**Offering Circular dated 12th November, 2026**



# Banco Bilbao Vizcaya Argentaria, S.A.

*(incorporated with limited liability under the laws of Spain)*

## Series 17 €1,000,000,000 Non-Step-Up Non-Cumulative Contingent Convertible Perpetual Preferred Tier 1 Securities

## Issue price: 100 per cent.

The Series 17 €1,000,000,000 Non-Step-Up Non-Cumulative Contingent Convertible Perpetual Preferred Tier 1 Securities of €200,000 liquidation preference each (the **Preferred Securities**) are being issued by Banco Bilbao Vizcaya Argentaria, S.A. (the **Bank** or **BBVA**) on 18th November, 2026 (the **Closing Date**). The Bank and its consolidated subsidiaries are referred to herein as the **Group**.

The Preferred Securities will accrue non-cumulative cash distributions (**Distributions**) (i) in respect of the period from (and including) the Closing Date to (but excluding) 18th May, 2034 (the **First Reset Date**) at the rate of 6.500 per cent. per annum, and (ii) in respect of each period from (and including) the First Reset Date and each date falling on the fifth anniversary of the previous such date (each a **Reset Date**) to (but excluding) the next succeeding Reset Date (each such period, a **Reset Period**), at the rate per annum equal to the aggregate of 3.334 per cent. per annum and the 5-year Mid-Swap Rate (as defined in the terms and conditions of the Preferred Securities (the **Conditions**)), converted to a quarterly rate in accordance with market convention, for the relevant Reset Period. Subject as provided in the Conditions, such Distributions will be payable quarterly in arrear on 18th February, 18th May, 18th August and 18th November in each year (each a **Distribution Payment Date**).

All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank on the First Reset Date, and on any Distribution Payment Date thereafter, at the liquidation preference of €200,000 per Preferred Security plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in, Condition 4, an amount equal to accrued and unpaid Distributions for the then current Distribution Period (as defined in the Conditions) to (but excluding) the date fixed for redemption (the **Redemption Price**), subject to the prior consent of the Regulator (as defined in the Conditions) (if required, and otherwise in accordance with Applicable Banking Regulations (as defined in the Conditions) then in force). The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank in whole but not in part, at any time, at the Redemption Price, subject to the prior consent of the Regulator (if required, and otherwise in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations in force at the relevant time) if there is a Capital Event or a Tax Event (each as defined in the Conditions) or if 75 per cent. or any higher percentage of the aggregate Liquidation Preference of the Preferred Securities has been purchased by, or on behalf of, the Bank or any other member of the Group.

The Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time and for any (or no) reason, including as further provided in Condition 4. Distributions on the Preferred Securities will be non-cumulative. Accordingly, if any Distribution (or part thereof) is not made in respect of the Preferred Securities then the right of the Holders (as defined in Condition 1.1) to receive the relevant Distribution (or part thereof) will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof) or otherwise to pay any interest in respect of the Preferred Securities, whether or not any future Distributions on the Preferred Securities are paid. For further information, see Condition 4.

**If, at any time, the CET1 ratio (as defined in the Conditions) of the Bank or the Group is less than 5.125 per cent. as determined by the Bank (a *Trigger Event*), the Preferred Securities are mandatorily and irrevocably convertible into newly issued ordinary shares in the capital of the Bank (*Common Shares*) at the Conversion Price (meaning, if the Common Shares are (a) then admitted to trading on a Relevant Stock Exchange, the higher of (i) the arithmetic mean of the closing price per Common Share for the 5 consecutive Dealing Days immediately preceding the date on which notice of the Trigger Event is given, (ii) the floor price of €3.75, subject to adjustment for certain anti-dilution events (the trading price of BBVA's shares as of the date of this Offering Circular is currently above €3.75, with the closing price of BBVA's shares on 10th November, 2026 being €23.63) and (iii) the nominal value of a Common Share (being €0.49 on the Closing Date) or (b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above). In the event of the liquidation or winding-up of the Bank, Holders will be entitled to receive (subject as provided in the Conditions including the status and ranking of the Preferred Securities described in this Offering Circular), in respect of each Preferred Security, their respective liquidation preference of €200,000 plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in the Conditions any accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date of payment of the liquidation distribution.**

In addition, in the event of a Capital Reduction (as defined in the Conditions), the Preferred Securities are mandatorily and irrevocably convertible into Common Shares unless a Holder elects that the Preferred Securities held by it shall not be so converted by delivery of a duly completed and signed Election Notice on or before the 10th Business Day immediately following the Capital Reduction Notice Date (each as defined in the Conditions).

The Preferred Securities are expected, upon issue, to be rated Ba1 by Moody's Investors Service España, S.A. (**Moody's**) and BB+ by Fitch Ratings Ireland Limited (**Fitch**). The Bank has been rated A2 by Moody's, A+ by S&P Global Ratings Europe Limited (**S&P**) and A by Fitch. Each of Moody's, S&P and Fitch is established in the European Economic Area (the **EEA**) and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Moody's, Fitch and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation) in accordance with the CRA Regulation. Ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited, ratings issued by Moody's have been endorsed by Moody's Investors Service Ltd and ratings issued by Fitch have been endorsed by Fitch Ratings Limited, each of which is a credit rating agency established in the United Kingdom (**UK**) and registered under the CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK CRA Regulation**), each in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by S&P, Moody's and Fitch may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

This Offering Circular does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU (the **Prospectus Regulation**). Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Preferred Securities to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin (**GEM**). GEM is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**). This Offering Circular constitutes "listing particulars" for the purposes of such application and has been approved by Euronext Dublin. The Preferred Securities may also be admitted to listing and trading on any other secondary market as may be agreed by the Bank.

Amounts payable under the Preferred Securities from and including the First Reset Date are calculated by reference to the 5-year Mid-Swap Rate (as defined in the Conditions) which appears on the "ICESWAP2" page, which is provided by ICE Benchmark Administration Limited. As at the date of this Offering Circular, ICE Benchmark Administration Limited is included in the register of administrators and benchmarks (the **BMR Register**) established and maintained by ESMA pursuant to Article 36 of Regulation (EU) No. 2016/1011 (as amended, the **Benchmarks Regulation**) and as at the date of this Offering Circular, no public notice has been included in the BMR Register with respect to the 5-year Mid-Swap Rate.

The Preferred Securities will be issued in bearer form and will be represented by a global Preferred Security deposited on or about the Closing Date with a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

**An investment in the Preferred Securities involves certain risks. For a discussion of these risks see "*Risk Factors*" beginning on page 10.**

**The Preferred Securities are complex financial instruments and are not a suitable or appropriate investment for all investors. The Preferred Securities shall not be offered, sold or otherwise made available to EEA Retail Clients in any jurisdiction of the EEA or UK Retail Clients (each as defined herein) or retail investors in any other jurisdiction. Prospective investors are referred to the section headed "*Prohibition on marketing and sales to retail investors*" on pages 4 to 7 of this Offering Circular for further information.**

MiFID II Product Governance/UK MiFIR Product Governance/Professional investors and eligible counterparties only/No PRIIPs KID/No CCI product summary/FCA PI RESTRICTION – Manufacturer target market (MiFID II product governance and UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). The target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristics and objectives of retail clients and accordingly the Preferred Securities shall not be offered or sold to any retail clients. No packaged retail and insurance-based investment products (PRIIPs) key information document (KID) or disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**) has been prepared as the Preferred Securities are not available to retail investors in the EEA or in the UK, respectively.

The Preferred Securities have not been and any Common Shares to be issued and delivered in the event of any Conversion (as defined in the Conditions) may not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and are subject to United States tax law requirements. Any offering of the Preferred Securities has been and is being made outside the United States (the **US**) in accordance with Regulation S under the Securities Act (**Regulation S**), and the Preferred Securities may not

be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

## *Joint Bookrunners*

**BBVA**
(*no underwriting commitment*)

**Barclays**

**BofA Securities**

**Citigroup**

**Deutsche Bank**

**NATIXIS**

## *Co-Managers*

**Banca Akros S.p.A. – Gruppo Banco BPM**

**CIC Corporate & Institutional Banking**

**Raiffeisen Bank International**

**Unicaja**

*The Bank accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Bank (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.*

*Other than in relation to the documents which are deemed to be incorporated by reference (see "Documents Incorporated by Reference"), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular.*

*Banco Bilbao Vizcaya Argentaria, S.A. (in its capacity as a joint bookrunner, the* ***Sole Lead Manager****),* Barclays Bank Ireland PLC, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Deutsche Bank Aktiengesellschaft and NATIXIS *(the* ***Joint Bookrunners****), Banca Akros S.p.A, Crédit Industriel et Commercial S.A., Raiffeisen Bank International AG and Unicaja Banco, S.A. (the Co-Managers and, together with the Sole Lead Manager and the Joint Bookrunners, the* ***Managers****) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers or any of them as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Bank in connection with the Preferred Securities or their distribution.*

*The Bank has not authorised the making or provision of any representation or information regarding the Bank or the Preferred Securities other than as contained in this Offering Circular or as approved for such purpose by the Bank. Any such representation or information should not be relied upon as having been authorised by the Bank or the Managers.*

*Neither the delivery of this Offering Circular nor the offering or delivery of any Preferred Security shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Bank since the date of this Offering Circular.*

*None of the Managers or any of their respective affiliates, or any of their respective directors, officers, employees or agents, to the extent permitted by applicable law, accepts any responsibility whatsoever for the contents of this Offering Circular or for any statement made or purported to be made by it, or on its behalf, in connection with the Bank or any offering of the Preferred Securities. The Managers and any of their respective affiliates accordingly disclaim to the extent permitted by applicable law, all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of any such contents or statement. No representation or warranty express or implied, is made by any of the Managers (other than the Bank, to the extent to which, as issuer of the Preferred Securities, it accepts responsibility for the information contained in this Offering Circular) or any of their respective affiliates, or any of their respective directors, officers, employees or agents, as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Circular.*

*The Managers are acting exclusively for the Bank and no one else in connection with any offering of the Preferred Securities. The Managers will not regard any other person (whether a recipient of this Offering Circular or otherwise) as their client in relation to any such offering and will not be responsible to anyone other than the Bank for providing the protections afforded to their clients or for giving advice in relation to such offering or any transaction or arrangement referred to herein.*

*Neither this Offering Circular nor any other information incorporated by reference herein (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Bank or any of the Managers that any recipient of this Offering Circular or any other information incorporated by reference herein should purchase any Preferred Securities. Each investor contemplating purchasing any Preferred Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank. Neither this Offering Circular nor any other information*

*incorporated by reference herein constitutes an offer or invitation by or on behalf of the Bank or any of the Managers to any person to subscribe for or to purchase any Preferred Securities.*

*The distribution of this Offering Circular and the offering and delivery of Preferred Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Bank and the Managers to inform themselves about and to observe any such restrictions.*

*The Preferred Securities have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Preferred Securities may not be offered, sold or delivered in the US or to U.S. persons.*

*In this Offering Circular, unless otherwise specified, references to* ***€****,* ***EUR*** *or* ***euro*** *are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to* ***USD*** *or* ***U.S. dollars*** *are to the currency of the United States; references to* ***Mexican peso*** *refer to the lawful currency for the time being of the United Mexican States; and references to* ***Turkish lira*** *or* ***TL*** *refer to the lawful currency for the time being of the Republic of Türkiye (****Türkiye****), unless the context otherwise requires.*

*Words and expressions defined in the Conditions (see "Conditions of the Preferred Securities") shall have the same meanings when used elsewhere in this Offering Circular unless otherwise specified.*

*In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.*

*This Offering Circular may only be used for the purposes for which it has been published. No person is authorised to give information other than that contained herein and in the documents incorporated by reference herein and which are made available for inspection by the public at the registered office of the Bank.*

*Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein. A potential investor should not invest in the Preferred Securities unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Preferred Securities will perform under changing conditions, the resulting effects on the value of the Preferred Securities and the impact this investment will have on the potential investor's overall investment portfolio. See further "Risk Factors – Factors which are material for the purpose of assessing the risks associated with the Preferred Securities – The Preferred Securities may not be a suitable investment for all investors". If a potential investor is in any doubt about any of the contents of this Offering Circular, it should obtain independent professional advice.*

***Prohibition on marketing and sales to retail investors***

*The Preferred Securities are complex financial instruments with high risk. They are not a suitable or appropriate investment for all investors, especially retail investors. See "Risk Factors – Factors which are material for the purpose of assessing the risks associated with the Preferred Securities". In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Preferred Securities. Each of the Managers has represented and agreed that offers of the Preferred Securities in the EEA and in the UK shall only be directed specifically at or made to professional clients (clientes profesionales) as defined in point (10) of Article 4(1) of MiFID II or as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (****UK MiFIR****) and eligible counterparties (contrapartes elegibles) as defined in MiFID II or as defined in COBS.*

*In the UK, the Financial Conduct Authority (the* ***FCA****) Conduct of Business Sourcebook (****COBS****) requires, in summary, that the Preferred Securities should not be offered or sold to retail clients (as defined in COBS 3.4) in the UK. In addition, (i) on 1st January, 2018, Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the* ***PRIIPs Regulation****) became directly applicable in all EEA member states, (ii) the Consumer Composite Investments (Designated Activities) Regulations 2024 (the* ***CCI Regulations****) regime has applied from 6th April, 2026 in the UK and (iii) MiFID II*

*was required to be implemented in EEA member states, including the UK, by 3rd January, 2018 and was implemented in Spain through Law 6/2023 of 17th March on Spanish Securities Markets and Investment Services (Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión), Royal Decree 814/2023, of 8th November, on financial instruments, admission to trading, registration of negotiable securities and market infrastructures (Real Decreto 814/2023, de 8 de noviembre, sobre instrumentos financieros, admisión a negociación, registro de valores negociables e infraestructuras de mercado) and Royal Decree 815/2023, of 8th November, implementing Law 6/2023 of 17th March on Securities Markets and Investment Services, in relation to the official registers of the National Securities Market Commission, cooperation with other authorities and the supervision of investment firms (Real Decreto 815/2023, de 8 de noviembre, por el que se desarrolla la Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión, en relación con los registros oficiales de la Comisión Nacional del Mercado de Valores, la cooperación con otras autoridades y la supervisión de empresas de servicios de inversión). Together COBS, the PRIIPs Regulation, the CCI Regulations and MiFID II (including as implemented in Spain and the UK, and as the relevant implementing regulations form part of UK domestic law by virtue of the EUWA) are referred to as the* ***European Regulations****.*

*The European Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities such as the Preferred Securities.*

*In addition, in October 2018, the Hong Kong Monetary Authority (the* ***HKMA****) issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss absorption features and related products (the* ***HKMA Circular****). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments, are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the* ***SFO****) and any rules made under the SFO, a* ***Hong Kong professional investor****) only and are generally not suitable for retail investors in either the primary or secondary markets.*

*Further, in Singapore, the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the* ***SFA****), the Financial Advisers Act (Chapter 110 of Singapore) (the* ***FAA****), the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (the* ***Guidelines on Fair Dealing****) and the Code of Conduct for Private Banking in Singapore (the* ***PB Code****) contain additional obligations and/or guidance in relation to the marketing, offer and sale of the Preferred Securities to investors in Singapore. Together, the SFA, the FAA, the Guidelines on Fair Dealing and the PB Code are referred to as the* ***Singapore Regulations****, and together with the European Regulations and the HKMA Circular, as the* ***Regulations****.*

*In addition to the above obligations and Regulations, there is the need to comply at all times with all other applicable laws, regulations, and regulatory guidance (whether inside or outside the EEA, the UK, Hong Kong or Singapore) relating to the promotion, offering, distribution and/or sale of the Preferred Securities (or any beneficial interests therein), including (without limitation) MiFID II (including as implemented in Spain and the UK, and as the relevant implementing regulations form part of UK domestic law by virtue of the EUWA), the UK FCA Handbook and any other such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Preferred Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.*

*Each of the Bank and the Managers are required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Preferred Securities (or a beneficial interest in such Preferred Securities) from the Bank and/or any Managers, each prospective investor will be deemed to represent, warrant, acknowledge, consent, accept, agree with and undertake to the Bank and each of the Managers that:*

*(a) it is not a retail client (as defined in point (11) of Article 4(1) of MiFID II (an* ***EEA Retail Client****) or in COBS 3.4 (a* ***UK Retail Client*** *and together with an EEA Retail Client, a* ***retail client****));*

*(b) whether or not it is subject to the Regulations, it will not:*

*(I) sell or offer the Preferred Securities (or any beneficial interests therein) to any retail clients or any person in Hong Kong that is not a Hong Kong professional investor or any person in Singapore that is not an "accredited investor" or an "institutional investor" (each as defined in Section 4A of the SFA, a **Singapore professional investor**); or*

*(II) communicate (including the distribution of this Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Preferred Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client or any person in Hong Kong or Singapore that is not a Hong Kong professional investor or a Singapore professional investor, respectively.*

