy Area. These groups have developed sectoral alignment plans, covering several key sectors such as oil & gas, power generation, auto, steel and cement, coal, aviation, and shipping.

BBVA has developed specific tools to facilitate effective management and compliance with alignment objectives, such as:

- The alignment management dashboard: uses data provided by the internal calculation process based on the PACTA methodology to monitor progress on portfolio alignment and reduction targets by sector.
- The "What If" simulator. This allows real-time evaluation of the potential impact of transactions on the decarbonization curve of each customer, as well as on the BBVA Group's portfolio curve for the corresponding sector,

enabling proactive and dynamic management of the loan portfolio.

In addition, these plans integrate risk considerations supported by tools such as the TRI, and the Sustainability Client Toolkit, allowing for a management that is aligned with the objectives of the Paris Agreement.

### Alignment governance model

In order to follow up on the alignment objectives of the sectors for which targets have been set and monitor their compliance, BBVA created the Sustainability Alignment Steering Group (SASG) in 2022. The SASG's functions include the following:

- Analyze and discuss the 2030 alignment objectives prior to their approval.
- Evaluate the degree of compliance with the alignment objectives and their levers.
- Analyze and discuss proposals for sectoral or aggregate alignment plans, and for updating them, which will be submitted to the SASG by the business units, with the support of the technical teams of other participating areas.
- Promote the creation and deployment of the tools, methodologies and variables necessary for the operationalization of the sectoral alignment plans in the management processes already existing in the business units.
- Analyze and understand of the best practices in the sector, promoting the integration of sustainable criteria in day-to-day business.

BBVA's alignment governance model was strengthened during 2023. In addition to the SASG, the figure of "Global Sectorial Heads" was introduced in CIB for sectors with decarbonization targets for 2030. These

sectoral leaders are responsible for leading the business strategy according to each sector, executing the actions defined in the sectoral alignment plans and implementing a support plan with customers in the sector to help them in their transition to a low-carbon economy. As part of this progress, an annual process has been incorporated to review key customer projections from a climate alignment perspective, which influences the development of the annual business plan.

Actions to manage portfolio alignment metrics include:

- Gather, evaluate and monitor the climate transition plans publicly disclosed by BBVA's customers.
- Assess the CO<sub>2</sub> emissions and climate impact of all new transactions as part of the commercial business approval process through the use of tools.
- Generate strategic dialogue with customers on their transition strategies, seeking opportunities to support them through investment and financing proposals and solutions.

In order to promote knowledge of the best sectoral practices across the organization, specific training programs on sectoral alignment plans have been developed, complementing the sustainability training offered to all employees and specific programs on decarbonization for bankers and risk analysts.

### Climate change opportunities for BBVA

In addition to existing climate change risks, a number of associated opportunities have arisen which BBVA is considering to use and position itself correctly with respect to the major disruption represented by climate change.

**Table 57.** Climate change opportunities for BBVA

Sector	Opportunity	Time Horizon <sup>(1)</sup>
Oil & Gas	Possibility of reusing oil & gas transport assets for biofuels and hydrogen	MT
	Electrification of the oil and gas industry, and use of hydrogen	MT
Chemicals	Carbon capture and storage through chemical separation of carbon dioxide for later reuse	ST
	Strong boost to renewable energy, electricity storage	ST
Electricity	Energy efficiency services and hydrogen development	MT
	Development of nuclear fusion	LT
Construction & infrastructures	Boosting the distribution of solar panels	ST
	Renovation of buildings (headquarters, housing, premises, etc.) as well as industrial plants in need of energy-efficiency improvements because of the increased regulatory impact and self-consumption	ST
	Infrastructures to improve climate change adaptation: changes in cities, development of a smart grid, charging infrastructure for electric vehicles	ST
Transportation	Efficient low-emission and mobility services (electrical, Liquefied natural gas -LNG- and hydrogen)	ST
Mining & metals	Production of metals to manufacture electric vehicles (copper, lithium, cobalt and nickel among others)	ST
	Efficient irrigation systems, use of waste as a source of biogas. Regenerative agriculture and sustainable cultivation methods	ST
Agriculture	Renewable energy use (solar) in agricultural plants	ST
	Efficient irrigation system and water solutions against drought	ST
	Development of new anti-drought products	ST
	Use of sustainable fertilizers and feed. Animal welfare	ST
Carbon markets	Creation of carbon credit markets	ST
Water	Industrial water treatment and efficiency solutions	MT
	Water regeneration or replacement projects with nature-based solutions	MT
Other sectors	Circular economy, recycling, waste and water treatment and management, circular business models and care and regeneration of natural capital	MT

<sup>(1)</sup> ST: Short Term, <4 years; MT: Medium Term, 4-10 years; LT: Long Term, >10 years.

## Communication and dialogue with customers

The following details how BBVA obtains information from its customers, analyzes it and proactively and constructively provides solutions to help them transition to a net-zero emissions future, depending on how far along the customer is on their path to decarbonization. This is consistent with its Net Zero 2050 strategy and transition plan.

### Due diligence process and knowledge of the customer

#### Wholesale customers

BBVA is working to increase the sustainability-related knowledge of its wholesale customers mainly through:

- Sustainability questionnaires adapted to different industries that are applied in the development or renewal of the financial program.
- Environmental and Social Framework. Through the information obtained via the KYC (Know Your Client) process and the information provided by an external advisor, BBVA verifies that new wholesale clients covered by the framework do not engage in prohibited activities

or activities of special attention foreseen for the sectors covered by the Framework: mining, agribusiness, energy, infrastructure and defense.

- Equator Principles. BBVA subjects each project within the scope of said principles to an environmental and social due diligence analysis based on the Equator Principles, considering impacts on climate change and human rights.

BBVA has developed its "Guide for the integration of ESG factors in wholesale credit analysis". Additional information on these points is more fully detailed in section "5.3.2 Social risk management".

In addition, BBVA has specified an internal taxonomy for transition risk. The purpose is to classify sectors according to their sensitivity to this type of risk. In the development of its sectoral frameworks used in credit approval, several metrics make it possible to assess the vulnerability of each client to transition risks and to integrate this aspect into risk and support decisions.

Progress is also being made in developing internal capabilities to classify customers based on their public information, low-carbon business profile and decarbonization plans. Within the CBB scope, BBVA has used data analytics to calculate the carbon footprint of companies and uses it to offer value solutions to its customers. The carbon footprint calculator for

companies provides information on the ESG profile of customers (footprint calculation, change over time, comparison with the sector average and similar companies, etc.), making it possible to categorize customers and implement targeted, personalized and tailored advisory and commercial actions adapted to each customer's profile.

Recent upgrades have been implemented that include the ability to set energy savings goals. In addition, alerts have been added to warn when the target is being reached, as well as a consumption comparison with other companies in the same sector of activity (CNAE), with a similar level of turnover and equivalent number of employees. This comparison shows the monthly expense percentile in relation to the rest of the comparable companies.

BBVA also uses natural language processing techniques for large-scale ESG categorization of business customers from public information such as customers' corporate websites, official records, news, etc. These techniques increasingly enrich the commercial information provided and help customers improve their environmental performance.

### Retail customers

BBVA identifies, accredits and documents the activity carried out by retail customers through KYC under a risk-based approach. This allows for a better understanding of customers, their operations, customer segmentation, products, channels, jurisdictions and transaction tracking.

As for individual customers, they have the option of calculating their carbon footprint thanks to their digital and data analytics capabilities. This service aims to make them aware of the impact their actions have on the environment and help them in the transition to a more sustainable world. By adding the characteristics of the home (surface area, energy certification, etc.), BBVA can assess improvements in energy efficiency and offer information on simple and sustainable changes in habits that may help reduce the household bills of its individual customers. This service is available in Spain, Turkey and Mexico, and work is underway to make it available to Argentine customers in 2024.

Moreover, in Spain it is already possible to see the potential savings from switching to an electric car or installing solar panels, as well as purchasing these items along with financing options offered by BBVA through its digital platforms. This has been possible thanks to the strategic agreements established with companies in the sector. Customers can also sign up for one of the sustainable products provided by BBVA and use the Valora tool, which provides them with an estimated and automatic valuation of their real estate and transport assets.

### ESG communication and dialogue actions with customers

Sustainability is part of the recurring dialogue with our wholesale customers (engagement) and of the value proposition presented, both strategically and commercially, and is integrated into the admission, pricing and risk management processes. BBVA interacts and shares knowledge and best practices with its wholesale customers.

In order to help global clients in their transition towards a more sustainable future in all sectors of activity, the Group offers the ESG Advisory service. It is a data-driven proposition aimed at facilitating the targets that customers are assuming to align with the Paris Agreement and advance the United Nations 2030 Agenda for Sustainable Development. Dialogue with customers on ESG aspects is predicated on:

- General description of how sustainability is evolving in the political and financial context, explaining the principal regulatory issues, reporting needs, developments in the financial markets, ESG classifications, etc.
- Expertise in several of the industries facing the greatest challenges in the transition to a low-carbon economy: oil & gas, power generation, automobile manufacturers and auto parts, as well as other industries such as infrastructures, processed food, beverages, cement, fintechs and pharmaceuticals. Customers are briefed on the key challenges and opportunities for each industry and the dialogue focuses on each industry's roadmap to align with the Paris Agreement. BBVA provides information to its customers on regulation, technological improvements and best practices in each industry, as well as a comparative analysis on how similar companies are evolving in terms of ESG, different alternatives to improve their sustainable profile and how to set specific short- and medium-term objectives.
- Specialization in areas such as Cleantech, biodiversity, ESG Rating, Carbon Markets and Natural Based Solutions, in which BBVA provides specific advice to customers with the aim of helping and, where appropriate, accelerating their transition with debt and equity solutions.
- Provide support in the analysis of customers' Scope 3 emissions and their suppliers' carbon footprint, in order to develop future strategies to reduce the environmental impact of value chains and increase their resilience.
- Offering customers a range of products that are sustainable or promote sustainability (bonds, loans, transactional banking activities, etc.) that

not only meet their financial needs, but also support their sustainable transformation.

BBVA provides direct support to its wholesale customers, both global and non-global, in the inclusion of ESG practices in their business strategies and operations. This is achieved through one-on-one visits, mass outreach events and project consulting focused on initiatives such as energy efficiency, renewable energy, efficient construction and sustainable mobility. Sustainable practices are promoted, covering efficient water management, circular economy, waste management, environmental impact and looking after biodiversity and so on.

Managers are provided with information on sustainable solutions applicable to different sectors of the economy so that they can make more focused proposals to their customers. BBVA, in collaboration with a company specialized in the management of European funds from the Next Generation EU program, approved by the European Commission, offers an information service to customers promoting Spanish business projects related to the ecological transition and sustainable mobility, and so on.

BBVA supports its SME customers in the integration of ESG practices through one-on-one meetings and visits, mass participation events or project consultancy with technology and consulting firms. BBVA informs its customers through digital channels and its commercial branch network. A comprehensive service model ranging from awareness-raising to project design and public aid management.

In addition, customers have access to informative information and a catalog of products that are sustainable or promote sustainability through transactional web platforms and mobile banking apps. These resources are also provided by the managers in the branches. The Group provides its customers with product information, sustainability advice and explains, where appropriate, the impact of its products on the environment (savings in consumption with an energy efficiency loan, fuel savings with a vehicle fleet renewal loan, etc.).

The customer service model is complemented by external capabilities, which is reflected in the development of strategic alliances with third parties. These partnerships are essential to help support the sustainable transition of companies and individuals. Among them, the following stand out:

- The development of the sustainable business in Spain, focused on the promotion of sustainable mobility, has led to the signing of agreements with the association of vehicle dealership associations and dealerships collaborating in the Consumer Finance business for the distribution of electric and hybrid cars and the renewal of fleets for companies.
- The promotion of solar self-consumption and the development of energy saving projects in the main geographical areas where BBVA is present has allowed it to build alliances and agreements with solar panel installation companies in Mexico, Spain, Argentina and Colombia.
- Agreements with multilateral organizations and development banks to promote sustainable business, such as the agreement with the International Finance Corporation in Peru and Colombia.

Finally, events have been organized with content related to sustainability: trends, sustainable finance, risks, opportunities, energy efficiency, renewable energy, clean transportation and agriculture.

In February 2024, the third edition of the BBVA Sustainability Forum was held at Ciudad BBVA. The event, which welcomed more than 400 attendees, including government representatives, renowned figures, companies and global institutions active in the fight against climate change and the promotion of inclusive growth, has become a key reference point for high-level dialogue on the economic and social challenges of sustainability.

Last but not least, in March 2024 the first edition of the BBVA Sustainability Summit in Peru took place in Lima; an event that brought together, at the bank's headquarters, more than 500 attendees, including clients, entrepreneurs, government representatives and renowned local and international figures from the world of sustainability. Those in attendance shared experiences, strategies and sustainable practices with the aim of informing, raising awareness and mobilizing resources in relation to the challenges and opportunities that sustainability represents for the private sector.

## 5.2.2. Risk Management

To carry out the process of identifying the risks and opportunities associated with climate change, BBVA has identified the sectors with the highest transition risk and/or the highest physical risk. These sectors face substantial transformation challenges that require, and are already requiring, large investments. They are also the sectors that will demand a deeper understanding and monitoring of risks.

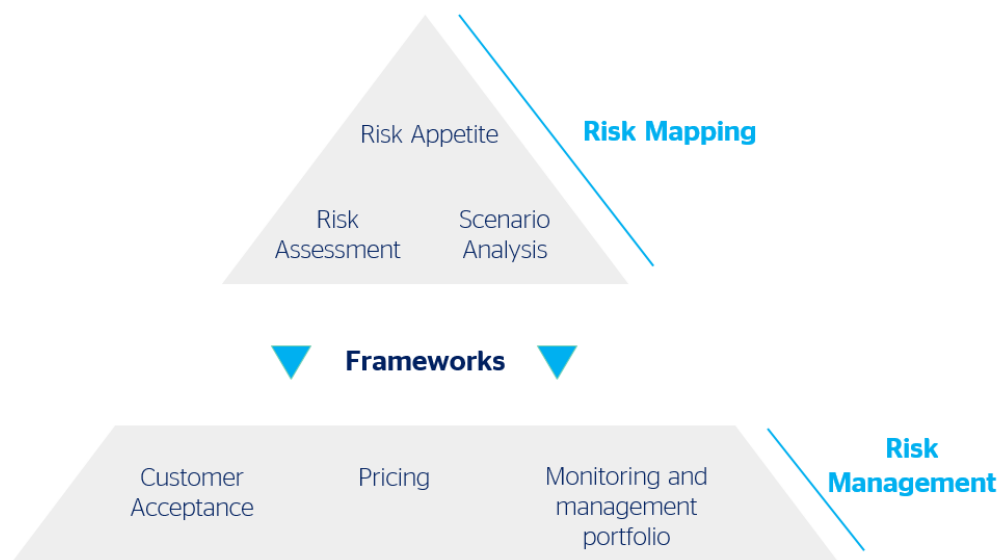
During this sector identification process, and for an understanding of their key risks and opportunities, the Group has relied on the support from external advisors. The results of the process have subsequently been checked with the guidelines of the Net Zero Banking Alliance (Guidelines for Climate Target Setting for Banks), where these sectors appear as the most CO<sub>2</sub>e intensive sectors.

### Integrating climate change into risk planning

The risks associated with climate change, both transition and physical, are considered additional factors that impact the risk categories already identified and defined in the BBVA Group. These risks are managed through risk management frameworks. As a result, the integration of climate-change related risks into the BBVA Group's risk management framework is based on their incorporation into the governance and processes already in place, taking into account regulatory and supervisory trends.

Climate change risk management in BBVA is based on the risk planning process, which is marked by the defined risk appetite and is specified within the management frameworks that determine its treatment of these risks in day-to-day operations.

Chart 15. Integration of climate change into risk planning



### Risk appetite Framework (RAF)

BBVA's Risk Appetite Framework (RAF), approved by the corporate bodies and applicable in all material geographic areas of the Group, determines the levels of risk that BBVA is willing to assume in order to achieve its objectives, considering the organic performance of the business. It is structured in a hierarchical manner, starting from the thresholds of the core metrics and metrics by type of risk, which result in a framework of management limits. This framework has a general statement that sets out the general principles of the risk strategy and the target risk profile. This statement underscores the commitment to sustainable development as a fundamental part of BBVA's business model, with emphasis on accompanying customers in

their transition to a sustainable future. In addition, the climate component is incorporated into risk management. This statement is complemented and detailed by a quantification of the appetite through metrics and thresholds that provide clear and concise guidance to the maximum acceptable risk profile.

Since 2021, a classification of the activities most exposed to transition risk has been incorporated into the framework, using the quantitative metrics established by the Group. In this way, the Exposure at Default (EAD) of activities classified as High Transition Risk (hereinafter HTR) is assessed. With respect to this classification, the Board of Directors of BBVA has approved thresholds at a Group and geographic area level, which determine the maximum appetite for this risk.

Additionally, since 2023, a new metric has been incorporated into the management limits called High Market Misalignment, which evaluates exposure to customers whose emissions intensity is above 30% of the market average. This metric takes a transition risk management approach by focusing on customers with a clear level of misalignment from the emissions intensity trajectories established by the International Energy Agency's Net Zero Emissions scenario for each of the sectors. The calculation scope is the lending portfolio of the automotive, power generation, steel and cement sectors.

As part of the annual RAF review process, a new indicator has been included in 2024 linked to the degree of compliance with the decarbonization objectives of a series of sectors for which BBVA publishes specific objectives.

The definition of the levels of tolerance established in the Risk Appetite Framework are based on the Risk Assessment and Scenario analyses described below.

### **Risk Assessment**

The Risk Assessment begins with a self-assessment on how the different risk factors associated with climate change impact the main types of existing risks (credit, market, liquidity, etc.). Secondly, an analysis is carried out of the sectors that are most sensitive to this risk under the classification that establishes the different levels of transition risk. Finally, the methodology used to assess the climate vulnerability of the different relevant geographical areas in which the BBVA Group operates is described. These last two aspects, the analysis of sectors sensitive to climate change and the assessment of climate vulnerability in specific geographic areas, are integrated into management through processes such as admission frameworks or the establishment of risk limits. This implies that the information derived from these assessments is used to make decisions related to the admission of new customers or projects, as well as to establish risk limits in specific areas, ensuring a more informed and accurate management of the climate risks associated with BBVA operations.

As part of its General Risk Management and Control Model, the Group develops periodic risk identification and assessment processes to identify material risks that could have a negative impact on its risk profile and to

manage those risks actively and proactively. These processes cover all types of risks faced by BBVA, including those that are difficult to quantify. Since 2022, the General Risk Management and Control Model specifically considers sustainability an essential part of the Group's strategy.

The Global Risk Assessment is a prospective exercise which updates at least twice a year, and allows a comparison between risk types, business activities and moments in time, facilitating the understanding of the Bank's positioning and its development, and identifying the material risks to cover with capital. Since 2020, the Group has been conducting a primarily qualitative climate assessment to determine BBVA's vulnerability to transition and physical risk. In 2023, progress was made toward a quantitative approach in the development of the Climate Risk Assessment. A series of metrics have been defined that have allowed to objectively evaluate risk levels, both in terms of transition risk and physical risk, and in the case of physical risk, evaluating potential impacts for each of the hazards analyzed. In addition, progress has been made in estimating the impact of both transition risk and physical risk on BBVA's strategy and business model. The results are submitted to the highest executive risk committee (GRMC), as well as the corporate bodies, as this assessment is integrated into key corporate processes such as the Risk Appetite Framework and the Internal Capital Adequacy Assessment Process (ICAAP).

The climate change risk assessment process runs in parallel with the Group's global risk assessment, but with a broader time focus. An analysis is carried out for a short term (4 years), medium term (4-10 years) and long term (more than 10 years) horizon, which allows for a comprehensive consideration of expected impacts. The assessment of climate change risks includes, as for the other risks, the two perspectives of the global assessment:

1. Identification of risk events: Transition risk and physical risk are included in the identification of risk events that could have a significant impact on the Group. A matrix of identified risk events is created and represented graphically according to their estimated impact on the BBVA Group and their assigned probability.

Chart 16. Risks materializing in the short term: time horizon 12-18 months



Since 2019, climate risk has been considered a material event in this inventory. Climate change risks are classified into physical and transition risks. In the short term (12-18 months), an accelerated transition to a low-carbon economy is considered to be a medium-low impact risk event, although the probability given to this type of scenario is currently medium-low. Over a medium/long-term time horizon, the risk of physical climate change is incorporated into the inventory of emerging risks (those that could have an impact over a longer time horizon) and is assigned a medium-high risk.

2. Risk level assessment: This approach is based on an assessment of the profile of each type of risk, which is reflected in a heat map. In 2022, the analysis was extended to the six most relevant geographical areas of the BBVA Group (Spain, Mexico, Turkey, Argentina, Peru and Colombia), and during 2023 the business risk analysis was incorporated. This financial year incorporates various factors, such as the carbon footprint of customers, the energy efficiency of real estate collateral and financed emissions, among others. Work has also been done on the preliminary inclusion of quantitative metrics for certain risk factors, especially exposures to activities that are sensitive to transition risk.

The conclusions of the assessment for 2023 suggest that the main risks emerge in medium- and long-term loan portfolios, with an earlier impact on transition risk in Spain given the speed of this geographic area in adopting decarbonization policies. On the contrary, a lower risk derived from regulatory pressure is observed in emerging geographic areas. The factor with the biggest long-term impact on credit risk is that derived from investment in climate change which will have to be carried out by companies in the decarbonization process. With respect to the impact of physical risk on loan portfolios, the greater frequency/severity of extreme meteorological events and structural changes in climate patterns explains the deterioration shown in the assessment in the medium-long term.

The impact of transition risk on liquidity risk is low due to the stability of the retail deposit base and the high asset quality of the liquid asset buffer. Market risk is also low, due to the diversification of the equity portfolio and low exposure to sectors sensitive to transition risk in the fixed-income portfolio.

As for operational risk, there is a difference in the perceived risk in Spain (medium-low) and in the rest of the geographic areas (medium), due to the greater exposure of the latter to physical risk in the medium and long term.



**Table 58.** Climate Change Risk Assessment 2023

	Spain			Rest of geographical areas		
	ST	MT	LT	ST	MT	LT
<b>Transition risk</b>						
Credit	Medium-high risk	High risk	High risk	Low risk	Medium-low risk	Medium risk
Liquidity and funding	Low risk	Medium-low risk	Medium-low risk	Low risk	Medium-low risk	Medium-low risk
Structural equities risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Credit spread risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Markets (trading)	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Insurance	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Operational	High risk	High risk	High risk	Medium-low risk	High risk	High risk
Reputational	High risk	High risk	High risk	High risk	High risk	High risk
Business	Low risk	Low risk	Medium-low risk	Low risk	Low risk	Medium-low risk
<b>TOTAL</b>	Medium-low risk	High risk	High risk	Low risk	Medium-low risk	Medium risk
<b>Physical risk</b>						
Credit	Medium-low risk	High risk	High risk	High risk	High risk	High risk
Liquidity and funding	Low risk	Medium-low risk	Medium-low risk	Low risk	Medium-low risk	Medium-low risk
Structural equities risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Credit spread risk	Low risk	Medium-low risk	Medium-low risk	Low risk	Medium-low risk	Medium-low risk
Markets (trading)	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Insurance	Low risk	Medium-low risk	Medium-low risk	Low risk	Medium-low risk	Medium-low risk
Operational	Low risk	Low risk	Medium-low risk	Medium-low risk	High risk	High risk
Business	Low risk	Medium-low risk	High risk	Low risk	Medium-low risk	High risk
<b>TOTAL</b>	Low risk	Medium-low risk	High risk	Low risk	Medium-low risk	Medium risk

Temporary horizons definitions:

ST: short term; up to 4 years (planning horizon)

MP: medium term from 4 to 10 years

LP: long term; more than 10 years

Low risk
Medium-low risk
Medium risk
Medium-high risk
High risk
Not applicable

## Analysis of scenarios and stress testing

### Scenarios and internal stress tests

The climate scenarios have been integrated into the governance of the BBVA Group's internal scenarios:

1. The baseline budget scenario includes an analysis of the climate policies in force in each relevant geographic area of the Bank's footprint, their effective importance within the general economic policy framework, their consistency with the transition to a decarbonized economy and with the budget scenario itself. Potential biases on expected economic growth are therefore qualitatively assessed.
2. Incorporation of transition climate risks into one of the alternative risk scenarios (HLRS) that are

continuously monitored and evaluated by the Scenario Working Group. Ongoing monitoring of alternative risk scenarios aids selecting the scenario to be used in the Group's capital self-assessment process (ICAAP).

The Group evaluates various physical risk events with the aim of considering them as inputs in the ICAAP. In 2022, a drought risk scenario was considered in Spain, and in 2023, the various events considered as add-ons to the adverse ICAAP scenario included a risk scenario for the Mexican economy triggered by cyclones. The information available on the frequency and increasing severity of this type of event and the literature on the magnitude of its impact on the economy justifies its significance as an acute climate risk event in Mexico.

### Regulatory and supervisory scenarios and stress tests

In October 2021, the ECB published the methodology for carrying out a stress test exercise on climate change risk, scheduled to run between March and July 2022. A total of 104 institutions participated in this exercise in full or in part, and of these, 41 institutions, including BBVA, carried out the full exercise. This exercise consisted of three distinct modules, each with specific focuses:

1. Module 1: consisting of a qualitative questionnaire about the internal climate stress testing framework including 11 blocks with topics related to governance, the Risk Appetite Framework (RAF), integration into the strategy, the ICAAP and future plans.
2. Module 2: focusing on the analysis of the entities' current portfolio with respect to revenue dependence on polluting sectors<sup>14</sup> as well as financed emissions associated with those sectors.
3. Module 3: focusing on performing loss projections and bottom-up tests with different types of risks and time horizons:
  - Transition risks:
    - Short-term (3-year projection): including both credit risk and market risk. It was based on the Disorderly scenario of the Network for Greening the Financial System (NGFS).
    - Long term (2030-2040-2050): included only credit risk and considered dynamic balance sheet projections. These projections were based on the macro situation and the entity's strategy, covering three NGFS scenarios (Hot House, Orderly and Disorderly).
  - Physical risk (credit risk): two one-year projections were made, each considering different scenarios: one of floods and the other of drought with heat wave.
  - The exercise covered operational risk and reputational risk through qualitative questionnaires.

In order to comply with the methodology required by the ECB in this exercise, a sectoral layer was incorporated into the loss projection models. These models, together with the sectoral scenarios published by the ECB, allowed the projections to be made taking into account the idiosyncrasies of each sector. In this way, the possible differences in sensitivities to the risk of climate change in each of them were adequately reflected through differentiated impacts.

### **Identification, measurement and integration of climate change into risk management**

Along with incorporating climate change risk into risk planning and business strategy, its integration into decision-making at customer and operational level is necessary. This involves the adaptation of standards, sectoral policies and processes, the development of tools and the availability of customer and transaction data that were not usually handled by financial institutions.

BBVA is developing the methodologies and tools it needs to identify and measure the different components of climate change risk, and the financial impact analysis of each of them for their subsequent integration into the management. These tools are based on the metrics of financed emissions, alignment with decarbonization pathways, analysis of the vulnerability and exposure to climate hazards of customers and their collaterals, and the analysis of climate scenarios that allow for a prospective view of risks, opportunities and their financial impacts.

The adaptation of policies and procedures is particularly focused on the integration of transition risk in the Sectoral Frameworks (basic tool in the definition of risk appetite in wholesale credit portfolios) where specific criteria are specified in the admission guidelines. During 2024, the sectoral analyses of the risks derived from decarbonization were updated and complemented according to the reference scenarios. Compliance with the definition of appetite established in the Sector Frameworks is a condition that must be met, in turn, by the alignment plans that are developed for each sector with emission reduction targets.

### **Resilience of the strategy to climate change risks**

The concept of climate resilience implies that organizations develop the adaptive capacity to respond to climate change, taking advantage of opportunities and managing the associated transition and physical risks.

TCFD recommends that organizations describe the ability of their strategy to leverage opportunities related to climate change, consistent with a scenario of orderly transition to a low-carbon economy, but also their resilience to possible scenarios of increased climate risks.

As mentioned earlier, BBVA's strategy may be affected by climate-related risks and opportunities. Therefore, BBVA is working on measuring the impact of different climate scenarios, both transition and physical risks, on its strategy and business.

The first results, obtained within the framework of the Climate Stress Testing regulatory exercise promoted in 2022 by the European Central Bank, show immaterial impacts on both transition risk and physical risk. However, it is important to consider that methodological

<sup>14</sup> The exercise focused on a list of 22 NACE sectors published by the ECB.

limitations, especially in terms of data and scenario design, could be underestimating the losses estimated by the financial system. BBVA is working to reinforce and strengthen bottom-up methodologies and analytical capabilities in order to obtain projections of customer financial statements and estimate impacts on collateral values based on different climate scenarios and over different time horizons.

In addition, this year we also plan to include the impact of a physical risk event in the capital self-assessment exercise (ICAAP), in this case for the Mexican economy.

Finally, the resilience of the strategy in the face of different climate scenarios is reinforced by the fact that BBVA has set sustainability as one of its six strategic priorities, with a special focus on the fight against climate change, integrating its goal of aligning its loan portfolio with scenarios compatible with the Paris Agreement. It is also worth highlighting the intermediate targets for 2030 for CO<sub>2</sub> emission reductions in the oil and gas, power generation, auto, steel, cement, coal<sup>15</sup>, aviation and shipping, aluminum and real estate (both commercial and residential)<sup>16</sup>

On the business side, the analysis is being carried out and the available results point to a resilient situation, given the relatively low exposure to clients and sectors with higher climate-related risks. As it happens, BBVA's wholesale exposures related to emission-intensive activities and sensitive to transition risk represent approximately 11.98% of its total wholesale exposure, and 6.10% of the Group's total exposure as of June 30, 2024.

## Climate change risks for BBVA

The Group is exposed to various risks related to climate change and other environmental and sustainability-related challenges.

Climate change, which is resulting in an increase in the intensity and frequency of extreme weather events and environmental degradation, presents both short, medium and long-term risks to the Group and its customers and counterparties, with the risks expected to increase over time. Risks posed by climate change may be classified into transition and physical risks.

