

Board of Directors Report

Item 5 of the agenda of the Annual General Shareholders' Meeting, called to take place on 19 and 20 March 2026 on first and second call.

Reduction of share capital up to a maximum amount of 10% of BBVA's share capital through the redemption of shares acquired for this purpose.

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1. Introduction

This report is drawn up by the Board of Directors of BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (“**BBVA**”, the “**Bank**” or the “**Company**”) pursuant to the provisions of articles 286 and 318 of the consolidated text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, in its current wording (the “**Corporate Enterprises Act**”), and also serves for the purposes of the provisions of article 10 of Royal Decree 84/2015 of 13 February, implementing Act 10/2014 of 26 June on the regulation, supervision and solvency of credit institutions, in relation to the proposed resolutions submitted to the Annual General Shareholders’ Meeting under agenda item five, to reduce the Bank’s share capital by up to a maximum amount corresponding to 10% of the share capital at the time of adoption of the resolution (that is, by up to a maximum nominal amount of TWO HUNDRED AND SEVENTY-NINE MILLION SEVEN HUNDRED AND THIRTY-NINE THOUSAND FOUR HUNDRED AND SIXTY-SIX EURO AND THIRTY EURO CENTS (EUR 279,739,466.30)), corresponding to FIVE HUNDRED AND SEVENTY MILLION EIGHT HUNDRED AND NINETY-SIX THOUSAND EIGHT HUNDRED AND SEVENTY (570,896,870) shares with a nominal value of FORTY-NINE EURO CENTS (EUR 0.49)), subject to obtaining, where appropriate, the corresponding regulatory authorisations, through the redemption of own shares acquired derivatively by BBVA pursuant to the authorisations in force at any given time granted by the General Shareholders’ Meeting and through any mechanism for the purpose of their redemption, empowering the Board of Directors of BBVA to implement the reduction in whole or in part, on one or more occasions, or even not to implement it, from the time of its adoption until the date on which the next Annual General Shareholders’ Meeting is held, all in accordance with the provisions of the applicable legislation and regulations, as well as with any limitations that may be imposed by any competent authorities, and on the terms set out in the proposed resolutions.

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2. Proposed resolutions

The full text of the proposed resolutions submitted for approval to the General Shareholders' Meeting is as follows:

“One.- To approve the reduction of the share capital of Banco Bilbao Vizcaya Argentaria, S.A. (the “Company” or “BBVA”) by up to a maximum amount corresponding to ten percent (10%) of the share capital as at the date of this resolution (that is, by up to a maximum nominal amount of TWO HUNDRED AND SEVENTY-NINE MILLION SEVEN HUNDRED AND THIRTY-NINE THOUSAND FOUR HUNDRED AND SIXTY-SIX EURO AND THIRTY EURO CENTS (EUR 279,739,466.30), corresponding to FIVE HUNDRED AND SEVENTY MILLION EIGHT HUNDRED AND NINETY-SIX THOUSAND EIGHT HUNDRED AND SEVENTY (570,896,870) shares with a nominal value of FORTY-NINE EURO CENTS (EUR 0.49)), subject to obtaining, where appropriate, the corresponding regulatory authorisations, through the redemption of own shares acquired derivatively by BBVA pursuant to the authorisations in force at any given time granted by the General Shareholders' Meeting and through any mechanism for the purpose of their redemption, all in accordance with the provisions of the applicable legislation and regulations, as well as with any limitations that may be imposed by any competent authorities. The implementation period of this resolution shall extend until the date of the next Annual General Shareholders' Meeting, and it shall be rendered null and void in respect of the portion not executed as from that date.

The final amount of the share capital reduction shall be determined by the Board of Directors, within the maximum amount indicated above, based on the final number of shares acquired and which the Board of Directors decides to redeem in accordance with the delegation of powers approved below.