*(c) if it is a person in Hong Kong, it is a Hong Kong professional investor;*

*(d) if it is a person in Singapore, it is a Singapore professional investor;*

*(e) in selling or offering the Preferred Securities or making or approving communications relating to the Preferred Securities, it may not rely on the limited exemptions set out in COBS; and*

*(f) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA, the UK, Hong Kong or Singapore) relating to the promotion, offering, distribution and/or sale of the Preferred Securities (or any beneficial interests therein), including (without limitation) MiFID II (including as implemented in Spain and the UK, and as the relevant implementing regulations form part of UK domestic law by virtue of the EUWA), the UK FCA Handbook and any other such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Preferred Securities (or any beneficial interests therein) by investors in any relevant jurisdiction.*

*Each prospective investor further acknowledges that:*

*(i) the identified target market for the Preferred Securities (for the purposes of the product governance obligations in MiFID II and the UK MiFIR Product Governance Rules (as defined below)) is eligible counterparties and professional clients only;*

*(ii) the target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristics and objectives of clients which are retail clients and accordingly the Preferred Securities shall not be offered or sold to any retail clients; and*

*(iii) no key information document (**KID**) under the PRIIPs Regulation and no disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**), has been prepared and therefore offering or selling the Preferred Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation, and DISC and the CCI Regulations, respectively.*

*Each potential investor in the Preferred Securities should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Preferred Securities (or any beneficial interests therein), including the Regulations.*

*Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Preferred Securities (or any beneficial interests therein) from the Bank and/or the Managers all of the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.*

***PRIIPs Regulation / Prohibition of sales to EEA retail investors** – The Preferred Securities shall not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a **retail investor***

*means a person who is one (or both) of: (i) an EEA Retail Client; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no KID required by the PRIIPs Regulation for offering or selling the Preferred Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Preferred Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

***CCI Regulations / Prohibition of sales to UK retail investors** – The Preferred Securities shall not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a **retail investor** means a person who is either one (or both) of the following: (a) a UK Retail Client; or (b) not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no disclosure document required by DISC for offering, selling or distributing the Preferred Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Preferred Securities or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the CCI Regulations.*

***MiFID II product governance / Professional clients and eligible counterparties as the only target market / negative target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Preferred Securities has led to the conclusion that: (i) the target market for the Preferred Securities is eligible counterparties and professional clients only (each as defined in MiFID II); and (ii) all channels for distribution of the Preferred Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristics and objectives of clients which are EEA Retail Clients and accordingly the Preferred Securities shall not be offered or sold to any EEA Retail Clients. Any person subsequently offering, selling or recommending the Preferred Securities (a **distributor**) should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible, among other things, for undertaking its own target market assessment in respect of the Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

***UK MiFIR product governance / Professional clients and eligible counterparties as the only target market / negative target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Preferred Securities has led to the conclusion that (i) the target market for the Preferred Securities is only eligible counterparties, as defined in COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Preferred Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristics and objectives of clients which are UK Retail Clients and accordingly the Preferred Securities shall not be offered or sold to any UK Retail Clients. Any distributor should take into consideration the manufacturers' target market assessment. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible, among other things, for undertaking its own target market assessment in respect of the Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

***Product Classification Pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time***

*In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Bank has determined the classification of the Preferred Securities as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

***IMPORTANT NOTICE TO CANADIAN INVESTORS***

*This Offering Circular constitutes an "exempt offering document" as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Preferred Securities. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Offering Circular or the merits of any Preferred Securities, and any representation to the contrary is an offence.*

*The Preferred Securities may be sold in Canada only to purchasers resident in, or subject to the securities laws of the province of Ontario that are purchasing, or deemed to be purchasing, as principal, that are accredited investors, as defined in subsection 73.3(1) of the Securities Act (Ontario) and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (**NI 31-103**) and that are not created or used solely to purchase or hold securities as an accredited investor described in paragraph (m) of the definition of "accredited investor" in section 1.1 of National Instrument 45-106 Prospectus Exemptions (**NI 45-106**).*

*The offer and sale of the Preferred Securities in Canada is being made on a private placement basis only and is exempt from the requirement that the Bank prepares and files a prospectus under applicable Canadian securities laws. Any resale of the Preferred Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Preferred Securities outside of Canada.*

*Securities legislation in certain provinces or territories of Canada may provide Canadian investors with remedies for rescission or damages if an "offering memorandum" such as this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.*

*The Bank is not a member institution of the Canadian Deposit Insurance Corporation. The liability incurred by the Bank through the issuance of the Preferred Securities is not a deposit. The Bank is not regulated as a financial institution in Canada.*

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## RISK FACTORS

*The Bank believes that the following factors may affect its ability to fulfil its obligations under the Preferred Securities. Most of these factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the risks associated with the Preferred Securities are also described below.*

*In purchasing the Preferred Securities, investors assume the risk that the Bank may become insolvent, subject to early intervention or resolution measures or otherwise be unable to make all payments in respect of the Preferred Securities, including that the Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time and for any (or no) reason. If at any time, a Trigger Event occurs, the Preferred Securities will further be mandatorily and irrevocably convertible into Common Shares.*

*The Bank believes that the factors described below represent the principal risks that might be considered specific to the Group and the Preferred Securities and important when making an informed investment decision in the Preferred Securities, but the non-payment by the Bank of any distributions, liquidation preferences or other amounts on or in connection with the Preferred Securities may occur for other reasons and the Bank does not represent that the statements below regarding the risks of holding the Preferred Securities are exhaustive.*

*In addition, in the future, risks that are currently unknown or not considered relevant as at the date hereof by the Bank might also have a material adverse effect on the Group's business, results of operations and/or financial position and the ability of the Bank to make payments due under the Preferred Securities. Prospective investors should also read the detailed information set out elsewhere in, or incorporated by reference into, this Offering Circular and reach their own views prior to making any investment decision.*

### FACTORS THAT MAY AFFECT THE BANK'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE PREFERRED SECURITIES

#### Macroeconomic and Geopolitical Risks

***A deterioration in economic or political conditions in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition and results of operations***

The Group is sensitive to the deterioration of economic conditions and the alteration of the institutional environment of the countries in which it operates, and is exposed to sovereign debt, particularly in Spain, Mexico and Türkiye, which respectively represented 54.5 per cent., 20.4 per cent. and 10.2 per cent. of the Group's assets as of 30th September, 2026 (53.3 per cent., 21.2 per cent. and 10.6 per cent. as of 31st December, 2025, respectively, and 53.3 per cent., 21.8 per cent. and 10.7 per cent. as of 31st December, 2024, respectively).

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

Tensions in the Middle East have recently led to increases in prices of oil, gas, and energy-intensive goods. A prolonged escalation of such tensions may result in further volatility or sustained increases in global energy prices, generate strong inflationary pressures, increase financial volatility, and weigh on economic growth, potentially contributing to a global economic slowdown, and constraining the policy space of major central banks. This is compounded by the continuation of the conflict in Ukraine and the potential reactivation of other geopolitical flashpoints, such as the Arctic, or recent developments in Latin America linked to possible interventions by the U.S. administration. In response to these risks and to changes in U.S. foreign policy, the European Union has taken steps to increase military spending, which could support growth but also add upward pressure on inflation and interest rates in the region.

The increase in U.S. tariffs on imports from its trading partners has also triggered financial market volatility, reinforcing global-wide risks. High uncertainty regarding the final level and duration of these tariffs could

negatively impact the global economy, worsening the macroeconomic environment. As a result of adopted or announced tariffs, global growth could decelerate significantly.

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

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

Beyond import tariffs, tighter controls on migration flows could also affect the labour market in the United States, add to inflationary pressures, and weigh on economic growth. Potential changes in the U.S. administration's fiscal, monetary, regulatory, industrial and foreign policies, together with the uncertainty surrounding the implications of the results of the latest midterm elections, among others, could likewise contribute to increased financial and macroeconomic volatility. This is compounded by concerns regarding the potential consideration by the Federal Reserve of political factors in its decision-making.

Amid growing uncertainty surrounding U.S. policies and the widening fiscal deficit, the U.S. risk premium could continue to rise, pushing up long-term sovereign yields and further weakening the U.S. dollar. These developments could also spark episodes of volatility, especially given the high public debt levels in both advanced and emerging economies, and the political uncertainty and social unrest in some European countries. Additionally, the relatively high valuations of artificial intelligence (**AI**) related assets constitute an additional source of uncertainty, with potential implications in the financial markets.

Overall, rising global geopolitical tensions increase uncertainty around the outlook for the world economy and the likelihood of economic and financial disruptions, including an economic recession.

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

In Spain, political, regulatory, and economic uncertainty, arising, in part, from the upcoming general elections, may have a negative impact on activity. In Mexico, there is considerable uncertainty regarding the impact of constitutional reforms approved in 2026, as well as the policies of the U.S. administration and the outcome of the review of the United States-Mexico-Canada free trade agreement. In Türkiye, despite the gradual improvement in macroeconomic conditions, the situation remains relatively unstable, marked by pressure on the Turkish lira, high inflation, a significant trade deficit, relatively low central bank foreign exchange reserves, and high external financing costs. Recent political and social tensions could also trigger new episodes of financial volatility and macroeconomic risks. Moreover, uncertainty remains over the final impact on Türkiye of the geopolitical situation in the Middle East. These factors could lead to a deterioration in the purchasing power and creditworthiness of the Group's customers. In addition, official interest rates, regulatory and macroprudential policies affecting the banking sector, and hyperinflation and currency depreciation in Türkiye have impacted and may continue to impact the Group's results. In South America, ongoing and potential interventionist actions by the United States in some of the countries in the continent constitute a significant source of risk. In Argentina, despite the improved prospects for the economy following significant fiscal, monetary and exchange rate adjustments, the risk of economic and financial turmoil persists. Lastly, in

Colombia and Peru, the severity of extreme climate-related factors, the deterioration of security conditions, and the worsening of public finances could weigh on economic performance.

Any of these factors may have a significant adverse effect on the Group's business, financial condition and results of operations.

***Political, economic and social conditions in any of Spain, Mexico and Türkiye may have a material adverse effect on the Group's business, financial condition and results of operations***

The Group has historically carried out its lending activity mainly in Spain, which continues to be its primary business area. In addition, the Group is significantly exposed to Mexico and Türkiye. As of 31st December, 2025, total risk in financial assets in Spain, Mexico and Türkiye amounted to €252,299 million, €163,059 million and €68,309 million, respectively, equivalent to 33.0 per cent., 21.0 per cent. and 9.0 per cent., respectively, of the Group's total risk in financial assets. The Group's gross exposure to loans and advances to customers in Spain, Mexico and Türkiye totaled €261,536 million, €100,699 million and €55,756 million, respectively, as of 31st December, 2025, representing 55.0 per cent., 21.0 per cent. and 12.0 per cent., respectively, of the Group's total amount of loans and advances to customers.

Given the significance of the Group's exposure to each of Spain, Mexico and Türkiye, any adverse change affecting political, economic and social conditions in any such country could have a material adverse effect on the Group's business, financial condition and results of operations.

**Business Risks**

***The Group's businesses are subject to inherent risks concerning counterparties' credit quality and the value of collateral***

The total maximum credit risk exposure of the Group (calculated as set forth in Note 7.2.2 to the 2025 Consolidated Financial Statements) as of 30th September, 2026 was €1,293,286 million (€1,104,820 million and €972,990 million as of 31st December, 2025 and 2024, respectively). The Group has exposures to many different products and counterparties, and the credit quality of its exposures can have a significant effect on the Group's earnings. Adverse changes in the credit quality of the Group's counterparties (including borrowers), or any adverse changes in the value of collateral they may have provided, may reduce the value of the Group's assets, and materially increase the Group's write-downs and loss allowances. Credit risk can be affected by a range of factors, including an adverse economic environment, a decrease in consumption or corporate or government spending, changes in the sovereign credit rating or in the rating of individual contractual counterparties, their debt levels and the environment in which they operate, increased unemployment, higher commodity prices (especially of energy commodities), reduced asset values (including as a result of natural disasters), increased retail or corporate insolvency levels, litigation and legal and regulatory developments. Credit risk may also be significantly affected by changes in interest rates (as well as the timing, magnitude and pace of these changes).

While interest rates have begun to decrease in certain countries, they remain relatively high, and the persistence of relatively high interest rates or any increase in interest rates in the future may lead to a deterioration of the Group's non-performing loan (**NPL**) ratio and an increase in the Group's risk-weighted assets (**RWAs**). See "*The Group's business is particularly vulnerable to interest rates*".

In recent years, the Group's NPL ratio (as defined in the section entitled "Alternative Performance Measures (APMs)" of the Consolidated Management Report – BBVA Group 2025" included in the 2025 Consolidated Report (as defined in "*Documents Incorporated by Reference*" below) and which was 2.6 per cent., 2.7 per cent. and 3.0 per cent. as of 30th September, 2026, 31st December, 2025 and 31st December, 2024, respectively) has remained relatively stable. The Group's coverage ratio (as defined in the section entitled "Alternative Performance Measures (APMs)" of the Consolidated Management Report 2025 included in the 2025 Consolidated Report) stood at 84 per cent., 85 per cent. and 80 per cent. as of 30th September, 2026, 31st December, 2025 and 31st December, 2024, respectively. See "*The Group's business is particularly vulnerable to interest rates*".

The impact of an increase in default rates on the Group will depend on its magnitude, timing and pace, and could be significant. Furthermore, it is possible that the Group has incorrectly assessed the creditworthiness or willingness to pay of its counterparties, that it has underestimated the credit risks and potential losses inherent in its credit exposure, that it has made insufficient provisions for such risks in a timely manner and that it has overestimated the extent to which it may be able to recover certain debts, including aged NPLs.

The processes involved in making such assessments, which have a crucial impact on the Group's results and financial condition, require difficult, subjective and complex calculations, including forecasts of the impact that macroeconomic conditions could have on these counterparties. In particular, the Group's estimates of losses derived from its exposure to credit risk may prove to be inadequate or insufficient in the current environment of economic uncertainty, which could affect the adequacy of the provisions for insolvencies provided by the Group. An increase in non-performing or low-quality loans could significantly and adversely affect the Group's business, financial condition and results of operations.

Furthermore, a deterioration of economic conditions typically results in a decrease in the price of real estate assets. The Group remains significantly exposed to the real estate market, mainly in Spain and, to a lesser extent, Mexico, due to the fact that many of its loans are secured by real estate assets and due to the significant volume of real estate assets that it maintains on its balance sheet. A fall in the price of real estate assets in a particular region would reduce the value of any real estate securing loans granted by the Group in such region and, therefore, in the event of default, the amount of the expected losses related to such loans would increase. Further, a fall in real estate prices could have a material adverse effect on the default rates of the Group's residential mortgage and real estate developer credit portfolios.

The balance of the Group's residential mortgage portfolio at a global level was €103,280 million as of 30th September, 2026 (€99,606 million and €94,577 million as of 31st December, 2025 and 2024, respectively). Further, the Group's corporate credit portfolios include real estate developers and constructors. As of 31st December, 2025 and 31st December, 2024, the Group's exposure to the construction and real estate sectors (excluding the mortgage portfolio) in Spain was equivalent to €10,602 million and €9,600 million, respectively, of which €2,314 million and €2,207 million, respectively, corresponded to loans for construction and development activities in Spain (representing 1.2 per cent. of the Group's loans and advances to customers in Spain (excluding the public sector) as of 31st December, 2025, and 0.3 per cent. of the Group's consolidated assets as of 31st December, 2025). The total real estate exposure (excluding the mortgage portfolio), including developer credit and foreclosed assets had a coverage ratio of 18.0 per cent. and 24.0 per cent., respectively, in Spain as of 31st December, 2025 and 31st December, 2024, respectively. Any decrease in the value of collateral will adversely affect the Group's potential losses upon an event of default.

In addition, the Group is directly and indirectly exposed to the private equity and private credit sectors. Private market funds, to which the Group provides credit, are playing an increasingly important role in financial intermediation. While the Group monitors its exposure to private market funds, it remains at risk both from direct exposure and contagion and systemic risk, which could materially increase its write-downs and allowances for impairment losses.

***The Group's business is particularly vulnerable to interest rates***

The Group's results of operations are substantially dependent upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. Changes in market interest rates often affect the Group's interest-earning assets differently from the Group's interest-bearing liabilities. This, in turn, may lead to a reduction in the Group's net interest margin, which could have a material adverse effect on its results. Moreover, changes in interest rates may affect the Group's credit risk exposure.

Interest rates are highly sensitive to many factors beyond the Group's control, including fiscal and monetary policies of governments and central banks, regulation of the financial sector, domestic and international economic and political conditions and other factors. The Group's results of operations have been positively affected by the increases in interest rates adopted by central banks in recent years in an attempt to tame inflation, contributing to a rise in net interest income that exceeded the corresponding rise in funding costs. Interest rates

have begun to decline in most of the regions in which BBVA is present (including the Eurozone and the United States) driven by the central banks' monetary policies in response to easing inflationary pressures. However, interest rates remain relatively high compared to prior years. The continued prevalence of relatively high interest rates or any increase in interest rates in the future could adversely affect the Group by reducing the demand for credit, limiting its ability to generate credit for its clients and/or increasing the default rate of its counterparties (including borrowers). In particular, the repayment capacity of loans tied to variable interest rates is more sensitive to changes in interest rates. As of 31st December, 2025 and 31st December, 2024, 45.0 per cent. and 45.6 per cent., respectively, of the Group's gross exposure to loans and advances to customers with maturity greater than one year had floating-interest rates. Changes in interest rate policies may be implemented at a different pace across regions and it is possible that such policies could be accelerated or reversed based on various factors, such as inflation, economic growth or financial stability concerns among other considerations.