Transition risks refer to changes in, among others, regulations, technologies and market preferences linked to the transition toward a less carbon-dependent economy, including the following:

- Legal and regulatory risks: Legal and regulatory changes related to how banks are required to manage climate risk or otherwise affecting banking practices or disclosure of climate-related information may result in higher

compliance, operational and credit risks and costs. Further, legal and regulatory changes may result in legal uncertainty and the existence of overlapping or conflicting regulatory or other requirements. The Group or its customers or counterparties may be unable to meet any new requirements on a timely basis or at all. Further, changes in law, including new product and service specifications, may result in the sudden devaluation of certain assets. Any of these risks may affect the Group and its customers and counterparties. In addition, in the case of banks, new regulation could include requirements related to lending, investing, capital and liquidity adequacy and operational resilience. The incorporation of climate risks in the existing prudential framework is still developing and may result in increased risk weighting of high-carbon-related assets. Moreover, there are significant risks and uncertainties inherent in the development of adequate climate change-related risk assessment and modelling capabilities and the collection of customer, third party and other data, which may result in the Group's systems or frameworks (or those of its customers and counterparties, where applicable) being inadequate, inaccurate or susceptible to incorrect customer, third party or other data, any of which could adversely affect the Group's disclosure and financial reporting. Further, increased regulation arising from climate change could result in increased litigation 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 our customers and counterparties fail to adapt to the transition to a low-carbon economy, or if the costs of doing so adversely affect their creditworthiness, this could adversely affect the Group's relevant loan portfolios.
- Market risks: The Group and certain of the Group's customers and counterparties may be adversely affected by changes in market preferences due to, among others, increasing climate change awareness. Further, the funding costs of businesses that are perceived to be more exposed to climate change 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

<sup>15</sup> Coal phase-out in 2030 in developed countries and in 2040 globally (under the terms of the Environmental and Social Framework).

<sup>16</sup> The geographical perimeter of the intermediate emissions reduction target for 2030 for the real estate sector is Spain.

resulting from shifts in demand or supply brought by climate change, 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 sustainability-related challenges as a risk by society, shareholders, customers, governments and other stakeholders (including NGOs) continues to increase, including in relation to the activities of the financial sector. This may result in increased scrutiny of the Group's activities, as well as its sustainability-related policies, objectives and disclosures or communications. The Group's reputation and its ability to attract or retain customers may be harmed if its efforts to reduce environmental and social risks are considered insufficient or if a perception is generated among the various stakeholders that the Group's statements, actions or communications do not fit the Group's sustainability profile, its products, services, objectives and/or policies. The Group may choose not to provide financing services or undertake investment activities that would have been profitable in order to avoid possible damage to its reputation. Furthermore, 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 policies and objectives and the way in which information is disclosed in relation to sustainability, may lead to litigation and investigations and supervisory actions (including potential claims of greenwashing). The Group has made public certain aspirational goals related to sustainability, and these goals, which are pursued over the long term, may prove to be considerably more costly or difficult to achieve than anticipated, or even impossible, as a result of, for example, changes in environmental and energy regulations and policies, the pace of technological change and

innovation and the actions of governments, customers and the Group's competitors. Potential claims of greenwashing arising from the Group's statements, disclosures and/or actions may also result in reputational risks.

The physical risk arising from climate change could result from increased frequency and/or severity of adverse weather events or the impact of climate change over the long term. The activities of the Group or those of its customers or counterparties could be adversely affected by the physical risks arising from climate change. For example, extreme weather events may damage or destroy the properties and other assets of the Group or those of its customers or counterparties, 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 pledged as collateral to the Group. The Group is also exposed to potential long-term risks arising from climate change, such as increases in credit-related costs due to deteriorating macroeconomic conditions, which may be caused in part by an increase in infectious diseases or other ailments resulting from climate change. The Group could also be adversely affected by declines in asset values as a result of climate change or climate change-related risks, reduced availability of insurance and significant interruptions to business operations, and may be required to change its business models in response to the foregoing.

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

### Transition risks

These are the risks linked to the transition to a low-carbon economy, and which arise from changes in legislation, the market, consumers, etc., to mitigate and address the requirements derived from climate change.

**Table 59.** Transition risks

Risk subtype	Risks associated with climate change	Risk description	Time horizon <sup>(1)</sup>
Legal and regulatory	Increase in the cost of CO <sub>2</sub> emissions	Financial risk to BBVA's customers whose liquidity or earnings could be harmed from having to face higher costs or, alternatively, higher investments in neutralization or reduction of emissions, derived from regulatory changes	ST
		Increase of the cost of carbon credit purchases of the Group in its business activity	ST
	Increase in monitoring, tracking and information requirements	Increase in staff and economic resources allocated to the study and monitoring of the Group's customers, control of their level of compliance with the associated requirements and increased reporting obligations.	ST
		Uncertainty for financial agents regarding changes and their implementation	ST
	Changes in the regulation of existing products and services	Impairment of client asset positions due to the generation of stranded assets (assets that prior to the end of their economic life are no longer able to earn an economic return)	MT
		Increase in costs, reduction in demand or drop in sales due to readjustment of supply to align with new legal specifications of a product	MT
	Increase in regulatory capital requirements due to risk associated with climate change	Possibly different prudential treatment of financial assets in terms of risk weighted assets based on their exposure to physical and transition risks	MT
		Adverse regulatory changes that may cause certain exposures on BBVA's balance sheet associated with climate change to have higher capital consumption	MT
	Risks of litigation and sanctions due to climate change-related issues	Potential litigation or penalties to BBVA arising from issues related to climate change, including improper management of associated risks, whether in its business, its actions, its communications, in its supply chain or otherwise.	ST
	Risk of litigation and sanctions for third parties	Possible litigation or sanctions affecting BBVA's customers. BBVA could be impacted, among other things, by the loss of solvency of its customers as a result of such litigation or sanctions.	ST
Technological	Replacement of existing products and services with lower-emission alternatives	BBVA clients with a position in sectors that are outperformed by alternative technologies could suffer solvency problems and their ability to cope with their credit commitments could be diminished	ST
	Failed investment in new technologies	Clients that invest in failed technology may go through solvency difficulties and be unable to meet their credit commitments	ST
	Cost of transitioning to low-emission technology	The necessary investments to be made by BBVA clients to change their production models and in R&D can have a negative impact on the balance sheet structure or profitability of said clients if they are not made properly and reduce the ability to meet their credit commitments	ST
		Costs of investing in remodeling and adapting BBVA-owned buildings	ST

Risk subtype	Risks associated with climate change	Risk description	Time horizon <sup>(1)</sup>
Market	Changes in (market) trends, financial agent and consumer preferences	Changes in demand caused by changes in consumer preferences can lead to falls in sales for BBVA clients and result in loss of profits and solvency	ST
		Reduction in demand for certain products can cause price falls that affect the valuation of companies' assets (crude oil reserves, fossil fuel cars, etc.)	ST
		Increased demand for certain products or services may impact on the price of certain raw materials. While this may be reflected in prices, it may lead to lower profits or the loss of BBVA's clients' market share	ST
		Risk of change in the Bank's client preferences for not considering the Bank well positioned in the sustainable segment	ST
	Uncertainty in market signals	Difficulty or impediments to proper price formation or allocation of financing or investment sums	ST
		Forecasts made by research agencies or services to dictate the strategy of entities may not be fulfilled due to abrupt changes in the market caused by changes in regulations or demand	ST
	Increased cost of raw materials	Sharp changes in the price of raw materials, resulting in changes in supply or energy cost, can lead to deteriorating liquidity and declining profits for clients.	ST
		BBVA's energy supply cost	ST
	Financial risks	Risk of a significant increase in the cost of financing clients with higher exposure to risks associated with climate change, in a way that affects their solvency by making it more difficult for them to cope with their credit commitments	ST
		Risk of worsening the credit rating of clients with exposure to risks associated with climate change, with the associated adverse effects for BBVA	ST
Reputational	Change in consumer preferences	Direct risk of client loss for not meeting what various stakeholders expect from BBVA as regards the climate change challenge	ST
		Indirect risk of loss of business from our customers for not meeting the expectations of the various stakeholders in the challenge of climate change,	ST
		Demand from clients to limit our operations' direct impacts	ST
	Stigmatization of a sector	Risk of assets stranded by a sharp change in the perception of a sector, with loss of sales	ST
	Exclusions in certain sectors due to market pressures	Withdrawal from profitable deals due to reputational risk or industry regulations prohibiting or limiting it.	ST
	Increased stakeholder scrutiny	Risk derived from greater scrutiny of activities, policies, goals and the way in which aspects related to climate change are disclosed. The Group's reputation may be damaged if its efforts to reduce environmental and social risks are considered insufficient, including when certain public goals could be affected by exogenous elements, or if a perception is generated among the various stakeholders that the Group's statements, actions or communications are not in line with the sustainability profile of the Group, its products, services, goals and/or policies. Divergent views on climate change could have a negative impact on the Group's reputation.	ST

<sup>(1)</sup> ST: Short Term, <4 years; MT: Medium Term, 4-10 years; LT: Long Term, >10 years.

Likewise, operational transition risk has been incorporated into the entity's ordinary non-financial risk management model, establishing a Greenwashing Prevention Program at both product and entity level.

The main lines of action of the Program include both quantitative risk analysis and the development of control frameworks and other mitigating actions for the main activities that generate this type of risk (advertising and external communication, distribution of products with sustainable characteristics, etc.).

### Measurement and integration of transition risk

Since 2021, BBVA has had an internal sectoral transition risk rating. Its main objective is to identify the vulnerability of sectors to transition risk and organize them based on this aspect.

The estimation of the level of vulnerability to transition risk is based on a qualitative analysis that assesses the level of exposure of each sector to regulatory, technological and market changes due to decarbonization that may have a financial impact on companies in the sector.

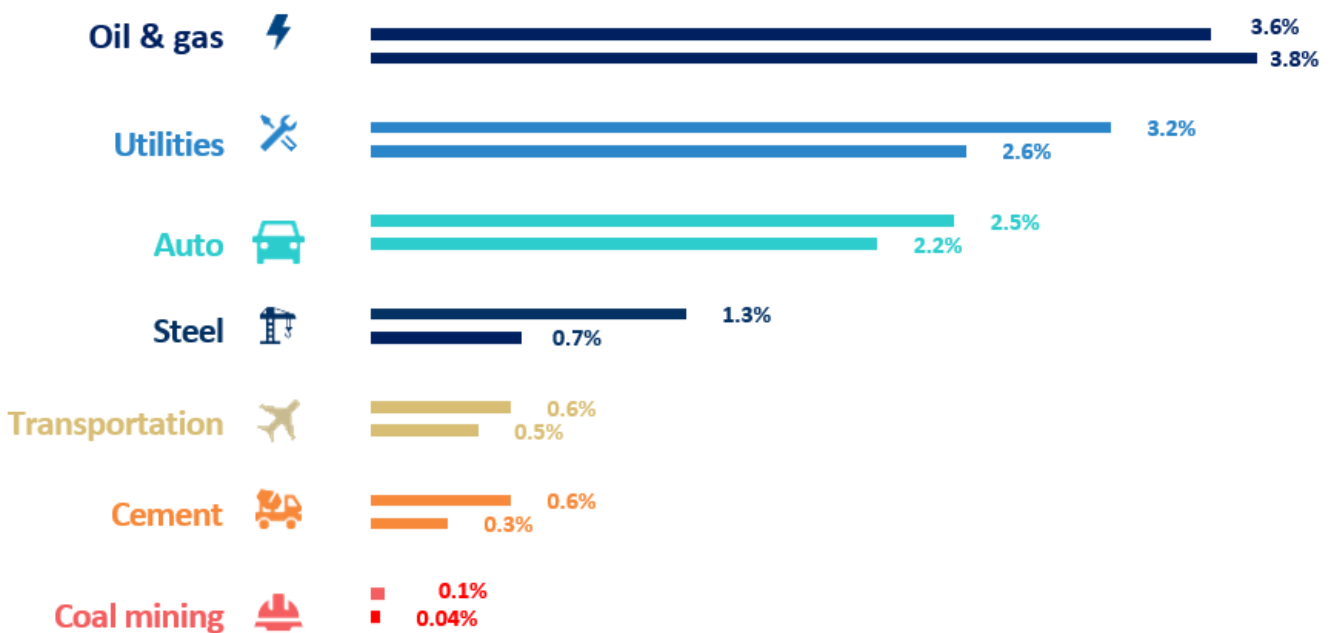
Sectors are categorized as having very high, high, moderate or low vulnerability. The activities most sensitive to transition risk, or HTR sectors, are identified as the sectors that generate energy or fossil fuels (oil and gas, electricity generation, coal mining); emission-intensive basic industries (steel, cement); and activities that are end users of energy and generate emissions through their products or services (auto, aviation and shipping).

As a result of this exercise, with data as at June 30, 2024, 11.98% of the exposure (measured by EAD) of the

wholesale portfolio (equivalent to 6.10% of the Group's portfolio) has been identified as corresponding to sectors defined as "High Transition Risk", with a high or very high level of exposure to this risk. This calculation was made on a portfolio of €233.914 billion (of the Group's total EAD of €472.857 billion), corresponding to the EAD of the wholesale lending portfolio.

Below is the percentage of exposure measured by EAD of the sectors sensitive to transition risk of the wholesale portfolio over the EAD of the same portfolio as of June 30, 2024:

**Chart 17.** Exposure to transition risk-sensitive sectors (% of wholesale EAD). 12/31/2023 (upper bar) and 06/30/2024 (bottom bar)



Prepared by BBVA. Includes the percentage of exposure at default of activities internally defined as transition risk sensitive over the EAD of the wholesale portfolio as of December 31, 2023 (not including the subsidiaries of Garanti, Forum Chile, Uruguay, Venezuela and BPI). The "transition risk sensitive" portfolio includes activities that generate energy or fossil fuels (oil and gas, power generation, excluding renewable generation and water and waste treatment, coal mining), basic industries with emission-intensive processes (steel and cement), activities that are end users of energy, through their products or services (auto, aviation and shipping), with a high or very high level of sensitivity to this risk.

Since 2022, this calculation was introduced for the small business sector (SMEs and the self-employed). The results obtained in 2024 indicate that the EAD associated with high or very high transition risk in this portfolio is limited, standing at around 2.5%, and concentrated mainly in Spain and in the automotive components subsector.

The results obtained in 2024 indicate that the EAD associated with the HTR perimeter has increased in 2024 by including the "Oilfield Services" activity. Therefore, a slight increase in the % of Oil and Gas EAD is observed. At a constant perimeter, the EAD would have hardly changed.

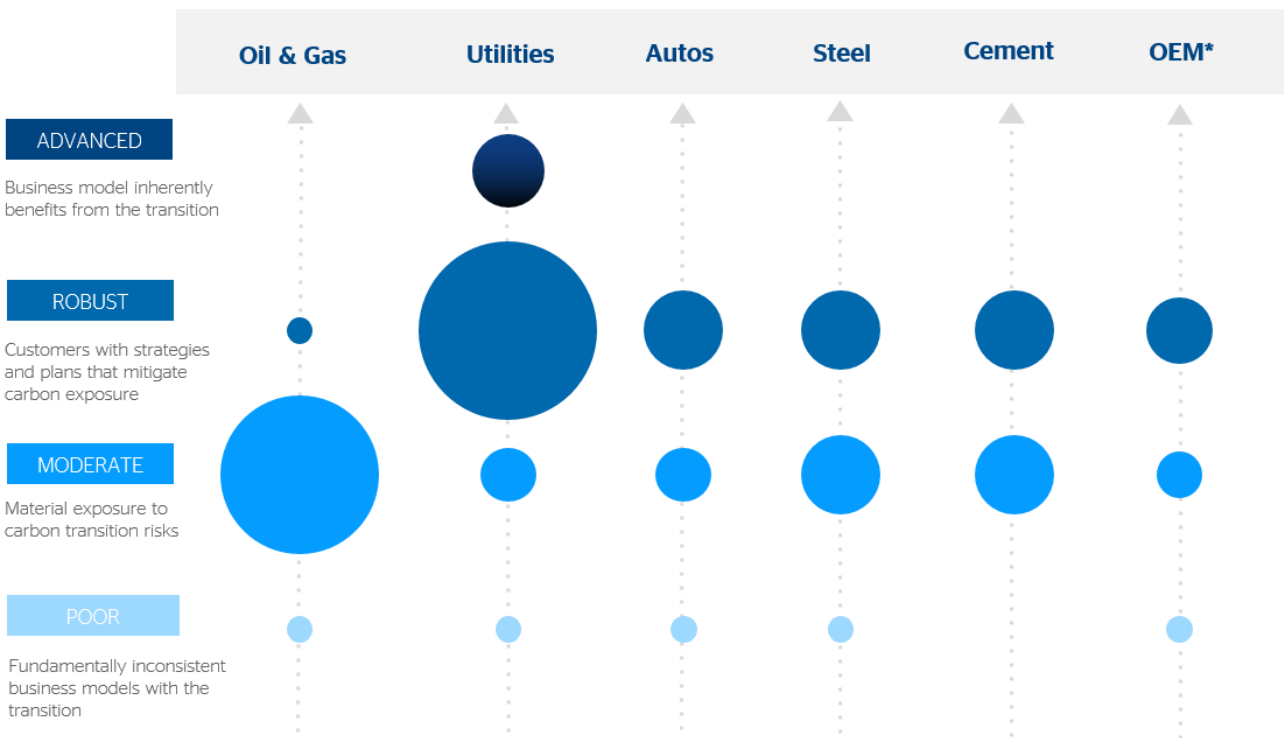
In sectors classified as HTR, the management criteria defined in the Sector Plans have been reinforced. This analysis leads, in certain cases, to establishing credit risk mitigation measures, such as limiting long-term exposure.

The analysis of customers in the HTR sectors is based on a score developed by BBVA called Transition Risk

Indicator (hereinafter TRI), which integrates the customer's low-carbon profile, the level of regulatory pressure in the geographical areas where it is present, its level of disclosure in terms of climate management in line with the TCFD recommendations and the ambition and maturity of its decarbonization objectives. The result of the score is a valuable tool to classify customers by their level of exposure to transition risk and maturity in their management. This classification allows the risk mitigation policies established in the Sector Frameworks to be applied. Likewise, the TRI is a valuable tool for customer segmentation in the sectoral alignment plans for the portfolios that form part of BBVA's objectives.

During 2024, a version of the TRI was developed for the auto parts sector, joining those already in place for the oil and gas, power generation, automobile, steel and cement sectors. The number of customers for whom the transition score is available has been significantly expanded. The following diagram shows the results of the transition score of the main customers in the portfolio (the size of the circles represents the number of customers in each category):

Chart 18. Transition score of main clients by sector



\*Original Equipment Manufacturer

In 2023, the Client Sustainability Toolkit was implemented in the corporate banking segment. It is a common front end for risk and business teams that allows the visualization of updated sustainability-related customer information. It combines information from external databases, such as CO<sub>2</sub> emissions, decarbonization targets, ESG ratings and disputes, etc., with the results of internal calculation engines, such as the level of alignment, financed emissions and the TRI, and also allows manual data capture by the teams involved in customer reviews. The calculation of the TRI score is integrated into this work environment.

In the Retail portfolio, in 2023, progress was made in the integration of sustainability aspects, particularly those related to decarbonization, in the Mortgage, Small Business and Loans for Vehicles Action Frameworks. One of the main aspects conditioning the transition risk of these portfolios is the financed carbon emissions associated with each one of them. Therefore, the calculation of financed emissions serves as a lever to identify the portfolios that are most sensitive to changes in regulation, technology or energy prices or CO<sub>2</sub>.

During 2024, within the Action Framework for Retail Customers, a new maximum loan-to-value (LTV) ratio has been defined for mortgages in Spain and Turkey based on the Energy Efficiency Certificate.

In turn, as a risk mitigation lever, BBVA acts as a facilitator for financing investments needed to mitigate and adapt to climate change with more sustainable lifestyles and products. Based on the 2021 definition of

sustainability criteria to classify a collateral is considered as sustainable, BBVA has applied differentiated prices to loans with sustainability content, such as in the "Efficient Home Mortgage", for homes with an energy rating of letter A or B. As with mortgages, financing with sustainable products is encouraged when the sustainability criteria are met, in this case, for electric or plug-in hybrid cars.

The availability of highly specific customer and operational data is a prerequisite for effective climate and environmental risk management. Throughout 2023, the deployment of the sustainability data strategy continued, re-evaluating data needs, identifying data gaps, and developing a business process review plan to eliminate these gaps. Among the data considered are those that meet both regulatory and management needs, such as those required for the calculation of the TRI, energy performance certificates of real estate taken as collateral, ESG ratings, greenhouse gas emissions, asset and collateral location and sector-specific metrics.

BBVA continues to make progress in compiling data on the actual Energy Performance Certificates (EPC) of real estate assets in the geographies where this type of certificate exists. In the case of Spain, work is being done to integrate the EPC into mortgage origination. To this end, BBVA is actively participating in various sectoral forums, with the aim of eliminating the barriers that currently prevent the use of the EPC in all transactions and to standardize the methodologies for the valuation of transition risk in collateral at the European level, thus providing transparency to the market. In other regions



where there is no legislative framework comparable to that of the European Union in terms of energy efficiency in buildings, BBVA carries out projects aimed at estimating energy consumption and financed emissions that are as close to reality as possible and allow their integration into risk processes.

**Calculation of financed CO<sub>2</sub>e emissions**

BBVA continues to work on the measurement of emissions financed in the retail and wholesale portfolios. To carry out this measurement, BBVA has adopted the PCAF (Partnership for Carbon Accounting Financials) methodology. This calculation will cover all the portfolios included within the scope of the PCAF standard (first edition) and the Group’s significant geographical areas, providing a global overview of the emissions financed.

In accordance with the defined roadmap, the calculation at the end of June 2024 includes the measurement of emissions financed in the corporate loans, project finance, commercial real estate, mortgages and the automobile areas (all referred to as “lending”) within the scope of BBVA, S.A. (excluding branches in Portugal), BBVA Mexico, BBVA Colombia and BBVA Peru, as already included in previous reports. It also shows the calculation of financed issues for the fixed-income and equity portfolios (“ex-lending”), as well as the lending portfolios of BBVA Garanti Türkiye. In parallel, the Group is working to incorporate the remaining relevant portfolios and geographic areas by December 2024, in accordance with the regulatory deadlines defined for the publication of the financed emissions.

The result of the estimate is expressed both in terms of absolute emissions financed and economic intensity (tons of absolute emissions per million euros financed). In addition, the quality score defined in the PCAF methodology, which evaluates the availability and reliability of the data used in the calculation, is presented.

This score ranges from 1 to 5, with 5 being the worst score assigned when using sectoral estimates employing emission factors provided by PCAF, and 1 being the best score when using reported and verified customer emissions data.

As it had already been doing over the course of 2023, in the first half of 2024 BBVA continued to work on recovering more emissions reported by clients, which has allowed the bank to have more financed emissions calculated with scores of 1 or 2.

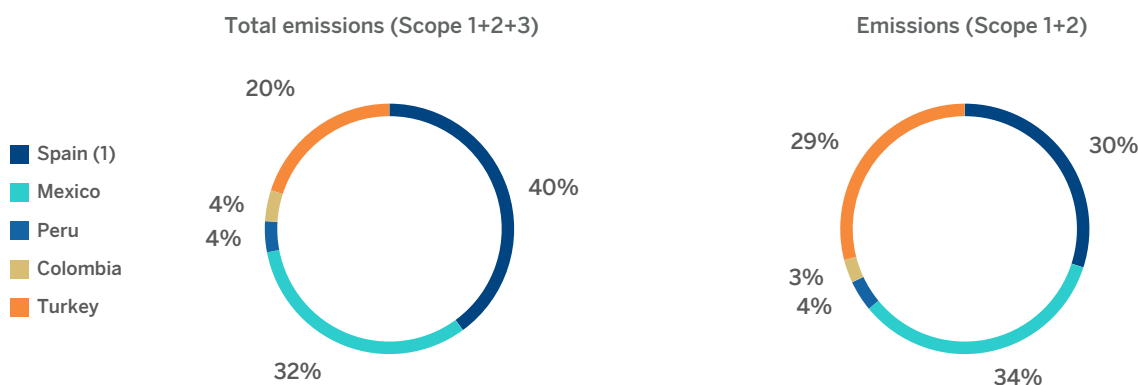
Due to the expanded geographic and portfolio scope from December 2023, the year 2023 year-end and June 2024 results are not directly comparable.

For the total perimeter calculated in 2023, i.e. lending portfolios of BBVA, S.A. (excluding branches in Portugal), Mexico, Colombia and Peru, a total calculation of financed emissions of 159.1 million tonnes of CO<sub>2</sub>e was obtained, counting Scope 1, 2 and 3 emissions. For the same perimeter in June 2024, a result of 134.9 million tonnes of CO<sub>2</sub>e has been obtained. This reduction is due to the lines of work that are being developed to have greater data precision, as well as changes in the portfolio. Counting Scopes 1 and 2 only, under the previous perimeter it changes from 66 million metric tons of CO<sub>2</sub>e in December 2023 to 42.8 million tons of CO<sub>2</sub>e in June 2024.

The total perimeter calculated in June 2024, which includes the lending and ex-lending portfolios of BBVA, S.A. (excluding the branches in Portugal), BBVA Mexico, BBVA Colombia, BBVA Peru and the lending portfolios of BBVA Garanti Türkiye, comes to 171.8 metric tons of CO<sub>2</sub>e, counting Scope 1, 2 and 3 emissions. Counting only Scopes 1 and 2, the figure comes to 62.2 million metric tons of CO<sub>2</sub>.

The distribution by geography is as follows:

**Chart 19.** Distribution of financed emissions by geography



<sup>(1)</sup>Data of BBVA S.A. without Portugal

**Table 60.** ESG1. Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (Million euros. 6-30-2024)

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions percentage derived from company-specific reporting <sup>(3)</sup>	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which excluded from Paris Agreement <sup>(2)</sup>	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Stage 3 financed emissions	Of which Scope 3 financed emissions								
Exposures towards sectors that highly contribute to climate change <sup>(1)</sup>	158,925	13,081	1,299	11,954	4,874	(3,291)	(487)	(2,440)	153,136,685	94,944,127	13 %	121,651	20,280	6,424	10,569	4
<b>A - Agriculture, forestry and fishing</b>	<b>4,948</b>	<b>—</b>	<b>—</b>	<b>750</b>	<b>177</b>	<b>(131)</b>	<b>(37)</b>	<b>(81)</b>	<b>7,252,313</b>	<b>2,294,841</b>	<b>3 %</b>	<b>3,790</b>	<b>967</b>	<b>72</b>	<b>118</b>	<b>3</b>
<b>B - Mining and quarrying</b>	<b>4,437</b>	<b>1,945</b>	<b>27</b>	<b>100</b>	<b>35</b>	<b>(30)</b>	<b>(5)</b>	<b>(21)</b>	<b>10,654,927</b>	<b>6,459,150</b>	<b>36 %</b>	<b>4,194</b>	<b>123</b>	<b>50</b>	<b>70</b>	<b>2</b>
B.05 - Mining of coal and lignite	128	57	12	4	—	(1)	—	—	67,755	44,840	56 %	118	9	—	—	2
B.06 - Extraction of crude petroleum and natural gas	1,519	1,507	—	1	—	(1)	—	—	6,568,073	5,114,138	79 %	1,480	4	—	34	1
B.07 - Mining of metal ores	1,871	14	—	27	1	(4)	(2)	(1)	3,027,308	948,047	12 %	1,813	8	48	3	2
B.08 - Other mining and quarrying	344	15	—	43	18	(9)	(1)	(8)	248,109	82,777	9 %	257	81	1	4	3
B.09 - Mining support service activities	575	352	16	25	15	(16)	(2)	(12)	743,682	269,348	9 %	525	21	—	29	3
<b>C - Manufacturing</b>	<b>53,198</b>	<b>3,231</b>	<b>363</b>	<b>3,360</b>	<b>1,050</b>	<b>(686)</b>	<b>(103)</b>	<b>(484)</b>	<b>68,776,140</b>	<b>49,343,446</b>	<b>16 %</b>	<b>44,411</b>	<b>4,615</b>	<b>950</b>	<b>3,222</b>	<b>3</b>
C.10 - Manufacture of food products	10,675	—	—	790	184	(154)	(25)	(105)	22,634,617	21,096,318	9 %	8,110	729	66	1,770	5
C.11 - Manufacture of beverages	1,765	—	—	119	21	(12)	(3)	(7)	941,662	717,598	10 %	1,545	161	20	39	3
C.12 - Manufacture of tobacco products	460	—	—	5	—	—	—	—	85,267	47,358	75 %	415	44	—	1	2
C.13 - Manufacture of textiles	1,691	—	—	162	64	(51)	(15)	(31)	809,387	625,116	— %	1,585	77	6	23	2
C.14 - Manufacture of wearing apparel	634	—	—	55	39	(28)	(3)	(22)	318,477	247,420	— %	586	30	2	16	2
C.15 - Manufacture of leather and related products	346	—	—	35	22	(14)	(1)	(12)	201,034	152,081	21 %	330	9	1	7	2
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	413	—	—	70	25	(15)	(3)	(11)	253,298	138,668	— %	371	26	7	10	3
C.17 - Manufacture of pulp, paper and paperboard	1,516	—	13	102	11	(12)	(2)	(7)	1,304,019	705,329	7 %	1,230	222	5	58	3
C.18 - Printing and service activities related to printing	315	—	—	53	28	(15)	(2)	(12)	131,661	91,504	— %	258	28	10	18	4
C.19 - Manufacture of coke oven products	2,054	2,009	2	4	42	(7)	—	(6)	4,331,036	2,046,249	17 %	1,141	525	234	154	6
C.20 - Production of chemicals	4,974	535	2	197	46	(37)	(5)	(25)	6,103,499	4,199,534	27 %	4,161	329	371	113	3
C.21 - Manufacture of pharmaceutical preparations	1,813	—	—	154	9	(11)	(4)	(5)	942,118	579,127	23 %	1,314	462	3	35	3
C.22 - Manufacture of rubber products	2,333	2	—	205	27	(20)	(2)	(15)	1,884,023	1,216,937	4 %	2,060	203	25	46	3
C.23 - Manufacture of other non-metallic mineral products	3,299	—	—	224	23	(24)	(10)	(10)	7,730,468	1,573,315	22 %	3,004	263	4	29	2
C.24 - Manufacture of basic metals	4,551	7	129	146	130	(72)	(3)	(57)	6,502,531	3,569,401	15 %	4,275	224	5	47	2
C.25 - Manufacture of fabricated metal products, except machinery and equipment	1,774	—	—	255	95	(63)	(7)	(48)	1,116,191	1,008,461	— %	1,491	172	26	84	3