The share capital reduction shall not entail any repayment of shareholder contributions, as the Company itself shall be the holder of the shares to be redeemed, and shall be carried out as a charge to freely distributable reserves by means of the provision of a restricted reserve for redeemed share capital in an amount equal to the nominal value of the redeemed shares, which may only be disposed of under the same requirements as those applicable to a share capital reduction, pursuant to the provisions of article 335 c) of the Corporate Enterprises Act. Accordingly, the Company's creditors shall not have the right of opposition referred to in article 334 of the Corporate Enterprises Act.

Two.- To confer authority on the Board of Directors, in the broadest terms, authorising it to sub-delegate to the Executive Committee (which, in turn, shall have powers of sub-delegation); to the Chair of the Board of Directors; to the Chief Executive Officer; and to any other person expressly empowered by the Board for this purpose, to execute, in whole or in part, the share capital reduction approved above, on one or more occasions, within the established implementation period and in the manner it deems most appropriate, with the power, in particular and without limitation, to:

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- (i) Determine the number of shares to be redeemed in each execution, and to resolve not to execute the resolution, in whole or in part, if no own shares are ultimately acquired for the purpose of being redeemed or if, having been acquired for that purpose, (a) they have not been acquired, on one or more occasions, in a sufficient number to reach the ten percent (10%) limit of the share capital as at the date of this resolution; or (b) market conditions, Company circumstances, or any event of social or economic significance make it advisable for reasons of corporate interest or prevent its execution; in all cases reporting such decision to the next Annual General Shareholders' Meeting.
- (ii) Declare closed each of the executions of the share capital reduction finally agreed, setting, where appropriate, the final number of shares to be redeemed in each execution and, therefore, the amount by which the Company's share capital is to be reduced in each execution, in accordance with the limits established in this resolution.
- (iii) Redraft the article of the Bylaws governing the share capital so that it reflects the new share capital amount and the number of outstanding shares following each execution of the approved share capital reduction.
- (iv) Request, where appropriate, the delisting of the shares redeemed by virtue of this delegation on any domestic or foreign markets on which BBVA shares are listed, carrying out any procedures and actions that may be necessary or advisable for this purpose before the corresponding public and/or private bodies, including any action, statement or filing before any competent authorities in any jurisdiction, including, without limitation, the United States of America, for the delisting of the shares represented by ADSs (American Depositary Shares).
- (v) Execute all public and/or private documents, and to carry out any acts, legal transactions, contracts, statements and operations that may be necessary or advisable to carry out each execution of the approved share capital reduction, as well as to attend to any formalities and obligations before any competent authorities in connection with the share capital reduction and each of its executions.
- (vi) Publish any announcements that may be necessary or appropriate in relation to the share capital reduction and each of its executions, and to carry out all actions required for the effective redemption of the shares referred to in this resolution.
- (vii) Set the terms and conditions of the reduction in any matters not provided for in this resolution, and to carry out all acts and procedures necessary in order to obtain the consents and authorisations required for the effectiveness of this resolution.

Three.- To repeal, insofar as not executed, the share capital reduction resolution adopted by the Annual General Shareholders' Meeting held on 21 March 2025, under agenda item three."

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3. Grounds for the proposal

On 18 December 2025, following the receipt of the required authorisation from the European Central Bank, the Board of Directors of BBVA resolved to implement a program scheme for the repurchase of own shares, structured in several tranches, for a maximum overall aggregate amount of up to EUR 3,960 million, with the purpose of reducing the Bank's share capital (the "**Program Scheme**"), all in accordance with the applicable regulations and subject to the limits and conditions established by the competent supervisory authorities, and without prejudice to the possibility of suspending or terminating the Program Scheme early should circumstances so advise.

Likewise, on the same date and within the scope of the Program Scheme, the Board of Directors resolved to proceed with the execution of a first tranche with the purpose of reducing BBVA's share capital by a maximum aggregate monetary amount of EUR 1,500 million (the "**First Tranche**"), the execution of which commenced on 22 December 2025 and is expected to be completed between 6 March and 7 April 2026.

Furthermore, the Bank's shareholder remuneration policy envisages an annual distribution of between 40% and 50% of consolidated ordinary profit for each financial year, allowing for a combination of cash dividend payments and the execution of share buyback programmes, all subject to the relevant regulatory authorisations and the applicable corporate requirements. Accordingly, the repurchase of own shares also constitutes a tool available to the Bank to remunerate shareholders in accordance with the policy currently in force.