With regard to the risk of variation in the market value of assets and liabilities, as of 31st December, 2025, the average value at risk (**VaR**) was €33 million. By type of market risk assumed by the Group's trading portfolio, the main risk for the Group continues to be linked to interest rates, representing 69 per cent. of the total at the end of 2025 (including spread risk), which is a decrease of 11 percentage points in relative weight compared to the end of 2024. On the other hand, the exchange risk represents 17 per cent. at the end of 2025 (11 per cent. as of 31st December, 2024, which is an increase of 6 percentage points), while variable income risk and volatility and correlation risk represented 13 per cent. at the end of 2025 and 11 per cent. at the end of 2024. As of 31st December, 2025, the VaR balance was €29 million (€34 million corresponding to interest and spread risk, €9 million corresponding to exchange rate risk, €1 million corresponding to equity risk, €5 million corresponding to volatility risk and -€20 million of diversification effect).

As a result of the foregoing, the evolution of interest rates could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group faces increasing competition and is exposed to a changing business model***

The markets in which the Group operates are highly competitive and it is expected that this trend will continue in the coming years with the increasing entry of non-bank competitors (some of which have large client portfolios and strong brand recognition) and the emergence of new business models, including digital-only banks and other non-bank providers operating without physical branch networks. The financial sector continues to evolve through digital distribution, data-driven innovation, AI and the entry of new players into activities previously controlled by financial institutions. Although the Group is making efforts to adapt to these changes through its digital transformation, its competitive position is also affected by some regulatory asymmetries that benefit non-bank operators. For example, banking groups are subject to prudential regulations that have implications for most of their businesses, including those in which they compete with non-bank operators (such as FinTechs or BigTechs) that may be subject to activity-specific regulatory requirements rather than the prudential framework applicable to banking groups, or may benefit from regulatory gaps.

Moreover, the widespread adoption of new technologies, including AI, cloud computing, advanced data analytics, digital assets (including stablecoins and other crypto-assets) and alternative payment systems that do not use the banking system, could erode or disintermediate parts of the Group's business or require the Group to make substantial investments to modify or adapt existing products and services, including its mobile and internet banking capabilities. Likewise, the increasing use of these new technologies and mobile banking platforms could have an adverse impact on the Group's investments in facilities, equipment and employees. The Group has already been adapting its commercial network and workforce to a more digital operating model and may need to continue doing so, which could result in significant restructuring, technology and execution costs. In addition, the trend towards the consolidation in the banking industry has created larger banks with which the Group must compete. Any failure by the Group to adapt to its competitive environment or failure to implement any necessary changes to its business model efficiently or on a timely basis could have a material adverse impact on the Group's competitive position or otherwise have a material adverse effect on the Group's business, financial condition and results of operations.

The future success of the Group depends, in part, on its ability to use technology to provide suitable products and services for customers and adequately manage information technology (**IT**) obsolescence. While the Group

has focused on developing its technological capabilities in recent years and is committed to digitisation, its ability to capture the benefits of emerging technologies and otherwise compete successfully is likely to be adversely affected by, on the one hand, the existing uneven playing field between banks and non-bank players, and on the other hand, the increasing relevance of access to digital data and interactions for customer relationship management, which places digital platforms at an advantage. Digital platforms (such as those maintained by large technology or social media companies, and FinTechs) increasingly dominate access to data and control over digital interactions, and are already eroding the Group's results in highly relevant markets such as payments. These platforms can leverage their advantage in access to data to compete with the Group in other markets and could reduce the Group's operations and margins in its core businesses such as lending or wealth management. Some of the Group's competitors have created alliances with BigTechs that may affect the Group's ability to compete successfully and could adversely affect the Group. In the event that the Group is not successful in addressing increasing competition, its business, financial condition and results of operations could be materially and adversely affected.

***The Group faces risks derived from its international geographic diversification and its significant presence in emerging countries, which exposes it to heightened political risks***

The Group is made up of commercial banks, insurance companies and other financial services companies in various countries and its performance as a global business depends on its ability to manage its different businesses under various economic, social and political conditions, as well as different legal and regulatory requirements (including, among others, different supervisory regimes and different tax and legal regimes related to the repatriation of funds or the nationalisation or expropriation of assets). In addition, the Group's international operations may be exposed to risks and challenges to which its local competitors may not be exposed, such as currency risk, the difficulty of managing or supervising a local entity from abroad, political risks (which could affect only foreign investors) or limitations on the distribution or repatriation of dividends, thus worsening its position compared to that of local competitors.

There can be no guarantee that the Group will be successful in developing and implementing policies and strategies in all of the countries in which it operates, some of which have experienced significant economic, political and social volatility in recent decades. In particular, the Group has a significant presence in several emerging countries, particularly in Mexico and in Türkiye (see "*A deterioration in economic or political conditions in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition and results of operations*"), and is therefore vulnerable to any deterioration in economic, social or political conditions in these countries. Further, the Group has significant operations in South America.

Generally, emerging economies face higher anti-money laundering and other compliance risks as a result of greater political instability, higher levels of corruption, weaker governance structures and fewer financial and technical resources dedicated to enforcement. Further, emerging markets are generally affected by the conditions of other related markets and by the evolution of global financial markets in general (they may be affected, for example, by the evolution of GDP and interest rates in the United States and the exchange rate of the U.S. dollar), as well as by fluctuations in the prices of commodities. The risks associated with investing in emerging economies, in general, or in emerging markets where the Group operates, in particular, could trigger capital outflows from those economies and adversely affect such economies and therefore the Group. Moreover, emerging countries are more prone to experiencing significant changes in inflation and volatility in exchange rates, which may have a material impact on the Group's results of operations, assets (including RWAs) and liabilities. In Türkiye, for example, inflation was 24.3 per cent. and 30.9 per cent., respectively, for the nine months ended 30th September, 2026 and for the year ended December 2025, respectively (according to the Turkish Statistical Institute, TUIK), and the Turkish lira depreciated 9.3 per cent. against the euro as of 30th September, 2026 compared to 31st December, 2025 and 27.2 per cent. against the euro as of 31st December, 2025 compared to 31st December, 2024.

The Group's operations in emerging countries are also exposed to heightened political risks, such as changes in governmental policies, expropriation, nationalisation, interest rate limits, exchange controls, capital controls, government restrictions on dividends or bank fees and adverse tax policies. For example, the repatriation of dividends from BBVA's Venezuelan, Argentinian and Turkish subsidiaries is subject to certain restrictions and

there is no assurance that these restrictions will be lifted in the future, or that further restrictions will not be imposed. Since BBVA's ability to pay dividends depends, in part, on the receipt of dividends from its subsidiaries, such restrictions may affect, in turn, BBVA's ability to pay dividends.

ESG (as defined below) risks (see "*Environmental, social and governance (ESG) risks may adversely impact the Group"*) may also be higher in the emerging markets where the Group operates as a result of, among other things, more limited resources and capital for ESG investment, lack of comprehensive and reliable data on ESG practices, resource dependency that may lead to unsustainable practices that are at odds with ESG initiatives and underdeveloped or inconsistently enforced regulatory frameworks.

If the Group failed to adopt effective and timely policies and strategies in response to the risks and challenges it faces in each of the regions where it operates, particularly in emerging countries, the Group's business, financial condition and results of operations could be materially and adversely affected.

***Environmental, social and governance (ESG) risks may adversely impact the Group***

ESG factors present risks associated with (i) climate change, including physical risks and transition risks (linked, among others, to changes in regulations, technologies, and market preferences associated with the transition to a less carbon-dependent economy); (ii) other environmental factors, such as biodiversity loss, water stress and other nature-related factors; (iii) social factors, such as human rights, inclusion, diversity and workplace safety; and (iv) corporate governance matters, such as the governance of environmental and social risks.

ESG risks include short, medium and long-term risks that may adversely affect the Group and its customers or counterparties. ESG is an area of significant public debate and focus for governments and regulators, investors, the Group's customers and counterparties, and other stakeholders, and, as a result, ESG risks are expected to continue to evolve, and may increase, over time.

Among others, ESG risks include the following:

- *Physical risks*: The activities of the Group or those of its customers or counterparties could be adversely affected by the physical risks (including acute and chronic) arising from climate change or other environmental challenges. For example, extreme weather events and chronic shifts in the climate may damage or destroy properties and other assets of the Group or those of its customers or counterparties, make the insurance against certain risks more expensive or unfeasible, result in increased costs, or otherwise disrupt their respective operations (for example, if supply chains are disrupted as a result), diminishing –in the case of the Group's customers or counterparties - their repayment capacity and, if applicable, the value of assets granted as collateral to the Group. The Group is also exposed to potential long-term physical risks arising from climate change and other environmental challenges, such as any ensuing deterioration in economic conditions that results in credit-related costs, or potential impacts on the Group's assets and operations. The Group could also be required to change its business models in response to the foregoing.

- *Legal and regulatory risks*: The ESG legal and regulatory landscape is increasingly fragmented. While legislatures and regulatory authorities in many jurisdictions continue to impose extensive requirements for financial institutions to integrate ESG considerations into their risk management and reporting frameworks, others are taking a different approach, with regulatory developments moving in the opposite direction and a reduced emphasis on climate-related risk supervision, adding further complexity and uncertainty to the compliance environment. Legal and regulatory changes related to how banks consider and manage climate and other ESG risks, or otherwise, affecting banking practices or disclosure of information have resulted, and may continue to result, in higher compliance, operational and credit risks and costs. The Group's customers and counterparties may be exposed to similar legal and regulatory changes, increasing their own compliance and operational risks and costs. Further, legal and regulatory changes have resulted, and may continue to result, in legal uncertainty and the existence of overlapping or conflicting regulatory or other requirements. They may also give rise to regulatory asymmetries whereby some persons, including the Group and its customers and counterparties, are more heavily regulated than others, placing such persons at a disadvantage. The Group or its customers or counterparties may be unable to meet any new requirements on a timely basis or at all, including new

product and service specifications, governance frameworks and practices and disclosure requirements and standards. The Group expects ESG-related legal and regulatory requirements to continue to evolve in the coming years. In the case of banks in particular, such evolving laws and regulations could include further requirements or restrictions related to lending, investing, capital and liquidity adequacy and operational resilience. The incorporation of ESG risks in the existing prudential framework is still developing and may result in increased risk weighting of certain assets. Moreover, there are significant risks and uncertainties inherent in the development of adequate risk assessment and modelling capabilities with respect to ESG-related matters and the collection and use of customer, third-party and other data, which may result in the Group's systems or frameworks (or those of its customers and counterparties, where applicable) being inadequate, inaccurate or based on incorrect or insufficient customer, third-party or other data, any of which could adversely affect the Group's disclosure and financial reporting. Further, increased and/or divergent regulation arising from climate change and other ESG-related challenges could result in increased litigation by different stakeholders (including non-governmental organisations (**NGOs**)) and regulatory investigations and actions.

- *Technological risks*: Certain of the Group's customers and counterparties may be adversely affected by the progressive transition to a low-carbon economy and/or risks and costs associated with new low-carbon technologies. If the Group's customers and counterparties fail to adapt to the transition to a low-carbon economy, or if the costs of doing so adversely affect their creditworthiness, this could adversely affect the Group's loan portfolios.

- *Market risks*: The Group and certain of the Group's customers and counterparties may be adversely affected by changes in market preferences due to, among other things, increased ESG concern, on the one hand, or an opposing sentiment, on the other. These changes could impact the demand for BBVA's products and services, as well as for those of BBVA's customers and counterparties, and investor interest in BBVA's securities. Further, the funding costs of businesses that are perceived to be more exposed to climate change or to other ESG-related risks could increase. Any of this could result in the reduced creditworthiness of such customers and counterparties, adversely affecting the Group's relevant loan portfolios. The Group and its customers and counterparties could also be adversely affected by changes in prices resulting from shifts in demand or supply brought by climate change or other ESG-related factors, including prices of energy and raw materials, or by their inability to foresee or hedge any such changes.

- *Reputational risks*: The perception of climate change and other ESG-related matters as a risk and an appropriate consideration in business and investment decisions, by society, shareholders, customers, governments and other stakeholders (including NGOs), continues to evolve, including in relation to the financial sector's activities. This may result in increased scrutiny of the Group's activities, as well as its ESG-related policies, goals, decisions, disclosures or communications. The Group's reputation and ability to attract or retain customers may be harmed if its response to concerns regarding ESG-related matters is deemed to be insufficient or inappropriate or if a perception is generated among the different stakeholders that the Group's statements, actions or disclosure do not fairly reflect the underlying sustainability profile of the Group, its products, services, goals and/or policies. At the same time, the Group may refrain from undertaking lending or investing activities or other services that would otherwise have been profitable in order to fulfill its ESG obligations or goals or to avoid reputational harm. Divergent views on ESG policies may also have a negative impact on the Group's reputation. Increased scrutiny of the Group's activities, as well as its ESG-related policies, goals, decisions, disclosures and communications, may result in litigation and investigations and supervisory actions (including potential greenwashing or greenhushing claims). The Group has disclosed certain aspirational ESG-related goals and such goals, which are being pursued over the long-term, and which may prove to be considerably more costly or difficult than currently expected, or even impossible, to achieve, including as a result of changes in regulation and policy, the pace of technological change and innovation and the actions of governments and the Group's customers and competitors. Potential greenwashing claims arising from ESG-related statements, disclosure and/or actions of the Group may also give rise to reputational risks.

Any of these factors may have a material adverse effect on the Group's business, financial condition and results of operations.

***The outbreak and spread of a pandemic and other large-scale public health events could have a material adverse effect on the Group's business, financial condition and results of operations***

Economic conditions in the countries in which the Group operates may be adversely affected by an outbreak of a contagious disease, which develops into a regional or global pandemic and other large scale public health events. The outbreak of a pandemic or another large-scale public health event may have an adverse material impact on the Group's business, financial condition and results of operations, including as a result of the exacerbation of any of the other risks described in this section. Furthermore, the measures that may be taken by governments, regulators and businesses to respond to any such pandemic or event may lead to slower or negative economic growth, supply disruptions, inflationary pressures and significant increases in public debt, and may also adversely affect the Group's counterparties (including borrowers), which may lead to increased loan losses. Such measures could also impact the business and operations of third parties that provide critical services to the Group, which may have an adverse material impact on the Group's business, financial condition and results of operations.

***The Group faces risks related to its acquisitions and divestitures activity***

The Group has acquired and sold several companies, assets and/or businesses over the past few years, and may acquire or sell additional companies, assets and/or businesses in the future.

The Group may not complete any ongoing or future transactions in a timely manner, on a cost-effective basis or at all and, if completed, they may not have the expected results.

If any acquisitions or divestitures are completed, the Group's results of operations could be adversely affected by such acquisition or divestiture-related charges and contingencies. The Group may be subject to litigation in connection with, or as a result of, acquisitions or divestitures, including claims from terminated employees, customers or third parties. In the case of an acquisition, the Group may be liable for potential or existing litigation and claims related to an acquired business, including because either the Group is not indemnified for such claims or the indemnification is insufficient. Further, in the case of a divestiture, the Group may be required to indemnify the buyer in respect of similar or other matters, including claims against the divested entity or business.

In the case of an acquisition, even though the Group reviews the companies it plans to acquire, it is often not possible for these reviews to be complete in all respects and there may be risks associated with unforeseen events or liabilities relating to the acquired companies, assets or businesses that may not have been revealed or properly assessed during the due diligence processes, resulting in the Group assuming unforeseen liabilities or an acquisition not performing as expected. In addition, acquisitions are inherently risky because of the difficulties that may arise in integrating people, operations and technologies. There can be no assurance that any of the companies, assets or businesses the Group acquires can be successfully integrated or that they will perform well once integrated. Furthermore, completion of any acquisition may constitute a breach or default under agreements or instruments of the company that is being acquired, or otherwise result in the acceleration of obligations (including, without limitation, payment obligations) or changes to rights thereunder or the termination thereof.

In addition, BBVA may not be able to anticipate all losses, costs and other liabilities that may be incurred in connection with a transaction that is completed or may fail to accurately analyse or estimate the consequences of completing such a transaction, either of which could have an adverse effect on the Group's business, financial condition and results of operations after completion of the transaction.

Acquisitions may also lead to potential write-downs that adversely affect the Group's results of operations.