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions percentage derived from company-specific reporting <sup>(3)</sup>	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which excluded from Paris Agreement <sup>(2)</sup>	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions	Of which Scope 3 financed emissions								
C.26 - Manufacture of computer, electronic and optical products	3,031	—	7	176	24	(18)	(1)	(15)	1,819,608	1,296,928	30 %	2,775	199	5	52	2
C.27 - Manufacture of electrical equipment	2,618	40	37	79	77	(18)	(2)	(12)	5,170,047	4,742,364	20 %	2,137	317	93	72	3
C.28 - Manufacture of machinery and equipment n.e.c.	1,822	364	4	138	75	(41)	(3)	(35)	1,710,170	1,359,801	14 %	1,633	114	9	67	2
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	4,438	264	17	136	26	(23)	(7)	(13)	2,895,211	2,465,789	20 %	3,764	209	38	427	4
C.30 - Manufacture of other transport equipment	1,139	—	149	95	7	(5)	(1)	(2)	1,074,476	918,594	13 %	867	172	—	100	3
C.31 - Manufacture of furniture	355	—	—	48	28	(16)	(1)	(13)	181,641	101,947	— %	310	25	8	11	3
C.32 - Other manufacturing	871	9	—	80	28	(20)	(4)	(14)	458,975	325,465	27 %	778	58	3	32	2
C.33 - Repair and installation of machinery and equipment	311	—	1	31	18	(9)	(1)	(7)	176,724	118,142	— %	270	20	10	10	3
<b>D - Electricity, gas, steam and air conditioning supply</b>	<b>17,884</b>	<b>6,181</b>	<b>472</b>	<b>1,023</b>	<b>258</b>	<b>(261)</b>	<b>(85)</b>	<b>(165)</b>	<b>21,823,246</b>	<b>8,240,137</b>	<b>34 %</b>	<b>12,607</b>	<b>2,580</b>	<b>744</b>	<b>1,953</b>	<b>5</b>
D35.1 - Electric power generation, transmission and distribution	14,140	3,207	454	894	209	(246)	(79)	(157)	16,586,360	5,697,930	33 %	9,698	1,910	590	1,942	5
D35.11 - Production of electricity	9,623	2,845	172	845	89	(149)	(76)	(66)	11,341,172	1,801,922	23 %	6,760	1,682	537	643	4
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	3,738	2,974	18	128	47	(15)	(6)	(7)	4,393,174	2,525,488	38 %	2,904	668	155	10	4
D35.3 - Steam and air conditioning supply	6	—	—	1	1	(1)	—	(1)	843,712	16,719	— %	4	2	—	—	4
<b>E - Water supply; sewerage, waste management and remediation activities</b>	<b>1,364</b>	<b>19</b>	<b>18</b>	<b>54</b>	<b>29</b>	<b>(16)</b>	<b>(2)</b>	<b>(12)</b>	<b>563,245</b>	<b>277,764</b>	<b>12 %</b>	<b>981</b>	<b>125</b>	<b>112</b>	<b>146</b>	<b>6</b>
<b>F - Construction</b>	<b>10,862</b>	<b>10</b>	<b>181</b>	<b>942</b>	<b>639</b>	<b>(405)</b>	<b>(38)</b>	<b>(332)</b>	<b>1,938,647</b>	<b>1,672,762</b>	<b>5 %</b>	<b>7,317</b>	<b>977</b>	<b>1,616</b>	<b>951</b>	<b>5</b>
F.41 - Construction of buildings	7,468	10	22	582	403	(278)	(30)	(222)	620,445	516,912	— %	4,660	481	1,516	811	7
F.42 - Civil engineering	1,656	1	107	135	70	(49)	(5)	(41)	582,580	502,250	27 %	1,231	314	48	63	2
F.43 - Specialised construction activities	1,737	—	52	225	165	(78)	(4)	(68)	735,622	653,600	3 %	1,426	183	52	77	3
<b>G - Wholesale and retail trade; repair of motor vehicles and motorcycles</b>	<b>34,845</b>	<b>1,451</b>	<b>15</b>	<b>2,864</b>	<b>1,280</b>	<b>(854)</b>	<b>(103)</b>	<b>(626)</b>	<b>36,396,598</b>	<b>23,990,897</b>	<b>5 %</b>	<b>29,042</b>	<b>2,301</b>	<b>360</b>	<b>3,143</b>	<b>3</b>
<b>H - Transportation and storage</b>	<b>11,879</b>	<b>231</b>	<b>224</b>	<b>934</b>	<b>418</b>	<b>(241)</b>	<b>(32)</b>	<b>(181)</b>	<b>4,530,050</b>	<b>2,122,169</b>	<b>8 %</b>	<b>7,961</b>	<b>2,759</b>	<b>656</b>	<b>503</b>	<b>4</b>
H.49 - Land transport and transport via pipelines	5,477	230	2	519	189	(131)	(19)	(92)	2,517,146	1,254,251	5 %	4,322	723	76	356	4
H.50 - Water transport	490	—	8	21	49	(36)	—	(35)	922,260	172,697	5 %	337	130	21	2	3
H.51 - Air transport	374	—	—	13	16	(5)	—	(5)	311,140	75,441	1 %	161	205	—	8	6
H.52 - Warehousing and support activities for transportation	5,394	1	214	355	162	(65)	(9)	(49)	765,740	611,456	12 %	3,012	1,690	557	135	4
H.53 - Postal and courier activities	144	—	—	26	2	(4)	(3)	(1)	13,764	8,324	— %	129	10	2	3	2

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions percentage derived from company-specific reporting <sup>(3)</sup>	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity		
	Of which excluded from Paris Agreement <sup>(2)</sup>	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions									
I - Accommodation and food service activities	8,680	—	—	832	316	(199)	(37)	(141)	796,007	477,635	5 %	4,939	2,816	713	212	5
L - Real estate activities	10,827	12	—	1,095	674	(468)	(44)	(397)	405,512	65,326	8 %	6,410	3,018	1,150	249	6
Exposures towards sectors other than those that highly contribute to climate change <sup>(1)</sup>	32,363	130	65	2,424	651	(815)	(163)	(501)				22,306	2,216	959	6,882	6
K - Financial and insurance activities	2,797	1	9	72	8	(9)	(1)	(3)				2,482	73	65	177	4
Exposures to other sectors (NACE codes J, M - U)	29,566	129	56	2,351	643	(806)	(163)	(497)				19,824	2,143	894	6,705	7
<b>TOTAL</b>	<b>191,287</b>	<b>13,211</b>	<b>1,364</b>	<b>14,377</b>	<b>5,525</b>	<b>(4,106)</b>	<b>(650)</b>	<b>(2,941)</b>	<b>153,136,685</b>	<b>94,944,127</b>	<b>10 %</b>	<b>143,957</b>	<b>22,496</b>	<b>7,383</b>	<b>17,451</b>	<b>4</b>

\* Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through P&L". Instruments: loans and advances, fixed income and equities. Sectors: non-financial corporations.

\*\* Specific details:

- Information on customers' economic activities has been used based on the local economic classifications of each geography, in the case of Spanish companies, the National Classification of Economic Activities (CNAE), or other equivalent standards in the other geographies where the Group operates. These local classifications by activity are equivalent to the Statistical Classification of Economic Activities of the European Community (NACE). In addition, information provided by risk analysts who review the NACE for individual customers is being used when it does not accurately reflect the main economic activity. This information on customer economic activity is used for the BBVA Group's internal risk management.
- GHG emissions calculation includes the loan and advance, fixed-income and equity portfolios of BBVA SA (except for the branches in Portugal, where emissions have not been measured due to low materiality), BBVA Mexico, BBVA Peru, BBVA Colombia, and the loan and advance portfolio of BBVA Garanti Turkey. This table does not include emissions for a number of portfolios (the household portfolio, other sectors). In total, emissions from all the aforementioned portfolios amount to 171.8 million tonnes. In addition, the information by sector in this report for calculating emissions may contain differences from the information provided in BBVA's Management Report, given that this information, at the request of the banking supervisor, must be consistent with the information by sector in the FINREP regulatory reporting.
- Operational marking excluded from the Paris Agreement<sup>(1)</sup>. The thresholds considered for exclusion from the Paris Agreement on the basis of the Delegated Regulation (EU) 2020/1818 are:
  - Companies deriving 1 % or more of their revenues from the exploration, mining, extraction, distribution or refining of anthracite, hard coal and lignite.
  - Companies deriving 10 % or more of their revenues from the exploration for, extraction, extraction, distribution or refining of liquid fuels.
  - Companies deriving 50 % or more of their revenues from the exploration for, extraction, production or distribution of gaseous fuels.
  - Companies deriving 50 % or more of their revenues from the generation of electricity with a GHG emission intensity exceeding 100 gCO<sub>2</sub>/kWh.

\*\*\* Revenues from customer activities are obtained from S&P data. Revenues from activities indicated in the supplier's "S&P Paris-Aligned & Climate, Transition (PACT) Indices Methodology" are considered. For those cases where no information is available on the client's activity revenues, it is assumed that its revenues come from the main activity (NACE) used for internal management and reporting.

\*\*\*\* Companies engaged in electricity generation take into account the emissions intensity estimated under the PACTA methodology in the logic to be considered as companies excluded from the Paris Agreement.

\*\*\*\*\* Exposures computed in the numerator of column k ("GHG emissions") are estimated under the PCAF methodology with approach 1a or 1b.

<sup>(1)</sup> In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

<sup>(2)</sup> Exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation.

<sup>(3)</sup> GHG emissions (column i, "GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty)"): gross carrying amount percentage of the portfolio derived from company-specific reporting.

### Identification of clients excluded from EU Paris-aligned Benchmarks

The Paris Agreement is an agreement within the framework of the United Nations Framework Convention on Climate Change (COP) that establishes measures to reduce greenhouse gas emissions.

In February 2019, the European Parliament and the Council reached an agreement on the creation of two new categories of low-carbon reference indices or benchmarks: climate transition (EU CTB) and aligned with the Paris agreement (EU PAB). Both benchmarks have the same criteria focused on decarbonization, but the thresholds are different.

In 2020, the European Commission established the minimum criteria that indexes must meet to be labeled as EU Climate Transition Benchmark (EU CTB) and EU Paris-Aligned Benchmark (EU PAB). In the case of the benchmark index aligned with the Paris agreement, Delegated Regulation (EU) 2020/1818 establishes certain exclusions including quantitative criteria for the sectors of i) exploration, mining, extraction, distribution or refining of anthracite, hard coal and lignite; ii) exploration, extraction, distribution or refining of oil fuels; iii) exploration, extraction, manufacturing or distribution of gaseous fuels; iv) generation of electricity with a determined emissions intensity. The aforementioned regulation establishes the qualitative criteria in relation to controversial weapons: anti-personnel mines, biological, chemical and nuclear weapons, cluster bombs, as well as depleted uranium weapons, blinding laser weapons, incendiary weapons and/or non-detectable fragments. However, by express instruction of the current Pillar 3 regulations issued by EBA and the European Commission, these qualitative aspects should not be taken into account.

The identification of clients excluded from the EU benchmark harmonized with the Paris Agreement is carried out using information provided by the Group's external ESG data provider. A relationship is established between the sectors or economic activities mentioned in the delegated regulation and it is evaluated whether or not the client or business group meets the criteria of said agreement. This cataloguing is established according to the methodology developed by the aforementioned provider that establishes a logic of relationship between the sectors or economic activities and the exclusion criteria by percentage of income established by the delegated regulation in said sectors.

Likewise, the categorization provided is related to the NACE catalogue (4-digit). This relationship will be carried out through the relationship established by EUROSTAT with NACE, allowing the identification of clients who are expected to have information that is not available from the provider. These cases are very exceptional given that in the aforementioned sectors such as coal, oil, gas or electricity generation, clients with a sufficiently relevant size operate and information on the turnover by economic activities is available. In those activities related

to more than one activity, for example oil and gas at the same time, the most restrictive criterion will be considered.

### Concentration of financed emissions

The major global companies with the highest volume of greenhouse gas emissions have a responsibility to reduce their impact on the environment and must contribute to the transition to more sustainable activities. The BBVA Group has analyzed its exposures to the most carbon-intensive companies in the world, which it uses as a complement to the sectoral analysis (NACEs) broken down in other sections of this report. In order to analyze its exposure to the top 20 most polluting companies, the financing granted to any of the companies in this group is taken into account. The relationship between corporate groups and companies belonging to them is based on the principles of supervisory reporting on large exposures (COREP Large Exposures) and connected customers.

The information on the world's top 20 carbon-intensive companies, according to the EBA's ITS, should be based on accurate and publicly available information. Examples of data sources for identifying major carbon emitting companies include the Carbon Majors database, which includes reports from the Carbon Disclosure Project (CDP) and the Climate Accountability Institute, as well as Thomson Reuters.

These reports, however, use different criteria to determine the most polluting companies, since they are based on different perimeters within the value chain for measuring greenhouse gas emissions. One of the public lists uses annual scope 1 and 2 emissions to establish the ranking of the most polluting companies, while the other adds Scope 3 emissions to the above. Therefore, the results are not equivalent due to the different perimeter of the emissions considered by each one.

BBVA has information from several recognized data providers in the sector with which it collaborates to provide the best information on climate aspects. This information is based on questionnaires sent to companies by the Carbon Disclosure Project, an organization that the EBA cites as valid for determining a list of the most polluting companies.

Based on this information, a list of the most polluting companies has been established, the emissions perimeter of which includes the three scopes (1, 2, and 3 upstream). BBVA understands that this scope is the one that companies can directly manage within their value chain, where they can carry out mitigation actions, accelerate their transition to productive processes or improve energy efficiency.

Below is the Group's exposure data for the 20 most carbon-intensive companies worldwide, showing that there are seven clients with a combined balance of €1,181 million, representing 0.23% of the exposure to non-financial companies and whose weighted average maturity is 2.6 years.

**Table 61.** ESG4. Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms (Million euros. 6-30-2024)

Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate) <sup>(*)</sup>	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1,181	0.23 %	—	0.34	7

\* For counterparties among the top 20 carbon emitting companies in the world, exclusively considering non-financial corporates in the investment portfolio of the entity.

\*\* Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. Sectors: non-financial corporations.

\*\*\* The information includes the most significant BBVA Group entities that include 96.5% of the total assets. These data represent the best information available to date.

### Breakdown of residential mortgages

The EPC (Energy Performance Certificate) label is a classification of buildings according to their energy efficiency. It must be calculated in accordance with the methodology adopted by Directive (EU) 2024/127 – Energy Performance of Buildings Directive (EPBD), as published in April 2024 and pending transposition into national law.

The BBVA Group's exposures secured by real estate, as well as those arising from foreclosure processes or received in payment of debts, are distributed according to their geographic diversification, and because of this, there is a presence in countries outside the scope of application of the aforementioned Directive. As a result, the standards for assessing the energy consumption intensity or energy efficiency of real estate in each region have different levels of maturity, which adds complexity when trying to provide a consistent view from a global perspective.

Most of the real estate is business-related in Spain, where the EPC is the standard approach to assessing energy efficiency. According to the applicable regulations in Spain, the evaluation and generation of an energy certificate in the sale and purchase of a residential property has been mandatory since 2013. In recent years, BBVA S.A. has implemented the necessary changes to collect information on energy certificates for new residential mortgages in Spain and, additionally, has a process to obtain information on the pre-existing portfolio through EPC data provided by an independent appraisal company approved in Spain, thus covering most of the exposure. In this regard, the EPC information was obtained from existing public records and, in cases where the information was not available, it was based on a model developed by the appraiser to estimate the intensity of energy consumption based on the nearest neighbourhood, geographic area, year of construction and floor of the building. This model has been analyzed and approved by BBVA's Internal Validation team.

It should be noted that due to the type of property in question, the issuance of EPC labels is not mandatory, as in the case of plots of land, storage rooms or independent garages, for which no information or

estimated energy consumption (kWh/m<sup>2</sup>/year) has been obtained.

For properties within the banking business in Spain, information on estimated energy consumption (kWh/m<sup>2</sup> per year) has been incorporated whenever an EPC label is available and, in those cases, where the external model calculates an estimated EPC. A project has been launched to raise awareness among BBVA customers of the usefulness of an EPC and to include this among the documentation to be requested in the mortgage process prior to sanction to make it possible to influence loan conditions depending on the letter and thus promote the decarbonization of the real estate stock, which in Europe is responsible for 40% of CO<sub>2</sub> emissions. Similarly, to capture the performance of EPCs beyond origination, a project has been launched to periodically capture actual EPC data from official sources.

It has also launched several initiatives to finance energy efficiency improvements in buildings, both for individuals and homeowners' associations.

In Turkey energy certificates have been collected from existing real estate appraisal documents in the country since 2017. Since January 2023, the contracting process has been modified to automatically collect label and consumption information, which has been done for all origination for 2023. As For the stock, efficiency estimates have been assigned based on Turkish EPCs.

In Mexico, there are two ongoing projects to obtain energy efficiency information. First, the process of taking out a mortgage loan will be modified to automatically collect information on new transactions and second, the most optimal procedure for scoring energy efficiency and emissions for a significant part of the portfolio is currently under analysis. In both cases, the aim is to have information on energy consumption (kWh/m<sup>2</sup>/year) and emissions (KgCO<sub>2</sub>/m<sup>2</sup>/year). In the case of emissions estimates for the collaterals, since 2Q-2024 we are already generating their emissions and consumption estimates for the stock and new loans, which has resulted in a significant increase in the availability of energy efficiency data in Non EU.

In Colombia and Peru, a similar initiative is expected to be implemented in 2024, with the objective of managing

the collection of the emissions metric (kgCO<sub>2</sub>/m<sup>2</sup>/year) for each guarantee and from this, to generate the consumption metric (kWh/m<sup>2</sup>/year) by applying the country's energy mix. In Peru, a diagnosis is being carried out to incorporate energy efficiency metrics in the application of local guarantees.

BBVA is actively working to identify key local factors to determine the degree of sustainability of the properties. Some of these factors are associated with the water resources required or waste management, since the energy efficiency of buildings is of different significance depending on the climate of the countries in which they operate.

**Table 62.** ESG2. Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (Million euros. 6-30-2024)

	Total gross carrying amount amount															Without EPC label of collateral	Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated
	Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						Level of energy efficiency (EPC label of collateral) <sup>(1)</sup>										
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G				
<b>Total EU area</b>	<b>83,410</b>	<b>10,370</b>	<b>27,738</b>	<b>18,688</b>	<b>4,127</b>	<b>1,121</b>	<b>558</b>	<b>1,220</b>	<b>1,528</b>	<b>2,064</b>	<b>5,780</b>	<b>33,178</b>	<b>5,085</b>	<b>7,714</b>	<b>26,842</b>	<b>22 %</b>	
Of which Loans collateralised by commercial immovable property	11,608	1,224	1,751	1,113	373	107	55	237	398	700	625	1,391	309	374	7,575	8 %	
Of which Loans collateralised by residential immovable property	71,368	9,113	25,893	17,499	3,740	1,008	502	982	1,130	1,355	5,138	31,726	4,760	7,317	18,960	28 %	
Of which Collateral obtained by taking possession: residential and commercial immovable properties	434	34	94	76	14	5	1	2	—	9	17	60	17	23	307	32 %	
Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	6,034	1,642	2,159	1,802	374	43	14								6,034	100 %	
<b>Total non-EU area</b>	<b>43,385</b>	<b>535</b>	<b>6,472</b>	<b>1,925</b>	<b>—</b>	<b>—</b>	<b>52</b>	<b>22</b>	<b>224</b>	<b>580</b>	<b>17</b>	<b>5</b>	<b>1</b>	<b>—</b>	<b>42,536</b>	<b>21.32</b>	
Of which Loans collateralised by commercial immovable property	17,187	286	137	20	8	3	25	22	164	290	2	1	—	—	16,709	0.01	
Of which Loans collateralised by residential immovable property	25,780	249	6,334	1,905	581	342	27	—	60	290	15	4	1	—	25,410	35.68	
Of which Collateral obtained by taking possession: residential and commercial immovable properties	417	—	—	—	—	—	—	—	—	—	—	—	—	—	417	—	
Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	9,068	—	6,238	1,895	576	339	20								9,068	100.00	

\* Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-marketable at Fair Value through Profit or Loss". Loans secured by real estate are in the "At amortised cost" portfolio. Instruments: loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households. Data on the Group's prudential perimeter, where energy efficiency information is available mainly in the Spanish and Turkish business.

<sup>(1)</sup> The EPC labels included are the certified labels obtained from the client, from the registry, provided by the appraiser and estimated by methodology based on certified homes belonging to the same building.



## Physical risks

Those arising from climate change, which may be caused by more frequent and severe extreme weather events or long-term weather changes, and which may lead to

physical damage to company assets, disruptions in the supply chain or increased expenses required to deal with them.

**Table 63.** Physical risks

Risk subtype	Risks associated with climate change	Risk description	Time horizon <sup>(1)</sup>
Acute risks	Increased severity of extreme weather events, such as cyclones and flooding	Reduced revenue from decreased production capacity (e.g. transport difficulties and supply chain disruptions)	MT
		Direct losses from asset damage (BBVA and clients)	MT
		Increased cost of insurance	MT
	Business continuity problems	Damage to BBVA facilities from environmental catastrophes that hinder normal service provision	MT
Chronic risks	Changes in precipitation patterns and extreme variability weather patterns	Loss of value of clients' assets (guarantees) because they are located in areas with water supply problems (desertification)	MT
		Increases in clients' operating costs (investments in agriculture)	MT
		Lower renewables production (hydro and wind)	MT
	Rising average temperatures	Population movements that can lead to depression in certain areas, accompanied by loss of business	LT
	Sea level rise	Threats to client assets that can lead to loss of profits and their solvency	LT

<sup>(1)</sup> ST: Short Term, <4 years; MT: Medium Term, 4-10 years; LT: Long Term, >10 years.

### Classification and measurement of physical risk

Physical risk is associated with the location of assets and vulnerability based on their activity and can materialize in credit risk through different transmission channels, having an impact in multiple ways such as, for example, on the purchasing power of customers, business productivity, market demand or the value of assets. During the first half of 2024, BBVA has been working on ingesting climate analysis data that includes different scenarios and time horizons to allow for their use in the bank's systems.

The physical risk analysis is structured around three pillars:

#### Threat

In terms of threat, the methodology of the World Bank's Think Hazard tool was used. This tool indicates the risk levels of different natural hazards, both acute (cyclone, heat waves, forest fire and river flooding) and chronic (drought and coastal flooding), at a global level and in different detail depending on the geographical area of the planet. These risk levels are calculated based on the frequency of occurrence and intensity of the different natural hazards. It is important to note that the information used is provided by a number of private, academic and public organizations. In addition, work has been done to increase the granularity of the risk levels offered by Think Hazard, using scientific and technical criteria, for the most relevant hazards in BBVA's geographical areas, namely tropical cyclones, coastal and river flooding and forest fires.

#### Exposure

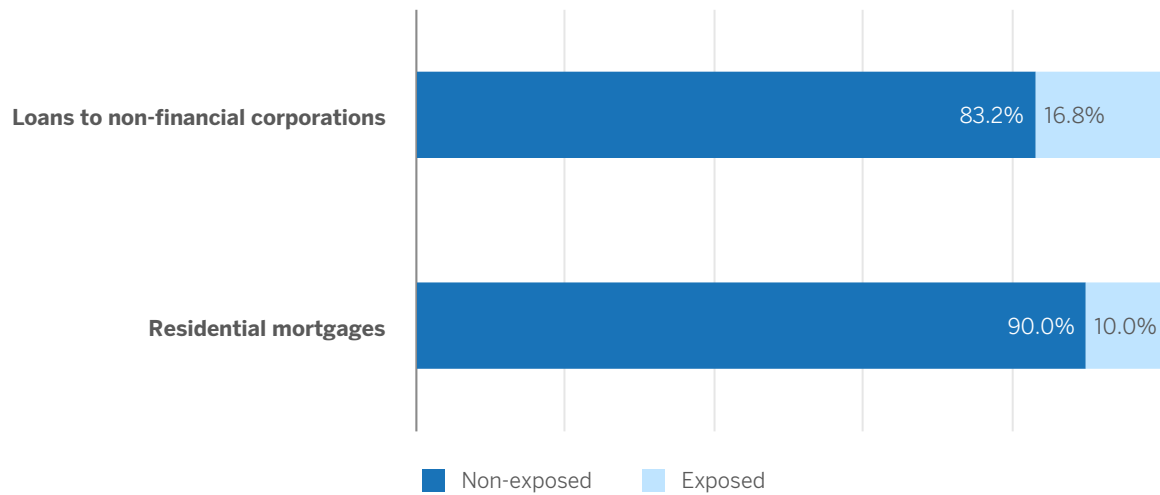
For the exposure component, during 2024 the granularity of the analysis has been maintained based on the optimization of the relationship between the administrative levels of the aforementioned tool and the postal codes available in the different BBVA portfolios carried out in 2023. In addition, work has continued on the standardized and detailed information on the locations of the collateral and assets available in the databases in order to be able to convert postal addresses to geographic coordinates.

#### Vulnerability

In the vulnerability component, the sectoral granularity of the analysis for wholesale banking and SMEs was maintained during 2024. This analysis is performed based on eight indicators that capture direct and indirect physical impacts, so that the sensitivity of each sector to climate hazards is assessed indirectly by analyzing its sensitivity to these vulnerability indicators. This methodology follows the best practices identified by the Taskforce on Climate-related Financial Disclosure (TCFD) and UNEP-FI. As a result, a qualitative classification of the sub-sectors is generated according to the potential impact of chronic or acute changes in climate on their business model and activity.

Threat and vulnerability scores are applied at contract level based on location to identify exposure prone to physical risk. As a result, the sectors identified with the highest vulnerability to physical hazards were Power Generation, Basic Materials, Construction, Consumption and Real Estate.

**Chart 20.** Exposure to physical risk as of December 31, 2023 (Percentage)<sup>1</sup>



<sup>(1)</sup>The breakdown includes the portfolios of Spain, Mexico, Turkey, Peru, Colombia and Argentina.

The work that had begun in 2023 continued throughout the first half of 2024, generating climate change projections in the mortgage portfolios of the following countries: Colombia, Mexico, Peru and Turkey. In addition, work continued on the corporate client portfolios to generate the corresponding climate change projections. Last but not least, further progress was made in assessing the materiality of chronic and acute risks through the development of a risk score for the mortgage portfolio enabling the improved assessment of these risks.

**Table 64.** ESG5. Banking book - Climate change physical risk: Exposures subject to physical risk (Million euros, 6-30-2024)

Total	Gross carrying amount													
	Of which exposures sensitive to impact from climate change physical events													
	Breakdown by maturity bucket					Of which exposures sensitive to impact from chronic climate change events	Of which exposures sensitive to impact from acute climate change events	Of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity						Of which Stage 2 exposures	Of which non-performing exposures		
A - Agriculture, forestry and fishing	4,948	2,565	592	7	43	2	999	880	1,329	544	96	(68)	(20)	(40)
B - Mining and quarrying	4,437	1,692	1	48	44	2	450	840	495	28	3	(7)	(2)	(2)
C - Manufacturing	53,198	8,068	1,030	609	315	3	5,982	1,499	2,542	455	165	(83)	(8)	(59)
D - Electricity, gas, steam and air conditioning supply	17,884	7,946	1,146	279	300	3	1,507	6,750	1,414	231	12	(27)	(14)	(9)
E - Water supply; sewerage, waste management and remediation activities	1,364	11	—	—	—	4	1	11	—	—	—	—	—	—
F - Construction	10,862	558	58	33	13	3	125	399	138	46	19	(12)	(1)	(10)
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	34,845	377	75	29	—	3	102	295	85	53	24	(21)	(4)	(15)
H - Transportation and storage	11,879	71	23	2	—	3	21	65	10	21	3	(5)	(3)	(2)
L - Real estate activities	10,827	833	344	163	4	5	354	750	239	126	14	(10)	(1)	(5)
Loans collateralised by residential immovable property	97,148	575	1,036	5,360	2,689	17	3,173	4,957	1,530	1,025	537	(171)	(20)	(144)
Loans collateralised by commercial immovable property	28,795	2,735	1,060	302	22	4	1,205	2,075	839	414	146	(91)	(16)	(66)
Repossessed colaterals	851	—	—	—	79	20	20	50	9	—	—	—	—	—
I - Accommodation and food service activities	8,680	1,816	941	135	9	4	1,038	1,353	510	90	39	(33)	(4)	(24)
J - Information and communication	11,897	4	1	—	—	2	—	4	1	—	—	—	—	—
K - Financial and insurance activities	2,797	—	—	—	—	8	—	1	—	—	—	—	—	—
Other relevant sectors	17,669	179	57	118	8	7	106	222	35	43	21	(13)	(1)	(11)

(\*) Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. In addition, loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households (only for the part of loans secured by residential real estate). Specific details: Main activity code (NACE) information used for internal management and reporting purposes. In other relevant sectors all other NACE activities are included until the perimeter is complete. These data represent the best information available to date.

## Identification and measurement of other environmental risks

The global effort to combat climate change cannot be effective without simultaneously addressing the natural capital challenge. To reflect this, the transition plans of companies should be improved to reflect their dependencies and impacts on nature and biodiversity and to include the just transition. Ensuring healthy ecosystems and combating climate change are intrinsically linked challenges. Global warming affects ecosystems directly, e.g., through their loss.

According to BBVA's General Sustainability Policy, natural capital comprises the earth's natural assets (soil, air, water, flora and fauna), and the ecosystems resulting from them, which make human life possible.

### Strategy

BBVA includes natural capital in its holistic vision of sustainability that covers all geographies.

### Policies and frameworks

The General Sustainability Policy expressly includes the protection of natural capital as one of its main focuses of action. Specifically, BBVA recognizes the need to protect ecosystem services and natural assets as well as natural ecological species and processes, and considers biodiversity and natural capital in its relationship with its customers.

The Environmental and Social Framework specifically includes a series of prohibitions related to biodiversity loss and combating deforestation:

- New projects that threaten UNESCO World Heritage sites, Ramsar-listed wetlands, Alliance for Zero Extinction sites, and Category I-IV areas of the International Union for Conservation of Nature.
- New projects involving resettlement or infringement of the rights of indigenous or vulnerable groups without their free, prior and informed consent.
- New projects related to deforestation: burning of natural ecosystems for the development of agricultural or livestock projects, removal of forests with high conservation value and high carbon content, non-certified palm oil farms or not in the process of certification by the Roundtable for Sustainable Palm Oil (RSPO), palm oil farms in swamps and peat-rich areas, and since 2022, projects in key biodiversity areas of the International Union for Conservation of Nature (IUCN), the Brazilian Amazon and the Cerrado.

If BBVA concludes that any of the circumstances described in the prohibited activities or general bans apply to a project, it will decline to participate in that project.

In addition, the Equator Principles were updated in 2020, strengthening their focus on biodiversity with the objective of supporting conservation.

### Risk management

Following international reference frameworks such as SASB's Materiality Map and rating agencies, BBVA has identified the sub-sectors of activity that it finances and the most relevant environmental and social factors of each one, including, in addition to climate change, aspects related to natural capital, such as pollution and waste, biodiversity and land use or water resource management. This exercise is included in the "Sector Guide for the integration of sustainability factors in credit analysis", which defines the most common metrics and reference thresholds in relation to environmental aspects and is used as a support tool in the admission process.