Both the Program Scheme, including the First Tranche currently under execution, and the share buyback programmes carried out to date within the framework of the shareholder remuneration policy have been aimed at the reduction of the Bank's share capital, which makes it necessary, pursuant to the provisions of the Corporate Enterprises Act, for the General Shareholders' Meeting to adopt a share capital reduction resolution such as the one submitted for approval under agenda item five.

It should also be noted that this type of resolution has been periodically adopted by BBVA's General Shareholders' Meeting, the most recent being the resolution adopted by the Annual General Shareholders' Meeting held on 21 March 2025, under agenda item three (on terms substantially similar to those now proposed), the validity of which expires, pursuant to its own terms, on the date of the next Annual General Shareholders' Meeting, called to be held (on second

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call, foreseeably) on 20 March 2026, and which shall be rendered null and void insofar as not executed as from that date.

Accordingly, and taking into account that the Board of Directors of the Bank has approved the Program Scheme, whose First Tranche is currently being executed, it is necessary for the General Shareholders' Meeting to adopt a new share capital reduction resolution such as the one proposed, so that the Board of Directors may at all times have the necessary authorisations to proceed with the redemption of the shares acquired, both in execution of the Program Scheme (in particular, the First Tranche) and through any other share buyback programmes that the Bank may decide to implement.

In this manner, the approval of this share capital reduction resolution will provide the Bank with an appropriate legal framework to carry out, in an orderly and flexible manner and within the statutory limits, on one or more occasions, the redemption of own shares ultimately acquired for such purpose.

The authority to execute, on one or more occasions, the proposed share capital reduction is expressly limited in time to the period running until the next Annual General Shareholders' Meeting, such that the share capital reduction shall be rendered null and void insofar as not executed as from that date.

Likewise, in a potential scenario in which market conditions, the Bank's capital position, the applicable regulatory framework, or any other relevant factors advise against or prevent the full or partial implementation of the Program Scheme or other share buyback programmes, or the full or partial execution of the share capital reduction, the Board of Directors may decide not to make use, in whole or in part, of the delegation granted, reporting such decision to the next Annual General Shareholders' Meeting.

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4. Exclusion of creditors' right of opposition

The share capital reduction or reductions carried out in execution of this resolution shall be charged to freely distributable reserves, through the provision of a restricted reserve for redeemed share capital in an amount equal to the nominal value of the redeemed shares, which may only be disposed of subject to the same requirements as those applicable to a share capital reduction, pursuant to the provisions of article 335(c) of the Corporate Enterprises Act. To the extent that such reduction will not entail any repayment of shareholder contributions, the Company's creditors shall not have the right of opposition provided for in article 334 of the Corporate Enterprises Act.

For the purposes of article 411.1 of the Corporate Enterprises Act, it is hereby stated that, for the execution of the share capital reduction or reductions, the consent of the holders of the Company's outstanding bond issues shall not be required, in accordance with the provisions of that article and of additional provision 1, section 9, of Act 10/2014 of 26 June on the regulation, supervision and solvency of credit institutions.

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5. Resolution adopted by the Annual General Shareholders' Meeting of 21 March 2025

It is hereby stated that the share capital reduction resolution approved by the Annual General Shareholders' Meeting held on 21 March 2025, under agenda item three, the implementation period of which expires on the date of the next Annual General Shareholders' Meeting, called to be held on second call (foreseeably) on 20 March 2026, and which shall be rendered null and void (in respect of the portion not executed) as from that date pursuant to its own terms, has been partially executed by the Bank's Board of Directors on one occasion, on 23 December 2025, through a reduction of the share capital in a nominal amount of EUR 26,615,214.85, and the consequent redemption of 54,316,765 own shares.

Following such redemptions, BBVA's share capital has been set at EUR 2,797,394,663, represented by 5,708,968,700 shares, each having a nominal value of EUR 0.49.

* * *

Madrid, nine February two thousand and twenty-six.

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