If an announced transaction is not completed, the market prices of BBVA's securities may decline or otherwise be subject to fluctuations to the extent the market prices of BBVA's securities reflect a market assumption that such a transaction would be completed. In addition, the failure to complete a transaction may result in negative publicity or otherwise adversely affect BBVA's reputation in the investment community and BBVA's relationship with its employees, clients and other partners in the business community.

Following completion of a transaction, BBVA may be exposed to other risk factors specific to the company, asset or business being acquired or otherwise arising from such transaction. Furthermore, completion of a transaction may adversely affect the capital, leverage, liquidity, MREL (as defined below) or resolution profile of BBVA or the Group. Relevant regulators could also impose additional capital, leverage, liquidity, MREL or resolution requirements on the Group as a result of such transaction, which might require the Group to issue additional capital instruments or MREL and/or incur additional costs.

Any of the foregoing may cause the Group to incur significant unexpected expenses, may divert significant resources and management attention from the Group's other business concerns, or may otherwise have a material adverse effect on the Group's business, financial condition and results of operations.

**Financial Risks**

***The Group has a continuous demand for liquidity to finance its activities and the withdrawal of deposits or other sources of liquidity could significantly affect it***

Traditionally, one of the Group's main sources of financing has been savings accounts and demand deposits. As of 30th September, 2026, 31st December, 2025 and 31st December, 2024 the balance of customer deposits represented 73.0 per cent., 76.3 per cent. and 76.6 per cent., respectively, of the Group's total financial liabilities at amortised cost. However, the volume of wholesale and retail deposits can fluctuate significantly, including as a result of factors beyond the Group's control, such as general economic conditions, changes in economic policy or administrative decisions that diminish their attractiveness as savings instruments (for example, as a consequence of changes in taxation, coverage by guarantee funds for deposits or expropriations) or competition from other savings or investment instruments (including deposits from other banks). In the last few years, competition for deposits has increased in various of the regions where the Group operates as interest rates have increased and competitors (including neobanks) have offered remuneration on customer deposits. The vast majority of the Group's deposits are demand deposits, which may be freely withdrawn by depositors at any time. The methods for withdrawing or transferring deposits, and the speed with which such transactions may be realised, continue to increase, which could affect the stickiness of the Group's deposit base.

Changes in interest rates and credit spreads may significantly affect the cost of the Group's short- and long-term wholesale financing. Changes in credit spreads are driven by market factors and are also influenced by the market's perception of the Group's solvency. As of 30th September, 2026, 31st December, 2025 and 31st December, 2024, debt securities issued by the Group represented 15.0 per cent., 12.4 per cent., and 12.0 per cent., respectively, of the total financial liabilities at amortised cost of the Group.

In addition, while the Group's current use of public sources of liquidity is limited, the Group has historically made significant use of public sources of liquidity, such as the ECB's extraordinary measures taken in response to the financial crisis since 2008 or those taken in connection with the crisis caused by the COVID-19 pandemic.

In the event of a withdrawal of deposits or other sources of liquidity, especially if it is sudden or unexpected, the Group may not be able to finance its financial obligations or meet the minimum liquidity requirements that apply to it, and may be forced to incur higher financial costs, liquidate assets and take additional measures to reduce leverage. Furthermore, the Group could be subject to the adoption of early intervention measures or, ultimately, to the adoption of a resolution measure by the Relevant Spanish Resolution Authority (as defined below) (see "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Resolution*"). Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group depends on its credit ratings and sovereign credit ratings, especially Spain's and Mexico's credit ratings***

Rating agencies periodically review the Group's debt credit ratings. Any reduction, effective or anticipated, in any such ratings of the Group, whether below investment grade or otherwise, could limit or impair the Group's access to capital markets and other possible sources of liquidity and increase the Group's financing cost, and entail the breach or early termination of certain contracts or give rise to additional obligations under those contracts, such as the need to grant additional guarantees. Furthermore, if the Group were required to cancel its derivative contracts with some of its counterparties and were unable to replace them, its market risk would

worsen. Likewise, a reduction in the credit rating could affect the Group's ability to sell or market some of its products or to participate in certain transactions, and could lead to the loss of customer deposits and make third parties less willing to carry out commercial transactions with the Group (especially those that require a minimum credit rating), having a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, the Group's credit ratings could be affected by variations in sovereign credit ratings, particularly the rating of Spanish and Mexican sovereign debt. The Group holds a significant portfolio of debt issued by Spain, Spanish autonomous communities, Mexico and other Spanish and Mexican issuers. As of 31st December, 2025 and 2024, the Group's exposure (per European Banking Authority (**EBA**) criteria) to Spain's public debt portfolio was €58,760 million and €51,833 million, respectively, representing 6.8 per cent. and 6.7 per cent. of the consolidated total assets of the Group, respectively. As of 31st December, 2025 and 2024, the Group's exposure (per EBA criteria) to Mexico's public debt portfolio was €31,025 million and €31,681 million, respectively, representing 3.6 per cent. and 4.1 per cent. of the consolidated total assets of the Group, respectively. Any decrease in the credit rating of Spain or Mexico could adversely affect the valuation of the respective debt portfolios held by the Group and lead to a reduction in the Group's credit ratings. Additionally, counterparties to many of the credit agreements signed with the Group could also be affected by a decrease in the credit rating of these countries, which could limit their ability to attract additional resources or otherwise affect their ability to pay their outstanding obligations to the Group.

It is possible that current or future economic and geopolitical conditions or other factors could lead to ratings actions and changes to BBVA's credit ratings, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The trading market for securities issued by BBVA depends in part on the research reports of third-party securities analysts***

The trading market for securities issued by BBVA depends in part on the research reports that third-party securities analysts publish about BBVA and the industry and the countries in which it operates. The publication by one or more of these analysts of a negative recommendation or unfavourable outlook with respect to BBVA or the industry and countries in which it operates could cause the trading price of any such securities to decline.

***The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by asset impairment***

Regulatory, business, economic or political changes and other factors could lead to asset impairment. In recent years, severe market events such as the past sovereign debt crisis, rising risk premiums and falls in share market prices, have resulted in the Group recording large write-downs on its credit market exposures. Doubts regarding the asset quality of European banks have also affected their evolution in the market in recent years.

Several ongoing factors could depress the valuation of the Group's assets or otherwise lead to the impairment of such assets (including goodwill and deferred tax assets). These include a deteriorating macroeconomic environment, ongoing conflicts in Ukraine and the Middle East, recent tensions in Latin America, Iran and the Arctic, the surge of populist trends in several countries, increased trade and geopolitical tensions and the consequences of Brexit, any of which could increase global financial volatility and lead to the reallocation of assets. In addition, there is risk of a sharp global growth slowdown. Any asset impairments resulting from these or other factors could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group has a substantial amount of commitments with personnel considered wholly unfunded due to the absence of qualifying plan assets***

The Group faces liquidity risk in connection with its ability to make payments on its unfunded commitments with personnel (which are recognised under the heading "Provisions—Provisions for pensions and similar obligations" in the Group's consolidated balance sheet), which it seeks to mitigate, with respect to post-employment benefits, by maintaining insurance contracts which were contracted with insurance companies owned by the Group. The insurance companies have recorded in their balance sheets specific assets (fixed interest deposit and bonds) assigned to the funding of these commitments. The Group's Assets and Liabilities

Committee (**ALCO**) and the insurance companies also manage derivatives (primarily swaps) to mitigate the interest rate risk in connection with the payments of these commitments. The Group seeks to mitigate liquidity risk with respect to early retirements and post-employment welfare benefits through oversight by the ALCO of the Group. The Group's ALCO manages a specific asset portfolio to mitigate the liquidity risk resulting from the payments of these commitments. These assets are government bonds and covered bonds which are issued at fixed interest rates with maturities matching the aforementioned commitments. Should BBVA fail to adequately manage liquidity risk and interest rate risk either as described above or otherwise, it could have a material adverse effect on the Group's business, financial condition and results of operations.

**Legal, Regulatory, Tax and Compliance Risks**

***Legal Risks***

***The Group is party to a number of legal and regulatory actions and proceedings***

The financial sector faces an environment of increasing regulatory and litigation pressure. The Group is party to government procedures and investigations, such as those carried out by the antitrust authorities which, among other things, have in the past and could in the future result in sanctions, as well as lead to claims by customers and others.

The various Group entities are also frequently party to individual or collective judicial proceedings (including class actions) resulting from their activity and operations, as well as arbitration proceedings. For example, in April 2017, the Mexican Federal Economic Competition Commission (*Comisión Federal de Competencia Económica*) launched an antitrust investigation relating to alleged monopolistic practices of certain financial institutions, including BBVA's subsidiary, BBVA Mexico, in connection with transactions in Mexican government bonds. This investigation concluded with the Commission imposing fines on all financial institutions involved, including a fine insignificant in amount imposed on BBVA Mexico, which BBVA Mexico has challenged. In March 2018, BBVA Mexico and certain other affiliates of the Group were named as defendants in a putative class action lawsuit filed in the United States District Court for the Southern District of New York, alleging that the defendant banks and their named subsidiaries engaged in collusion with respect to the purchase and sale of Mexican government bonds. On 19th August, 2026, the United States District Court for the Southern District of New York entered an order granting preliminary approval of a settlement agreement dated 12th August, 2026 (the **Settlement Agreement**) among the parties to the class action. Under the terms of the Settlement Agreement, the defendants, including BBVA Mexico, have agreed to pay an aggregate amount of U.S.$86.4 million, to be allocated by agreement among the defendants. BBVA Mexico expects to fund the payment of its portion of the settlement amount from reserves previously established by BBVA Mexico in connection with the class action. The Settlement Agreement is subject to final approval by the United States District Court for the Southern District of New York, which is expected before the end of 2026. The Settlement Agreement does not constitute an admission of liability or wrongdoing by BBVA Mexico. Although preliminary approval of the Settlement Agreement does not constitute a guarantee that the United States District Court for the Southern District of New York will grant final approval of the settlement, as of the date of this Offering Circular, BBVA Mexico has no reason to believe that such final approval will not be granted by the United States District Court for the Southern District of New York.

More generally, in recent years, regulators have increased their supervisory focus on consumer protection and corporate behaviour, which has resulted in an increased number of regulatory actions.

In Spain and in other jurisdictions where the Group operates, legal and regulatory actions and proceedings against financial institutions, prompted in part by certain national and supranational rulings in favour of consumers (with regards to matters such as credit cards and mortgage loans), have increased significantly in recent years and this trend could continue in the future. Legal and regulatory actions and proceedings faced by other financial institutions in relation to these and other matters, especially if such actions or proceedings result in favourable resolutions for the consumer, could also adversely affect the Group.

There are also claims before the Spanish courts challenging the validity of certain revolving credit card agreements. Rulings in these types of proceedings, whether against BBVA or other financial institutions, could negatively affect the Group.

All of the above may result in a significant increase in operating and compliance costs and/or a reduction in revenues, and it is possible that an adverse outcome in any proceedings (depending on the amount thereof, the penalties imposed or the resulting procedural or management costs for the Group) could materially and adversely affect the Group, including by damaging its reputation.

It is difficult to predict the outcome of legal and regulatory actions and proceedings, both those to which the Group is currently exposed and those that may arise in the future, including actions and proceedings relating to former Group subsidiaries or in respect of which the Group may have indemnification obligations. Any of such outcomes could be adverse to the Group. In addition, a decision in any matter, whether against the Group or against another credit entity facing similar claims as those faced by the Group, could give rise to other claims against the Group. In addition, these actions and proceedings draw resources away from the Group and may require significant attention on the part of the Group's management and employees.

As of 30th September, 2026 and 31st December, 2025, the Group had €736 million and €805 million, respectively, in provisions for the proceedings it is facing (included as part of "Provisions for taxes and other legal contingencies" in the consolidated balance sheet). However, the uncertainty arising from these proceedings (including those for which no provisions have been made, either because the probability of an unfavorable outcome for the Group is estimated to be remote, or because it is not possible to estimate such provisions or for other reasons) makes it impossible to guarantee that the possible losses arising from the resolution of these proceedings will not exceed, where applicable, the amounts that the Group currently has provisioned and, therefore, could affect the Group's consolidated results.

As a result of the above, legal and regulatory actions and proceedings currently faced by the Group or to which it may become subject in the future or which may otherwise affect the Group, whether individually or in the aggregate, if resolved in whole or in part adversely to the Group's interests, could have a material adverse effect on the Group's business, financial condition and results of operations.

***Criminal proceedings in respect of BBVA in relation to alleged offences of bribery and discovery and revelation of secrets***

Spanish judicial authorities have investigated the activities of Centro Exclusivo de Negocios y Transacciones, S.L. (**Cenyt**). Such investigation included the provision of services by Cenyt to BBVA. On 29th July, 2019, BBVA was named as an investigated party (investigado) in the Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court (*Audiencia Nacional*).

On 9th July, 2026, the judge issued an order opening oral proceedings in respect of BBVA, for alleged offences of bribery and discovery and revelation of secrets, and in respect of certain BBVA employees, both current and former, as well as certain former directors and officers.

As of the date of this Offering Circular, the commencement date of the oral proceeding has not yet been scheduled by the Criminal Chamber of the National High Court. It is not possible at this time to predict the possible outcome of these proceedings or estimate their potential implications for the Group. An adverse outcome could result in potential fines and/or civil liabilities, neither of which would be material, as well as other adverse consequences, including potential adverse effects on the Group's reputation.

***Regulatory, Tax and Compliance Risks***

The financial services sector is one of the most regulated sectors in the world. The Group is subject to a broad regulatory and supervisory framework, which has increased significantly in the last decade. Regulatory activity in recent years has affected multiple areas, including changes in accounting standards; strict regulation of capital, liquidity and remuneration; bank charges and taxes on financial transactions; regulations affecting mortgages, banking products and consumers and users; recovery and resolution measures; stress tests; prevention of money laundering and terrorist financing; market abuse; conduct in the financial markets; conduct with clients; the protection of personal data; antitrust; anti-corruption; and requirements as to the periodic publication of information. Governments, regulatory authorities and other institutions continually make

proposals to strengthen the resistance of financial institutions to future crises. Further, there is an increasing focus on the climate-related financial risk management capabilities of banks.

Furthermore, the international nature of the Group's operations means that the Group is subject to a wide and complex range of local and international regulations in these matters, sometimes with overlapping scopes and areas regulated. This complexity, which can be exacerbated by differences and changes in the interpretation or application of these standards by local authorities, makes compliance risk management difficult and costly, requiring highly sophisticated monitoring, qualified personnel and general training and awareness of employees.

Any change in the Group's business that is necessary to comply with any particular regulations at any given time, especially in Spain, Mexico or Türkiye, could lead to a considerable loss of income, damage to the Group's reputation, limit the Group's ability to identify business opportunities, affect the valuation of its assets, force the Group to increase its prices and, therefore, reduce the demand for its products, impose additional costs on the Group or otherwise adversely affect its business, financial condition and results of operations. See "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework*".

***The Group is subject to a comprehensive regulatory and supervisory framework, including resolution regulations, which could have a material adverse effect on its business, financial condition and results of operations***

The Group is subject to a comprehensive regulatory and supervisory framework, the complexity and scope of which has increased significantly following the 2008 financial crisis and the crisis caused by the COVID-19 pandemic. In particular, the banking sector is subject to continuous scrutiny at the political level and by the supervisory bodies, and it is foreseeable that in the future there will continue to be political intervention in regulatory and supervisory processes, as well as in the governance of the main financial entities. For these reasons, the laws, regulations and policies to which the Group is subject, as well as their interpretation and application, may change at any time. In addition, supervisors and regulators have significant discretion in carrying out their duties, which gives rise to uncertainty regarding the interpretation and implementation of the regulatory framework. Moreover, regulatory fragmentation and the implementation by some countries of more flexible or stricter rules or regulations could also negatively affect the Group's ability to compete with financial institutions that may or may not have to comply with any such rules or regulations, as applicable.

Regulatory changes over the last decade, as well as those currently being proposed (including changes in the interpretation or application of existing regulations), have increased and may continue to substantially increase the Group's operating expenses and adversely affect its business model. For example, the imposition of prudential capital standards has limited and is expected to continue to limit the ability of subsidiaries to distribute capital to the Group, while liquidity standards may lead the Group to hold a higher proportion of financial instruments with higher liquidity and lower performance, which can adversely affect its net interest margin. The Group's regulatory and supervisory authorities may also require the Group to increase its loan loss allowances and record asset impairments, which could have an adverse effect on its financial condition. Any legislative or regulatory measure, any necessary change in the Group's business operations as a consequence of such measures, as well as any failure to comply with them, could result in a significant loss of income or reputation, represent a limitation on the ability of the Group to take advantage of business opportunities and offer certain products and services, affect the value of the Group's assets, force the Group to increase prices (which could reduce the demand for its products), impose additional compliance costs or result in other possible adverse effects for the Group.