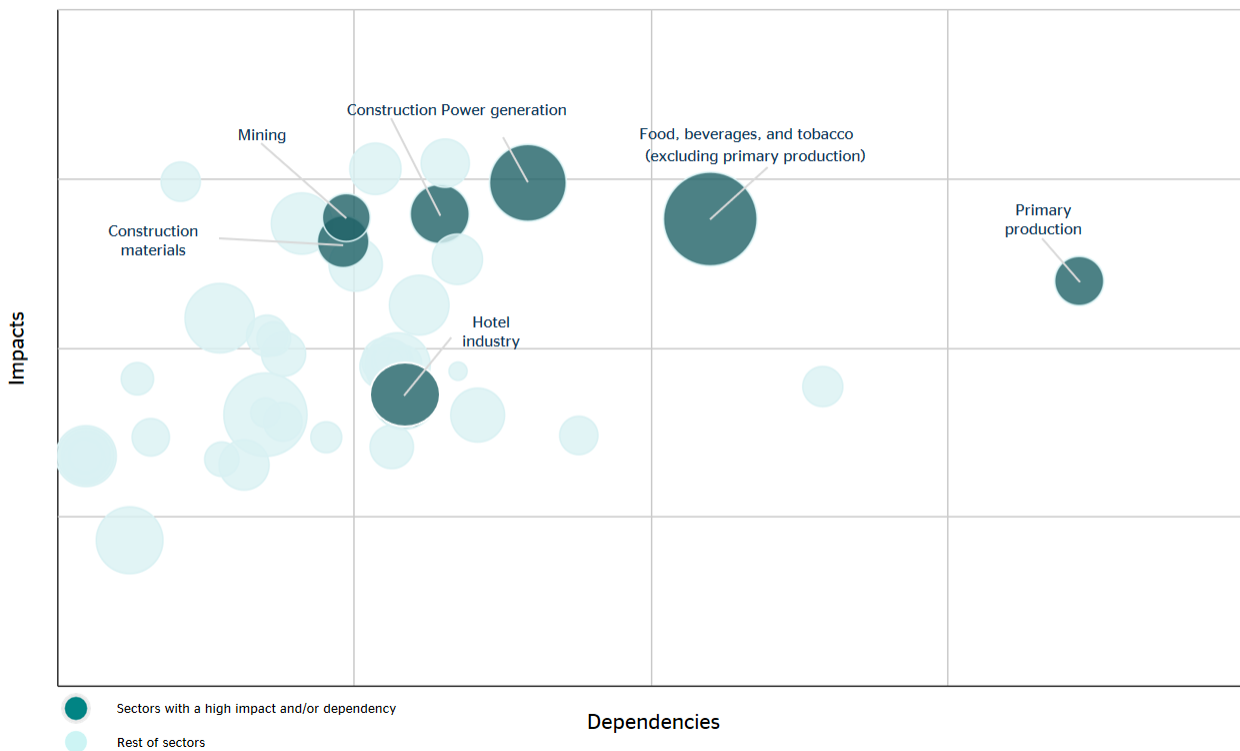
Customer activity can affect natural capital (impacts) while the loss of natural capital can generate risks for the operations and business model of BBVA's customers (dependencies).

- Customers with a high ecosystem impact face a higher level of transition risk due to regulatory and policy changes, the substitution of more efficient and cleaner technologies, changes in consumer demand, and market shifts.
- Customers with high dependence on natural capital may face increased physical risks generated by ecosystem deterioration such as reduction in available water resources or loss of storm and flood protection capacity.

During 2023, BBVA updated the heat map of impacts and dependencies it conducted during 2022. The ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool methodology developed by the Natural Capital Finance Alliance in collaboration with UNEP-WCMC was predominantly used. It is also consistent with aspects contained in other reference tools such as the SBTN Materiality Screening Tool, developed by the Science Based Target Network (SBTN) and included, in a qualitative manner, the impacts and dependencies of the value chain (the dependencies and impacts of the upstream sector of each of the financed sectors have been included).

The circles included in the figure represent BBVA's exposure at the subsector level as a percentage of total EAD, excluding exposure to sectors outside the scope of this exercise, such as financial entities and institutions.

Chart 21. Natural Capital - Heat map of impacts and dependencies



Sectors with a high or very high dependence on natural capital account for 3.54% of the Group’s wholesale banking EAD as of June 30, 2024, while those sectors with a high or very high impact represent 25.29%.

As a result of this analysis, seven sectors have been identified as having a significant impact and/or dependence on natural capital: (1) Agriculture, livestock and fishing (primary production); (2) Food, beverage and tobacco production (excluding primary production); (3) Construction; (4) Construction materials; (5) Hotel sector; (6) Mining; and (7) Power generation:

- The dependence is largely due to the fact that customers operating in these sectors (i) rely on ecosystems for water (inputs), while (ii) ecosystems protect customers’ business continuity from potential risks and disruptions such as floods and storms or, erosion control through vegetative cover.
- In terms of impact, the main impacts in these sectors are due to the amount of water and land used in their production processes, the waste generated, as well as the contamination of terrestrial and aquatic ecosystems.

Relevant metrics<sup>17</sup> have been identified and obtained for the main customers in these seven prioritized sectors. The evaluation of these metrics allows the customer onboarding process to be reported, identifying those metrics to be taken into account in Know Your Customer

(KYC) and providing references both for the definition of risk mitigation criteria and for the Advisory with wholesale customers.

Given the importance to BBVA’s loan portfolio and dependence on water resources during 2023, the scope of water stress risk assessments at the customer level has been extended to major customers in the Power Generation and Cement sectors. This assessment was carried out using the World Resources Institute’s (WRI) Aqueduct Water Risk Atlas tool, which identifies water risk at the locations of its customers’ power generation plants. This tool identifies the water risk of the customer’s assets today and in the year 2040 with a greenhouse gas concentration scenario RCP 8.5 (IPCC hot house scenario).

The results of the assessment are a water stress risk score of the customer and of the assets. The results of this analysis show that approximately 23% of the total installed capacity of the customers analyzed in the Power Generation sector has a high or very high risk of water stress and approximately 18% of the cement production plants of the customers analyzed in the Cement sector have a high or very high risk of water stress.

Furthermore, the water management strategies of the customers analyzed, the targets set and the historical performance of water consumption were analyzed. In this way, by combining water risk exposure based on asset locations and water management strategies, we

<sup>17</sup> These metrics are inspired by international reporting frameworks such as ISSB (International Sustainability Standards Board), ESRS (European Sustainability Reporting Standards), GRI or TNFD (Task Force on Nature-related Disclosure).

can identify those customers who are making progress in water risk management.

Further progress will be made throughout 2024 in assessing and integrating natural capital risk management. A natural capital risk taxonomy is being developed that allows economic activities to be classified according to their general environmental risk and their risk in each of the relevant environmental issues: Water, Biodiversity and Land Use and Pollution and Waste, as well as explaining the transmission channels from natural capital risks to traditional financial risks. Meanwhile, through the Sectoral Action Frameworks, metrics have been defined that allow the bank to identify good practices and weaknesses in the management of its clients' natural capital in those sectors with the greatest dependence and impact on natural capital.

## 5.3. Social Risk

### 5.3.1. Strategy and business processes

Sustainability is governed by the principle of ensuring the needs of the present without compromising the needs of future generations. But it also takes into account that the transition to a low-carbon economy is just and leaves no one behind.

Accordingly, BBVA's sustainability strategy focuses on two fundamental pillars. Firstly, the fight against climate change and the protection of natural capital, and secondly, inclusive growth. The opportunities of this new era must be made available to everyone, especially in this second area.

BBVA understands the social dimension as the management of impacts, risks and opportunities in relation to its customers, employees, suppliers, society and the communities affected by its activity.

#### Just Transition

The transition to a low-carbon economy must be just, and is achieved from three perspectives: strategy, implementation and involvement with stakeholders.

At a strategic level, BBVA has included Sustainability as one of the Group's six strategic priorities, focusing on the fight against climate change and the protection of natural capital, as well as on inclusive growth.

At the implementation level, the perspective of just transition and inclusive growth has been integrated into different lines of work. Sustainable mobilization related to a social purpose aims to seek business opportunities that promote inclusive growth activities. In 2023 and 2024, resources have been mobilized for investments such as infrastructure for social purposes (health, education, housing, transportation) and financing has been set aside to strengthen and transform the business community. In addition, credit products have been designed and marketed to individuals who meet the low-income and/or vulnerability thresholds established for each country. For more information, see the Inclusive Growth section below.

The main objective of BBVA's Environmental and Social Framework is to identify a series of activities and sectors that, while contributing to economic growth, progress and the well-being of people around the world, can also have a high negative environmental and/or social impact. This Framework is developed and coordinated by the Global Sustainability Area.

The Framework envisions various prohibited activities and those requiring special scrutiny in relation to projects, transactions and customers covered by the

Framework, which operate in sectors with a high potential social and environmental impact: mining, agribusiness, energy, infrastructure and defense.

The Framework is reviewed annually and is published on BBVA's shareholder and investor website. In order to effectively implement the Framework, BBVA is advised by an independent expert who performs due diligence on the customers covered.

Furthermore, BBVA applies the Equator Principles (EP), which establish standards for managing environmental and social risk in project financing. Currently in its fourth version (PE4), they are applied globally in all industrial sectors and cover five financial products associated with the project: (I) advice on financing; (II) financing; (III) corporate loans; (IV) bridge loans; and (V) re-financing and acquisition.

As a signatory of the Equator Principles, BBVA has reinforced due diligence procedures in place relating to the financing of new projects whose implementation affects indigenous communities. When this circumstance occurs, the prior free and informed consent is required from these communities, irrespective of the geographic location of the project, including for projects in countries where a robust legislative system is presupposed, which ensures the protection of the environment and the social rights of its inhabitants. When identifying potential risks, the operation must include an effective form of management of these risks, as well as operational mechanisms to support claims management. For more information, see chapter 5.3.2. Social risk management for wholesale customers.

In relation to stakeholder involvement, BBVA participates in international sectoral initiatives in support of a just transition, such as the "Social and Human Rights Thematic Advisory Group (TAG)" of UNEP-FI. In addition, it was part of the multi-sectoral working group of CSR Europe (The European Business Network for Corporate Sustainability and Responsibility) for an Inclusive Green Deal.

BBVA also understands the just transition in the framework of the relationship between developed and developing countries. A just transition cannot be undertaken without the inclusion of those economies that are suffering the most from the impact of climate change and have the greatest financial and institutional challenges to address the transition. BBVA stands out for its financial support to developing countries and participates in initiatives such as CFLI (Climate Finance Leadership Initiative) in Colombia or the HLEG (High-Level Expert Group on sustainable finance) of the European Commission for the promotion of sustainable finance in low and middle-income countries.

BBVA has set goals in the area of inclusive growth from 2023 onwards. As a signatory of the Collective Commitment to Financial Education and Inclusion promoted by UNEP FI and within the framework of the

guidelines for banks for "Financial Inclusion and Financial Health Target Setting", BBVA has set the objective of supporting 4.5 million unbanked or underbanked entrepreneurs by 2025 to improve their financial resilience, providing them with effective access to financial and non-financial products.

## Inclusive Growth

As mentioned in section "5.2.1. Strategy and business processes", BBVA has mobilized a total of €252 billion in sustainable business between 2018 and 2024, of which around €46 billion was deployed in the first half of 2024 alone, with 24% of this (around €11 billion) allocated to inclusive growth, notably including the development of inclusive infrastructure, entrepreneurship and strengthening of the business community, financial and social inclusion, and mitigation of the effects of natural disasters.

### Wholesale customers

During the first half of 2024, the corporate business unit has channelled around €15.8 billion, of which roughly 25% has gone toward inclusive growth.

Meanwhile, CIB has channelled around €25 billion, of which roughly 13% will be linked to inclusive growth.

### Retail customers

Between January and June 2024, the BBVA Group has contributed to the channeling of sustainable business through various products for retail customers for a total of approximately €5.3 billion, of which some 68% is linked to inclusive growth.

## 8.3.2. Risk management

BBVA incorporates social aspects into its risk management framework in a similar manner to environmental and governance risks, with due consideration of financial and non-financial risks, including reputational risk.

To achieve this, special focus is placed on prevention and mitigation from the point of view of understanding the customer's ability to manage their own social risks and applying different tools and methodologies to obtain a good analysis and evaluation of the social risks.

From a more holistic and transversal perspective, it employs processes such as reputational risk assessment, monitoring and reporting, as well as human rights due diligence. From a customer perspective, it includes social risk management processes.

### Social Risks at Wholesale Customers

BBVA's Global Risk Area has developed a "Guide to integrating ESG factors in wholesale credit analysis" where the most relevant environmental and social

aspects are identified by industry and obtains metrics to monitor the performance of corporate clients.

BBVA manages social risks from the wholesale customer's perspective, through different processes, such as:

- **Dispute Management and Sustainability Questionnaires:**

Sustainability questionnaires adapted to different industries are applied in the preparation or renewal of the financial program. These questionnaires allow risk managers and specialists to gain insight into the environmental and social performance of customers in the process of renewing the customer's Financial Program and improve data-driven decision making.

These questionnaires include, among other aspects, an analysis of environmental, social and governance disputes of corporate and institutional customers covered and not covered by the Environmental and Social Framework.

The dispute analysis, which is conducted during the annual customer review process, is based on the impact that incidents have on the environment and society (impact), the business risk as a result of incidents (risk) and the incident management systems and response capacity (management). In terms of social risk, we evaluate the disputes that may arise in relation to customers, the supply chain, employees and workforce, and communities.

Based on the above analysis and the assessment performed by the CIB Sustainable Finance team, the risk teams consider the result of the dispute analysis as an additional input for the calculation of the customer rating and incorporate this analysis when defining the risk appetite with each customer, following previously defined specific criteria.

- **Environmental and Social Framework**

Based on the information included in the KYC (Know Your Customer) form and that provided by an external ESG expert advisor, BBVA monitors that new wholesale customers covered by its Environmental and Social Framework do not fall under the prohibited activities and activities of special attention foreseen for the sectors covered by the Framework: mining, agribusiness, energy, infrastructure and defense.

Every two years, BBVA performs an evaluation of the groups belonging to the stock under the sectors of this Framework.

At year-end 2023, more than 330 groups had been analyzed, and a dialogue and support plan had been initiated with 11 of them (five of them related to human rights issues). As of June 2024, six plans for ongoing



dialogue and support were still running (four of them related to human rights issues).

- **Equator Principles**

BBVA implements environmental and social risk assessment processes in order to mitigate and prevent negative impacts, reinforcing the economic, social and environmental value of project financing in sectors such as energy, transportation and social services.

In line with the Equator Principles, BBVA submits each project under the scope of these principles to an environmental and social due diligence analysis aligned with the Environmental and Social Framework. Each transaction is classified according to its risk level (categories A, B or C), and the documentation provided by the customer or the independent advisors is reviewed. A specialized team at BBVA supervises and evaluates these projects, contributing to the decisions of the committees and approval of the risks.

With respect to the human rights assessment and according to the EP, BBVA is required to conduct due diligence on projects that may impact indigenous communities. Where this is the case, free, prior and informed consent is required from these communities, regardless of the geographic location of the project. It also requires, according to the projects, liaison with the communities impacted by the projects. When identifying potential risks, the operation must include an effective form of management of these risks, as well as operational mechanisms to support claims management. Regarding climate impacts, according to the EPs, project impacts are evaluated considering scenarios, as well as the mitigation and management measures adopted.

The data of the financed operations that were analyzed under the Equator Principles during the 2023 and 2022 financial years are detailed below:

**Table 65.** Operational data analysed according to the Equator Principles criteria

	Category A <sup>(1)</sup>		Category B <sup>(2)</sup>		Category C <sup>(3)</sup>	
	2023	2022	2023	2022	2023	2022
Number of transactions	5	4	25	12	13	9
Total amount (millions of euros)	21,326.0	15,776.0	12,675.0	14,280.8	15,986.0	15,937.7
Amount financed by BBVA (millions of euros)	957.0	604.1	1,597.0	1,219.0	1,020.0	993.7

<sup>(1)</sup> Category A: projects with potentially significant adverse social or environmental impacts that are irreversible or unprecedented.

<sup>(2)</sup> Category B: projects with potentially limited adverse social and environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

<sup>(3)</sup> Category C: projects with minimal or no social or environmental impacts.

Out of the operations signed in 2023, 53.5% correspond to the infrastructure sector, 32.6% to the electricity power generation sector, 2.3% to the oil and gas sector and 11.6% to other sectors. By geographic area, 51.2% were in Europe, the Middle East and Africa (EMEA), 46.5% in the Americas and 2.3% in Asia.

## Social Risks in Retail Customers

BBVA identifies, analyzes and documents the activity carried out by our customers through the knowledge and evaluation process of the customer, known as KYC (Know Your Customer). This process<sup>18</sup> has been designed and implemented under a risk-based approach and allows for a better understanding of customers, their operations, customer segmentation, products, channels, jurisdictions and monitoring of transactions.

The General Retail Credit Risk Policy establishes that one of the general principles governing retail credit risk management in the BBVA Group is respect for equality and diversity, avoiding unfair bias in access to financial

products for reasons such as gender, color, ethnic origin, disability, religion, sexual orientation or political opinion.

Additionally, the General Risk Management Model Policy establishes that in order to avoid unfair bias in access to financial products based on gender, color, ethnic origin, disability, religion, sexual orientation or political opinion, none of these variables will be included in the admission and pricing models.

## Reputational risk assessment, monitoring and reporting

BBVA has a taxonomy of reputational risks, many of which derive from environmental, social and good governance aspects.

An evaluation of BBVA's reputational risk is carried out annually and the reputational risks of new initiatives (e.g. products, services) are also evaluated in the admissions committees. This allows it to propose actions to mitigate or prevent environmental, social or governance risks posing a reputational impact.

<sup>18</sup> The process is renewed periodically for high-risk clients.

## Commitment to Human Rights

As part of its general principles, the General Sustainability Policy approved by the Board of Directors includes respect for human rights and the Commitment to Human Rights among its areas of action.

Since 2018, BBVA has been conducting global human rights due diligence processes to prevent, mitigate and remediate potential human rights impacts in line with the UN Guiding Principles on Business and Human Rights.

These due diligence processes cover the entire value chain of the bank and its relationships with different stakeholders: employees, customers, shareholders, suppliers and, in general, with the communities in which it conducts its business and activities.

Following the last Human Rights due diligence in 2021, 28 issues were identified throughout the value chain that form part of an internal taxonomy which we grouped into 6 thematic blocks:

1. Employment conditions: which includes issues related to recruitment and fair compensation, labor rights and relations, and health and safety.
2. Projects and products: which includes the impact on Human Rights derived from lending activities, with a focus on large corporate customers in certain sectors with a high environmental or social impact.
3. Supply chain: which brings together aspects of fair contracting conditions, supplier control and responsible purchasing policies.
4. Customer well-being: prioritizing aspects such as accessibility and service as well as safety and respect.
5. Respect for communities: from a dual perspective that encompasses both environmental protection and inclusive businesses.
6. Cross-cutting issues: which includes issues related to data protection and the impact of new technologies on human rights.

Focusing on the evaluation of human rights issues among customers in block 2 "Projects and products", the taxonomy includes two fundamental issues:

1. Integration of human rights in the different relationship processes with corporate customers (including modern slavery, forced labor and child labor). To mitigate this issue, the Environmental and Social Framework contains prohibited activities requiring special scrutiny relating to human rights, thus allowing for a reduction in the resulting social and reputational risk.

## Prevention and mitigation: Action Plan

Throughout 2023 and so far in 2024, BBVA has assessed the successes achieved within the framework of the Human Rights Action Plan for the 2021–2022 and 2023 period. Of the 23 action plans established for that period, 21 of them had a degree of compliance of more than 75%.

Of the 23 action plans, three of them focus on more structural issues and are grouped into the following six themes:

- a. Employment conditions: At the end of 2023, support was stepped up to help prevent discrimination among employees. The "I am Female Talent" program was launched to support the professional development of high-potential female employees. Specific plans were implemented by country and area, with quarterly monitoring of global metrics to achieve the public objective of a 35% female presence in management positions by 2024. Similarly, initiatives were launched to promote diversity among employees.
- b. Projects and products: The Environmental and Social Framework sets out various prohibited activities and those requiring special scrutiny, all in relation to the transactions and customers covered by the Framework and which operate in one or other of the following five sectors, as they are considered to have a potential social and environmental impact: mining, agribusiness, energy, infrastructure and defense. These prohibited activities cover social human rights risks, such as child and forced labor.
- c. Supply chain: The inclusion of the sustainability/ESG module in the procurement processes had been consolidated by year-end 2023. In addition, collaboration has continued on a training plan aimed at SME suppliers within the framework of the global sustainability training programme promoted by the UN Global Compact Spain, ICEX and the ICO Foundation.
- d. Customer well-being: A specialized offer was launched at the end of 2023, with the aim of facilitating access to financial products and services for vulnerable groups and communities. This offer is aimed especially at low-income customers, entrepreneurs, young people, women, long-term migrants, people with disabilities and the elderly.

- e. Respect for communities: A plan was launched to manage and reduce the Scope 3 emissions of BBVA's carbon footprint.
- f. Cross-cutting issues: The integration of human rights criteria, specifically in due diligence processes in Mergers & Acquisitions (M&A), had been strengthened by the end of 2023.

### **Complaints mechanisms<sup>19</sup>**

BBVA has a Whistleblower Channel whereby any stakeholder can report, confidentially and anonymously if they prefer, any behavior which, in their view, may be directly or indirectly related to human rights. As of June 2024, the complaints received through this channel did not show evidence of human rights abuses attributable to any Group entity.

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<sup>19</sup> A complaints mechanism is a formalized way established or facilitated by the company, through which individuals or groups can raise their concerns with respect to any impact of the company on their lives, including the consequences for human rights.

## 8.4. Governance risk

Governance risks in relation to our counterparties include the various types of controversies they may face, including but not limited to the following: (i) Ethical considerations, e.g., integrity of conduct, values and ethics, anti-bribery and anti-corruption measures, accountability and compliance with the rule of law and regulatory framework; (ii) Strategy and risk management: implementation of strategies, operational execution and follow-up, internal controls and risk management policies and procedures. (iii) Diversity and inclusion: gender gap, wage gap and representation of people from minority groups in management. (iv) Transparency: disclosures on discrimination, tax liabilities and payments, disclosure on lobbying activities. (v) Management of conflicts of interest: any conflict affecting the governing bodies. (vi) Internal communication of critical concerns: insufficient communication of critical internal issues and difficulties in escalating to the highest governance bodies.

BBVA takes into account the corporate governance performance of its customers, analyzing their compliance in terms of management practices. In other words, disputes affecting customers are analyzed and taken into account as a qualitative variable in the calculation of the credit rating, together with the rest of the internal risk management indicators that feed the risk appetite with each customer.

Among the frameworks considered in the governance risk analysis are the following declarations, agreements and initiatives:

- Universal Declaration of Human Rights
- United Nations 2030 Agenda of Sustainable Development Goals (SDGs)
- International Labor Organization (ILO) Conventions
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative
- Equator Principles
- Principles for Responsible Investment (PRI)
- Principles of Responsible Banking promoted by United Nations Environment - Finance Initiative (UNEP-FI)

### 5.4.1. Risk management

BBVA integrates governance aspects into its risk management framework in a similar way to environmental and social risks. Therefore, it analyses the corporate governance performance of its customers and

takes their management and governance practices into account in the admission process.

### Integrating corporate governance practices into risk management processes

The identification, assessment and monitoring of the risks of customers and their operations are integrated into BBVA's standard risk, compliance and operations processes and tools. Decisions are based on internal information or, where appropriate, on information provided by independent external analysts. The Governance and Management module of the corporate segment credit rating model assesses the following aspects in particular:

- Strategy, quality and skills of the management team to execute the company's strategy.
- Risk management standards and risk tolerance, including the ability to take a long-term view of the perspectives of different stakeholders.
- Operational performance standards, existence of robust internal controls and an oversight structure of independent processes and policies including processes to ensure the quality of financial and non-financial reporting.
- Independence, experience and skills of client boards of directors. The evaluation of the management team is carried out by assessing their experience and knowledge of the industry or knowledge of clients and their needs.

One of the aspects considered in the customer review is the integration of climate change into customers' governance and decision-making processes, in line with TCFD recommendations.

As noted previously, BBVA analyses ESG disputes from our customers as an indicator of the quality of its governance and internal controls. In the area of governance risk, disputes related to (i) ethics, (ii) transparency: participation in lobbying activities and standards and practices; and (iii) management of conflicts of interest are reviewed.

The social risk section above mentioned industry-specific sustainability questionnaires, which aim to give risk managers and risk specialists a better understanding of the environmental, social and governance performance of large corporate and institutional customers. These surveys analyze the existence of an internal committee to review and monitor sustainability and climate management as well as the integration of sustainability objectives in the remuneration of the management team and the Management Committee.

Based on the information included in the KYC (Know Your Client) form and the data provided by an external ESG expert advisor, BBVA monitors that new wholesale customers covered by its Environmental and Social Framework do not fall under the prohibited activities and activities of special attention foreseen for the sectors covered by the Framework: mining, agribusiness, energy, infrastructure and defense. Every two years, BBVA conducts an assessment of the groups belonging to the stock under the sectors of this Framework. By the end of 2023, more than 330 groups had been analysed, and a dialogue and support plan had been initiated with 11 of them. As of June 2024, six plans for dialogue and support remained in effect (four of them related to human rights issues).

In order to effectively implement the Framework, BBVA is advised by an independent expert who performs due diligence on the clients covered.

### Related exclusions

In accordance with the Environmental and Social Framework, if there is sufficient evidence that a new client or new project subject to the Framework engages in any of the following “prohibited activities”, said new client or new project will not be financed. In the event that any of the activities described in this section are detected at existing clients, BBVA will activate proposals to manage the relationship with the customer, which may even involve discontinuing the financing.

- Customers subject to EU, US and UN financial sanctions
- Customers for whom BBVA has sufficient evidence that they are employing child or forced labor, as defined in the ILO Conventions.

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## I. EU CC1 - Composition of regulatory own funds (6-30-2024)

	Phased-in	Regulation (UE) N°575/2013 Reference to article	Reference to EU CC2 template <sup>(1)</sup>
<b>Common Equity Tier 1: instruments and reserves</b>			
Capital instruments and the related share premium accounts	22,008	26 (1), 27, 28, 29, list of EBA 26 (3)	(a)
Of which: Own shares	22,008	List 26 (3) of EBA	
Capital	2,824		
Share Premium	19,184		
Retained earnings	39,030	26 (1) (c)	(b)
Accumulated other comprehensive income and any other reserves (in order to include unrealised losses or gains, in accordance with applicable accounting standards)	(12,693)		(c)
Funds for general banking risk	—	26 (1)	
Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	—	486 (2)	
Minority interests (amount allowed in consolidated CET1)	2,223	84, 479, 480	(d)
Independently reviewed interim profits net of any foreseeable charge or dividend	2,491	26 (2)	(e)
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>53,059</b>		
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
Additional value adjustments (negative amount)	(414)	34, 105	f)
Intangible assets (net of related tax liability) (negative amount)	(1,462)	36 (1) (b), 37, 472 (4)	g)
Empty set in the EU	—		
Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(903)	36 (1) (c), 38, 472 (5)	h)
Fair value reserves related to gains or losses on cash flow hedges	(203)	33 (a)	i)
Negative amounts resulting from the calculation of expected loss amounts (equity)	(453)	36 (1) (d), 40, 159, 472 (6)	j)
Any increase in equity that results from securitised assets (negative amount)	—	32 (1)	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(45)	33 (b)	k)
Defined-benefit pension fund assets (negative amount)	( )	36 (1) (e), 41, 472 (7)	
Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(319)	36 (1) (f), 42, 472 (8)	l)
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	36 (1) (g), 44, 472 (9)	
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) a (3), 79, 470, 472 (11)	
Empty set in the EU	—		
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(7)	36 (1) (k)	
Of which: qualifying holdings outside the financial sector (negative amount)	—	36 (1) (k) (i), 89 a 91	
Of which: securitisation positions (negative amount)	(7)	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	m)
Of which: free deliveries (negative amount)	—	36 (1) (k) (iii), 379 (3)	
Deferred tax assets arising from temporary difference (amount above 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	—	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	
Amount exceeding the 17,65% threshold (negative amount)	(13)	48 (1)	n)
Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	(6)	36 (1) (i), 48 (1) (b), 470, 472 (11)	

	Phased-in	Regulation (UE) N°575/2013 Reference to article	Reference to EU CC2 template <sup>(1)</sup>
Empty set in the EU	—		
Of which: deferred tax assets arising from temporary difference	(7)	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	
Losses for the current financial year (negative amount)	—		
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	—	36 (1) (a), 472 (3)	
Empty set in the EU	—		
Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	—	36 (1) (j)	
Other CET1 deductions	(380)		n)
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(4,199)</b>		
<b>Common Equity Tier 1 (CET1) capital</b>	<b>48,860</b>		
<b>Additional Tier 1 (AT1) capital: instruments</b>			
Capital instruments and the related share premium accounts	5,552	51, 52	o)
Of which: classified as equity under applicable accounting standards	—		
Of which: classified as liabilities under applicable accounting standards	5,552		o)
Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	—		
Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	—		
Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	—	486 (3)	
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	363	85, 86, 480	p)
Of which: instruments issued by subsidiaries subject to phase-out	—	486 (3)	
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>5,916</b>		
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	—	52 (1) (b), 56 (a), 57, 475 (2)	
Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	56 (b), 58, 475 (3)	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	56 (c), 59, 60, 79, 475 (4)	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	56 (d), 59, 79, 475 (4)	
Empty set in the EU	—		
Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	—	56 (e)	
Other regulatory to Additional Tier 1	—		
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>—</b>		
<b>Additional Tier 1 (AT1) capital</b>	<b>5,916</b>		
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>54,776</b>		
<b>Tier 2 (T2) capital: instruments and provisions</b>			
Capital instruments and the related share premium accounts	5,601	62, 63	q)
Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	—		
Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	—		
Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	—	486 (4)	
Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party	3,877	87, 88, 480	r)



	Phased-in	Regulation (UE) N°575/2013 Reference to article	Reference to EU CC2 template <sup>(1)</sup>
Of which: instruments issued by subsidiaries subject to phase-out	—	486 (4)	
Credit risk adjustments	—	62 (c) y (d)	s)
<b>Tier 2 (T2) capital before regulatory adjustment</b>	<b>9,477</b>		
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(10)	63 (b) (i), 66 (a), 67, 477 (2)	t)
Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)	—	66 (b), 68, 477 (3)	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	—		
Empty set in the EU	—	66 (c), 69, 70, 79, 477 (4)	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	—	66 (d), 69, 79, 477 (4)	
Empty set in the EU	—		
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	—		
Other regulatory adjustments to Tier 2 capital	—		t)
<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>(10)</b>		
<b>Tier 2 (T2) capital</b>	<b>9,467</b>		
<b>Total capital (TC = T1 + T2)</b>	<b>64,243</b>		
<b>Total risk-weighted assets</b>	<b>383,179</b>		
<b>Capital ratios and capital buffers</b>			
Common Equity Tier 1 (as a percentage of total risk exposure amount)	12.75 %	92 (2) (a), 465	
Tier 1 (as a percentage of total risk exposure amount)	14.30 %	92 (2) (b), 465	
Total capital (as a percentage of total risk exposure amount)	16.77 %	92 (2) (c)	
Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)	9.13 %	DRC 128, 129 y 130	
Of which: capital conservation buffer requirement	2.50 %		
Of which: countercyclical buffer requirement	0.11 %		
Of which: systemic risk buffer requirement	—		
Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.00 %		
Of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.02 %	DRC 131	
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) <sup>(2)</sup>	6.99 %	DRC 128	
Not relevant in EU regulations			
Not relevant in EU regulations			
Not relevant in EU regulations			
<b>Capital ratios and capital buffers</b>			
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,929	36 (1) (h), 45, 46, 472 (10), 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	
Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,421	36 (1) (i), 45, 48, 470, 472 (11)	
Empty set in the EU	—		

	Phased-in	Regulation (UE) N°575/2013 Reference to article	Reference to EU CC2 template <sup>(1)</sup>
Deferred tax assets arising from temporary difference (amount below 10 % threshold , net of related tax liability where the conditions in Article 38. (3) are met)	3,915	36 (1)(c), 38, 48, 470, 472 (5)	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>	—		
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	—		62
Cap on inclusion of credit risk adjustments in T2 under standardised approach	—		62
Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	—		62
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,020		62
<b>Capital instruments subject to phasing-out provisions (applicable only between 1st January 2013 and 1st January 2022)</b>	—		
Current cap on CET1 instruments subject to phase-out arrangements	—	484 (3), 486 (2) y (5)	
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	—	484 (3), 486 (2) y (5)	
Current cap on AT1 instruments subject to phase-out arrangements	—	484 (4), 486 (3) y (5)	
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	484 (4), 486 (3) y (5)	
Current cap on T2 instruments subject to phase-out arrangements	—	484 (4), 486 (3) y (5)	
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	484 (5), 486 (4) y (5)	

<sup>(1)</sup> Reference to the headings of the regulatory balance sheet (CC2) where the different items described are reflected.

<sup>(2)</sup> Excess of CET1 over the Group's minimum Common Equity Tier 1 capital requirements established by the ECB through the SREP letter applicable to date

## II.1. Parent company AT1 issuances (Million euros. 6-30-2024)

Issuer	Banco Bilbao Vizcaya Argentaria S.A.	Banco Bilbao Vizcaya Argentaria S.A.
Unique identifier (e.g. ISIN)	US05946KAM36	XS2638924709
Public or private	Public	Public
Governing law(s) of the instrument	New York, except subordination, set-off waiver and recognition of bail-in power which are under Spanish law	Spanish
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Additional Tier 1	Additional Tier 1
Post-transitional CRR rules	Additional Tier 1	Additional Tier 1
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	AT1-Contingent Convertible	AT1-Contingent Convertible
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	934	1000
Nominal amount of instrument	1.000 Mill USD	1,000 Mill EUR
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Obligación - coste amortizado	Obligación - coste amortizado
Original date of issuance	19/9/2023	21/6/2023
Perpetual or dated	Perpetual	Perpetual
Original maturity date	No maturity	No maturity
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Issuer call Date: 19/03/2029; also subject to both Regulatory and Tax call. 100%	Issuer call date: 21/06/2028; subjecto also to Regulatory and Tax call. 100%
Subsequent call dates, if applicable	Distribution Payment Date	on (and including) the First Reset Date (21 December 2028),
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed Reset	Fixed Reset
Coupon rate and any related index	9,375% quarterly until First Reset Date (19 Septiembre 2029); and then 5-year UST + 5,099%	8,375%; the 5-year Mid-Swap Rate + 5,544%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Noncumulative	Noncumulative
convertible or non-convertible	Convertible according to its T&C (Trigger Event and Capital Reduction) and in case of non-viability or resolution (PONV)	Convertible according to its T&C (Trigger Event and Capital Reduction) and in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	Trigger event: CET1 5.125%; At solo & (sub-)consolidated. Contractual recognition Capital Reduction: Capital reduction provided for in Article 418.3 of the LSC. Contractual recognition PONV: Statutory recognition. Competent authority: SRB	Trigger event: CET1 5.125%; At solo & (sub-)consolidated. Contractual recognition Capital Reduction: Capital reduction provided for in Article 418.3 of the LSC. Contractual recognition PONV: Statutory recognition. Competent authority: SRB
If convertible, fully or partially	Trigger event: Total Capital reduction: Total PONV: Total or partial, depending on what the SRB determines	Trigger event: Total Capital reduction: Total PONV: Total or partial, depending on what the SRB determines
If convertible, conversion rate	Trigger Event and Capital Reduction: Variable PONV: To be decided by SRB	Trigger Event and Capital Reduction: Variable PONV: To be decided by SRB
If convertible, mandatory or optional conversion	Trigger event: Mandatory Capital reduction: Mandatory (unless otherwise indicated by the holder) PONV: Mandatory	Trigger event: Mandatory Capital reduction: Mandatory (unless otherwise indicated by the holder) PONV: Mandatory
If convertible, specify instrument type convertible into	Trigger Event and Capital Reduction: BBVA's CET1 PONV: To be decided by SRB	Trigger Event and Capital Reduction: BBVA's CET1 PONV: To be decided by SRB
If convertible, specify issuer of instrument it converts into	Trigger Event and Capital Reduction: BBVA PONV: To be decided by SRB	Trigger Event and Capital Reduction: BBVA PONV: To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	Trigger event and Capital reduction: BBVA's CET1 PONV: To be decided by the SRB	Trigger event and Capital reduction: BBVA's CET1 PONV: To be decided by the SRB
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	2	2
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to common shares and reserves and pari passu with preferred shares and the rest of AT1. Immediately subordinate to Tier 2	Senior to common shares and reserves and pari passu with preferred shares and the rest of AT1. Immediately subordinate to Tier 2
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	Banco Bilbao Vizcaya Argentaria S.A.	Banco Bilbao Vizcaya Argentaria SA
Unique identifier (e.g. ISIN)	ES0813211028	US05946KAG67
Public or private	Public	Public
Governing law(s) of the instrument	Spanish	New York, except subordination, set-off waiver and recognition of bail-in power which are under Spanish law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Additional Tier 1	Additional Tier 1
Post-transitional CRR rules	Additional Tier 1	Additional Tier 1
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	AT1-Contingent Convertible	AT1-Contingent Convertible
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	1000	934
Nominal amount of instrument	EUR 1,000 Mill	USD 1,000 Mill
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	15/7/2020	9/5/2019
Perpetual or dated	Perpetual	Perpetual
Original maturity date	No maturity	No maturity
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Issuer call date: 15/01/2026; also subject to both Regulatory and Tax call. 100%	Issuer call date: 03/05/2025; also subject to both Regulatory and Tax call. 100%
Subsequent call dates, if applicable	At any time on or after the first reset date	At any time on or after the first reset date
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed Reset	Fixed Reset
Coupon rate and any related index	6%; the 5-year Mid-Swap Rate + 6,456%	6,5% quarterly until First Reset Date (March 5th); 5-year UST + 5,192%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Noncumulative	Noncumulative
Convertible or non-convertible	Convertible according to its T&C (Trigger Event and Capital Reduction) and in case of non-viability or resolution (PONV)	Convertible according to its T&C (Trigger Event and Capital Reduction) and in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	Trigger event: CET1 5.125%; At solo & (sub-)consolidated. Contractual recognition Capital Reduction: Capital reduction provided for in Article 418.3 of the LSC. Contractual recognition PONV: Statutory recognition. Competent authority: SRB	Trigger event: CET1 5.125%; At solo & (sub-)consolidated. Contractual recognition Capital Reduction: Capital reduction provided for in Article 418.3 of the LSC. Contractual recognition PONV: Statutory recognition. Competent authority: SRB
If convertible, fully or partially	Trigger event: Total Capital reduction: Total PONV: Total or partial, depending on what the SRB determines	Trigger event: Total Capital reduction: Total PONV: Total or partial, depending on what the SRB determines
If convertible, conversion rate	Trigger Event and Capital Reduction: Variable PONV: To decide by SRB	Trigger Event and Capital Reduction: Variable PONV: To decide by SRB
If convertible, mandatory or optional conversion	Trigger event: Mandatory Capital reduction: Mandatory (unless otherwise indicated by the holder) PONV: Mandatory	Trigger event: Mandatory Capital reduction: Mandatory (unless otherwise indicated by the holder) PONV: Mandatory
If convertible, specify instrument type convertible into	Trigger Event and Capital Reduction: BBVA's CET1 PONV: To be decided by SRB	Trigger Event and Capital Reduction: BBVA's CET1 PONV: To decide by SRB
If convertible, specify issuer of instrument it converts into	Trigger Event and Capital Reduction: BBVA PONV: To be decided by SRB	Trigger Event and Capital Reduction: BBVA PONV: To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	Trigger event and Capital reduction: BBVA's CET1 PONV: To be decided by the SRB	Trigger event and Capital reduction: BBVA's CET1 PONV: To be decided by the SRB
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	2	2
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to common shares and reserves and pari passu with preferred shares and the others AT1. Immediately subordinate to Tier 2	Senior to common shares and reserves and pari passu with preferred shares and the rest of AT1. Immediately subordinate to Tier 2
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	Banco Bilbao Vizcaya Argentaria SA	Banco Bilbao Vizcaya Argentaria SA
Unique identifier (e.g. ISIN)	US05946KAF84	XS2840032762
Public or private	Public	Public
Governing law(s) of the instrument	New York law, except provisions relating to the subordination of the Preferred Securities shall be governed by with the common laws of Spain	Spanish
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Additional Tier 1	Additional Tier 1
Post-transitional CRR rules	Additional Tier 1	Additional Tier 1
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	AT1-Contingent Convertible	AT1-Contingent Convertible
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	934	750
Nominal amount of instrument	USD 1,000 Mill	EUR 750 Mill
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	16/11/2017	13/6/2024
Perpetual or dated	Perpetual	Perpetual
Original maturity date	No maturity	No maturity
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Issuer call date: 16/11/2027 (fully) also subject to both Regulatory and Tax call (entirely). 100%	Issuer call date: 13/12/2030; also subject to both Regulatory and Tax call. 100%
Subsequent call dates, if applicable	At any time on or after the first reset date	On any day falling in the period commencing on (and including) the First Call Date (December 13th) and ending on (and including) the First Reset Date (13TH June 2031), and on any Distribution Payment Date thereafter at the Redemption Price.
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed Reset	Fixed Reset
Coupon rate and any related index	6.125% quarterly (10 initial years); 5 year Mid-Swap + 3,870%	6,875%; 5-year Mid-Swap Rate + 4,267%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Noncumulative	Noncumulative
Convertible or non-convertible	Convertible according to its T&C (Trigger Event and Capital Reduction) and in case of non-viability or resolution (PONV)	Convertible according to its T&C (Trigger Event and Capital Reduction) and in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	Trigger event: CET1 5.125%; At solo & (sub-)consolidated. Contractual recognition Capital Reduction: Capital reduction provided for in Article 418.3 of the LSC. Contractual recognition PONV: Statutory recognition. Competent authority: SRB	Trigger event: CET1 5.125%; At solo & (sub-)consolidated. Contractual recognition Capital Reduction: Capital reduction provided for in Article 418.3 of the LSC. Contractual recognition PONV: Statutory recognition. Competent authority: SRB
If convertible, fully or partially	Trigger event: Total Capital reduction: Total PONV: Total or partial, depending on what the SRB determines	Trigger event: Total Capital reduction: Total PONV: Total or partial, depending on what the SRB determines
If convertible, conversion rate	Trigger Event and Capital Reduction: Variable PONV: To decide by SRB	Trigger Event and Capital Reduction: Variable PONV: To decide by SRB
If convertible, mandatory or optional conversion	Trigger event: Mandatory Capital reduction: Mandatory (unless otherwise indicated by the holder) PONV: Mandatory	Trigger event: Mandatory Capital reduction: Mandatory (unless otherwise indicated by the holder) PONV: Mandatory
If convertible, specify instrument type convertible into	Trigger Event and Capital Reduction: BBVA's CET1 PONV: To decide by SRB	Trigger Event and Capital Reduction: BBVA's CET1 PONV: To decide by SRB
If convertible, specify issuer of instrument it converts into	Trigger Event and Capital Reduction: BBVA PONV: To be decided by SRB	Trigger Event and Capital Reduction: BBVA PONV: To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	Trigger event and Capital reduction: BBVA's CET1 PONV: To be decided by the SRB	Trigger event and Capital reduction: BBVA's CET1 PONV: To be decided by the SRB
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	2	2
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to common shares and reserves and pari passu with preferred shares and the rest of AT1. Immediately subordinate to Tier 2	Senior to common shares and reserves and pari passu with preferred shares and the rest of AT1. Immediately subordinate to Tier 2
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

## II.2. Parent company T2 issuances (Million euros. 6-30-2024)

Issuer	Banco Bilbao Vizcaya Argentaria S.A.	Banco Bilbao Vizcaya Argentaria S.A.
Unique identifier (e.g. ISIN)	XS2674597468	XS2636592102
Public or private	Public	Public
Governing law(s) of the instrument	Spanish	Spanish
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	385	783
Nominal amount of instrument	300 Mill GBP	750 Mill EUR
Issue price	99.90%	99.37%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	31/8/2023	15/6/2023
Perpetual or dated	Dated	Dated
Original maturity date	30/11/2033	15/9/2033
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Issuer call date: 31/08/2028 ; also subject to both Regulatory (Total) and Tax call (Partial). 100%	Issuer call date: 15/06/2028 ; subject both Regulatory call(total) and Tax call(partial). 100%
Subsequent call dates, if applicable	Any date during the period commencing on 31 August 2028 and ending on (and including) the Reset Date (30 November 2028)	At any date between 15/06/2028 and 15/09/2023
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed reset	Fixed reset
Coupon rate and any related index	8,25%; 5-year GBP Mid Swap Rate +360pbs	5,75%; 5Y Euro Mid Swap + 280pbs
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Convertible in case of non-viability or resolution (PONV)	Convertible in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If convertible, fully or partially	Total or partial, depending on what the SRB determines	Total or partial, depending on what the SRB determines
If convertible, conversion rate	To be decided by SRB	To be decided by SRB
If convertible, mandatory or optional conversion	Mandatory	Mandatory
If convertible, specify instrument type convertible into	To be decided by SRB	To be decided by SRB
If convertible, specify issuer of instrument it converts into	To be decided by SRB	To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	3	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and conditions</a>	<a href="#">Terms and conditions</a>

Issuer	Banco Bilbao Vizcaya Argentaria SA	Banco Bilbao Vizcaya Argentaria SA
Unique identifier (e.g. ISIN)	XS2206805769	XS2104051433
Public or private	Public	Public
Governing law(s) of the instrument	Spanish	Spanish
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	336	991
Nominal amount of instrument	GBP 300 Mill	EUR 1,000 Mill
Issue price	100%	99.39%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	15/7/2020	16/1/2020
Perpetual or dated	Dated	Dated
Original maturity date	15/7/2031	16/1/2030
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Issuer call date: 15/07/2025; also subject to both Regulatory (Total) and Tax call (Partial). 100%	Issuer call date: 16/01/2025; also subject to both Regulatory (Total) and Tax call (Partial). 100%
Subsequent call dates, if applicable	No	No
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed reset	Fixed reset
Coupon rate and any related index	3,104%; 5-year GBP Mid Swap Rate + 127pbs	1%; 5Y Euro Mid Swap + 127 bps
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Convertible in case of non-viability or resolution (PONV)	Convertible in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If convertible, fully or partially	Total or partial, depending on what the SRB determines	Total or partial, depending on what the SRB determines
If convertible, conversion rate	To be decided by SRB	To be decided by SRB
If convertible, mandatory or optional conversion	Mandatory	Mandatory
If convertible, specify instrument type convertible into	To be decided by SRB	To be decided by SRB
If convertible, specify issuer of instrument it converts into	To be decided by SRB	To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	3	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	Banco Bilbao Vizcaya Argentaria SA	Banco Bilbao Vizcaya Argentaria SA
Unique identifier (e.g. ISIN)	XS2762369549	XS1562614831
Public or private	Public	Public
Governing law(s) of the instrument	Spanish	English legislation except provisions of status of the notes under Spanish law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	1245	500
Nominal amount of instrument	EUR 1.250 Mill	EUR 1,000 Mill
Issue price	100%	99.99%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	8/2/2024	2/10/2017
Perpetual or dated	Dated	Dated
Original maturity date	8/2/2031	2/10/2027
Issuer call subject to prior supervisory approval	Yes	No
Optional call date, contingent call dates, and redemption amount	Issuer call date: from 08/11/2030 until maturity; also subject to both Regulatory (Total) and Tax call (Partial). 100%	Only subject to both Regulatory and Tax call 100%
Subsequent call dates, if applicable	No	N/A
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed reset	Fixed
Coupon rate and any related index	4,875%; 5Y Euro Mid Swap + 240 bps	3.50%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Convertible in case of non-viability or resolution (PONV)	Convertible in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If convertible, fully or partially	Total or partial, depending on what the SRB determines	Total or partial, depending on what the SRB determines
If convertible, conversion rate	To be decided by SRB	To be decided by SRB
If convertible, mandatory or optional conversion	Mandatory	Mandatory
If convertible, specify instrument type convertible into	To be decided by SRB	To be decided by SRB
If convertible, specify issuer of instrument it converts into	To be decided by SRB	To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	3	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>



Issuer	Banco Bilbao Vizcaya Argentaria SA	Banco Bilbao Vizcaya Argentaria SA
Unique identifier (e.g. ISIN)	XS1569874503	XS1579039006
Public or private	Private	Private
Governing law(s) of the instrument	English legislation except provisions of status of the notes under Spanish law	English legislation except provisions of status of the notes under Spanish law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	148	29
Nominal amount of instrument	EUR 165 Mill	EUR 53,4 mills
Issue price	99.45%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	2/24/2017 & 3/14/2017	16/3/2017
Perpetual or dated	Dated	Dated
Original maturity date	24/2/2032	16/3/2027
Issuer call subject to prior supervisory approval	No	No
Optional call date, contingent call dates, and redemption amount	Only subject to both Regulatory and Tax call 100%	Only subject to both Regulatory and Tax call 100%
Subsequent call dates, if applicable	N/A	N/A
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed	Fixed (until 03/16/2019) and floating since that date
Coupon rate and any related index	4.00%	3% and afterwards annually resettable at CMS (10 years) +1.30%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Convertible in case of non-viability or resolution (PONV)	Convertible in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If convertible, fully or partially	Total or partial, depending on what the SRB determines	Total or partial, depending on what the SRB determines
If convertible, conversion rate	To be decided by SRB	To be decided by SRB
If convertible, mandatory or optional conversion	Mandatory	Mandatory
If convertible, specify instrument type convertible into	To be decided by SRB	To be decided by SRB
If convertible, specify issuer of instrument it converts into	To be decided by SRB	To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	3	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	Banco Bilbao Vizcaya Argentaria SA	Banco Bilbao Vizcaya Argentaria SA
Unique identifier (e.g. ISIN)	XS1587857498	XS1615673701
Public or private	Private	Private
Governing law(s) of the instrument	English legislation except provisions of status of the notes under Spanish law	English legislation except provisions of status of the notes under Spanish law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	106	12
Nominal amount of instrument	USD 120 Mill	CHF 20 Mill
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	31/3/2017	24/5/2017
Perpetual or dated	Dated	Dated
Original maturity date	31/3/2032	24/5/2027
Issuer call subject to prior supervisory approval	No	No
Optional call date, contingent call dates, and redemption amount	Only subject to both Regulatory and Tax call 100%	Only subject to both Regulatory and Tax call 100%
Subsequent call dates, if applicable	N/A	N/A
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed	Fixed
Coupon rate and any related index	5.70%	1.6%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Convertible in case of non-viability or resolution (PONV)	Convertible in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If convertible, fully or partially	Total or partial, depending on what the SRB determines	Total or partial, depending on what the SRB determines
If convertible, conversion rate	To be decided by SRB	To be decided by SRB
If convertible, mandatory or optional conversion	Mandatory	Mandatory
If convertible, specify instrument type convertible into	To be decided by SRB	To be decided by SRB
If convertible, specify issuer of instrument it converts into	To be decided by SRB	To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	3	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	Banco Bilbao Vizcaya Argentaria SA	Banco Bilbao Vizcaya Argentaria SA
Unique identifier (e.g. ISIN)	XS1615674261	XS1824263260
Public or private	Private	Private
Governing law(s) of the instrument	English legislation except provisions of status of the notes under Spanish law	English legislation except provisions of status of the notes under Spanish law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	82	259
Nominal amount of instrument	EUR 150 Mill	USD 300 Mill
Issue price	100%	99.23%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	24/5/2017	29/5/2018
Perpetual or dated	Dated	Dated
Original maturity date	24/5/2027	29/5/2033
Issuer call subject to prior supervisory approval	No	No
Optional call date, contingent call dates, and redemption amount	Only subject to both Regulatory and Tax call 100%	Only subject to both Regulatory and Tax call 100%
Subsequent call dates, if applicable	N/A	NA
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed	Fixed
Coupon rate and any related index	2.54%	5.25%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Convertible in case of non-viability or resolution (PONV)	Convertible in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If convertible, fully or partially	Total or partial, depending on what the SRB determines	Total or partial, depending on what the SRB determines
If convertible, conversion rate	To be decided by SRB	To be decided by SRB
If convertible, mandatory or optional conversion	Mandatory	Mandatory
If convertible, specify instrument type convertible into	To be decided by SRB	To be decided by SRB
If convertible, specify issuer of instrument it converts into	To be decided by SRB	To be decided by SRB
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	PONV Competent authority: SRB Contractual recognition	PONV Competent authority: SRB Contractual recognition
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	3	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	Banco Bilbao Vizcaya Argentaria S.A.
Unique identifier (e.g. ISIN)	US05946KAN19
Public or private	Public
Governing law(s) of the instrument	English legislation except provisions of status of the notes under Spanish law
Contractual recognition of conversion by resolution institution	Yes
<b>Regulatory treatment</b>	
Transitional CRR rules	Tier 2
Post-transitional CRR rules	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	724
Nominal amount of instrument	750 Mill USD
Issue price	100%
Redemption price	100%
Accounting classification	Liability – amortised cost
Original date of issuance	15/11/2023
Perpetual or dated	Dated
Original maturity date	15/11/2034
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates, and redemption amount	Call date del emisor: 15/11/2033; also subject to both Regulatory (Total) and Tax call (Partial). 100%
Subsequent call dates, if applicable	NA
<b>Coupons / dividends</b>	
Fixed or floating dividend/coupon	Fixed reset
Coupon rate and any related index	7,883%; 1-yaе UST +330pbs
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	Cumulative
convertible or non-convertible	Convertible in case of non-viability or resolution (PONV)
If convertible, conversion trigger (s)	PONV Competent authority: SRB Contractual recognition
If convertible, fully or partially	Total or partial, depending on what the SRB determines
If convertible, conversion rate	To be decided by SRB
If convertible, mandatory or optional conversion	Mandatory
If convertible, specify instrument type convertible into	To be decided by SRB
If convertible, specify issuer of instrument it converts into	To be decided by SRB
Write-down features	Yes
If write-down, write-down trigger (s)	PONV Competent authority: SRB Contractual recognition
If write-down, full or partial	Fully or partially
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	N/A
Type of subordination	N/A
Order of priority in normal insolvency proceedings	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to capital, reserves and instruments AT1 Pari passu to other issues of T2 (compute or not compute in capital) Junior to Tier 3 and senior bonds both preferred and non-preferred
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and conditions</a>

## II.3. Mexico issuances (Million euros. 6-30-2024)

Issuer	BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, acting through its Texas Agency	BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, acting through its Texas Agency
Unique identifier (e.g. ISIN)	USP16259AN67 -- US05533UAG31	US05533UAF57 - USP16259AM84
Public or private	Public	Public
Governing law(s) of the instrument	New York, except for the determination of trigger events, capital events, or regulatory events that are determined under Mexican law. Also ranking and subordination are under Mexican law	New York, except for the determination of trigger events, capital events, or regulatory events that are determined under Mexican law. Also ranking and subordination are under Mexican law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 Instruments	Tier 2 Instruments
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	390	478
Nominal amount of instrument	USD 750 Mill	USD 1,000 Mill
Issue price	100%	99.51%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	13/9/2019	18/1/2018
Perpetual or dated	Dated	Dated
Original maturity date	13/9/2034	18/1/2033
Issuer call subject to prior supervisory approval	Yes	No
Optional call date, contingent call dates, and redemption amount	09/13/2029 fully or partially. (also subject to Regulatory call and Tax call, only with full amortisation). 100%	01/18/2028 fully or partially. (also subject to Regulatory call and Tax call, only with fully amortisation). 100%
Subsequent call dates, if applicable	No	No
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed reset	Fixed reset
Coupon rate and any related index	5.875%. From call Treasury yield optional date + 430.8 bps	5.125%. From call Treasury yield optional date + 265 bps
Existence of a dividend stopper	Yes	Yes
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	(*) A Trigger Event will be deemed to have occurred if any of the following events takes places: (i) the CNBV publishes a determination, in its official publication of capitalisation levels for Mexican Banks, that the issuer's Fundamental Capital is equal to or below 4.5%; (ii) the Issuer does not comply with the Mexican Banking Law and other regulation or (iii) the Banking Stability Committee determines that financial assistance is required by the Issuer to avoid revocation of the Issuer's license for its failure to comply with corrective measures.	(*) A Trigger Event will be deemed to have occurred if any of the following events takes places: (i) the CNBV publishes a determination, in its official publication of capitalisation levels for Mexican Banks, that the issuer's Fundamental Capital is equal to or below 4.5%; (ii) the Issuer does not comply with the Mexican Banking Law and other regulation or (iii) the Banking Stability Committee determines that financial assistance is required by the Issuer to avoid revocation of the Issuer's license for its failure to comply with corrective measures.
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Notes constitute Subordinated Preferred Indebtedness, and (i) will be subordinate and junior in right of payment and in liquidation to all of the present and future Senior Indebtedness, (ii) will rank pari passu without preference among themselves and with all of the present and future other unsecured subordinated preferred indebtedness and (iii) will be senior to subordinated non-preferred indebtedness and all classes of equity or capital stock.	The Notes constitute Subordinated Preferred Indebtedness, and (i) will be subordinate and junior in right of payment and in liquidation to all of the present and future Senior Indebtedness, (ii) will rank pari passu without preference among themselves and with all of the present and future other unsecured subordinated preferred indebtedness and (iii) will be senior to subordinated non-preferred indebtedness and all classes of equity or capital stock.
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, acting through its Texas Agency	BBVA México S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, acting through its Texas Agency
Unique identifier (e.g. ISIN)	US05533UAE82 - USP16259AL02	US07336UAA16 - USP1S81BAA64
Public or private	Public	Public
Governing law(s) of the instrument	New York, except for the determination of trigger events, capital events, or regulatory events that are determined under Mexican law. Also ranking and subordination are under Mexican law	New York, except for the determination of trigger events, capital events, or regulatory events that are determined under Mexican law. Also ranking and subordination are under Mexican law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 Instruments	Tier 2 Instruments
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	61	816
Nominal amount of instrument	USD 200 Mill	1,000 Mill USD
Issue price	99.79%	100.00%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	12/11/2014	29/6/2023
Perpetual or dated	Dated	Dated
Original maturity date	12/11/2029	29/6/2038
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	11/12/2024 fully. (also subject to Regulatory call and Tax call, only with full amortisation). 100%	29/06/2033 fully or partially. (also subject to Regulatory call and Tax call, only with full amortisation). 100%
Subsequent call dates, if applicable	No	No
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed reset	Fixed reset
Coupon rate and any related index	5.35% since call date Treasury yield + 300bps	8.45% From call Treasury yield optional date + 466.1 bps
Existence of a dividend stopper	Yes	Yes
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	(* ) A Trigger Event will be deemed to have occurred if any of the following events takes places: (i) the CNBV publishes a determination, in its official publication of capitalisation levels for Mexican Banks, that the issuer's Fundamental Capital is equal to or below 4.5%; (ii) the Issuer does not comply with the Mexican Banking Law and other regulation or (iii) the Banking Stability Committee determines that financial assistance is required by the Issuer to avoid revocation of the Issuer's license for its failure to comply with corrective measures.	(* ) A Trigger Event will be deemed to have occurred if any of the following events takes places: (i) the CNBV publishes a determination, in its official publication of capitalisation levels for Mexican Banks, that the issuer's Fundamental Capital is equal to or below 4.5%; (ii) the Issuer does not comply with the Mexican Banking Law and other regulation or (iii) the Banking Stability Committee determines that financial assistance is required by the Issuer to avoid revocation of the Issuer's license for its failure to comply with corrective measures.
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Notes constitute Subordinated Preferred Indebtedness, and (i) will be subordinate and junior in right of payment and in liquidation to all of the present and future Senior Indebtedness, (ii) will rank pari passu without preference among themselves and with all of the present and future other unsecured subordinated preferred indebtedness and (iii) will be senior to subordinated non-preferred indebtedness and all classes of equity or capital stock.	The Notes constitute Subordinated Preferred Indebtedness, and (i) will be subordinate and junior in right of payment and in liquidation to all of the present and future Senior Indebtedness, (ii) will rank pari passu without preference among themselves and with all of the present and future other unsecured subordinated preferred indebtedness and (iii) will be senior to subordinated non-preferred indebtedness and all classes of equity or capital stock.
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and conditions</a>	<a href="#">Terms and conditions</a>

Issuer	BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, acting through its Texas Agency
Unique identifier (e.g. ISIN)	US07336UAB98 - USP1S81BAB48
Public or private	Public
Governing law(s) of the instrument	New York, except for the determination of trigger events, capital events, or regulatory events that are determined under Mexican law. Also ranking and subordination are under Mexican law
Contractual recognition of conversion by resolution institution	Yes
<b>Regulatory treatment</b>	
Transitional CRR rules	Tier 2
Post-transitional CRR rules	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 Instruments
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	
Nominal amount of instrument	USD 900 Mill
Issue price	99.79%
Redemption price	100%
Accounting classification	Liability – amortised cost
Original date of issuance	8/1/2024
Perpetual or dated	Dated
Original maturity date	8/1/2039
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates, and redemption amount	8/1/2034 fully. (also subject to Regulatory call and Tax call, only with full amortisation). 100%
Subsequent call dates, if applicable	No
<b>Coupons / dividends</b>	
Fixed or floating dividend/coupon	Fixed reset
Coupon rate and any related index	8.125% since call date Treasury yield + 421.4bps
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	Cumulative
Convertible or non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	Yes
If write-down, write-down trigger (s)	(* ) A Trigger Event will be deemed to have occurred if any of the following events takes places: (i) the CNBV publishes a determination, in its official publication of capitalisation levels for Mexican Banks, that the issuer's Fundamental Capital is equal to or below 4.5%; (ii) the Issuer does not comply with the Mexican Banking Law and other regulation or (iii) the Banking Stability Committee determines that financial assistance is required by the Issuer to avoid revocation of the Issuer's license for its failure to comply with corrective measures.
If write-down, full or partial	Fully or partially
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	N/A
Type of subordination	N/A
Order of priority in normal insolvency proceedings	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Notes constitute Subordinated Preferred Indebtedness, and (i) will be subordinate and junior in right of payment and in liquidation to all of the present and future Senior Indebtedness, (ii) will rank pari passu without preference among themselves and with all of the present and future other unsecured subordinated preferred indebtedness and (iii) will be senior to subordinated non-preferred indebtedness and all classes of equity or capital stock.
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and conditions</a>