One of the most significant regulatory changes resulting from the 2008 financial crisis was the introduction of resolution regulations (see "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Resolution"*). In the event that the Relevant Spanish Resolution Authority (as defined below) considers that the Group is in a situation where conditions for early intervention or resolution are met, it may adopt the measures provided for in the applicable resolution regulations, including without prior notice. Such measures could include, among others, the write down and/or conversion into equity (or other securities or obligations) of the Group's unsecured debt. Likewise, the Relevant Spanish Resolution Authority may apply Non-Viability Loss Absorption (see "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Resolution*") in the event that it determines that the entity meets the conditions

for its resolution or that it will no longer be viable unless capital instruments are written down or converted into equity or extraordinary public support is provided.

Any such determination, or the mere possibility that such determination could be made, could materially and adversely affect the Group's business, financial condition and results of operations, as well as the market price and behaviour of certain securities issued by the Group (including the Preferred Securities) or their terms, if amended following any exercise of the Spanish Statutory Loss Absorption Powers (as defined in "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Resolution"*). For more information, see "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework*".

***Increasingly onerous capital and liquidity requirements may have a material adverse effect on the Group's business, financial condition and results of operations***

As described in *"Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Solvency and capital requirements*", the Group is subject to various minimum capital, liquidity and funding requirements, among others. For example, in its capacity as a Spanish credit institution, the Group is subject to compliance with a "Pillar 1" solvency requirement, a "Pillar 2" solvency requirement and a "combined buffer requirement", at both the individual and consolidated levels.

Considering the applicable Supervisory Review and Evaluation Process (**SREP**) carried out by the ECB in 2025 and the applicable "combined buffer requirement", BBVA must maintain, at a consolidated level, as from 1st October, 2026, a CET1 ratio of 9.11 per cent. and a total capital ratio of 13.27 per cent. The consolidated total capital requirement includes: (i) the "Pillar 1" capital requirement of 8.0 per cent., of which a minimum of 4.50 per cent. must be met with CET1 capital, 1.50 per cent. may be met with AT1 instruments and 2.0 per cent. may be met with Tier 2 instruments; (ii) the "Pillar 2" capital requirement of 1.62 per cent., of which a minimum of 0.96 per cent. must be met with CET1 capital (of which 0.12 per cent. is determined on the basis of the ECB's prudential provisioning expectation), 0.28 per cent. may be met with AT1 instruments and 0.38 per cent. may be met with Tier 2 instruments; (iii) the capital conservation buffer of 2.50 per cent. (which must be met exclusively with CET1 capital); (iv) the D-SIB capital buffer of 0.75 per cent. (which must be met exclusively with CET1 capital); (v) the capital buffer for Countercyclical Risk of 0.39 per cent. (which must be met exclusively with CET1 capital); and (vi) the capital buffer for Systemic Risk of 0.01 per cent. (which must be met exclusively with CET1 capital).

In addition, considering the most recent SREP carried out in 2026 and the applicable "combined buffer requirement", BBVA must maintain, at a consolidated level, as from 1st January, 2027, a CET1 ratio of 9.36 per cent. and a total capital ratio of 13.60 per cent. The consolidated total capital requirement includes: (i) the "Pillar 1" capital requirement of 8.0 per cent., of which a minimum of 4.50 per cent. must be met with CET1 capital, 1.50 per cent. may be met with AT1 instruments and 2.0 per cent. may be met with Tier 2 instruments; (ii) the "Pillar 2" capital requirement of 1.70 per cent., of which a minimum of 0.96 per cent. must be met with CET1 capital, 0.32 per cent. may be met with AT1 instruments and 0.43 per cent. may be met with Tier 2 instruments. The general Pillar 2 requirement increases from 1.50 per cent. to 1.70 per cent. compared with the previous year, while the additional 0.12 per cent. requirement associated with the ECB's prudential provisioning expectations, which had to be met entirely with CET1 capital, is no longer applicable; (iii) the capital conservation buffer of 2.50 per cent. (which must be met exclusively with CET1 capital); (iv) the D-SIB capital buffer of 1.0 per cent. (which must be met exclusively with CET1 capital); (v) the capital buffer for Countercyclical Risk of 0.39 per cent. (which must be met exclusively with CET1 capital); and (vi) the capital buffer for Systemic Risk of 0.01 per cent. (which must be met exclusively with CET1 capital).

The Group's CET1 ratio stood at 12.21 per cent. as of 30th September, 2026, which represents a decrease of 49 basis points compared to 31st December, 2025, mainly due to the impact of shareholder remuneration. RWAs increased in the nine months ended 30th September, 2026 by approximately 22 billion euros, mainly due to the increase in credit lending and in debt securities and, to a lesser extent, the appreciation of the Mexican peso against the euro.

The AT1 ratio stood at 1.50 per cent. as of 30th September, 2026, an increase of 12 basis points from 31st December, 2025, supported by the issuance in May 2026 of contingent convertible preferred securities (CoCos) by BBVA in an aggregate amount of USD1.0 billion.

The Tier 2 ratio stood at 2.87 per cent. as of 30th September, 2026, which represents a decrease of 26 basis points compared to 31st December, 2025, mainly due to the increase in the Group's RWA during the nine months ended 30th September, 2026 and, to a lesser extent, the early redemption of a subordinated debt issuance by BBVA amounting to GBP 300 million. As a result of the above, the total capital ratio stood at 16.57 per cent. as of 30th September, 2026.

Such ratios exceed the applicable regulatory requirements described above, but there can be no assurance that the total capital requirements imposed on the Bank and/or the Group from time to time may not be higher than the levels of capital available at such point in time. There can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further additional "Pillar 2" own funds requirements on the Bank and/or the Group.

On 14th April, 2026, the Bank announced that it had received a communication from the Bank of Spain of its new Minimum Requirement for own funds and Eligible Liabilities (**MREL**) requirement, as determined by the SRB and calculated taking into account the financial and supervisory information as of 31st December, 2024, which communication repeals and supersedes the previous MREL requirement communicated on 12th June, 2025.

In accordance with this MREL communication, BBVA must maintain, from 14th April, 2026 an amount of MREL equal to 23.94 per cent. of the total RWAs of its resolution group, on a sub-consolidated level (the **MREL in RWAs**) (compared to the MREL in RWAs requirement of 23.13 per cent. which was applicable from 12th June, 2025 taking into account the financial and supervisory information as of 31st December, 2023). Within this MREL in RWAs, an amount equal to 13.50 per cent. of the total RWAs of BBVA's resolution group must be met with subordinated instruments (the **subordination requirement in RWAs**) (the same as the subordination requirement in RWAs which was applicable from 12th June, 2025). The MREL in RWAs and the subordination requirement in RWAs do not include the combined buffer requirement which, according to applicable regulations and supervisory criteria, is 3.72 per cent. of the total RWAs of the resolution group as of 14th April, 2026.

In addition, BBVA must maintain, from 14th April, 2026, an amount of own funds and eligible liabilities in terms of the total exposure of its resolution group considered for calculating the leverage ratio equal to 8.96 per cent. (the **MREL in LR**) of which 5.56 per cent., in terms of the total exposure of its resolution group considered for calculating the leverage ratio, shall be satisfied with subordinated instruments (the **subordination requirement in LR**).

As of the date of this Offering Circular, no MREL Pillar 2 requirement has been imposed on BBVA. Given the own funds and eligible liabilities structure of BBVA's resolution group as of 30th September, 2026, the own funds and eligible liabilities stood at 29.40 per cent. of the RWAs of its resolution group, at the sub-consolidated level, complying with the aforementioned MREL in RWAs requirement, and the amount of subordinated instruments was equal to 26.37 per cent. of the RWAs of its resolution group, at the sub-consolidated level, complying with the subordination requirement in RWAs.

In addition, as of 30th September, 2026, the MREL of BBVA in terms of the total exposure considered for calculating the leverage ratio stood at 9.89 per cent. and the amount of subordination instruments in terms of the total exposure considered for calculating the leverage ratio stood at 8.87 per cent., complying with the MREL in LR and the subordination requirement in LR, respectively. The resolution group consists of BBVA and its subsidiaries belonging to the same European resolution group and, as of 31st December, 2024 (the currently applicable reference date), the RWAs of the resolution group amounted to €228,796 million and the total exposure considered for calculating the leverage ratio amounted to €527,804 million.

While the Group believes it meets its current requirements (as applicable to BBVA and the Group as a whole, respectively), the MREL and the calculation of the own funds and the eligible liabilities available for MREL purposes are subject to interpretation and change and, therefore, no assurance can be given that the Group's

interpretation is the appropriate one or that BBVA and/or the Group will not be subject to more stringent requirements at any future time. Likewise, no assurance can be given that BBVA and/or the Group will be able to fulfil whatever future requirements may be imposed, even if such requirements were to be equal or lower than those currently in force, or that BBVA and/or the Group will be able to comply with any capital target that may have been announced to the market. Any such failure could be adversely perceived by investors and/or supervisors who could interpret that a lack of capital-generating capacity for BBVA and/or the Group exists or that the capital structure has deteriorated, either of which could adversely affect the market value or behaviour of securities issued by BBVA and/or the Group (in particular the Preferred Securities, and any of its other capital instruments and eligible liabilities). Further, BBVA and/or the Group may report amounts different from consensus estimates, which may also affect market perceptions of BBVA and the Group.

If BBVA or the Group failed to comply with its "combined buffer requirement", BBVA would have to calculate the Maximum Distributable Amount (**MDA**) and, until such calculation has been undertaken and reported to the Bank of Spain, BBVA would not be able to make any (i) distributions relating to CET1 capital; (ii) payments related to variable remuneration or discretionary pension benefits; and (iii) distributions linked to additional tier 1 (**AT1**) instruments (collectively, **discretionary payments**). Once the MDA has been calculated and reported, such discretionary payments would be limited to the calculated MDA. Likewise, should BBVA or the Group not meet the applicable combined buffer requirement, it could result in the imposition of additional requirements of "Pillar 2". Regarding MREL, failure by BBVA to meet its respective "combined buffer requirement" for these purposes, taken together with its MREL requirements could result in the imposition of restrictions or prohibitions on discretionary payments (the **MREL-MDA**). Additionally, failure to comply with the capital requirements may result in the implementation of early intervention measures or, ultimately, resolution measures by the resolution authorities (see "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Solvency and capital requirements*").

Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June, 2013 on the prudential requirements for credit institutions (as amended, replaced or supplemented from time to time, **CRR**) establishes a binding requirement for the leverage ratio effective from 28th June, 2021 of 3.0 per cent. of Tier 1 capital (as of 30th September, 2026, the Group's phased-in and fully loaded leverage ratios were 5.71 per cent., with no difference between the two ratios as the impact of the transitional adjustments was nil). Any failure to comply with this leverage ratio buffer may also result in the need to calculate and report the MDA, and restrictions on discretionary payments.

Additionally, the implementation of the ECB expectations regarding prudential provisions for NPLs (published on 15th May, 2018) and the ECB's review of internal models being used by banks subject to its supervision for the calculation of their RWAs, as well as complementary regulatory initiatives like the EBA's roadmap to repair internal models used to calculate own funds requirements for credit risk under the Internal Ratings Based approach, could result in the need to increase provisions for future NPLs and increases in the Group's capital needs.

Furthermore, the implementation of the Basel III reforms as described in "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Solvency and capital requirements*" (informally referred to as Basel IV) (including changes to the calculation of the Group's operational risk) could result in an increase of BBVA's and the Group's total RWAs and, therefore, could also result in a decrease of BBVA's and the Group's capital ratios. Likewise, the lack of uniformity in the implementation of the Basel III reforms across jurisdictions in terms of timing and applicable regulations could give rise to inequalities and competition distortions. Moreover, the lack of regulatory coordination, with some countries bringing forward the application of Basel III requirements or increasing such requirements, could adversely affect an entity with global operations such as the Group and could affect its profitability.

Additionally, should the Total Loss Absorbing Capacity (**TLAC**) requirements, currently only imposed upon financial institutions of global systemic importance (**G-SIBs**), be imposed on non-G-SIB entities or should the Group once again be classified as a G-SIB, additional minimum requirements similar to MREL could in the future be imposed upon the Group.

There can be no assurance that the capital or MREL requirements will not adversely affect BBVA's or its subsidiaries' ability to make discretionary payments, or result in the cancellation of such payments (in whole or in part), or require BBVA or such subsidiaries to issue additional securities that qualify as eligible liabilities or regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Group's business, financial condition and results of operations. Furthermore, an increase in capital or MREL requirements could adversely affect the return on equity and the Group's other financial results indicators. Moreover, BBVA's or the Group's failure to comply with their capital or MREL requirements could have a material adverse effect on the Group's business, financial condition and results of operations.

Lastly, the Group must also comply with liquidity and funding ratios. Several elements of the liquidity coverage ratio (**LCR**) and net stable financing ratio (**NSFR**), as introduced by national banking regulators, have required implementing changes in some of the Group's commercial practices, which have exposed the Group to additional expenses (including an increase in compliance expenses) and affected the profitability of its activities and could result in a material adverse effect on the Group's business, financial condition and results of operations.

For further information, see *"Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Solvency and capital requirements"*.

***The Group is exposed to tax risks that may adversely affect it***

The size, geographic diversity and complexity of the Group and its commercial and financial relationships with both third parties and related parties result in the need to consider, evaluate and interpret a considerable number of tax laws and regulations, as well as any relevant interpretative materials, which in turn involve the use of estimates, the interpretation of indeterminate legal concepts and the determination of appropriate valuations in order to comply with the tax obligations of the Group. In particular, the preparation of the Group's tax returns and the process for establishing tax provisions involve the use of estimates and interpretations of tax laws and regulations, which are complex and subject to review by the tax authorities. Any error or discrepancy with tax authorities in any of the jurisdictions in which the Group operates may give rise to prolonged administrative or judicial proceedings that may have a material adverse effect on the Group's results of operations.

In addition, governments in different jurisdictions, including Spain, have sought to identify new funding sources, and they have recently focused on the financial sector, including in response to the demands of various political forces. The Group's presence in various jurisdictions increases its exposure to regulatory and interpretative changes, which may include (i) increases in the tax rates to which the Group is subject, such as the introduction in Spain of a minimum effective tax rate for the purposes of the Spanish Corporate Income Tax and the Non-Residents Income Tax introduced by Law 22/2021, of 28th December, with effect as of 1st January, 2022 (in particular, the minimum net tax liability for credit institutions is 18 per cent. of their tax base), and the introduction of a global minimum effective tax rate of corporate taxation (15 per cent.) for multinational enterprises and large-scale domestic groups in the EU introduced by the EU Council Directive 2022/2523 of 14th December, 2022 that has already been transposed into Spanish law, or (ii) the creation in Spain of new taxes and/or levies, like the Spanish Financial Transactions Tax which came into effect in Spain in January 2021, as well as other new taxes that have been created which apply only to credit institutions.

On 20th December, 2024, the Spanish Congress passed Law 7/2024 which transposes the EU Council Directive 2022/2523, creating a tax on the net interest income and commissions of certain credit institutions in Spain, including BBVA. The taxable base of this tax is the positive balance of the net interest income and the net commissions derived from the activity carried out in Spain, subject to an exemption of €100 million. The net taxable base cannot be negative, and the applicable tax rate varies from 1 per cent. to 7 per cent. Certain reductions and deductions from the tax quota are provided for in the law. The tax applies for the first three consecutive tax periods starting on or after 1st January, 2024.

Increases in the tax burden of the Group could materially and adversely affect the Group's business, financial condition and results of operations.

***The Group is exposed to compliance risks***

The Group, due to its role in the economy and the nature of its activities, is singularly exposed to certain compliance risks. In particular, the Group must comply with regulations regarding customer conduct, antitrust, market conduct, the prevention of money laundering and the financing of terrorist activities, the protection of personal data, the restrictions established by national or international sanctions programmes and anti-corruption laws (including the U.S. Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010), the violations of which could lead to very significant penalties. These anti-corruption laws generally prohibit providing anything of value to government officials for the purposes of obtaining or retaining business or securing any improper business advantage. As part of the Group's business, the Group directly or indirectly, through third parties, deals with entities whose employees are considered to be government officials.

Generally, all these regulations require banking entities to, among other measures, use due diligence measures to manage compliance risk. Sometimes, banking entities must apply enhanced due diligence measures due to the very nature of their activities (among others, private banking, money transfer and foreign currency exchange operations), as they may present a higher risk of money laundering or terrorist financing.

Although the Group has adopted policies, procedures, systems and other measures to manage compliance risk, it is dependent on its employees and external suppliers for the implementation of these policies, procedures, systems and other measures, and it cannot guarantee that these are sufficient or that the employees or other persons of the Group or its business partners, agents and/or other third parties with a business or professional relationship with the Group do not circumvent or violate regulations or the Group's ethics and compliance regulations, acts for which such persons or the Group could be held ultimately responsible and/or that could damage the Group's reputation. In particular, acts of misconduct by any employee, and particularly by senior management, could erode trust and confidence and damage the Group's reputation among existing and potential clients and other stakeholders. Actual or alleged misconduct by Group entities in any number of activities or circumstances, including operations, employment-related offences such as sexual harassment and discrimination, regulatory compliance, the use and protection of data and systems, and the satisfaction of client expectations, and actions taken by regulators or others in response to such misconduct, could lead to, among other things, sanctions, fines and reputational damage, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, the Group may not be able to prevent third parties outside the Group from using the banking network in order to launder money or carry out illegal or inappropriate activities. The inherent risk of money laundering has increased in recent years, due to the accelerated transformation of the financial services business model, including the digitalisation of the customer relationship, increased complexity in the client base (including clients' legal structures), and the growing cross-border interconnection of operations and products. Further, financial crimes continually evolve and emerging technologies, such as cryptocurrencies and blockchain, could limit the Group's ability to track the movement of funds. Additionally, in a context of adverse economic conditions and growing geopolitical tensions, it is possible that financial crime attempts will increase significantly.