## II.4. South America issuances (Million euros. 6-30-2024)

Issuer	BBVA Colombia	BBVA Colombia
Unique identifier (e.g. ISIN)	COB13CB00221	COB13CB00239
Public or private	Public	Public
Governing law(s) of the instrument	Colombian	Colombian
Contractual recognition of conversion by resolution institution	No	No
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier2	Tier2
Post-transitional CRR rules	Non eligible	Non eligible
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	27	24
Nominal amount of instrument	COP 165,000 Mill	COP 160,000 Mill
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	19/2/2013	26/11/2014
Perpetual or dated	Dated	Dated
Original maturity date	19/2/2028	26/11/2034
Issuer call subject to prior supervisory approval	No	No
Optional call date, contingent call dates, and redemption amount	N/A	N/A
Subsequent call dates, if applicable	N/A	N/A
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Floating	Floating
Coupon rate and any related index	CPI + 3.89%	CPI + 4.50%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	No	No
If write-down, write-down trigger (s)	N/A	N/A
If write-down, full or partial	N/A	N/A
If write-down, permanent or temporary	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior debt securities other than parity securities rank immediately superior	Senior debt securities other than parity securities rank immediately superior
Non-compliant transitioned features	Yes	Yes
If yes, specify non-compliant features	No write down existence or conversion by authority	No write down existence or conversion by authority
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>



Issuer	BBVA Colombia	BBVA Colombia
Unique identifier (e.g. ISIN)	COB13CB00247	USP1024TAN92 -- US05890JAA88
Public or private	Public	Public
Governing law(s) of the instrument	Colombian	New York State Law., except in the event of Preventive Measures, or Intervention by the "Superintendencia Financiera de Colombia" or dissolution or liquidation of BBVA Colombia under Colombian banking law
Contractual recognition of conversion by resolution institution	No	No
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier2	Tier2
Post-transitional CRR rules	Non eligible	Tier2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	20	59
Nominal amount of instrument	COP 90,000 Mill	USD 400 Mill
Issue price	100%	99.91%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	26/11/2014	21/4/2015
Perpetual or dated	Dated	Dated
Original maturity date	26/11/2029	21/4/2025
Issuer call subject to prior supervisory approval	No	Yes
Optional call date, contingent call dates, and redemption amount	N/A	04/21/2020; Tax call
Subsequent call dates, if applicable	N/A	Tax call can be exercised at any time after 04/21/2020
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Floating	Fixed
Coupon rate and any related index	CPI + 4.38%	4.88%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	No	No
If write-down, write-down trigger (s)	N/A	N/A
If write-down, full or partial	N/A	N/A
If write-down, permanent or temporary	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior debt securities other than parity securities rank immediately superior	Senior debt securities other than parity securities rank immediately superior
Non-compliant transitioned features	Yes	Yes
If yes, specify non-compliant features	No write down existence or conversion by authority	No write down existence or conversion by authority
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	BBVA Colombia	BBVA Peru
Unique identifier (e.g. ISIN)	COB13CB00197	US05537GAD79-USP16236AG98
Public or private	Public	Public
Governing law(s) of the instrument	Colombian	New York
Contractual recognition of conversion by resolution institution	No	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier2	Tier 2
Post-transitional CRR rules	Non eligible	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	16	21
Nominal amount of instrument	COP 152,000 Mill	USD 300 Mill
Issue price	100%	99.317%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	9/19/2011	9/22/2014
Perpetual or dated	Dated	Dated
Original maturity date	9/19/2026	9/22/2029
Issuer call subject to prior supervisory approval	No	Yes
Optional call date, contingent call dates, and redemption amount	N/A	Issuer call date: 09/22/2024, also subject to Regulatory call
Subsequent call dates, if applicable	N/A	N/A
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Floating	Fixed reset
Coupon rate and any related index	CPI + 4.70%	5.25% 2.15%+UST5Y (9/22/2024)
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	No	Yes
If write-down, write-down trigger (s)	N/A	SBS
If write-down, full or partial	N/A	Fully or partially
If write-down, permanent or temporary	N/A	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior debt securities other than parity securities rank immediately superior	Senior debt securities other than parity securities rank immediately superior
Non-compliant transitioned features	Yes	No
If yes, specify non-compliant features	No write down existence or conversion by authority	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	BBVA Peru	BBVA Uruguay SA
Unique identifier (e.g. ISIN)	USP07760AH74 - US058950AA48	N/A
Public or private	Public	Private
Governing law(s) of the instrument	New York	Uruguayan
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)		15
Nominal amount of instrument	USD 300 Mill	USD 15 Mill
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	7/3/2024	24/2/2021
Perpetual or dated	Dated	Dated
Original maturity date	7/6/2034	24/2/2031
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Issuer call date: from 07/03/2029 until the 07/06/2029, also subject to Regulatory call	At issuer's discretion after 5 years from the date of issue, minimum amount of 1 MM USD
Subsequent call dates, if applicable	N/A	At issuer's discretion after 5 years from the date of issue, minimum amount of 1 MM USD
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed reset	Floating
Coupon rate and any related index	6,2%; 4,201%+UST5Y (07/06/2029);	LIBOR 180d + 3,65%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	Yes	No
If write-down, write-down trigger (s)	SBS	N/A
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior debt securities other than parity securities rank immediately superior	Senior debt securities other than parity securities rank immediately superior
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

## II.5. Turkey issuances (Million euros. 6-30-2024)

Issuer	Garanti BBVA	Garanti BBVA
Unique identifier (e.g. ISIN)	TRSGRAN23013	TRSGRANE2915
Public or private	Public	Public
Governing law(s) of the instrument	Turkish	Turkish
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	13	4
Nominal amount of instrument	TRY 750 Mill	TRY 252.8 Mill
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	2/14/2020	10/9/2019
Perpetual or dated	Dated	Dated
Original maturity date	2/14/2030	10/7/2029
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	At five years from the date of issue in full (also subject to both the Regulatory call and the Tax call, only in full amortisation).100%.	At five years from the date of issue in full (also subject to both the Regulatory call and the Tax call, only in full amortisation).100%.
Subsequent call dates, if applicable	No	No
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Floating	Floating
Coupon rate and any related index	TLREF+250_bps	TLREF+130_bps
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	Cases that by a loss the issuer has become or is likely to become non-viable. Non-viability/Write -down of the notes . BRSA.	Cases that by a loss the issuer has become or is likely to become non-viable. Non-viability/Write -down of the notes . BRSA.
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Constitute Non-Preferred Debt and will rank (1) junior to the Senior Debt and Preferred Debt, (2) pari passu among themselves and with all the other Non-Preferred Debt, (3) senior only to all classes of equity capital	Constitute Non-Preferred Debt and will rank (1) junior to the Senior Debt and Preferred Debt, (2) pari passu among themselves and with all the other Non-Preferred Debt, (3) senior only to all classes of equity capital
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

Issuer	Garanti BBVA	Garanti BBVA
Unique identifier (e.g. ISIN)	XS1617531063 (144A) US900148AE73 (Reg S)	XS2773062471 - US900148AF49
Public or private	Public	Public
Governing law(s) of the instrument	English law except regarding subordination that will follow Turkish law	English law except regarding subordination that will follow Turkish law
Contractual recognition of conversion by resolution institution	Yes	Yes
<b>Regulatory treatment</b>		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	At solo & (sub-)consolidated	At solo & (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument	Tier 2 instrument
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	203	
Nominal amount of instrument	USD 750 Mill	USD 500 Mill
Issue price	100%	100%
Redemption price	100%	100%
Accounting classification	Liability – amortised cost	Liability – amortised cost
Original date of issuance	5/23/2017	2/28/2024
Perpetual or dated	Dated	Dated
Original maturity date	5/24/2027	2/28/2034
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	05/24/2022 fully (also subject to Regulatory call and Tax call, only full amortisation)only in full amortisation: 100%	28/02/2029 fully (also subject to Regulatory call and Tax call, only full amortisation)only in full amortisation: 100%
Subsequent call dates, if applicable	No	No
<b>Coupons / dividends</b>		
Fixed or floating dividend/coupon	Fixed to fixed	Fixed to fixed
Coupon rate and any related index	6.125% (swap5y\$+ 4.22%)	8.375% (UST5y\$+ 4.09%)
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	Yes	Yes
If write-down, write-down trigger (s)	Cases that by a loss the issuer has become or is likely to become non-viable. Non-viability/Write -down of the notes . BRSA.	Cases that by a loss the issuer has become or is likely to become non-viable. Non-viability/Write -down of the notes . BRSA.
If write-down, full or partial	Fully or partially	Fully or partially
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A
Type of subordination	N/A	N/A
Order of priority in normal insolvency proceedings	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Constitute Non-Preferred Debt and will rank (1) junior to the Senior Debt and Preferred Debt, (2) pari passu among themselves and with all the other Non-Preferred Debt, (3) senior only to all classes of equity capital	Constitute Non-Preferred Debt and will rank (1) junior to the Senior Debt and Preferred Debt, (2) pari passu among themselves and with all the other Non-Preferred Debt, (3) senior only to all classes of equity capital
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A
Link to the terms and conditions of the instrument	<a href="#">Terms and Conditions</a>	<a href="#">Terms and Conditions</a>

## III. Geographical breakdown of relevant credit exposures for the calculation of the countercyclical capital buffer (Million Euros, 6-30-2024)

	General credit exposures <sup>(1)</sup>		Trading book exposure		Securitisation exposure	Total exposure value	Own funds requirements			Total	Risk-weighted exposure amounts	Own funds requirements weights	Countercyclical capital buffer rate
	Exposure value for SA	Exposure value for IRB	Sum of long and short position of trading book	Trading book exposure value for internal models	Exposure value for SA		Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures				
<b>Geographical breakdown</b>													
Germany	175	6,217	225	216	5	6,838	210	—	—	210	2,628	0.92 %	75.00 %
Armenia	—	—	—	—	—	—	—	—	—	—	—	— %	150.00 %
Australia	43	442	—	—	—	485	20	—	—	20	248	0.09 %	100.00 %
Belgium	82	920	8	8	—	1,019	37	—	—	37	457	0.16 %	50.00 %
Bulgaria	26	1	—	—	—	27	2	—	—	2	28	0.01 %	200.00 %
Cyprus	—	—	—	—	—	—	—	—	—	—	—	— %	100.00 %
South Korea	10	497	2	2	—	511	13	—	—	13	161	0.06 %	100.00 %
Croatia	14	—	—	—	—	14	—	—	—	—	1	— %	150.00 %
Denmark	—	168	4	4	—	177	6	—	—	6	72	0.03 %	250.00 %
Slovakia	—	141	—	—	—	141	12	—	—	12	144	0.05 %	150.00 %
Slovenia	—	—	—	—	—	—	—	—	—	—	—	— %	50.00 %
Estonia	—	1	—	—	—	1	—	—	—	—	—	— %	150.00 %
France	1,122	7,144	104	103	—	8,473	285	3	—	288	3,598	1.26 %	100.00 %
Hong-Kong	2	3,402	1	1	—	3,405	65	—	—	65	807	0.28 %	100.00 %
Ireland	6	986	4	4	460	1,460	35	—	7	42	530	0.19 %	150.00 %
Iceland	—	—	—	—	—	—	—	—	—	—	—	— %	250.00 %
Lithuania	—	1	—	—	—	1	—	—	—	—	—	— %	100.00 %
Luxembourg	99	2,486	16	10	—	2,611	125	1	—	125	1,568	0.55 %	50.00 %
Norway	9	104	11	13	—	138	2	—	—	2	26	0.01 %	250.00 %
Netherlands	673	4,916	184	177	—	5,949	219	2	—	221	2,761	0.96 %	200.00 %
United Kingdom	2,106	8,900	117	121	—	11,244	533	5	—	538	6,724	2.35 %	200.00 %
Czech Republic	4	103	—	—	—	107	4	—	—	4	47	0.02 %	175.00 %
Romania	2,424	10	—	—	—	2,435	135	—	—	135	1,682	0.59 %	100.00 %
Sweden	26	285	11	11	—	333	14	—	—	15	185	0.06 %	200.00 %
Uruguay	2,581	73	—	—	—	2,655	151	—	—	151	1,884	0.66 %	50.00 %
<b>Total countries with countercyclical capital buffer</b>	<b>9,404</b>	<b>36,797</b>	<b>688</b>	<b>669</b>	<b>465</b>	<b>48,023</b>	<b>1,865</b>	<b>11</b>	<b>7</b>	<b>1,884</b>	<b>23,552</b>	<b>8.22 %</b>	
Argentina	5,593	131	—	—	—	5,724	384	—	—	384	4,801	1.68 %	
Colombia	17,259	1,277	56	21	—	18,613	1,110	4	—	1,114	13,922	4.86 %	
Spain	20,991	149,210	1,590	109	5,044	176,944	6,864	111	47	7,021	87,769	30.65 %	
United States	7,907	29,947	65	52	—	37,972	1,576	6	—	1,582	19,773	6.90 %	
Mexico	47,158	48,337	307	336	—	96,138	5,837	51	—	5,888	73,603	25.70 %	
Peru	12,957	725	—	—	—	13,682	736	—	—	736	9,199	3.21 %	
Portugal	2,438	2,433	18	19	—	4,907	233	—	—	233	2,907	1.02 %	
Turkey	47,313	613	80	—	—	48,006	3,175	6	—	3,181	39,764	13.89 %	
<b>Total countries with a 0% countercyclical capital buffer or without countercyclical capital buffer (with own funds requirements greater than 1%)</b>	<b>161,615</b>	<b>232,674</b>	<b>2,116</b>	<b>537</b>	<b>5,044</b>	<b>401,985</b>	<b>19,913</b>	<b>179</b>	<b>47</b>	<b>20,139</b>	<b>251,737</b>	<b>87.91 %</b>	
Andorra	3	24	—	—	—	27	1	—	—	1	18	0.01 %	—

	General credit exposures <sup>(1)</sup>		Trading book exposure		Securitisation exposure	Own funds requirements				Total	Risk-weighted exposure amounts	Own funds requirements weights	Countercyclical capital buffer rate
	Exposure value for SA	Exposure value for IRB	Sum of long and short position of trading book	Trading book exposure value for internal models	Exposure value for SA	Total exposure value	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures				
Austria	57	461	3	3	—	525	22	1	—	23	284	0.10 %	—
Bermudas	—	91	1	1	—	94	4	—	—	4	46	0.02 %	—
Brazil	6	861	75	3	—	946	48	6	—	55	682	0.24 %	—
Canada	9	371	3	4	—	388	17	—	—	17	212	0.07 %	—
Chile	2,123	1,404	20	24	—	3,571	198	1	—	200	2,496	0.87 %	—
China	3	629	1	1	—	634	12	—	—	12	152	0.05 %	—
Ecuador	24	7	—	—	—	31	4	—	—	4	50	0.02 %	—
Egypt	8	5	—	—	—	13	2	—	—	2	19	0.01 %	—
United Arab Emirates	72	233	—	—	—	305	13	—	—	13	167	0.06 %	—
Finland	17	97	9	8	—	131	5	—	—	5	58	0.02 %	—
Gibraltar	—	12	—	—	—	12	2	—	—	2	22	0.01 %	—
Hungary	41	242	1	—	—	284	13	—	—	13	165	0.06 %	—
Indonesia	—	49	—	—	—	49	3	—	—	3	35	0.01 %	—
Caiman Islands	1	513	2	1	—	517	39	—	—	39	485	0.17 %	—
Malvinas Islands	—	17	—	—	—	17	1	—	—	1	13	— %	—
Israel	14	3	—	—	—	17	1	—	—	1	16	0.01 %	—
Italy	55	5,449	17	12	—	5,533	228	—	—	228	2,847	0.99 %	—
Japan	—	160	—	—	—	160	6	—	—	6	76	0.03 %	—
Jersey	—	149	—	—	—	149	4	—	—	4	52	0.02 %	—
Liberia	8	53	—	—	—	61	5	—	—	5	57	0.02 %	—
Malaysia	—	41	1	1	—	43	1	—	—	1	14	— %	—
Malta	54	—	—	—	—	54	4	—	—	4	53	0.02 %	—
Marshall (Islands)	69	—	—	—	—	70	6	—	—	6	70	0.02 %	—
Mauricio	—	23	—	—	—	23	1	—	—	1	13	— %	—
Poland	32	58	—	—	—	89	5	—	—	5	67	0.02 %	—
Qatar	1	78	—	—	—	78	4	—	—	4	54	0.02 %	—
Singapore	56	1,086	1	1	—	1,143	34	—	—	34	420	0.15 %	—
Switzerland	546	3,035	16	15	—	3,611	114	—	—	114	1,428	0.5 %	—
Taiwan	—	947	—	—	—	948	17	—	—	17	210	0.07 %	—
Venezuela	486	24	—	—	—	510	45	—	—	45	567	0.2 %	—
British Virgin (Islands)	2	306	—	—	—	308	9	—	—	9	107	0.04 %	—
Other countries <sup>(2)</sup>	74	148	7	3	—	232	10	—	—	10	129	0.04 %	—
<b>Total countries without countercyclical capital buffer (with own funds requirements less than 1%)</b>	<b>3,760</b>	<b>16,577</b>	<b>157</b>	<b>78</b>	<b>—</b>	<b>20,571</b>	<b>878</b>	<b>9</b>	<b>—</b>	<b>887</b>	<b>11,084</b>	<b>3.87 %</b>	
<b>Total</b>	<b>174,780</b>	<b>286,047</b>	<b>2,960</b>	<b>1,283</b>	<b>5,509</b>	<b>470,579</b>	<b>22,656</b>	<b>199</b>	<b>54</b>	<b>22,910</b>	<b>286,373</b>	<b>100 %</b>	

<sup>(1)</sup> The established order is alphabetical according to the Spanish version.

<sup>(1)</sup> Credit exposure excludes exposures to Central Governments or Central Banks, Regional Governments or Local Authorities, Public sector entities, Multilateral Development Banks, International Organisations and Institutions in accordance with art. 140.4 of Directive 2013/36/EU.

<sup>(2)</sup> Other countries include those territories (40) where own funds requirements applicable to countercyclical buffer are less than €1 million.

## IV. EU LR2 - Leverage ratio common disclosure (Million Euros)

	6-30-2024		12-31-2023	
	Phased-in	Fully loaded	Phased-in	Fully loaded
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>				
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	635,659	635,659	628,803	628,803
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	—	—	—	—
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(320)	(320)	(347)	(347)
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	—	—	—	—
(General credit risk adjustments to on-balance sheet items)	—	—	—	—
(Asset amounts deducted in determining Tier 1 capital)	(3,331)	(3,331)	(3,667)	(3,667)
<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 6)</b>	<b>632,008</b>	<b>632,008</b>	<b>624,788</b>	<b>624,788</b>
<b>Derivative exposures</b>				
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	7,166	7,166	6,436	6,436
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	—	—	—	—
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	18,789	18,789	17,608	17,608
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	—	—	—	—
Exposure determined under Original Exposure Method	—	—	—	—
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—	—	—	—
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	—	—	—	—
(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	—	—	—	—
Adjusted effective notional amount of written credit derivatives	21,394	21,394	17,076	17,076
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(15,101)	(15,101)	(11,680)	(11,680)
<b>Total derivatives exposures (sum of lines 8 to 12)</b>	<b>32,247</b>	<b>32,247</b>	<b>29,440</b>	<b>29,440</b>
<b>Securities financing transaction (SFT) exposures</b>				
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	61,433	61,433	79,828	79,828
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(4,349)	(4,349)	(20,474)	(20,474)
Counterparty credit risk exposure for SFT assets	8,201	8,201	14,502	14,502
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of Regulation (EU) No 575/2013	—	—	—	—
Agent transaction exposures	—	—	—	—
(Exempted CCP leg of client-cleared SFT exposure)	—	—	—	—
<b>Total securities financing transaction exposures (sum of lines 14 to EU-17a)</b>	<b>65,286</b>	<b>65,286</b>	<b>73,855</b>	<b>73,855</b>
<b>Other off-balance sheet exposures</b>				
Off-balance sheet exposures at gross notional amount	257,055	257,055	213,788	213,788
(Adjustments for conversion to credit equivalent amounts)	(177,007)	(177,007)	(143,424)	(143,424)
(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	—	—	—	—
<b>Off-balance sheet exposures (sum of lines 19 to 21)</b>	<b>80,047</b>	<b>80,047</b>	<b>70,364</b>	<b>70,364</b>
<b>Exempted exposures in accordance with Article 429a of the CRR (on and off balance sheet)</b>				
(Exposures excluded from the total exposure measure in accordance with Article 429a(1)(c) of the CRR)	—	—	—	—
(Exposures exempted in accordance with Article 429a(1)(j) of the CRR (on and off balance sheet))	—	—	—	—
(Excluded exposures of public development banks (or units) - Public sector investments)	—	—	—	—
(Excluded exposures of public development banks (or units) - Promotional loans)	—	—	—	—
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	—	—	—	—
(Excluded guaranteed parts of exposures arising from export credits)	(525)	(525)	(560)	(560)
(Excluded excess collateral deposited at triparty agents)	—	—	—	—
(Excluded CSD related services of CSD/institutions in accordance with Article 429a(1)(o) of the CRR)	—	—	—	—
(Excluded CSD related services of designated institutions in accordance with Article 429a(1)(p) of the CRR)	—	—	—	—
(Reduction of the exposure value of pre-financing or intermediate loans)	—	—	—	—
<b>(Total exempted exposures)</b>	<b>(525)</b>	<b>(525)</b>	<b>(560)</b>	<b>(560)</b>
<b>Capital and total exposure measure</b>				
	<b>0</b>	<b>0</b>		
Tier 1 capital	54,776	54,776	52,150	52,150
<b>Leverage ratio total exposure measure</b>	<b>809,063</b>	<b>809,063</b>	<b>797,888</b>	<b>797,888</b>
<b>Leverage ratio</b>				
<b>Leverage ratio</b>	<b>6.77%</b>	<b>6.77%</b>	<b>6.54%</b>	<b>6.54%</b>
<b>Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)</b>	<b>6.77%</b>	<b>6.77%</b>	<b>6.54%</b>	<b>6.54%</b>
<b>Leverage ratio (excluding the impact of any applicable temporary waiver of central bank reserves) (%)</b>	<b>6.77%</b>	<b>6.77%</b>	<b>6.54%</b>	<b>6.54%</b>
<b>Regulatory minimum leverage ratio requirement (%)</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
<b>Additional own funds requirements to address the risk of excessive leverage (%)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Of which: comprised of common equity tier 1 capital</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Leverage ratio cushion requirement (%)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Overall leverage ratio requirement (%)</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
<b>Choice on transitional arrangements and relevant exposures</b>				
Choice on transitional arrangements for the definition of the capital measure	Transitional	Fully phased-in	Transitional	Fully phased-in
<b>Disclosure of mean values</b>				
Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	61,109	61,109	59,468	59,468
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	57,085	57,085	59,353	59,353
Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	813,088	813,088	798,002	798,002



	6-30-2024		12-31-2023	
	Phased-in	Fully loaded	Phased-in	Fully loaded
Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	813,088	813,088	798,002	798,002
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.74%	6.74%	6.54%	6.54%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.74%	6.74%	6.54%	6.54%

## V. ESG3: Banking book - Climate change transition risk: Alignment metrics (6-30-2024)

Sector	NACE Sectors	Portfolio gross carrying amount (Million euros)	Description	Alignment metric	Year of reference	Distance to IEA NZE2050 in the year 2030	Target (year of reference + 3 years)
Power	D.35.11	7,865	Average kilograms of CO2 per MWh	152	2022	17 %	Not Available
Power	D.35.12	122	Average kilograms of CO2 per MWh	12	2022	(90)%	Not Available
Power	D.35.13	291	Average kilograms of CO2 per MWh	234	2022	80 %	Not Available
Power	D.35.14	61	Average kilograms of CO2 per MWh	396	2022	205 %	Not Available
Power	Other	77	Average kilograms of CO2 per MWh	270	2022	108 %	Not Available
Automotive	C.29.10	1,018	Average grams of CO2 per passenger-km	170	2022	70 %	Not Available
Automotive	C.29.32	1	Average grams of CO2 per passenger-km	0	2022	59 %	Not Available
Aviation	H.51.10	85	Average grams of CO2 per passenger-km	107	2022	50 %	Not Available
Aviation	Other	141	Average grams of CO2 per passenger-km	104	2022	45 %	Not Available
Cement, clinker and lime production	C.23.51	874	Average kilograms of CO2 per ton of production	729	2022	50 %	Not Available
Cement, clinker and lime production	C.23.52	0	Average kilograms of CO2 per ton of production	0	2022	— %	Not Available
Cement, clinker and lime production	C.23.61	0	Average kilograms of CO2 per ton of production	0	2022	— %	Not Available
Iron and steel, coke, and metal ore production	C.24.10	1,839	Average kilograms of CO2 per ton of production	1225	2022	35 %	Not Available
Iron and steel, coke, and metal ore production	C.24.52	470	Average kilograms of CO2 per ton of production	943	2022	4 %	Not Available
Iron and steel, coke, and metal ore production	Other	214	Average kilograms of CO2 per ton of production	1013	2022	12 %	Not Available
Oil & Gas	B.06.10	1,745	Million tons of CO2	7.8	2022	11 %	Not Available
Oil & Gas	B.06.20	11	Million tons of CO2	0.0	2022	52 %	Not Available
Oil & Gas	B.09.10	137	Million tons of CO2	0.7	2022	(24)%	Not Available
Oil & Gas	C.19.20	501	Million tons of CO2	0.7	2022	193 %	Not Available
Oil & Gas	D.35.21	27	Million tons of CO2	0.0	2022	(100)%	Not Available
Oil & Gas	D.35.22	0	Million tons of CO2	0.0	2022	— %	Not Available
Oil & Gas	Other	0	Million tons of CO2	1.0	2022	219 %	Not Available
Carbon	Other	66	Exposition in millions of euro	185	2022	phase-out	Not Available

\* Accounting portfolios: "At amortized cost", "Fair Value Through Other Comprehensive Income (FVOCI)", "Fair Value Through P&L" and "Non-tradable at Fair Value Through Profit or Loss". Instruments: loans and advances, fixed income and equities. Sectors: non-financial corporations. Special features: main activity code information (NACE) used for internal management and reporting. The figures may vary slightly from the calculations made on the PACTA portfolio alignment, because this methodology takes into account the committed available, while the figures shown in the table above correspond to transactions with gross book balance. The information includes the most significant BBVA Group entities, which include 96.5% of total assets. These data represent the best information available to date.

\*\* The base year for all sectors is 2022. Reduction targets to 2030 have been defined for the following sectors: 52% in Electricity, 46% in Automotive, 23% in Steel, 17% in Cement, all with base year 2020; 30% in Oil & Gas with base year 2021; 18% in Aviation with base year 2022. In Maritime Transport, the alignment delta is calculated by reference to the annual trajectory set by the IMO. BBVA aims to eliminate its exposure to coal customers by 2030 in developed countries and by 2040 globally.

\*\*\*BBVA sets portfolio alignment targets for 2030 in line with industry practices and draws up a Net Zero scenario year by year. One of the EBA's requests is to draw up short-term targets (3 years), and there is a \*\*\*\*\*path to Net Zero but it is not an objective officially communicated by the Group.

\*\*\*\* Carbon exposure includes financing provided and committed credit limits

**Annex VI. ESG5. Banking book - Climate change physical risk: Exposures subject to physical risk (Spain. Million euros. 6-30-2024)**

	Gross carrying amount													
	of which exposures sensitive to impact from climate change physical events													Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions
	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures	Of which non-performing exposures	
<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years											
<b>Total</b>														
A - Agriculture, forestry and fishing	1,492	838	201	7	32	4	309	378	390	208	52	(25)	(4)	(18)
B - Mining and quarrying	226	14	1	—	2	5	2	5	10	1	2	(1)	—	(1)
C - Manufacturing	15,326	1,991	262	15	192	4	2,253	29	178	272	97	(40)	(3)	(34)
D - Electricity, gas, steam and air conditioning supply	3,614	4	—	—	—	4	1	3	—	1	—	—	—	—
E - Water supply; sewerage, waste management and remediation activities	663	1	—	—	—	4	1	—	—	—	—	—	—	—
F - Construction	5,316	56	21	33	4	8	30	84	—	11	14	(7)	—	(7)
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	11,636	10	17	28	—	9	29	27	—	8	7	(3)	—	(2)
H - Transportation and storage	4,427	—	8	2	—	9	3	8	—	2	—	—	—	—
L - Real estate activities	4,245	49	78	46	2	8	65	110	—	26	10	(5)	—	(4)
Loans collateralised by residential immovable property	70,161	111	462	1,799	2,661	20	2,274	2,759	—	597	269	(96)	(12)	(81)
Loans collateralised by commercial immovable property	10,740	186	196	196	21	9	270	329	—	108	84	(30)	(3)	(26)
Repossessed colaterals	434	—	—	—	41	20	13	28	—	—	—	—	—	—
I - Accommodation and food service activities	3,837	103	31	6	1	4	100	40	—	11	6	(3)	(1)	(2)
J - Information and communication	3,390	—	1	—	—	8	—	1	—	—	—	—	—	—
K - Financial and insurance activities	1,382	—	—	—	—	8	—	1	—	—	—	—	—	—
Other relevant sectors	6,661	51	14	23	5	7	63	30	—	4	16	(8)	—	(8)

(\*) Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. In addition, loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households (only for the part of loans secured by residential real estate). Specific details: Main activity code (NACE) information used for internal management and reporting purposes. In other relevant sectors all other NACE activities are included until the perimeter is complete.