If there is a breach of the applicable regulations or the Group's ethics and compliance regulations or if the competent authorities consider that the Group does not perform the necessary due diligence inherent to its activities, such authorities could impose limitations on the Group's activities, the revocation of its authorisations and licenses, and economic penalties, which in addition to having significant consequences for the Group's reputation, could also have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, the Group from time to time conducts investigations related to alleged violations of such regulations and the Group's ethics and compliance regulations, and any such investigation or any related proceedings could be time consuming and costly, and its results difficult to predict.

***BBVA's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of its operations and financial condition***

The preparation of financial statements in compliance with IFRS-IASB and EU-IFRS requires the use of estimates. It also requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include the classification, measurement and impairment of

financial assets, particularly where such assets do not have a readily available market price, the assumptions used to quantify certain provisions and for the actuarial calculation of post-employment benefit liabilities and commitments, the useful life and impairment losses of tangible and intangible assets, the valuation of goodwill and purchase price allocation of business combinations, the fair value of certain unlisted financial assets and liabilities, the recoverability of deferred tax assets and the exchange and inflation rates of certain countries where the Group operates. There is a risk that if the judgement exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the Group beyond that anticipated or provided for, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Observable market prices are not available for many of the financial assets and liabilities that the Group holds at fair value and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Group's financial statements.

The further development of standards and interpretations under IFRS-IASB and EU-IFRS could also significantly affect the results of operations, financial condition and prospects of the Group.

**Operational Risks**

***Attacks, failures or deficiencies in the Group's IT procedures, systems and security or those of third parties to which the Group is exposed could have a material adverse effect on the Group's business, financial condition and results of operations, and could harm its reputation***

The Group's activities depend to a large extent on its ability to process and report effectively and accurately on a high volume of highly complex transactions with numerous and diverse products and services, in different currencies and subject to different regulatory regimes. Therefore, it relies on highly sophisticated IT systems for data transmission, processing and storage. However, IT systems are vulnerable to various problems, such as hardware and software malfunctions, computer viruses, hacking, and physical damage to IT centres. BBVA's exposure to these risks has increased significantly in recent years due to the Group's implementation of its ambitious digital strategy. The Group suffers cybersecurity incidents and system failures from time to time, and any such incident or failure could have a material adverse effect on the Group's business, financial condition and results of operations, and could harm its reputation.

Any attack, failure or deficiency in the Group's IT systems could, among other things, lead to the misappropriation of funds of the Group's clients or the Group itself and the unauthorised disclosure, destruction or use of confidential information or personal data, as well as prevent the normal operation of the Group, and impair its ability to provide services and carry out its internal management. In addition, any attack, failure or deficiency could result in the loss of customers and business opportunities, damage to computers and systems, violation of regulations regarding data protection and/or other regulations, exposure to litigation, fines, sanctions or interventions, loss of confidence in the Group's security measures, damage to its reputation, reimbursements and compensation, and additional regulatory compliance expenses and could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, it is possible that such attacks, failures or deficiencies will not be detected on time or ever. The Group is likely to be forced to spend significant additional resources to improve its security measures in the future. As cyber-attacks are becoming increasingly sophisticated and difficult to prevent (including as a result of the use of AI), the Group may not be able to anticipate or prevent all possible vulnerabilities, nor be able to implement preventive measures that are effective or sufficient.

The prolific use of AI technologies has increased the risk of unauthorised access to the Group's IT systems and client accounts and of unauthorised disclosure, destruction or use of confidential information or personal data. While there is potential for these technologies to support BBVA's detection of and defense against unauthorised access attempts and accidental disclosures, malicious or negligent use of these technologies by employees or other third parties may increase these risks. For example, BBVA's employees or other third parties may input confidential information into a generative AI system (in particular, a system that is managed, owned or

controlled by a third party), thereby compromising BBVA's business operations or the integrity of the Group's proprietary information or client data. Any such incident of unauthorised access or disclosure could have a material adverse effect on the Group's business, financial condition and results of operations, and could harm its reputation.

The integrity of the Group's communications and the security of its digital assets face an unprecedented structural challenge due to the advancement of quantum computing. The emergence of the so-called 'Q-Day', the point at which a quantum computer becomes capable of breaking current public-key cryptography algorithms, represents a systemic risk to data confidentiality. The Group is exposed to the "Harvest Now, Decrypt Later" threat, wherein malicious actors intercept and store encrypted data with the intent of decrypting it once quantum technology matures. Furthermore, the emergence of quantum computing poses a significant risk regarding the potential breaking and forgery of digital signatures. Despite efforts to implement Quantum-Safe protocols and post-quantum cryptography standards, the complexity of migrating legacy systems and the sheer speed of technological advancement could outpace the Group's response capacity. Failure to ensure a timely transition to a quantum-resilient infrastructure could result in the retroactive vulnerability of sensitive historical information, compromising client trust and exposing the Group to significant legal and financial consequences.

Customers and other third parties to which the Group is significantly exposed, including the Group's service providers (such as providers of data processing or cloud computing services to which the Group has outsourced certain services), face similar risks. Any attack, failure or deficiency that may affect such third parties could, among other things, adversely affect the Group's ability to carry out operations or provide services to its clients or result in the unauthorised disclosure, destruction or use of confidential information or personal data. Furthermore, the Group may not be aware of such attack, failure or deficiency in time, which could limit its ability to react. Moreover, as a result of the increasing consolidation, interdependence and complexity of financial institutions and technological systems, an attack, failure or deficiency that significantly degrades, eliminates or compromises the systems or data of one or more financial institutions could have a significant impact on its counterparts or other market participants, including the Group.

Given the increasing consolidation of technology service providers, a systemic adverse event at a key third party could impact not only the Group's operational continuity but also its reputational standing and its ability to provide core financial services in the markets where it operates.

## FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE RISKS ASSOCIATED WITH THE PREFERRED SECURITIES

***The Preferred Securities may be subject to the exercise of the Spanish Statutory Loss-Absorption Powers by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Holders of the Preferred Securities under, and the value of, any Preferred Securities***

See "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework - Resolution*" for a description of the relevant Spanish Statutory Loss-Absorption Powers, including the Bail-in Tool and any Non-Viability Loss Absorption.

The powers set out in Directive 2014/59/EU of the European Parliament and of the Council of 15th May, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended, replaced or supplemented from time to time, the **BRRD**), which has been implemented in Spain through Law 11/2015, of 18th June, on the recovery and resolution of credit institutions and investment firms, (as amended, replaced or supplemented from time to time, **Law 11/2015**) and Royal Decree 1012/2015 of 6th November by virtue of which Law 11/2015 is developed and Royal Decree 2606/1996 of 20th December on credit entities' deposit guarantee fund is amended (as amended, replaced or supplemented from time to time, **RD 1012/2015**) and in Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15th July, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (as amended, replaced or supplemented from time to time, the **SRM Regulation**) impact how credit institutions

and investment firms are managed, as well as, in certain circumstances, the rights of creditors. Pursuant to Law 11/2015, upon any application of the Bail-in Tool or Non-Viability Loss Absorption, Holders of Preferred Securities may be subject to, among other things, a write-down (including to zero which, in the case of the Preferred Securities, would result in there being no conversion of the Preferred Securities) and/or conversion into equity or other securities or obligations under terms different or less advantageous for Holders as compared to the conversion process envisaged under the Conditions. The exercise of any such powers (or any of the other resolution powers and tools) may result in such Holders losing some or all of their investment or otherwise having their rights under the Preferred Securities adversely affected, including by becoming holders of further subordinated instruments such as the Common Shares. Such exercise could also involve modifications to, or the disapplication of, provisions in the Conditions of the Preferred Securities including, among other provisions, the Liquidation Preference or any Distributions payable on the Preferred Securities or the dates on which payments may be due, as well as the suspension of payments for a certain period (but without limiting the right of the Bank under Condition 4 of the Preferred Securities to cancel payment of any Distributions at any time and for any (or no) reason). As a result, the exercise of the Bail-in Tool or, where applicable, the Non-Viability Loss Absorption with respect to the Preferred Securities or the taking by the Relevant Spanish Resolution Authority of any other action, or any suggestion that the exercise or taking of any such action may happen, could materially adversely affect the rights of Holders of Preferred Securities, the market price or value or trading behaviour of the Preferred Securities and/or the ability of the Bank to satisfy its obligations under the Preferred Securities.

The exercise of the Bail-in Tool and/or Non-Viability Loss Absorption by the Relevant Spanish Resolution Authority with respect to the Preferred Securities is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the Bank's control. In addition, as the Relevant Spanish Resolution Authority will retain a broad element of discretion, it may exercise any of its powers without any prior notice to the holders of any securities, Holders of the Preferred Securities may not be able to refer to publicly available criteria in order to anticipate any potential exercise of any such Bail-in Tool and/or Non-Viability Loss Absorption. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any such powers by the Relevant Spanish Resolution Authority may occur.

This uncertainty may adversely affect the value of the Preferred Securities. The price and trading behaviour of the Preferred Securities may be affected by the threat of a possible exercise of any power under Law 11/2015 and/or the SRM Regulation (including any early intervention measure before any resolution) or any suggestion of such exercise, even if the likelihood of such exercise is remote. Moreover, the Relevant Spanish Resolution Authority may exercise any such powers without providing any advance notice to the Holders of the Preferred Securities.

In addition, the EBA has published certain regulatory technical standards and implementing technical standards to be adopted by the European Commission and certain other guidelines. These standards and guidelines could be potentially relevant to determining when or how a Relevant Spanish Resolution Authority may exercise the Bail-in Tool and impose Non-Viability Loss Absorption. Such standards and guidelines include guidelines on the treatment of shareholders in the write-down and conversion of capital instruments, and on the rate of conversion of debt to equity or other securities or obligations in any conversion. No assurance can be given that these standards and guidelines will not be detrimental to the rights of a Holder of Preferred Securities under, and the value of a Holder's investment in, the Preferred Securities.

Finally, any compensation right to which the Holder may be entitled under the BRRD (as implemented in Spain), the SRM Regulation and Applicable Banking Regulations as described under "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework*" is unlikely to compensate that Holder for the losses it has actually incurred and, in any event, there is likely to be a considerable delay in the recovery of such compensation. In addition, in the case of a Non-Viability Loss Absorption, it is not clear that a Holder of the affected Preferred Securities would have a right to compensation.

***The Preferred Securities are irrevocably and mandatorily convertible into newly issued Common Shares in certain prescribed circumstances***

Upon the occurrence of the Trigger Event, the Preferred Securities will be irrevocably and mandatorily (and without any requirement for the consent or approval of Holders) converted (which calculation is made by the Bank and shall be binding on the Holders) into newly issued Common Shares. Because the Trigger Event will occur when the CET1 ratio of the Bank or the Group will have deteriorated significantly, the occurrence of such Trigger Event will likely be accompanied by a prior deterioration in the market price of the Common Shares, which may be expected to continue after announcement of such Trigger Event.

Therefore, in the event of the occurrence of the Trigger Event, the Reference Market Price of a Common Share may be below the Floor Price (which, as at the date of this Offering Circular, is €3.75, subject to adjustment in accordance with Condition 6.4), and investors could receive Common Shares at a time when the market price of the Common Shares is considerably less than the Conversion Price (meaning, if the Common Shares are (a) then admitted to trading on a Relevant Stock Exchange, the higher of: (i) the Reference Market Price of a Common Share, (ii) the Floor Price and (iii) the nominal value of a Common Share (being €0.49 on the Closing Date) or (b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above). In addition, Holders will receive the relevant Common Shares on the Conversion Settlement Date, which shall be as soon as practicable and in any event not later than one month following (or such other period as Applicable Banking Regulations may require) the Conversion Notice Date and, therefore, there may be a delay in a Holder receiving its Common Shares following the Trigger Event, during which time the market price of the Common Shares may fall further. Also, if a Delivery Notice is not duly delivered by a Holder, any Common Shares underlying the relevant Preferred Securities may be sold, which may also decrease the market price of the Common Shares. As a result, the value of the Common Shares received on conversion following the Trigger Event could be substantially lower than the price paid for the Preferred Securities at the time of their purchase.

In addition to the occurrence of the Trigger Event, a Capital Reduction will also constitute a Conversion Event. For these purposes a Capital Reduction means the adoption, in accordance with Article 418.3 of the Spanish Corporations Law, by a general shareholders' meeting of the Bank of a resolution of capital reduction by reimbursement of cash contributions (*restitución de aportaciones*) to shareholders by way of a reduction in the nominal value of the shares of such shareholders in the capital of the Bank. A resolution of capital reduction for the redemption of any Common Shares previously repurchased by the Bank will not be considered a Capital Reduction for the purposes of the Conditions.

Article 418.3 of the Spanish Corporations Law provides for holders of convertible securities in the event of any such capital reduction to be able to exercise their rights in respect of the conversion of such securities into ordinary shares in the capital of the issuer before the capital reduction is effected. Such conversion is intended to ensure holders of convertible securities are not detrimentally affected by the decapitalisation of the issuer resulting from such capital reduction and may participate in the reimbursement of the relevant cash contributions as shareholders and, thereby, also benefit from such reimbursement.

As a result, the Preferred Securities will also be converted into Common Shares in the event of a Capital Reduction notwithstanding that the Trigger Event has not occurred. However, each Holder will have the right to elect that its Preferred Securities shall not be converted on such Capital Reduction by delivery of a duly completed and signed Election Notice as provided in Condition 6.2 on or before the 10th Business Day immediately following the Capital Reduction Notice Date. Any failure to make such election by such deadline will result in the conversion of a Holder's Preferred Securities on such Conversion Settlement Date in accordance with Condition 6.2.

Accordingly, an investor in the Preferred Securities faces almost the same risk of loss as an investor in the Common Shares in the case of a Conversion Event. See also "*Holders will bear the risk of fluctuations in the price of the Common Shares*" below.

***The circumstances that may give rise to a Trigger Event are unpredictable***

The occurrence of the Trigger Event is inherently unpredictable as it depends, in part, on factors which are outside of the Bank's control. For example, the occurrence of one or more of the risks described under "*Risk Factors – Factors that may affect the Bank's ability to fulfil its obligations under the Preferred Securities*", or

the deterioration of the circumstances described therein, will substantially increase the likelihood of the occurrence of the Trigger Event.

Furthermore, the occurrence of the Trigger Event depends, in part, on the calculation of the CET1 ratio, which can be affected, among other things, by changes in applicable accounting rules, the Group's accounting policies and the application by the Group of these policies; the growth of the business and future earnings of the Bank and/or the Group, as applicable; the mix of businesses; expected payments by the Bank in respect of dividends and distributions and other equivalent payments in respect of instruments ranking junior to the Preferred Securities as well as other Parity Securities; regulatory changes (including possible changes in regulatory capital definitions and calculations of the CET1 ratios and their components or the interpretation thereof by the relevant authorities, including CET1 capital and risk weighted assets, in each case on either an individual or a consolidated basis (see "*The Preferred Securities are complex financial instruments and may be materially affected by any change in the provisions of the laws of Spain and their official interpretation*"); changes in the Bank's structure or organisation and the Bank's ability to actively manage the risk weighted assets of the Bank and the Group. The CET1 ratio of the Bank or the Group at any time may also depend on decisions taken by the Group in relation to its businesses and operations, as well as the management of its capital position. In addition, since the Regulator may require the Bank to calculate the CET1 ratio at any time, a Trigger Event could occur at any time.

Due to the inherent uncertainty in advance of any determination of such event regarding whether the Trigger Event may exist, it will be difficult to predict when, if at all, the Preferred Securities will be converted into Common Shares. Accordingly, trading behaviour in respect of the Preferred Securities is not necessarily expected to follow trading behaviour associated with other types of convertible or exchangeable securities. Any indication that the Bank and/or the Group, as applicable, is trending towards the Trigger Event can be expected to have an adverse effect on the market price of the Preferred Securities and on the price of the Common Shares. Under such circumstances, investors may not be able to sell their Preferred Securities easily or at prices comparable to other similar yielding instruments.

Additionally, any indication that the CET1 ratio is trending towards occurrence of the Trigger Event may have an adverse effect on the market price of the Preferred Securities.

***The Preferred Securities are perpetual and may only be redeemed at the option of the Bank***

The Preferred Securities are perpetual and the Bank is under no obligation to redeem the Preferred Securities at any time and the Holders have no right to call for their redemption. It is only in the event of any voluntary or involuntary liquidation or winding-up of the Bank, that the Preferred Securities will confer on Holders an entitlement to receive out of the assets of the Bank available for distribution to Holders, the Liquidation Distribution and then only in the event that such liquidation occurs prior to a conversion into Common Shares.