## ESG5. Banking book - Climate change physical risk: Exposures subject to physical risk (Others EU. Million euros. 6-30-2024)

	Gross carrying amount												Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from climate change physical events											Of which Stage 2 exposures			Of which non-performing exposures
	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		of which Stage 2 exposures	Of which non-performing exposures	
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years											
<b>Total</b>															
A - Agriculture, forestry and fishing	98	36	19	—	1	4	—	—	56	4	—	-1	—	—	
B - Mining and quarrying	41	28	—	—	—	—	—	—	28	—	—	—	—	—	
C - Manufacturing	5,197	668	109	—	31	2	292	516	—	10	—	—	—	—	
D - Electricity, gas, steam and air conditioning supply	2,723	812	116	18	275	7	—	1,220	—	147	—	-12	-12	—	
E - Water supply; sewerage, waste management and remediation activities	178	—	—	—	—	—	—	—	—	—	—	—	—	—	
F - Construction	623	43	22	—	5	4	—	70	—	—	—	—	—	—	
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,976	—	—	—	—	3	—	—	—	—	—	—	—	—	
H - Transportation and storage	1,116	—	—	—	—	—	—	—	—	—	—	—	—	—	
L - Real estate activities	472	87	—	71	—	7	41	112	5	41	—	—	—	—	
Loans collateralised by residential immovable property	1,199	—	—	—	—	13	—	—	—	—	—	—	—	—	
Loans collateralised by commercial immovable property	868	—	—	—	—	—	—	—	—	—	—	—	—	—	
Repossessed colaterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
I - Accommodation and food service activities	382	127	136	—	—	4	145	118	—	—	—	—	—	—	
J - Information and communication	1,930	—	—	—	—	—	—	—	—	—	—	—	—	—	
K - Financial and insurance activities	456	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other relevant sectors	915	—	—	—	—	16	—	—	—	—	—	—	—	—	

(\*) Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. In addition, loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households (only for the part of loans secured by residential real estate). Specific details: Main activity code (NACE) information used for internal management and reporting purposes. In other relevant sectors all other NACE activities are included until the perimeter is complete.

## ESG5. Banking book - Climate change physical risk: Exposures subject to physical risk (Mexico. Million euros. 12-31-2023)

	Gross carrying amount																
	of which exposures sensitive to impact from climate change physical events													Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	
	Breakdown by maturity bucket				Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures	Of which non-performing exposures					
<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years														
<b>Total</b>																	
A - Agriculture, forestry and fishing	1,180	697	143	—	2	2	91	105	647	59	21	-13	—	-12			
B - Mining and quarrying	1,641	418	—	—	18	3	208	217	11	11	1	-2	-1	-1			
C - Manufacturing	10,448	2,656	150	—	40	2	2,238	431	176	122	50	-18	-3	-11			
D - Electricity, gas, steam and air conditioning supply	3,393	2,776	304	199	3	3	1,052	1,367	862	—	—	-1	—	—			
E - Water supply; sewerage, waste management and remediation activities	86	10	—	—	—	5	—	10	—	—	—	—	—	—			
F - Construction	1,752	322	8	—	4	2	92	132	110	8	1	-1	—	-1			
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	6,608	170	54	—	—	3	19	144	62	32	9	-11	-3	-8			
H - Transportation and storage	2,023	45	14	—	—	3	5	46	8	16	2	-4	-3	-1			
L - Real estate activities	4,763	569	263	46	2	5	197	496	186	57	4	-5	-1	-1			
Loans collateralised by residential immovable property	18,042	135	547	3,432	17	15	769	2,036	1,327	391	245	-60	-6	-51			
Loans collateralised by commercial immovable property	8,998	2,018	783	102	—	4	736	1,483	684	202	24	-27	-7	-15			
Repossessed colaterals	160	—	—	—	38	20	7	22	9	—	—	—	—	—			
I - Accommodation and food service activities	2,711	982	738	127	8	5	587	902	366	37	17	-15	-1	-11			
J - Information and communication	1,962	—	—	—	—	—	—	—	—	—	—	—	—	—			
K - Financial and insurance activities	40	—	—	—	—	—	—	—	—	—	—	—	—	—			
Other relevant sectors	3,174	59	34	—	3	4	6	71	18	4	1	-1	—	-1			

(\*) Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. In addition, loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households (only for the part of loans secured by residential real estate). Specific details: Main activity code (NACE) information used for internal management and reporting purposes. In other relevant sectors all other NACE activities are included until the perimeter is complete.

## ESG5. Banking book - Climate change physical risk: Exposures subject to physical risk (South America. Million euros. 6-30-2024)

	Gross carrying amount													
	of which exposures sensitive to impact from climate change physical events													Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions
	Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures		Of which non-performing exposures	
<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity										
<b>Total</b>														
A - Agriculture, forestry and fishing	1,686	708	99	—	9	2	479	160	177	140	22	-21	-8	-10
B - Mining and quarrying	1,433	482	—	47	23	4	—	126	426	—	—	-1	—	—
C - Manufacturing	5,578	384	5	—	49	3	158	130	151	8	4	-4	—	-2
D - Electricity, gas, steam and air conditioning supply	2,198	713	110	—	17	3	—	336	504	—	—	-1	—	—
E - Water supply; sewerage, waste management and remediation activities	108	—	—	—	—	—	—	—	—	—	—	—	—	—
F - Construction	1,160	6	2	—	—	3	2	2	3	—	2	-2	—	-2
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	5,735	54	4	—	—	4	51	—	7	5	2	-2	—	-1
H - Transportation and storage	1,894	13	—	—	—	3	13	—	—	3	1	-1	—	-1
L - Real estate activities	192	—	—	—	—	3	—	—	—	—	—	—	—	—
Loans collateralised by residential immovable property	6,669	10	26	128	11	14	6	13	155	23	17	-10	-1	-9
Loans collateralised by commercial immovable property	5,092	120	42	3	—	4	145	2	19	46	19	-15	-3	-11
Repossessed colaterals	107	—	—	—	—	—	—	—	—	—	—	—	—	—
I - Accommodation and food service activities	410	7	1	—	—	4	8	—	—	1	1	-1	—	-1
J - Information and communication	927	—	—	—	—	9	—	—	—	—	—	—	—	—
K - Financial and insurance activities	275	—	—	—	—	—	—	—	—	—	—	—	—	—
Other relevant sectors	3,014	4	4	—	—	5	4	—	4	1	2	-1	—	-1

(\*) Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. In addition, loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households (only for the part of loans secured by residential real estate). Specific details: Main activity code (NACE) information used for internal management and reporting purposes. In other relevant sectors all other NACE activities are included until the perimeter is complete.

## ESG5. Banking book - Climate change physical risk: Exposures subject to physical risk (Turkey. Million euros. 6-30-2024)

	Gross carrying amount											Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from climate change physical events													
	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures	Of which non-performing exposures	
<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years											
<b>Total</b>														
A - Agriculture, forestry and fishing	336	157	107	—	—	0	116	114	34	121	2	-8	-6	-1
B - Mining and quarrying	621	393	—	—	—	0	239	134	20	15	—	-3	-1	—
C - Manufacturing	6,944	1,040	3	—	—	—	873	132	37	43	14	-20	-2	-11
D - Electricity, gas, steam and air conditioning supply	1,483	330	47	—	—	—	241	129	6	8	12	-10	-2	-9
E - Water supply; sewerage, waste management and remediation activities	47	1	—	—	—	—	—	1	—	—	—	—	—	—
F - Construction	1,627	112	1	—	—	—	—	88	24	4	1	-1	—	-1
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	4,451	143	—	—	—	—	3	124	16	8	6	-5	-1	-4
H - Transportation and storage	1,910	13	—	—	—	—	—	11	2	1	—	—	—	—
L - Real estate activities	704	11	4	—	—	—	—	13	2	1	—	—	—	—
Loans collateralised by residential immovable property	1,042	319	2	—	—	—	123	149	48	14	5	-5	-1	-3
Loans collateralised by commercial immovable property	2,599	411	39	—	—	—	53	261	136	58	18	-20	-3	-14
Repossessed colaterals	148	—	—	—	—	—	—	—	—	—	—	—	—	—
I - Accommodation and food service activities	1,014	287	35	—	—	—	132	85	105	41	15	-14	-3	-10
J - Information and communication	187	4	—	—	—	—	—	4	—	—	—	—	—	—
K - Financial and insurance activities	155	—	—	—	—	—	—	—	—	—	—	—	—	—
Other relevant sectors	2,839	39	—	—	—	—	7	20	12	3	2	-2	—	-2

(\*) Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. In addition, loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households (only for the part of loans secured by residential real estate). Specific details: Main activity code (NACE) information used for internal management and reporting purposes. In other relevant sectors all other NACE activities are included until the perimeter is complete.

## ESG5. Banking book - Climate change physical risk: Exposures subject to physical risk (Others. Million euros. 6-30-2024)

	Gross carrying amount													
	of which exposures sensitive to impact from climate change physical events													Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions
	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures	Of which non-performing exposures	
<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years											
<b>Total</b>														
A - Agriculture, forestry and fishing	156	129	23	—	—	3	5	122	25	11	—	—	—	—
B - Mining and quarrying	475	358	—	—	—	1	—	358	—	—	—	—	—	—
C - Manufacturing	9,704	1,329	501	594	4	5	168	261	1,999	—	—	—	—	—
D - Electricity, gas, steam and air conditioning supply	4,473	3,312	569	62	5	2	213	3,694	41	75	—	-2	—	—
E - Water supply; sewerage, waste management and remediation activities	283	—	—	—	—	—	—	—	—	—	—	—	—	—
F - Construction	383	19	4	—	—	3	—	23	—	23	—	—	—	—
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	4,440	—	—	—	—	—	—	—	—	—	—	—	—	—
H - Transportation and storage	510	—	—	—	—	—	—	—	—	—	—	—	—	—
L - Real estate activities	451	116	—	—	—	1	51	19	46	—	—	—	—	—
Loans collateralised by residential immovable property	34	—	—	—	—	—	—	—	—	—	—	—	—	—
Loans collateralised by commercial immovable property	498	—	—	—	—	—	—	—	—	—	—	—	—	—
Repossessed colaterals	2	—	—	—	—	—	—	—	—	—	—	—	—	—
I - Accommodation and food service activities	326	310	—	2	—	1	66	207	39	—	—	—	—	—
J - Information and communication	3,501	—	—	—	—	—	—	—	—	—	—	—	—	—
K - Financial and insurance activities	488	—	—	—	—	—	—	—	—	—	—	—	—	—
Other relevant sectors	1,067	26	5	95	—	11	27	100	—	32	—	—	—	—

(\*) Accounting portfolios: "At amortised cost", "Fair Value through Other Comprehensive Income (FVOCI)", "Fair Value through P&L" and "Non-tradable at Fair Value through Profit or Loss". Instruments: loans, fixed income and equities. In addition, loans secured by residential real estate, commercial real estate and foreclosed real estate collateral. Sectors: non-financial corporations and households (only for the part of loans secured by residential real estate). Specific details: Main activity code (NACE) information used for internal management and reporting purposes. In other relevant sectors all other NACE activities are included until the perimeter is complete.



## VII.a Regulatory compliance (6-30-2024)

The following table provides the correspondence between disclosure requirements as per Part Eight of CRR, applicable as of June, 30, 2024 and the sections of Pillar 3 report where the information can be found:

CRR Article	Description	Pillar 3 Section	Applicable ITS
<b>General principles of disclosure</b>			
<b>Art.431 - Disclosure requirements and policies</b>	Scope of application of disclosure and publication requirements for data that convey a complete picture of the institution's risk profile.	2Q 2024 Prudential Relevance Report - Pillar 3. (Section 1.3)	
<b>Art.432 - Non-material, proprietary or confidential information</b>	Omission of disclosures considered non-significant or confidential and the reasons, if applicable, for their classification as such.	BBVA Group has not made use of the exemption for disclosures considered proprietary or confidential.	
<b>Art.433 - Frequency and scope of disclosures</b>	Publication of the information with the frequency set by article 433a. Disclosures shall be published coinciding with the publication of the financial statements or as soon as possible thereafter.	The BBVA Group publishes more frequently than once a year, as defined in article 433a on disclosures by large entities.	
<b>Art.434 - Uniform disclosure formats</b>	Obligation to disclose information in electronic format and in a single medium or location.	The BBVA Group publishes the 2023 Prudential Relevance Report in a single document.	
<b>Technical criteria on transparency and disclosure of information.</b>			
<b>Art.437 - Disclosure of own funds</b>	(a) a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and the filters and deductions applied to own funds of the institution pursuant to Articles 32 to 36, 56, 66 and 79 with the balance sheet in the audited financial statements of the institution;	Section 1.4 Section 2.2 Annex I	EBA ITS 2020/04 - EU CC2 EBA ITS 2020/04 - EU CC1
	(b) a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution	Annex II	EBA ITS 2020/04 - EU CCA
	(c) the full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments	Annex II	EBA ITS 2020/04 - EU CCA
	(d) a separate disclosure of the nature and amounts of the following: (i) each prudential filter applied pursuant to Articles 32 to 35; (ii) items deducted pursuant to Articles 36, 56 and 66; (iii) items not deducted pursuant to Articles 47, 48, 56, 66 and 79	Section 2.2 Annex I	EBA ITS 2020/04 - EU CC1
	(e) a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply	Section 2.2 Annex I	EBA ITS 2020/04 - EU CC1
	(f) a comprehensive explanation of the basis on which capital ratios are calculated where those capital ratios are calculated by using elements of own funds determined on a basis other than the basis laid down in this Regulation.	N/A	EBA ITS 2020/04 - EU CC1

CRR Article	Description	Pillar 3 Section	Applicable ITS
<b>Art.438 - Disclosure of own funds requirements and risk-weighted exposure amounts</b>	(a) a summary of their approach to assessing the adequacy of their internal capital to support current and future activities;	N/A	EBA ITS 2020/04 - EU OVC
	(b) the amount of the additional own funds requirements based on the supervisory review process as referred to in point (a) of Article 104(1) of Directive 2013/36/EU and its composition in terms of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments	Executive summary	EBA ITS 2020/04 - EU KM1
	(c) upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process	N/A	EBA ITS 2020/04 - EU OVC
	(d) the total risk-weighted exposure amount and the corresponding total own funds requirement determined in accordance with Article 92, to be broken down by the different risk categories set out in Part Three and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds	Section 2.3.1	EBA ITS 2020/04 - EU OV1
	(e) the on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending referred to in Table 1 of Article 153(5) and the on- and off-balancesheet exposures and risk-weighted exposure amounts for the categories of equity exposures set out in Article 155(2)	Section 3.2.3.1	EBA ITS 2020/04 - EU CR10
	(f) the exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds in accordance with Article 49 when calculating their capital requirements on an individual, sub-consolidated and consolidated basis	N/A	EBA ITS 2020/04 - EU INS1
	(g) the supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive 2002/87/EC and Annex I to that Directive where method 1 or 2 set out in that Annex is applied	N/A	EBA ITS 2020/04 - EU INS2
	(h) the variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations.	Section 3.2.3.1 Section 3.3.2.1	EBA ITS 2020/04 - EU CR8 EBA ITS 2020/04 - EU MR2-B

CRR Article	Description	Pillar 3 Section	Applicable ITS
	(a) a description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties;	N/A	EBA ITS 2020/04 - EU CCRA
	(b) a description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves.	N/A	EBA ITS 2020/04 - EU CCRA
	c) a description of policies with respect to General Wrong-Way risk and Specific Wrong-Way risk as defined in Article 291	N/A	EBA ITS 2020/04 - EU CCRA
	(d) the amount of collateral the institution would have to provide if its credit rating was downgraded	N/A	EBA ITS 2020/04 - EU CCRA
	(e) the amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions.	Section 3.2.4.1.3	EBA ITS 2020/04 - EU CCR5
	(f) for derivative transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Sections 3 to 6 of Chapter 6 of Title II of Part Three, whichever method is applicable, and the associated risk exposure amounts broken down by applicable method.	Section 3.2.4.1	EBA ITS 2020/04 - EU CCR1
	(g) for securities financing transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Chapters 4 and 6 of Title II of Part Three, whichever method is used, and the associated risk exposure amounts broken down by applicable method.	Section 3.2.4.1	EBA ITS 2020/04 - EU CCR1
	(h) the exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment capital charge, separately for each method as set out in Title VI of Part Three;	Section 3.2.4.2	EBA ITS 2020/04 - EU CCR2
<b>Art.439 - Disclosure of exposures to counterparty credit risk</b>	(i) the exposure value to central counterparties and the associated risk exposures within the scope of Section 9 of Chapter 6 of Title II of Part Three, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures;	Section 3.2.4.3	EBA ITS 2020/04 - EU CCR8
	(j) the notional amounts and fair value of credit derivative transactions; credit derivative transactions shall be broken down by product type; within each product type, credit derivative transactions shall be broken down further by credit protection bought and credit protection sold;	Section 3.2.4.1.4	EBA ITS 2020/04 - EU CCR6
	(k) the estimate of alpha where the institution has received the permission of the competent authorities to use its own estimate of alpha in accordance with Article 284(9);	Section 3.2.4.1	EBA ITS 2020/04 - EU CCR1
	(l) separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452;	Section 3.2.4.1.1 Section 3.2.4.1.2	EBA ITS 2020/04 - EU CCR3 EBA ITS 2020/04 - EU CCR4
	(m) for institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable.	N/A	EBA ITS 2020/04 - EU CCR1
	Where the central bank of a Member State provides liquidity assistance in the form of collateral swap transactions, the competent authority may exempt institutions from the requirements in points (d) and (e) of the first subparagraph where that competent authority considers that the disclosure of the information referred to therein could reveal that emergency liquidity assistance has been provided. For those purposes, the competent authority shall set out appropriate thresholds and objective criteria.	N/A	EBA ITS 2020/04 - EU CCR1
<b>Art.440 - Disclosure of countercyclical capital buffers</b>	(a) the geographical distribution of the exposure amounts and risk-weighted exposure amounts of its credit exposures used as a basis for the calculation of their countercyclical capital buffer;	Section 2.1 and Annex III	EBA/ITS/2020/04- EU CCyB1
	(b) the amount of their institution-specific countercyclical capital buffer.	Section 2.1	EBA/ITS/2020/04- EU CCyB2

CRR Article	Description	Pillar 3 Section	Applicable ITS
<b>Art.442 - Institutions shall disclose the following information regarding the institution's exposure to credit risk and dilution risk</b>	(a) the scope and definitions that they use for accounting purposes of 'past due' and 'impaired' and the differences, if any, between the definitions of 'past due' and 'default' for accounting and regulatory purposes.	N/A	EBA ITS 2020/04 - EU CRB
	(b) a description of the approaches and methods adopted for determining specific and general credit risk adjustments.	N/A	EBA ITS 2020/04 - EU CRB
	(c) information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received.	Section 3.2.1.2	EBA ITS 2020/04 - EU CR1 EBA ITS 2020/04 - EU CR2a EBA ITS 2020/04 - EU CQ1 EBA ITS 2020/04 - EU CQ2 EBA ITS 2020/04 - EU CQ4 EBA ITS 2020/04 - EU CQ5 EBA ITS 2020/04 - EU CQ6 EBA ITS 2020/04 - EU CQ7
	(d) an ageing analysis of accounting past due exposures.	N/A	EBA ITS 2020/04 - EU CQ3
	(e) the gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures and the net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and offbalance-sheet exposures	Section 3.2.1.2	EBA ITS 2020/04 - EU CR1 EBA ITS 2020/04 - EU CQ4 EBA ITS 2020/04 - EU CQ5
	(f) any changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to non-defaulted status or subject to a write-off.	Section 3.2.1.2	EBA ITS 2020/04 - EU CR2 EBA ITS 2020/04 - EU CR2a
	(g) the breakdown of loans and debt securities by residual maturity.	Section 3.2.1.2	EBA ITS 2020/04 - EU CR1-A
<b>Art.444 - Disclosure of the use of the Standardised Approach</b>	a) the names of the nominated ECAIs and ECAs and the reasons for any changes in those nominations over the disclosure period;	N/A	EBA ITS 2020/04 - EU CRD
	(b) the exposure classes for which each ECAI or ECA is used;	N/A	EBA ITS 2020/04 - EU CRD
	(c) a description of the process used to transfer the issuer and issue credit ratings onto items not included in the trading book;	N/A	EBA ITS 2020/04 - EU CRD
	(d) the association of the external rating of each nominated ECAI or ECA with the risk weights that correspond to the credit quality steps as set out in Chapter 2 of Title II of Part Three, taking into account that it is not necessary to disclose that information where the institutions comply with the standard association published by EBA;	N/A	EBA ITS 2020/04 - EU CRD
	(e) the exposure values and the exposure values after credit risk mitigation associated with each credit quality step as set out in Chapter 2 of Title II of Part Three, by exposure class, as well as the exposure values deducted from own funds.	Section 3.2.2 Section 3.2.4.1.1	EBA ITS 2020/04 - EU CR4 EBA ITS 2020/04 - EU CR5 EBA ITS 2020/04 - EU CCR3
<b>Art.445 - Disclosure of exposure to market risk</b>	Institutions calculating their own funds requirements in accordance with points (b) and (c) of Article 92(3) shall disclose those requirements separately for each risk referred to in those points. In addition, own funds requirements for the specific interest rate risk of securitisation positions shall be disclosed separately.	Section 3.3.1	EBA ITS 2020/04 - EU MR1

CRR Article	Description	Pillar 3 Section	Applicable ITS
	(a) the composition of their own funds and their own funds requirements as calculated in accordance with Article 92.	Executive summary	EBA ITS 2020/04 - EU KM1
	(b) the total risk exposure amount as calculated in accordance with Article 92(3);	Executive summary	EBA ITS 2020/04 - EU KM1
	(c) where applicable, the amount and composition of additional own funds which the institutions are required to hold in accordance with point (a) of Article 104(1) of Directive 2013/36/EU.	Executive summary	EBA ITS 2020/04 - EU KM1
	(d) their combined buffer requirement which the institutions are required to hold in accordance with Chapter 4 of Title VII of Directive 2013/36/EU.	Executive summary	EBA ITS 2020/04 - EU KM1
	(e) their leverage ratio and the total exposure measure as calculated in accordance with Article 429.	Executive summary	EBA ITS 2020/04 - EU KM1
	(f) the following information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1):		
<b>Art.447 - Disclosure of key metrics</b>	(i) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;		
	(ii) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Executive summary	EBA ITS 2020/04 - EU KM1
	(iii) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;		
	(g) the following information in relation to their net stable funding requirement as calculated in accordance with Title IV of Part Six:		
	(i) the net stable funding ratio at the end of each quarter of the relevant disclosure period;	Executive summary	EBA ITS 2020/04 - EU KM1
	(ii) the available stable funding at the end of each quarter of the relevant disclosure period;		
	(iii) the required stable funding at the end of each quarter of the relevant disclosure period;		
	(h) their own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable.	Section 4.2	EBA ITS 2020/06 - EU KM2

CRR Article	Description	Pillar 3 Section	Applicable ITS
<b>Art.448 - Disclosure of exposures to interest rate risk on positions not held in the trading book</b>	(a) the changes in the economic value of equity calculated under the six supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods.	Section 3.4.1	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1
	(b) the changes in the net interest income calculated under the two supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods.	Section 3.4.1	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1
	(c) a description of key modelling and parametric assumptions, other than those referred to in points (b) and © of Article 98(5a) of Directive 2013/36/EU used to calculate changes in the economic value of equity and in the net interest income required under points (a) and (b) of this paragraph.	Section 3.4.1	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1
	(d) an explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date.	Section 3.4.1	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1
	e) the description of how institutions define, measure, mitigate and control the interest rate risk of their nontrading book activities for the purposes of the competent authorities' review in accordance with Article 84 of Directive 2013/36/EU, including:		
	(i) a description of the specific risk measures that the institutions use to evaluate changes in their economic value of equity and in their net interest income;		
	(ii) a description of the key modelling and parametric assumptions used in the institutions' internal measurement systems that would differ from the common modelling and parametric assumptions referred to in Article 98(5a) of Directive 2013/36/EU for the purpose of calculating changes to the economic value of equity and to the net interest income, including the rationale for those differences;	Section 3.4.1	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1
	(iii) a description of the interest rate shock scenarios that institutions use to estimate the interest rate risk;		
	(iv) the recognition of the effect of hedges against those interest rate risks, including internal hedges that meet the requirements laid down in Article 106(3);		
	(v) an outline of how often the evaluation of the interest rate risk occurs.		
(f) the description of the overall risk management and mitigation strategies for those risks.	Section 3.4.1	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1	
(g) average and longest repricing maturity assigned to non-maturity deposits.	Section 3.4.1	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1	
2. By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e)(iv) of paragraph 1 of this Article shall not apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.	N/A	EBA/GL/2018/01 - IRRBBA EBA/GL/2018/01 - EU IRRBB1	

CRR Article	Description	Pillar 3 Section	Applicable ITS
<b>Art.449 - Disclosure of exposures to securitisation positions</b>	(a) a description of their securitisation and re-securitisation activities, including their risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions, whether they use the simple, transparent and standardised securitisation (STS) as defined in point (10) of Article 242, and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy;	N/A	EBA ITS 2020/04 - SECA
	(b) the type of risks they are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions providing a distinction between STS and non-STS positions and: (i) the risk retained in own-originated transactions; (ii) the risk incurred in relation to transactions originated by third parties;	N/A	EBA ITS 2020/04 - SECA
	(c) their approaches for calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies and with a distinction between STS and non-STS positions.	N/A	EBA ITS 2020/04 - SECA
	(d) a list of SSPEs falling into any of the following categories, with a description of their types of exposures to those SSPEs, including derivative contracts: (i) SSPEs which acquire exposures originated by the institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; (iv) SSPEs included in the institutions' regulatory scope of consolidation.	N/A	EBA ITS 2020/04 - SECA
	(e) a list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three.	N/A	EBA ITS 2020/04 - SECA
	(f) a list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions.	N/A	EBA ITS 2020/04 - SECA
	(g) a summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions.	N/A	EBA ITS 2020/04 - SECA
	(h) the names of the ECALs used for securitisations and the types of exposure for which each agency is used.	N/A	EBA ITS 2020/04 - SECA
	(i) where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three, including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels.	N/A	EBA ITS 2020/04 - SECA
	(j) separately for the trading book and the non-trading book, the carrying amount of securitisation exposures, including information on whether institutions have transferred significant credit risk in accordance with Articles 244 and 245, for which institutions act as originator, sponsor or investor, separately for traditional and synthetic securitisations, and for STS and non-STS transactions and broken down by type of securitisation exposures.	Section 3.2.5.1	EBA ITS 2020/04 - EU SEC1 EBA ITS 2020/04 - EU SEC2
	(k) for the non-trading book activities, the following information: (i) the aggregate amount of securitisation positions where institutions act as originator or sponsor and the associated risk-weighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1250 %, broken down between traditional and synthetic securitisations and between securitisation and re-securitisation exposures, separately for STS and non-STS positions, and further broken down into a meaningful number of risk-weight or capital requirement bands and by approach used to calculate the capital requirements	Section 3.2.5.2.1 Section 3.2.5.3	EBA ITS 2020/04 - EU SEC3 EBA ITS 2020/04 - EU SEC4
	(ii) the aggregate amount of securitisation positions where institutions act as investor and the associated riskweighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1250 %, broken down between traditional and synthetic securitisations, securitisation and re-securitisation positions, and STS and non-STS positions, and further broken down into a meaningful number of risk weight or capital requirement bands and by approach used to calculate the capital requirements	Section 3.2.5.2.1 Section 3.2.5.3	EBA ITS 2020/04 - EU SEC3 EBA ITS 2020/04 - EU SEC4
	(l) for exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type.	Section 3.2.5.2.2	EBA ITS 2020/04 - EU SEC5

CRR Article	Description	Pillar 3 Section	Applicable ITS
<b>Art.449a - Disclosure of environmental, social and governance risks (ESG risks)</b>	From 28 June 2022, large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU. The information referred to in the first paragraph shall be disclosed on an annual basis for the first year and biannually thereafter.	Section 5	See ESG Regulatory compliance
	(a) the leverage ratio and how the institutions apply Article 499(2).	Annex IV	EBA ITS 2020/04 - EU LR2. LRCom
	(b) a breakdown of the total exposure measure referred to in Article 429(4), as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements.	Section 4.1 Annex IV	EBA ITS 2020/04 - EU LR1. LRSum EBA ITS 2020/04 - EU LR2. LRCom EBA ITS 2020/04 - EU LR3. LRSpl
<b>Art.451 - Disclosure of the leverage ratio.</b>	(c) where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7).	Annex IV	EBA ITS 2020/04 - EU LR2. LRCom
	(d) a description of the processes used to manage the risk of excessive leverage.	N/A	EBA ITS 2020/04 - EU LRA
	(e) a description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.	N/A	EBA ITS 2020/04 - EU LRA
	2. Public development credit institutions as defined in Article 429a(2) shall disclose the leverage ratio without the adjustment to the total exposure measure determined in accordance with point (d) of the first subparagraph of Article 429a(1).	N/A	
	3. In addition to points (a) and (b) of paragraph 1 of this Article, large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated in accordance with the implementing act referred to in Article 430(7).	Annex IV	EBA ITS 2020/04 - EU LR2. LRCom
<b>Art 451a - Disclosure of liquidity requirements</b>	(a) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Section 3.5.2	EBA ITS 2020/04 - EU LIQ1 EBA ITS 2020/04 - LIQB
	(b) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer.	Section 3.5.2	EBA ITS 2020/04 - EU LIQ1 EBA ITS 2020/04 - LIQB
	(c) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated in accordance with the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition.	Section 3.5.2	EBA ITS 2020/04 - EU LIQ1 EBA ITS 2020/04 - LIQB
	(a) quarter-end figures of their net stable funding ratio calculated in accordance with Chapter 2 of Title IV of Part Six for each quarter of the relevant disclosure period.	Section 3.5.3	EBA ITS 2020/04 - EU LIQ2
	(b) an overview of the amount of available stable funding calculated in accordance with Chapter 3 of Title IV of Part Six.	Section 3.5.3	EBA ITS 2020/04 - EU LIQ2
	(c) an overview of the amount of required stable funding calculated in accordance with Chapter 4 of Title IV of Part Six.	Section 3.5.6	EBA ITS 2020/04 - EU LIQ2
	4. Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk in accordance with Article 86 of Directive 2013/36/EU.	N/A	EBA ITS 2020/04 - LIQA