All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank on the First Reset Date, or on any Distribution Payment Date thereafter, at the Redemption Price per Preferred Security, subject to the prior consent of the Regulator (if required, and otherwise in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations then in force).

In the case of any early redemption of the Preferred Securities at the option of the Bank on the First Reset Date, or on any Distribution Payment Date thereafter, the Bank may be expected to exercise this option when its funding costs are lower than the Distribution Rate at which Distributions are then payable in respect of the Preferred Securities. In these circumstances, the rate at which Holders are able to reinvest the proceeds of such redemption is unlikely to be as high as, and may be significantly lower than, that Distribution Rate.

The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank, subject to the prior consent of the Regulator (if required, and otherwise in accordance with Articles 77 and 78 of the CRR (as defined below) and/or any other Applicable Banking Regulations in force at the relevant time) in whole but not in part, at any time, at the Redemption Price if there is a Capital Event or a Tax Event, as both terms are defined in the Conditions, or if 75 per cent. or any higher percentage of the aggregate Liquidation Preference of the Preferred Securities has been purchased by, or on behalf of, the Bank or any other member of the Group.

It is not possible to predict whether or not a Capital Event or a Tax Event will occur and if so whether or not the Bank will elect to exercise such option to redeem the Preferred Securities or any prior consent of the Regulator required for such redemption will be given. There can be no assurance that, in the event of any such early redemption, Holders will be able to reinvest the proceeds at a rate that is equal to the return on the Preferred Securities.

The redemption feature of the Preferred Securities is likely to limit their market value. During any period when the Bank has the right to elect to redeem the Preferred Securities, the market value of the Preferred Securities is unlikely to rise substantially above the price at which they can be redeemed. This may also be true prior to such period.

There can be no assurance that Holders will be able to reinvest the amount received upon redemption and/or purchase at a rate that will provide the same rate of return as their investment in the Preferred Securities.

Therefore, the only circumstances in which Holders may cash in their investment are as follows:

- if the Bank exercises its rights to redeem or purchase the Preferred Securities in accordance with Conditions 7 and 8; or

- by selling their Preferred Securities or, following the occurrence of a Conversion Event and the issue and delivery of Common Shares in accordance with Condition 6, their Common Shares, provided a secondary market exists at the relevant time for the Preferred Securities or the Common Shares.

If any notice of redemption of the Preferred Securities is given pursuant to Condition 7 and a Trigger Event occurs prior to such redemption, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, there shall be no redemption of the Preferred Securities on such redemption date and, instead, the Conversion of the Preferred Securities shall take place as provided under Condition 6.

***Payments of Distributions on the Preferred Securities are discretionary and subject to the fulfilment of certain conditions. Payments of Distributions on the Preferred Securities may be restricted as a result of a failure of the Bank to comply with its capital and MREL requirements***

The Preferred Securities accrue Distributions as further described in Condition 4, but the Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time and for any (or no) reason and without any restriction on it thereafter.

Payments of Distributions in any financial year of the Bank shall be made only to the extent the Bank has sufficient profits and reserves (if any) available for the payment of such Distributions at such time together with any other distributions and payments to be made from such profits and reserves, in each case in accordance with Applicable Banking Regulations then in force, and including as such term is further defined in CRD (as defined below), as interpreted and applied in accordance with Applicable Banking Regulations (**Distributable Items**) (see "*The Preferred Securities are complex financial instruments and may be materially affected by any change in the provisions of the laws of Spain and their official interpretation*").

To the extent that (i) the Bank has insufficient Distributable Items to make Distributions on the Preferred Securities scheduled for payment in the then current financial year and any interest payments or distributions that have been paid or made or are scheduled or required to be paid or made out of Distributable Items in the then current financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items, and/or (ii) the Regulator, in accordance with Article 68 of Law 10/2014 of 26th June on the regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended, replaced or supplemented from time to time (**Law 10/2014**) and/or Article 16 of the SSM Regulation (as defined below) and/or with Applicable Banking Regulations then in force, requires the Bank to cancel the relevant Distribution in whole or in part, then the Bank will, without prejudice to the right above to cancel the payment of all such Distributions on the Preferred Securities, make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities.

Additionally, an entity not meeting its "combined buffer requirement" must calculate its MDA and until the MDA has been calculated and communicated to the Bank of Spain, that entity shall not make any discretionary payments (including Distributions). Following such calculation, any discretionary payments by that entity (including the payment of any Distributions on the Preferred Securities) will be subject to the MDA so calculated. See "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group –Regulatory Framework – Solvency and capital requirements*".

In addition, any failure by the Bank and/or the Group to comply with the "combined buffer requirement" when considered in addition to its MREL, including the subordination requirement, could result, among other things, in the calculation of MREL-MDA and the imposition of restrictions or prohibitions on discretionary payments by the Bank. Following such calculation, any discretionary payments by that entity (including the payment of any Distributions on the Preferred Securities) would be subject to the MREL-MDA so calculated. As of the date of this Offering Circular, the Bank complies with its "combined buffer requirement", Total Capital and MREL requirements. See "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – MREL*".

As a consequence, in the event of breach of the "combined buffer requirement" it may be necessary for the Bank to reduce discretionary payments (in whole or in part), including payments of Distributions in respect of the Preferred Securities.

There are a number of factors (applicable capital requirements, the amount of CET1 capital, determination of the systemic risk buffer by the relevant authorities, composition of the "combined buffer requirement" and calculation of the MDA or the MREL-MDA) and possible issues of interpretation (including any future changes which may arise from EU banking reforms) which make it difficult to determine how the MDA or the MREL-MDA will apply as a practical matter to limit Distributions on the Preferred Securities. This uncertainty and the resulting complexity may adversely impact the market price and liquidity of the Preferred Securities.

The risk of any cancellation (in whole or in part) of Distributions on the Preferred Securities may not be possible to predict in advance and any such cancellation of Distributions on the Preferred Securities could occur without warning.

Therefore, there can be no assurance that a Holder will receive payments of Distributions in respect of the Preferred Securities. The payment of any additional amounts in respect of the Preferred Securities pursuant to Condition 12 is also subject to the same conditions as for the payment of any Distribution.

Unpaid Distributions are not cumulative or payable at any time thereafter and, accordingly, if any Distribution (or part thereof) is not made in respect of the Preferred Securities as a result of any requirement for, or election of, the Bank to cancel such Distributions then the right of the Holders to receive the relevant Distribution (or part thereof) in respect of the relevant Distribution Period will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof) or to pay any interest thereon, whether or not Distributions on the Preferred Securities are paid in respect of any future Distribution Period.

However, the Preferred Securities may trade with accrued interest, which may be reflected in the trading price of the Preferred Securities such that the cancellation of any Distribution may negatively impact such trading price and Holders' ability to sell their Preferred Securities in the secondary market and, as a result, the value of their investment in the Preferred Securities.

If, as a result of any of the conditions set out above being applicable, only part of the Distributions under the Preferred Securities may be paid, the Bank may proceed, in its sole discretion, to make such partial Distributions under the Preferred Securities.

Notwithstanding the applicability of any one or more of the conditions set out above resulting in Distributions under the Preferred Securities not being paid or being paid only in part, the Bank may use such cancelled payments without restriction to meet its obligations as they fall due and the Bank will not be in any way limited or restricted from making any distribution or equivalent payment in connection with any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 capital of the Bank or the Group) or

in respect of any other Parity Security, except to the extent otherwise provided by Applicable Banking Regulations.

Furthermore, upon the occurrence of a Trigger Event, no further Distributions on the Preferred Securities will be made, including any accrued and unpaid Distributions, which will be cancelled.

***There are no events of default***

Holders have no ability to require the Bank to redeem their Preferred Securities. The terms of the Preferred Securities do not provide for any events of default.

The Bank is entitled to cancel the payment of any Distribution in whole or in part at any time and as further contemplated in Condition 4 (see "*Payments of Distributions on the Preferred Securities are discretionary and subject to the fulfilment of certain conditions. Payments of Distributions on the Preferred Securities may be restricted as a result of a failure of the Bank to comply with its capital and MREL requirements*"). No such election to cancel the payment of any Distribution (or part thereof) or non-payment of any Distribution (or part thereof) will constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Bank.

Additionally, if on or after the Closing Date, a Capital Event or Tax Event occur, or 75 per cent. or any higher percentage of the aggregate Liquidation Preference of the Preferred Securities has been purchased by, or on behalf of, the Bank or any other member of the Group, and once permission from the competent authority has been obtained, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, at any time, at the Redemption Price. If this right is exercised by the Bank (in accordance with Condition 7), but it failed to make payment of the relevant Liquidation Preference to redeem the Preferred Securities when due, such failure would not constitute an event of default but would entitle Holders to bring a claim for breach of contract against the Bank, which, if successful, could result in damages.

Also, in the event that the Bank fails to make any other payments (where such payments are not cancelled pursuant to, or otherwise subject to the limitations on payment set out in, Condition 4) or deliver any Common Shares when the same may be due, the remedies of Holders are limited to bringing a claim for breach of contract. Further, a Trigger Conversion will not constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Bank.

If Common Shares are not issued and delivered following a Conversion Event, then on a liquidation or winding-up of the Bank the claim of a Holder will not be in respect of the Liquidation Preference of its Preferred Securities but will be an entitlement to receive out of the relevant assets a monetary amount equal to that which holders of such Preferred Securities would have received on any distribution of the assets of the Bank if such Conversion had taken place immediately prior to such liquidation or winding-up.

***The Preferred Securities are complex financial instruments and may be materially affected by any change in the provisions of the laws of Spain and their official interpretation***

The Conditions have been prepared on the basis of the Preferred Securities qualifying as AT1 instruments in accordance with Spanish law in effect as at the date of this Offering Circular. Changes in the laws applicable in Spain (including EU regulations) or their official interpretation by supervisory authorities such as the Bank of Spain or the ECB after the date hereof may affect the rights and effective remedies of Holders as well as the market value of the Preferred Securities.

Such changes (see "*Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework*") may include changes affecting:

- the calculation of the capital ratios and MREL of the Bank or the Group or the RWAs of the Bank or the Group, that could impact the occurrence of a Trigger Event and restrictions on Distributions where subject to a MDA or MREL-MDA;

- the redemption of the Preferred Securities (see "*The Preferred Securities are perpetual and may only be redeemed at the option of the Bank*"), including the occurrence of a Capital Event or a Tax Event or changes affecting the early redemption of the Preferred Securities at the option of the Bank as described in Condition 7; and

- the Distributable Items definition or calculation, which may affect Distributions.

Such legislative and regulatory uncertainty could affect an investor's ability to value the Preferred Securities accurately and therefore affect the market price of the Preferred Securities depending on the extent and impact on the Preferred Securities of one or more regulatory or legislative changes.

Additionally, Holders will be subject to any and all changes made with respect to the Common Shares and/or to the Bylaws of BBVA before the occurrence of a Conversion Event and will not be entitled to any rights with respect to such Common Shares prior to the issue and registration of the Common Shares to be delivered following the occurrence of a Conversion Event.

***The Preferred Securities may not be a suitable investment for all investors***

The Preferred Securities are complex financial instruments and are not a suitable or appropriate investment for all investors and, in particular, are not suitable or appropriate for retail investors. Each potential investor in the Preferred Securities must determine if it is advisable or permissible for it to subscribe for or purchase the Preferred Securities in accordance with the restrictions on such subscription and purchase as set out in this Offering Circular and the Conditions, and the suitability of that investment in light of its own circumstances and needs and the characteristics of the investment itself. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Preferred Securities, the merits and risks of investing in the Preferred Securities and the information contained or incorporated by reference in this Offering Circular, taking into account that the target market for the Preferred Securities is eligible counterparties and professional clients only (as defined in MiFID II, COBS and UK MiFIR, as applicable);

- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Preferred Securities and the impact the Preferred Securities will have on its overall investment portfolio;

- has sufficient risk tolerance and financial resources and liquidity to bear losses as well as all of the risks of an investment in the Preferred Securities, including where the currency for payments in respect of the Preferred Securities is different from the potential investor's currency;

- understands thoroughly the terms of the Preferred Securities, including the provisions relating to the payment and cancellation of Distributions and any Conversion of the Preferred Securities into Common Shares, and is familiar with the behaviour of financial markets; and

- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Preferred Securities unless it has the knowledge and expertise (either alone or with its financial and other professional advisers) to evaluate how the Preferred Securities will perform under changing conditions, the resulting effects on the value of the Preferred Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors may be subject to law or review or regulation by certain authorities. Each potential investor should determine for itself, on the basis of professional advice where appropriate, whether and to what extent (i) the Preferred Securities are lawful investments for it, (ii) the Preferred Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or any pledge of the Preferred Securities. Financial institutions should consult their legal advisers

or the appropriate regulators to determine the appropriate treatment of the Preferred Securities under any applicable risk-based capital or similar rules.

***The obligations of the Bank under the Preferred Securities are subordinated and will be further subordinated upon conversion into Common Shares and there is no restriction on the amount or type of further securities or indebtedness which the Bank may incur***

The Preferred Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Bank and, in the case of insolvency (*concurso de acreedores*) of the Bank, the payment obligations of the Bank under the Preferred Securities will rank as set out in Condition 3 in accordance with Article 281.1 of the restated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5th May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (as amended, replaced or supplemented from time to time, the **Insolvency Law**) and Additional Provision 14.3 of Law 11/2015 and to the extent permitted by the Insolvency Law or any other applicable laws relating to or affecting the enforcement of creditors' rights in Spain and subject to any other ranking that may apply as a result of any mandatory provision of law.

The second paragraph of Article 48(7) of the BRRD, as implemented in Spain through Additional Provision 14.3 of Law 11/2015, clarified that if an instrument is only partly recognised as an own funds instrument, the whole instrument shall be treated in insolvency as a claim resulting from an own funds instrument and shall rank lower than any claim that does not result from an own funds instrument. Accordingly, as of the date of this Offering Circular and according to Additional Provision 14.3 of Law 11/2015, the ranking of the Preferred Securities, any Parity Securities and any other subordinated instruments of the Bank will depend on whether those instruments constitute at the relevant time an Additional Tier 1 Instrument or a Tier 2 Instrument of the Bank or a subordinated instrument of the Bank not constituting Additional Tier 1 Capital or Tier 2 Capital of the Bank. See Condition 3 for the complete provisions regarding the ranking of the Preferred Securities.

In addition, if the Bank were wound up, liquidated or dissolved, the Bank's liquidator would first apply the assets of the Bank to satisfy all claims of holders of unsubordinated obligations of the Bank and other subordinated claims ranking ahead of any obligations of the Bank in respect of the Preferred Securities. If the Bank does not have sufficient assets to settle claims of prior ranking creditors in full, the claims of the Holders under the Preferred Securities will not be satisfied. Holders will share equally in any distribution of assets with the holders of any other Parity Securities if the Bank does not have sufficient funds to make full payment to all of them. In such a situation, Holders could lose all or part of their investment.

Furthermore, if a Conversion Event occurs but the relevant conversion of the Preferred Securities into Common Shares pursuant to the Conditions is still to take place at the time of the liquidation or winding-up of the Bank, the entitlement of Holders will be to receive out of the relevant assets of the Bank a monetary amount equal to that which holders of such Preferred Securities would have received on any distribution of the assets of the Bank if such Conversion had taken place immediately prior to such liquidation or winding-up.

Therefore, if a Conversion takes place, each Holder will be effectively further subordinated from being the holder of a subordinated debt instrument to being the holder of Common Shares and there is an enhanced risk that Holders will lose all or some of their investment.

Additionally, there is no restriction on the amount or type of further securities or indebtedness which the Bank may issue or incur which ranks senior to, or *pari passu* with, the Preferred Securities. The incurrence of any such further indebtedness may reduce the amount recoverable by Holders on a liquidation or winding-up of the Bank in respect of the Preferred Securities and may limit the ability of the Bank to meet its obligations in respect of the Preferred Securities, and result in a Holder losing all or some of its investment in the Preferred Securities. In addition, the Preferred Securities do not contain any restriction on the Bank issuing securities that may have preferential rights to the Common Shares or securities ranking *pari passu* with the Preferred Securities and having similar or preferential terms to the Preferred Securities.

***Market interest rates or any regulation and reform of the 5-year Mid-Swap Rate or the occurrence of a Benchmark Event may adversely affect the return and the market value of the Preferred Securities***

Changes in market interest rates may adversely affect the value of the Preferred Securities. The calculation of any Distributions in respect of the Preferred Securities from and including the First Reset Date are dependent upon the relevant 5-year Mid-Swap Rate as determined at the relevant time (as specified in the Conditions). Certain interest rates and indices which are deemed to be "benchmarks" (including the 5-year Mid-Swap Rate) are the subject of national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion, and "benchmarks" remain subject to ongoing monitoring. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, the Preferred Securities.