CRR Article	Description	Pillar 3 Section	Applicable ITS
	(a) the competent authority's permission of the approach or approved transition.	N/A	EBA ITS 2020/04 - EU CRE
	(b) for each exposure class referred to in Article 147, the percentage of the total exposure value of each class subject to the Standardised Approach laid down in Chapter 2 of Title II of Part Three or to the IRB Approach laid down in Chapter 3 of Title II of Part Three, as well as the part of each exposure class subject to a roll-out plan; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, they shall disclose separately the percentage of the total exposure value of each exposure class subject to that permission.	N/A	EBA ITS 2020/04 - EU CR6-A
	(c) the control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on: (i) the relationship between the risk management function and the internal audit function; (ii) the rating system review; (iii) the procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models; (iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models;	N/A	EBA ITS 2020/04 - EU CRE
	(d) the role of the functions involved in the development, approval and subsequent changes of the credit risk models.	N/A	EBA ITS 2020/04 - EU CRE
	(e) the scope and main content of the reporting related to credit risk models.	N/A	EBA ITS 2020/04 - EU CRE
	(f) a description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering:		
<b>Art.452 - Disclosure of the use of the IRB Approach to credit risk</b>	(i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods; (ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure; (iii) where applicable, the definitions, methods and data for estimation and validation of conversion factors, including assumptions employed in the derivation of those variables.	N/A	EBA ITS 2020/04 - EU CRE
	(g) as applicable, the following information in relation to each exposure class referred to in Article 147: (i) their gross on-balance-sheet exposure; (ii) their off-balance-sheet exposure values prior to the relevant conversion factor; (iii) their exposure after applying the relevant conversion factor and credit risk mitigation; (iv) any model, parameter or input relevant for the understanding of the risk weighting and the resulting risk exposure amounts disclosed across a sufficient number of obligor grades (including default) to allow for a meaningful differentiation of credit risk; (v) separately for those exposure classes in relation to which institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, and for exposures for which the institutions do not use such estimates, the values referred to in points (i) to (iv) subject to that permission;	Section 3.2.3.1 Section 3.2.4.1.2	EBA ITS 2020/04 - EU CR6 EBA ITS 2020/04 - EU CCR4
	(h) institutions' estimates of PDs against the actual default rate for each exposure class over a longer period, with separate disclosure of the PD range, the external rating equivalent, the weighted average and arithmetic average PD, the number of obligors at the end of the previous year and of the year under review, the number of defaulted obligors, including the new defaulted obligors, and the annual average historical default rate.	N/A	EBA ITS 2020/04 - EU CR9

CRR Article	Description	Pillar 3 Section	Applicable ITS
<b>Art.453 - Disclosure of the use of credit risk mitigation techniques</b>	(a) the core features of the policies and processes for on- and off-balance-sheet netting and an indication of the extent to which institutions make use of balance sheet netting.	N/A	EBA ITS 2020/04 - EU CRC
	(b) the core features of the policies and processes for eligible collateral evaluation and management.	N/A	EBA ITS 2020/04 - EU CRC
	(c) a description of the main types of collateral taken by the institution to mitigate credit risk.	N/A	EBA ITS 2020/04 - EU CRC
	(d) for guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purpose of reducing capital requirements, excluding those used as part of synthetic securitisation structures.	N/A	EBA ITS 2020/04 - EU CRC
	(e) information about market or credit risk concentrations within the credit risk mitigation taken.	N/A	
	(f) for institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, the total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments; the disclosure set out in this point shall be made separately for loans and debt securities and including a breakdown of defaulted exposures.	Section 3.2.6	EBA ITS 2020/04 - EU CR3
	(g) the corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect.	Section 3.2.2 Section 3.2.6	EBA ITS 2020/04 - EU CR4 EBA ITS 2020/04 - EU CR7-A
	(h) for institutions calculating risk-weighted exposure amounts under the Standardised Approach, the on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation.	Section 3.2.2	EBA ITS 2020/04 - EU CR4
	(i) for institutions calculating risk-weighted exposure amounts under the Standardised Approach, the riskweighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class.	Section 3.2.2	EBA ITS 2020/04 - EU CR4
	(j) for institutions calculating risk-weighted exposure amounts under the IRB Approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives; where institutions have received permission to use own LGDs and conversion factors for the calculation of riskweighted exposure amounts, they shall make the disclosure set out in this point separately for the exposure classes subject to that permission.	N/A	EBA ITS 2020/04 - EU CR7
<b>Art.455 - Use of internal market risk models</b>	(a) for each sub-portfolio covered: (i) the characteristics of the models used; (ii) where applicable, for the internal models for incremental default and migration risk and for correlation trading, the methodologies used and the risks measured through the use of an internal model including a description of the approach used by the institution to determine liquidity horizons, the methodologies used to achieve a capital assessment that is consistent with the required soundness standard and the approaches used in the validation of the model; (iii) a description of stress testing applied to the sub-portfolio; (iv) a description of the approaches used for back-testing and validating the accuracy and consistency of the internal models and modelling processes;	N/A	EBA ITS 2020/04 - EU MRB
	(b) the scope of permission by the competent authority.	N/A	EBA ITS 2020/04 - EU MRB
	(c) a description of the extent and methodologies for compliance with the requirements set out in Articles 104 and 105.	N/A	EBA ITS 2020/04 - EU MRB
	(d) the highest, the lowest and the mean of the following: (i) the daily value-at-risk measures over the reporting period and at the end of the reporting period; (ii) the stressed value-at-risk measures over the reporting period and at the end of the reporting period; (iii) the risk numbers for incremental default and migration risk and for the specific risk of the correlation trading portfolio over the reporting period and at the end of the reporting period.	Section 3.3.2.1	EBA ITS 2020/04 - EU MR3
	(e) the elements of the own funds requirement as specified in Article 364.	Section 3.3.2.1	EBA ITS 2020/04 - EU MR2-A
	(f) the weighted average liquidity horizon for each sub-portfolio covered by the internal models for incremental default and migration risk and for correlation trading.	N/A	EBA ITS 2020/04 - EU MRB
	(g) a comparison of the daily end-of-day value-at-risk measures to the one-day changes of the portfolio's value by the end of the subsequent business day together with an analysis of any important overshooting during the reporting period.	Section 3.3.2.2	EBA ITS 2020/04 - EU MR4

## VII.b. ESG Regulatory compliance

The following table provides the correspondence of the disclosure requirements as per Annex II of Regulation 2022/2453 regarding the disclosure of ESG risks:

Annex II Article	Description	Pillar 3 Section	
<b>Environmental, Social and Governance (ESG) Risk, in accordance with Article 449a CRR</b>			
<b>Table 1. Qualitative information on Environmental risk</b>	Business strategy and processes	(a) Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	Section 5.1.1 Section 5.1.3 Section 5.2.1 Section 5.2.2
		(b) Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	Section 5.1.1 Section 5.2.1
		(c) Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	Section 5.2.1
		(d) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	Section 5.2.1 Section 5.2.2
<b>Table 1. Qualitative information on Environmental risk</b>	Governance	(e) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	Section 5.1.3
		(f) Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions	Section 5.1.3
		(g) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	Section 5.1.3
		(h) Lines of reporting and frequency of reporting relating to environmental risk	Section 5.1.3
		(i) Alignment of the remuneration policy with institution's environmental risk-related objectives	Section 5.1.3

Annex II Article	Description	Pillar 3 Section
<b>Environmental, Social and Governance (ESG) Risk, in accordance with Article 449a CRR</b>		
	(j) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	Section 5.2.2
	(k) Definitions, methodologies and international standards on which the environmental risk management framework is based	Section 5.2.2
	(l) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	Section 5.2.2
<b>Table 1. Qualitative information on Environmental risk</b>	Risk management	(m) Activities, commitments and exposures contributing to mitigate environmental risks
		Section 5.2.1 Section 5.2.2
	(n) Implementation of tools for identification, measurement and management of environmental risks	Section 5.2.2
	(o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	Section 5.2.2
	(p) Data availability, quality and accuracy, and efforts to improve these aspects	Section 5.2.2
	(q) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	Section 5.1.3 Section 5.2.2
	(r) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	Section 5.2.2

Annex II Article	Description	Pillar 3 Section	
<b>Environmental, Social and Governance (ESG) Risk, in accordance with Article 449a CRR</b>			
<b>Table 2. Qualitative informacion on Social risk</b>	Business strategy and processes	(a) Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	Section 5.3.1
		(b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	Section 5.3.1
		(c) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	Section 5.3.1
<b>Table 2. Qualitative informacion on Social risk</b>	Governance	(d) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:	
		(d).(i) Activities towards the community and society	Section 5.1.3
		(d).(ii) Employee relationships and labour standards	
		(d).(iii) Customer protection and product responsibility	
		(d).(iv) Human rights	
		(e) Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	Section 5.1.3
		(f) Lines of reporting and frequency of reporting relating to social risk	Section 5.1.3
<b>Table 2. Qualitative informacion on Social risk</b>	Risk management	(g) Alignment of the remuneration policy in line with institution's social risk-related objectives	Section 5.1.3
		(h) Definitions, methodologies and international standards on which the social risk management framework is based	Section 5.3.1 Section 5.3.2
		(i) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels	Section 5.3.2
		(j) Activities, commitments and assets contributing to mitigate social risk	Section 5.3.2
		(k) Implementation of tools for identification and management of social risk	Section 5.3.2
		(l) Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits	Section 5.3.2
		(m) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	Section 5.3.2

Annex II Article	Description	Pillar 3 Section	
<b>Environmental, Social and Governance (ESG) Risk, in accordance with Article 449a CRR</b>			
<b>Table 3. Qualitative information on Governance risk</b>	Governance	(a) Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	Section 5.1.3 Section 5.4.1
		(b) Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	Section 5.1.3 Section 5.4.1
		(c) Institution's integration in governance arrangements of the governance performance of their counterparties including:	
		(c).(i) Ethical considerations	
		(c).(ii) Strategy and risk management	Section 5.1.3
		(c).(iii) Inclusiveness	Section 5.4.1
<b>Table 3. Qualitative information on Governance risk</b>	Risk management	(c).(iv) Transparency	
		(c).(v) Management of conflict of interest	
		(c).(vi) Internal communication on critical concerns	
		(d) Institution's integration in risk management arrangements the governance performance of their counterparties considering:	
		(d).(i) Ethical considerations	
		(d).(ii) Strategy and risk management	Section 5.4.1
<b>Template 1. Banking book - Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity</b>	Paragraph 1.b	(d).(iii) Inclusiveness	
		(d).(iv) Transparency	
	Paragraph 2	(d).(v) Management of conflict of interest	
		(d).(vi) Internal communication on critical concerns	
		Institutions shall start disclosing information on scope 1, 2 and 3 emissions of their counterparties, if already available, including qualitative information in the narrative accompanying this template on the methodology and sources used for the calculation of those emissions. Where institutions are not yet estimating their counterparties' emissions associated with their financing activities, including lending and investment activities, they shall disclose information on their plans to implement methodologies to estimate and disclose this information. Institutions shall start disclosing information in columns (i) to (k) of the template with first disclosure reference date as of 30 June 2024.	Section 5.2.2
		Institutions shall include in the narrative accompanying the template, explanations on the information disclosed and the changes compared to previous disclosure periods, as well as any implications that those exposures may have in terms of credit, market, operational, reputational and liquidity risks for the institutions.	Section 5.2.2
<b>Template 3. Banking book - Indicators of potential climate change transition risk: Alignment metrics</b>	Paragraph 3	Institutions that are already estimating information on their sectoral alignment to the Paris Agreement shall disclose the information in this template. Institutions are to explain in the narrative part accompanying the template the method used and the data source. Those institutions that are not yet estimating their sectoral alignment shall disclose information on their plans to implement a method to estimate and disclose that information. In any case, institutions shall start disclosing the information included in this template with first disclosure reference date as of 30 June 2024.	Section 5.2.1

Annex II Article	Description	Pillar 3 Section
<b>Environmental, Social and Governance (ESG) Risk, in accordance with Article 449a CRR</b>		
<b>Template 4. Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms</b>	Paragraph 3	Institutions shall disclose in the narrative accompanying the disclosure the source of the data they use. Where institutions are not able to identify exposures towards the top 20 carbon-intensive firms in the world, they shall explain why they have not indicated such exposures, including in the case in which they do not have any exposures towards the top 20 carbon-intensive firms in the world.
		Section 5.2.2
<b>Template 5. Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk</b>	Paragraph 5	Institutions shall disclose the information in this template on a best effort basis and explain in the narrative accompanying the template the sources of information and methods that they have used to identify exposures subject to climate-change physical risk.
		Section 5.2.2
<b>Template 10. Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852</b>	Paragraph 2	Institutions shall include in the narrative accompanying this template detailed explanations on the nature and type of mitigating actions reflected in this template, including information on the type of risks that they aim to mitigate, climate change objectives that they support and information on the related counterparties and the timing of the actions. They shall also explain why those exposures are not fully aligned with the criteria laid down in Regulation (EU) 2020/852, and are not sustainable in accordance with Regulation (EU) 2020/852 but still contribute towards mitigating climate change risk transition or physical risk, as well as any other relevant information that may help understand the risk management framework of the institution.
		Section 5.2.1

## VII.c Regulatory compliance - Tables not applicable to BBVA Group (6-30-2024)

<b>Table name</b>	<b>Description</b>	<b>Publication</b>	<b>Reason</b>
<b>EU CR7</b>	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	EBA/ITS/2020/04	The Group does not use credit derivatives as a credit risk mitigation technique
<b>EU CCR7</b>	RWEA flow statements of CCR exposures under the IMM	EBA/ITS/2020/04	The Group uses the standardised approach for counterparty credit risk (SA-CCR) for the derivatives exposure value calculation, so IMM is not used.
<b>EU CQ2</b>	Quality of forbearance	EBA/ITS/2020/04	The Group has a NPL ratio lower than 5%
<b>EU CQ6</b>	Collateral valuation - loans and advances	EBA/ITS/2020/04	The Group has a NPL ratio lower than 5%
<b>EU CQ8</b>	Collateral obtained by taking possession and execution processes – vintage breakdown	EBA/ITS/2020/04	The Group has a NPL ratio lower than 5%
<b>EU CR2a</b>	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	EBA/ITS/2020/04	The Group has a NPL ratio lower than 5%
<b>EU iLAC</b>	Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs	EBA/ITS/2020/06	The Group is not considered as a G-SIB



# Glossary of Terms

ACRONYM	DESCRIPTION
AMA	Advanced method for calculating the own funds requirements for operational risk
AT1 (Additional Tier 1)	Additional capital consisting of hybrid instruments, mainly CoCos and preferred shares
AVR	Annual Variable Remuneration
Basel III	Package of proposals for reform of banking regulation, published as of December 16, 2010 and with a period of gradual implementation
BCBS (Basel Committee on Banking Supervision)	International cooperation forum on banking supervision to increase the quality of banking supervision worldwide
BIS (Bank for International Settlements)	International organization held by central banks and monetary authorities which mission is to support central banks' pursuit of monetary and financial stability through international cooperation
BRRD (Bank Recovery and Resolution Directive)	Regulations on the restructuring and resolution of credit institutions and investment firms
BRSA (Banking Regulation and Supervisory Agency)	Turkish public agency on regulation and supervision
C&IB	Corporate & Investment Banking
CapEx (Capital Expenditures)	Investment made by the entity to buy, maintain and improve its fixed assets.
CBB	Corporate and Business Banking
CCA (Climate Change Adaptation)	One of the six environmental objectives defined in EU Taxonomy Regulation.
CCyB (Countercyclical Buffer)	Countercyclical buffer, the part of a set of macroprudential instruments designed to help counteract the procyclicality of the financial system
CCF (Credit Conversion Factor)	Credit conversion factor. The ratio between the current available amount of a commitment that could be used and would therefore be outstanding at the time of default, and the current available amount of the commitment
CCM (Climate Change Mitigation)	One of the six environmental objectives defined in EU Taxonomy Regulation.
CCP (Central Counterparty Clearing House)	An entity that liaises between counterparties, acting as a buyer when dealing with sellers and as a seller when dealing with buyers. Within this type of entities are the QCCP (Qualified Central Counterparty Entities), which have been authorized or recognized by Regulation (EU) 648/2012.
CDP	Executive Committee of BBVA Group
CDS (Credit Default Swap)	Financial derivative between a beneficiary and a guarantor through which the beneficiary pays the guarantor a premium in exchange for receiving protection from possible credit events over a period of time
CET1 (Common Equity Tier 1)	Common Equity Tier 1: the entity's capital of the highest quality
CMB (Capital Markets Board of Turkey)	Turkish capital markets authority
CNBV	National Securities Banking Commission of Mexico
CoCo (Contingent Convertible)	Convertible contingent bond. Hybrid issues with debt and equity elements convertible into shares
COREP (Common Report)	Common regulatory reports to EBA
Counterparty Credit Risk	The credit risk corresponding to derivative instruments, repurchase and reverse repurchase transactions, securities or commodities lending or borrowing transactions and deferred settlement transactions
Credit Risk	Credit risk is based on the possibility that one party to the financial instrument's contract will fail to meet its contractual obligations on the grounds of insolvency or inability to pay and will cause a financial loss for the other party
CRO	Chief Risk Officer
CRM (Credit Risk Mitigation)	Credit Risk Mitigation: a technique used by the institution to reduce the credit risk associated with one or more exposures that the institution still maintains
CRR / CRD IV	Solvency regulation on prudential requirements of credit institutions and investment firms (EU Regulation 575/2013)
CRR2 / CRD V	Solvency regulation on prudential requirements of credit institutions and investment firms which modifies CRR
CSRD	Corporate Sustainability Reporting Directive
CVA (Credit Valuation Adjustment)	Valuation adjustments for counterparty credit risk
DLGD (Downturn Loss Given Default)	Severity in a period of stress in the economic cycle
DNSH (Do Not Significantly Harm)	Principle focused on ensuring that sustainable investments do not cause significant harm within the framework of environmental objectives of the EU Taxonomy.
D-SIB (Domestic Systemically Important Bank)	Domestic Systemically Important Bank
DVA (Debit Value Adjustments)	Present value of the debt which is expected to default on in the future given our own probability of default
EAD (Exposure at default)	Maximum loss at the time of the counterparty entering into default
EBA (European Banking Authority)	European Banking Authority. Independent institution responsible for promoting the stability of the financial system, the transparency of financial markets and products and the protection of depositors and investors
EC (Economic Capital)	The amount of capital considered necessary to cover unexpected losses if actual losses are greater than expected losses

ACRONYM	DESCRIPTION
<b>ECB (European Central Bank)</b>	Central bank of the countries of the European Union that have the euro as their currency
<b>ECAI (External Credit Assessment Institutions)</b>	External Credit Assessment Agency designated by the entity
<b>EFRAG (European Financial Reporting Advisory Group)</b>	Group that manages the development and dissemination of financial and sustainability standards, such as ESRS.
<b>ECL (Expected Credit Losses)</b>	Probability-weighted estimate of credit losses during the expected life of a financial instrument
<b>EL (Expected Loss)</b>	The ratio between the amount expected to be lost in an exposure, due to potential non-payment by a counterparty or dilution over a period of one year, and the amount due at the time of non-payment
<b>ERBA (External Rating Base Approach)</b>	Methodology for estimating RWA of securitisations from external ratings
<b>ESG (Environmental, social and governance)</b>	Environmental, social and good corporate governance criteria, the main objective of which is to contribute to sustainable development
<b>ESRS (European Sustainability Reporting Standards)</b>	Standards developed by EFRAG and subsequently adopted by the Commission that entities must use for disclosure and reporting requirements under CSRD.
<b>FRTB (Fundamental Review of the Trading Book)</b>	A set of reforms proposed by the BCBS on the market risk framework, with the aim of improving the design and consistency of market risk capital standards
<b>FSB (Financial Stability Board)</b>	Financial Stability Board. An international body that pursues the effectiveness and stability of the international financial system, monitoring it and publishing recommendations
<b>FL (Fully Loaded)</b>	Reference to the full implementation of Basel III provisions
<b>GAR (Green Asset Ratio)</b>	Green Asset Ratio according EU Taxonomy Regulation.
<b>GCC</b>	Global Customer Committee C&IB
<b>Green Bonds Principles</b>	The GBP, updated as of June 2021, are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond.
<b>Green Loan Principles</b>	The Green Loan Principles (GLP) aim to promote the development of the green loan product by providing a recommended framework of market standards and guidelines for use across the green loan market, whilst allowing the loan product to retain its flexibility.
<b>GRM</b>	Global Risk Management
<b>GRMC</b>	Global Risk Management Committee
<b>G-SIBs (Global Systemically Important Banks)</b>	Financial institutions that, because of their large size, market importance and interconnectedness, could cause a serious crisis in the international financial system in the event of economic problems
<b>HQLA</b>	High-quality liquid assets
<b>IAA (Internal Assessment Approach)</b>	Internal evaluation method for the calculation of securitisation exposures in the banking book
<b>ICAAP (Internal Capital Adequacy Assessment Process)</b>	Internal Capital Adequacy Assessment Process
<b>ICMA (International Capital Markets Association)</b>	ICMA is a not-for-profit association that represents financial institutions active in the international capital market worldwide.
<b>IEA</b>	International Energy Agency
<b>IFRS 9 (International Financial Reporting Standards – Financial Instruments)</b>	International Financial Reporting Standards for Financial Instruments which entered into force on January 1, 2018, replacing IAS 39 in relation to the classification and valuation of financial assets and liabilities, the impairment of financial assets and the accounting of hedges
<b>ILAAP (Internal Liquidity Adequacy Assessment Process)</b>	Internal Liquidity Adequacy Assessment Process
<b>IMA (Internal Model Approach)</b>	Internal model approach for calculating exposure due to market risk
<b>IMM (Internal Model Method)</b>	Internal model method for calculating exposure due to counterparty risk
<b>IMO (International Maritime Organization)</b>	International Maritime Organization
<b>IPC</b>	Consumer price index of Spain
<b>IRB (Internal Rating-based approach)</b>	Internal model method for calculating exposure due to credit risk, based on internal ratings. This method can be broken down into two types, depending on the estimations set by the Supervisor or the own ones: FIRB (Foundation IRB) and AIRB (Advanced IRB)
<b>IRBA (Internal Risk Base Approach)</b>	Methodology for estimating RWA of securitisations from internal ratings
<b>IRRBB (Interest Rate Risk on Banking Book)</b>	Current or future risk to an entity's capital or earnings from adverse interest rate fluctuations affecting its investment portfolio positions.
<b>IRC (Incremental Risk Capital)</b>	Charge applied to the market risk exposure calculated by the internal method that quantifies the risk not captured by the VaR model, specifically in migration and default events
<b>ISF</b>	Institute for Sustainable Futures
<b>ISSB (International Sustainability Standards Board)</b>	Organization whose main objective is the creation and promotion of global standards for sustainability information, ensuring transparency and coherence in the way organizations communicate their impact and contribution to sustainability
<b>ITS</b>	Implementing Technical Standards
<b>LCR (Liquidity Coverage Ratio)</b>	Liquidity coverage ratio
<b>LGD (Loss Given Default)</b>	Severity or amount to be lost in the event of non-payment
<b>Liquidity Risk</b>	Risk of an entity having difficulties in duly meeting its payment commitments, or where, to meet them, it has to resort to funding under burdensome terms which may harm the entity's image or reputation.
<b>LMUs (Liquidity Management Units)</b>	Group entities with financial self-sufficiency created with the aim of preventing and limiting liquidity risk, preventing it from spreading in a crisis that could affect only one or more of these Entities

ACRONYM	DESCRIPTION
<b>Loan Market Association</b>	Is the authoritative voice of the syndicated loan market in EMEA. Their key objective is improving liquidity, efficiency and transparency in the primary and secondary syndicated loan markets in Europe, the Middle East and Africa (EMEA).
<b>LR (Leverage Ratio)</b>	Leverage ratio: a measure that relates a company's indebtedness and assets, calculated as level 1 capital divided by the entity's total exposure
<b>MR (Market Risk)</b>	Risk due to the possibility that there may be losses in the value of positions held due to movements in the market variables that affect the valuation of financial products and assets in trading activity
<b>MREL (Minimum Required Eligible Liabilities)</b>	Minimum requirement of own funds and eligible liabilities. New requirement faced by European banks, which aims to create a buffer of solvency that absorbs the losses of a financial entity in the event of resolution without jeopardizing taxpayers' money. The level of this buffer is determined individually for each banking group based on their level of risk and other particular characteristics
<b>MSS (Minimum Social Safeguards)</b>	The Minimum Social Safeguards ensure that companies engaging in sustainable activities meet certain standards when it comes to human and labour rights, bribery, taxation and fair competition within the framework of environmental objectives of the EU Taxonomy.
<b>NBC</b>	New Business Committee
<b>NFR (Non-Financial Risk)</b>	It is one that does not have a financial origin, but that has a quantifiable impact on the entity.
<b>NFRD (Non-Financial Reporting Directive)</b>	Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial information and diversity information by certain large companies and certain groups.
<b>NGFS (Network for Greening the Financial System)</b>	International network of central banks and supervisors for greening the financial system
<b>NPL</b>	Non Performing Loans
<b>NSFR</b>	Net Stable Funding Ratio
<b>NZBA (Net Zero Banking Alliance)</b>	Group of global banks committed to financing ambitious climate action to transition the real economy to net-zero greenhouse gas emissions by 2050.
<b>NZE (Net Zero Emissions)</b>	Initiative that seeks to cut greenhouse gas emissions until they are as close as possible to zero emissions.
<b>PRR</b>	Prudential Relevance Report
<b>OCI</b>	Other Comprehensive Income
<b>OE (Original Exposure)</b>	Gross amount that the entity may lose in the event that the counterparty cannot meet its contractual payment obligations, regardless of the effect of guarantees or credit improvements or credit risk mitigation operations
<b>OJUE</b>	Official Journal of European Union
<b>OpEx (Operational Expenditures)</b>	Expenses incurred by the entity to carry out its main operational functions.
<b>OR (Operational Risk)</b>	BBVA defines operational risk (OR) as risk that may cause losses as a result of human error; inadequate or defective internal processes; inadequate conduct towards customers, in the markets or against the company; failures, interruptions or deficiencies in systems or communications; theft, loss or misuse of information, as well as deterioration of its quality; internal or external fraud including, in all cases, fraud resulting from cyber-attacks; theft or physical damage to assets or persons; legal risks; risks resulting from workforce and occupational health management; and inadequate service provided by suppliers
<b>O-SII</b>	Other Systemically Important Institutions
<b>OTC (Over the counter)</b>	Secondary market where derivatives are traded
<b>PACTA (Paris Agreement Capital Transition Assessment)</b>	Methodology that allows analyzing the alignment of the entity's different portfolios with the different climate scenarios.
<b>PCAF (Partnership for Carbon Accounting Financials)</b>	Global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments
<b>PD (Probability of Default)</b>	Probability of non-payment by a counterparty over a period of one year
<b>PFE</b>	Potential Future Exposure
<b>Phased-in</b>	Reference to the transitional implementation of Basel III provisions
<b>PIT (Point-In-Time)</b>	Approach for calculating provisions under which PD and LGD parameters must be adapted at each moment in time
<b>PVA</b>	Prudent Valuation Adjustments
<b>P&amp;L</b>	Profit and Loss
<b>P2G</b>	Pillar 2 Capital Guidance
<b>P2R</b>	Pillar 2 Capital Requirement
<b>RC (Replacement cost)</b>	Risk arising from the possibility that one of the parties to the financial instrument contract fails to fulfill its contractual obligations due to insolvency or inability to pay and causes a financial loss to the other party.
<b>RTS</b>	Regulatory Technical Standards
<b>RW (Risk Weight)</b>	Degree of risk applied to exposures (%)
<b>RWA (Risk-Weighted Assets)</b>	Risk exposure of the entity weighted by a percentage derived from the applicable standard (standardised approach) or internal models
<b>SASG (Sustainability Alignment Steering Group)</b>	BBVA internal group in charge of approving the proposed decarbonization objectives, evaluating the degree of compliance and supervising the plans to achieve them.

ACRONYM	DESCRIPTION
<b>SDG (Sustainability Development Goals)</b>	Also known as the Global Goals, they are 17 goals adopted by the United Nations that are intended to be achieved by 2030.
<b>SFTs</b>	Securities financing transactions
<b>Social Bond Principles</b>	The SBP are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Social Bond market by clarifying the approach for issuance of a Social Bond.
<b>Social Loan Principles</b>	The SLP aim to create a high-level framework of market standards and guidelines, providing a consistent methodology for use across the social loan market, whilst allowing the loan product to retain its flexibility and preserving the integrity of the social loan market while it develops.
<b>SRB (Single Resolution Board)</b>	Central resolution authority within the Banking Union
<b>SREP (Supervisory Review and Evaluation Process)</b>	Supervisory Review and Evaluation Process
<b>SSM (Single Supervisory Mechanism)</b>	The single supervisory mechanism (SSM) is the first pillar of the banking union
<b>Structural Risk</b>	This risk is divided into Structural Interest-Rate Risk (movements in market interest rates that cause changes in an entity's net interest income and book value) and Structural Exchange-Rate Risk (exposure to variations in exchange rates originating in the Group's foreign companies and in the provision of funds to foreign branches financed in a different currency from that of the investment)
<b>STS</b>	Simple Transparent and Standardised. Property of the securitisations
<b>Sustainability Linked Bond Principles</b>	The Sustainability-Linked Bond Principles provide guidelines that recommend structuring features, disclosure and reporting. They are intended for use by market participants and are designed to drive the provision of information needed to increase capital allocation to such financial products.
<b>Sustainability Linked Loan Principles</b>	The Sustainability-Linked Loan Principles (SLLP) aim to promote the development of the SLL product by providing a recommended framework to articulate the fundamental characteristics of SLLs.
<b>Synthetic Securitisation</b>	A type of operation where the loan portfolio is not typically transferred to a fund; on the contrary, the credit remains in the balance sheet of the corresponding entity, but this transfers the default risk to a third party. The objective of this type of instrument is the transmission of balance risk and capital release. Normally, the assignment of risk is usually made through a derivative (CDS) or through a financial guarantee
<b>TCFD (Taskforce on Climate-related Financial Disclosure)</b>	Working group established by the Financial Stability Board against climate change
<b>TIER I (Tier One Capital)</b>	Capital built by instruments that are able to absorb losses when the entity is in operation. It consists of CET1 and AT1
<b>TIER II (Tier Two Capital)</b>	Supplementary capital consisting of instruments, mainly subordinated debt, revaluation reserves and hybrid instruments, which will absorb losses when the entity is not viable
<b>TLAC (Total Loss Absorbing Capacity)</b>	Total loss absorption capacity: Regulatory framework approved by the FSB with the aim of ensuring that global systemically important entities (G-SIB) maintain a minimum level of eligible instruments and liabilities to ensure that in resolution procedures, and immediately thereafter, the essential functions of the entity can be maintained without jeopardizing taxpayers' money or financial stability
<b>TLTRO (Targeted Longer-Term Refinancing Operations)</b>	Longer-term refinancing operations with specific purpose
<b>TNFD (Task Force on Nature-related Financial Disclosure)</b>	Global, market-led, science-based, government-backed initiative issuing recommendations that provide organizations with a disclosure and risk management framework to address nature-related impacts, risks and opportunities.
<b>Traditional Securitisation</b>	Operation through which an entity is capable of transforming a series of heterogeneous and illiquid financial assets into liquid homogeneous instruments (usually guarantees or bonds) and marketable securities, managing to transfer the risk of the assets in most cases while liquidity is preserved
<b>TRI (Transition Risk Indicator)</b>	BBVA internal indicator associated with customer transition risk.
<b>Turnover</b>	Value of the entity's business volume in a certain period of time.
<b>VaR (Value at Risk)</b>	A risk measurement model that provides a prediction of the maximum loss that the entity's trading portfolios might experience as a result of market price variations over a given time horizon and for a specific confidence interval

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