The Benchmarks Regulation applies to the provision of in-scope benchmarks, the contribution of input data to an in-scope "benchmark" and the use of an in-scope "benchmark" within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Bank) of in-scope "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2021/168, which amends the Benchmarks Regulation, has introduced certain changes to the framework addressing the termination of financial benchmarks. Further to these changes, the European Commission will have the power to replace certain so-called 'critical benchmarks', which could affect the stability of financial markets in the EU, and other relevant benchmarks, if their termination would result in a significant disruption in the functioning of financial markets in the EU. The European Commission will also be able to replace third-country benchmarks if their cessation would result in a significant disruption in the functioning of financial markets or pose a systemic risk for the financial system in the EU. The new rules also cover the replacement of a benchmark designated as critical in one member state, through national legislation.

The Benchmarks Regulation could have a material impact on the Preferred Securities, in particular, if the methodology or other terms of any "benchmarks" such as the 5-year Mid-Swap Rate are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Preferred Securities.

Investors should be aware that the Conditions provide for certain fallback arrangements in the event that the Original Reference rate ceases to exist or be published or another Benchmark Event occurs. This would trigger certain of the fallback arrangements, although, the consequences of such fallbacks being triggered are not necessarily immediately effective under the Conditions.

These fallback arrangements include the possibility that the Distribution Rate could be determined, without any separate consent or approval of the Holders, by reference to a Successor Rate or an Alternative Rate and that an Adjustment Spread may be applied to such Successor Rate or Alternative Rate as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. Certain Benchmark Amendments to the Conditions may also be made without the consent or approval of Holders. In the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments, the relevant replacement and adjustment (if any) and any such amendments shall be determined by the Benchmark Calculation Agent (acting in good faith, and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser). Any Adjustment Spread that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in the Preferred Securities

performing differently (which may include payment of a lower Distribution Rate) than they would if the Original Reference Rate were to continue to apply in its current form.

Further, no Successor Rate, Alternative Rate or Adjustment Spread may be adopted, nor any other amendment to the Conditions may be made to effect any Benchmark Amendments, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the treatment of the Preferred Securities as the Group's or the Bank's Tier 1 Capital. If the Bank or an affiliate of the Bank is appointed as Benchmark Calculation Agent, then depending on the circumstances in which any such discretion is required to be exercised, such exercise could present the Bank or such affiliate with a conflict of interest.

In certain circumstances the ultimate fallback for the purposes of calculation of the Distribution Rate for a particular Reset Period will be the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Period, or, where the Benchmark Event occurs before the first Reset Determination Date, 3.325 per cent. per annum (corresponding to the 5-year Mid-Swap Rate at the pricing time on the trade date of 10th November, 2026). In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate, any determinations that may need to be made by the Bank and the involvement of the Benchmark Calculation Agent and any Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value, market price or liquidity of and return on the Preferred Securities. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Bank to meet its obligations under the Preferred Securities and could also have a material adverse effect on the value, market price or liquidity of, and the amount payable under, the Preferred Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to the Preferred Securities.

***Holders have limited anti-dilution protection***

The number of Common Shares to be issued and delivered on Conversion in respect of each Preferred Security shall be determined by dividing the Liquidation Preference of such Preferred Security by the Conversion Price in effect on the Conversion Notice Date. The Conversion Price will be, if the Common Shares are then admitted to trading on a Relevant Stock Exchange, the higher of: (a) the Reference Market Price of a Common Share, meaning, in respect of a Common Share at a particular date, the arithmetic mean of the Closing Price per Common Share on each of the 5 consecutive Dealing Days on which such Closing Price is available ending on the Dealing Day immediately preceding such date, rounding the resulting figure to the nearest cent (half a cent being rounded upwards), (b) the Floor Price and (c) the nominal value of a Common Share (being €0.49 on the Closing Date) or, if the Common Shares are not then admitted to trading on a Relevant Stock Exchange, the higher of (b) and (c) above. See Condition 6 for the complete provisions regarding the Conversion Price.

The Floor Price will be adjusted in the event that there is a consolidation, reclassification/redesignation or subdivision affecting the Common Shares, the payment of any Extraordinary Dividends or Non-Cash Dividends, a rights issue or grant of other subscription rights or certain other events which affect the Common Shares (including certain issuances of Common Shares), but only in the situations and to the extent provided in Condition 6.4. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Common Shares or that, if a Holder were to have held the Common Shares at the time of such adjustment, such Holder would not have benefited to a greater extent.

Furthermore, the Conditions do not provide for certain undertakings from the Bank which are sometimes included in securities that convert into the ordinary shares of an issuer to protect investors in situations where the relevant conversion price adjustment provisions do not operate to neutralise the dilutive effect of certain corporate events or actions on the economic value of the Conversion Price. For example, the Conditions contain neither an undertaking restricting the modification of rights attaching to the Common Shares nor an undertaking restricting issues of new share capital with preferential rights relative to the Preferred Securities.

Further, if the Bank issues any Common Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve), where the Shareholders may elect to receive a Dividend in cash in lieu of such Common Shares and such Dividend does not constitute an Extraordinary Dividend, no Floor Price adjustment shall be applicable in accordance with Conditions 6.4.2 and 6.4.3, and therefore Holders will not be protected by anti-dilution measures.

Corporate events or actions in respect of which no adjustment to the Floor Price is made may adversely affect the value of the Preferred Securities.

In order to comply with increasing regulatory capital requirements imposed by applicable regulations, the Bank may need to raise additional capital. Further capital raisings by the Bank could result in the dilution of the interests of the Holders, subject only to the limited anti-dilution protections referred to above.

***Holders will bear the risk of fluctuations in the price of the Common Shares***

The market price of the Preferred Securities is expected to be affected by fluctuations in the market price of the Common Shares. Market prices of the Common Shares will be influenced by, among other things, the financial position of the Group, the results of operations and political, economic, financial and other factors. Any decline in the market price of the Common Shares may have an adverse effect on the market price of the Preferred Securities.

Fluctuations in the market price of the Common Shares between the Conversion Notice Date and the Conversion Settlement Date may also further affect the value to a Holder of any Common Shares delivered to that Holder on the Conversion Settlement Date.

Furthermore, in accordance with Condition 6.10, any costs incurred by the Settlement Shares Depository or any parent, subsidiary or affiliate of the Settlement Shares Depository in connection with the holding by the Settlement Shares Depository of any Common Shares and any amount received in respect thereof shall be deducted by the Settlement Shares Depository from such amount prior to the delivery of such Common Shares and payment of such amount to the relevant Holder.

***If a Delivery Notice is not duly delivered by a Holder, any Common Shares underlying the relevant Preferred Securities will be sold and that Holder will bear the risk of fluctuations in the price of the Common Shares***

In order to obtain delivery of the relevant Common Shares on Conversion, the relevant Holder must deliver a duly completed Delivery Notice together with the Preferred Securities held by it in accordance with the provisions set out under Condition 6. If a duly completed Delivery Notice and the relevant Preferred Securities are not so delivered, then a Holder will bear the risk of fluctuations in the price of the Common Shares that may further affect the value of any Common Shares subsequently delivered. In addition, the Bank may, at any time following the Notice Cut-Off Date and prior to the 10th Business Day after the Conversion Settlement Date (save as provided below), in its sole and absolute discretion, elect to appoint a person (the **Selling Agent**) to procure that all Common Shares held by the Settlement Shares Depository in respect of which no duly completed Delivery Notice and Preferred Securities have been delivered on or before the Notice Cut-off Date as aforesaid shall be sold by or on behalf of the Selling Agent as soon as reasonably practicable.

Due to the fact that, in the event of a Conversion Event, investors are likely to receive Common Shares at a time when the market price of the Common Shares is very low, the cash value of the Common Shares received upon any such sale could be substantially lower than the price paid for the Preferred Securities at the time of their purchase. In addition, the proceeds of such sale may be further reduced as a result of the number of Common Shares offered for sale at the same time being much greater than may be the case in the event of sales by individual Holders.

***The terms of the Preferred Securities contain a waiver of set-off rights***

No Holder of the Preferred Securities may at any time exercise or claim any Waived Set-Off Rights (as defined in Condition 1.1) against any right, claim or liability of the Bank or that the Bank may have or acquire against such holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities

arising under or in relation to any and all agreements or other instruments of any kind, whether or not relating to such Preferred Securities).

The Conditions of the Preferred Securities provide that Holders shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. As a result, Holders will not at any time be entitled to set-off the Bank's obligations under the Preferred Securities against obligations owed by them to the Bank.

***Substitution and variation of the Preferred Securities may be executed without Holders' consent***

The Conditions contain provisions for calling meetings of Holders to consider matters affecting the interests of Holders generally. These provisions permit defined majorities to bind all Holders including those Holders who did not attend and vote at the relevant meeting and who voted in a manner contrary to the majority.

If a Capital Event or a Tax Event, as applicable, occurs and is continuing, the Bank may substitute or modify the terms of the Preferred Securities so that the Preferred Securities are substituted for, or following such modification the Preferred Securities are, Qualifying Preferred Securities (as defined in Condition 11.2), provided that any variation in the terms of the Preferred Securities resulting from such substitution or modification is not materially prejudicial to the interests of the Holders. See Condition 11.2.

There can be no assurance as to how the terms of any Qualifying Preferred Securities resulting from any such substitution or modification will be viewed by the market or whether any such Qualifying Preferred Securities will trade at prices that are at least equivalent to the prices at which the Preferred Securities would have traded on the basis of their original terms.

In addition, the Bank will not be under any obligation to have regard to the tax position of any Holders in connection with any such substitution or modification of the Preferred Securities or to the tax consequences of any such substitution or modification for individual Holders. No Holder shall be entitled to claim any indemnification or payment from or have any other recourse to the Bank or any other person, in respect of any tax consequences of any such substitution or modification for that Holder.

***Credit ratings may not reflect all risks associated with an investment in the Preferred Securities***

The Preferred Securities are expected, upon issue, to be assigned a Ba1 rating by Moody's and a BB+ rating by Fitch. Ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Preferred Securities.

Similar ratings assigned to different types of securities do not necessarily mean the same thing and any rating assigned to the Preferred Securities does not address the likelihood that Distributions or any other payments in respect of the Preferred Securities will be made on any particular date or at all. Credit ratings also do not address the marketability or market price of securities.

Any real or anticipated changes in the credit ratings assigned to the Preferred Securities may affect the market value of the Preferred Securities. Such changes may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Preferred Securities, as opposed to any revaluation of the Bank's financial strength or other factors such as conditions affecting the financial services industry generally.

In addition, rating agencies other than Moody's and Fitch may assign unsolicited ratings to the Preferred Securities. In such circumstances there can be no assurance that the unsolicited rating(s) will not be lower than the comparable ratings assigned to the Preferred Securities by Moody's and Fitch, which could adversely affect the market value and liquidity of the Preferred Securities.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Potential investors should not rely on any rating of the Preferred Securities and should make their investment decision on the basis of considerations such as those outlined above (see "*The Preferred Securities may not be a suitable investment for all investors*").

***The interest rate on the Preferred Securities will be reset on each Reset Date, which may affect the market value of the Preferred Securities***

The Preferred Securities will bear interest at an initial fixed rate of interest from (and including) the Closing Date to (but excluding) the First Reset Date. From (and including) the First Reset Date, and on every Reset Date thereafter, the interest rate will be reset as described in Condition 4. This reset rate could be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date, which would reduce the amount of any Distributions under the Preferred Securities and the market value of any investment in the Preferred Securities.

## OVERVIEW OF THE OFFERING

***The following is an overview (the Overview) of certain information relating to the offering of the Preferred Securities, including the principal provisions of the terms and conditions thereof. This Overview must be read as an introduction to this Offering Circular and any decision to invest in the Preferred Securities should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. This Overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Circular. See, in particular, "Conditions of the Preferred Securities".***

Words and expressions defined in "*Conditions of the Preferred Securities*" shall have the same meanings in this Overview.

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| **Bank:** | Banco Bilbao Vizcaya Argentaria, S.A. |
| **Legal Entity Identifier:** | K8MS7FD7N5Z2WQ51AZ71 |
| **Risk Factors:** | There are certain factors that may affect the Bank's ability to fulfil its obligations under the Preferred Securities. These are set out under "*Risk Factors*". In addition, there are certain factors which are material for the purpose of assessing the risks associated with the Preferred Securities, which are described in detail under "*Risk Factors*". |
| **Issue size:** | €1,000,000,000 |
| **Closing date:** | 18th November, 2026 |
| **Issue details:** | Series 17 €1,000,000,000 Non-Step-Up Non-Cumulative Contingent Convertible Perpetual Preferred Tier 1 Securities of €200,000 Liquidation Preference each.<br><br>The Preferred Securities will qualify as Tier 1 Capital of the Bank and the Group pursuant to the CRD Directive and CRR, and Applicable Banking Regulations applicable at the Closing Date. |
| **Liquidation Preference:** | €200,000 per Preferred Security. |
| **Use of Proceeds:** | The net proceeds from the issue of the Preferred Securities will be used for the Group's general corporate purposes. The Bank will request that the Preferred Securities qualify as Additional Tier 1 Capital own funds for the purposes of the Applicable Banking Regulations. |
| **Distributions:** | Distributions will accrue (i) in respect of the period from (and including) the Closing Date to (but excluding) the First Reset Date at the rate of 6.500 per cent. per annum, and (ii) in respect of each Reset Period, at the rate per annum equal to the aggregate of 3.334 per cent. per annum and the 5-year Mid-Swap Rate for such Reset Period, converted to a quarterly rate in accordance with market convention. Subject as provided in the Conditions (see "*Limitations on Distributions*" below), such Distributions will be payable quarterly in arrear on each Distribution Payment Date. |

For further information, see Condition 4.

**Benchmark Discontinuation:**

On the occurrence of a Benchmark Event, the Benchmark Calculation Agent may, subject to certain conditions, in accordance with Condition 4.13 and without any separate consent or approval of the Holders, determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments.

**Limitations on Distributions:**

The Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time and for any (or no) reason. Payments of Distributions in any financial year of the Bank shall be made only out of Distributable Items of the Bank.

To the extent that (i) the Bank has insufficient Distributable Items to make Distributions on the Preferred Securities scheduled for payment in the then current financial year and any interest payments or distributions that have been paid or made or are scheduled or required to be paid or made out of Distributable Items of the Bank in the then current financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Bank, and/or (ii) the Regulator, in accordance with Article 68 of Law 10/2014 and/or Article 16 of the SSM Regulation and/or Applicable Banking Regulations then in force, requires the Bank to cancel the relevant Distribution in whole or in part, then the Bank will, without prejudice to the right above to cancel the payment of all such Distributions on the Preferred Securities, make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities.

No payments will be made on the Preferred Securities (whether by way of a repayment of the Liquidation Preference, the payment of any Distribution or otherwise) if and to the extent that such payment would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Instruments pursuant to Applicable Banking Regulations (including, without limitation, any such restriction or prohibition relating to any MDA or MREL-MDA applicable to the Bank and/or the Group).

Distributions on the Preferred Securities will be non-cumulative. Accordingly, if any Distribution (or part thereof) is not made on the relevant Distribution Payment Date in respect of the Preferred Securities then the right of the Holders to receive the relevant Distribution (or part thereof) will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof), whether or not any future Distributions on the Preferred Securities are paid.

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| **Status of the Preferred Securities:** | The Preferred Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Bank and, in the case of insolvency (*concurso de acreedores*) of the Bank, the payment obligations of the Bank under the Preferred Securities will rank as set out in Condition 3.<br><br>For further information, see Condition 3. |
| **Optional Redemption:** | All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank, subject to the prior consent of the Regulator (if required, and otherwise in accordance with Applicable Banking Regulations then in force), on the First Reset Date (*i.e.*, 18th May, 2034), and on any Distribution Payment Date thereafter, at the Redemption Price.<br><br>The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank in whole but not in part, at any time, at the Redemption Price, subject to the prior consent of the Regulator (if required, and otherwise in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations in force at the relevant time) if there is a Capital Event or a Tax Event or if 75 per cent. or any higher percentage of the aggregate Liquidation Preference of the Preferred Securities has been purchased by, or on behalf of, the Bank or any other member of the Group.<br><br>For further information, see Condition 7. |
| **Substitution and Variation:** | If a Capital Event or a Tax Event, as applicable, occurs and is continuing, the Bank may substitute or modify the terms of all (but not some only) of the Preferred Securities provided that the Preferred Securities are substituted for, or following such modification the Preferred Securities are, Qualifying Preferred Securities. See Condition 11.2. |
| **Conversion:** | In the event of the CET1 ratio of the Bank or the Group dropping below 5.125 per cent. (a Trigger Event), the Preferred Securities are mandatorily and irrevocably convertible into newly issued Common Shares at the Conversion Price.<br><br>In addition and subject as provided in Condition 7.7, in the event of a Capital Reduction, the Preferred Securities are mandatorily and irrevocably convertible into Common Shares unless a Holder elects that the Preferred Securities held by it shall not be so converted by delivery of a duly completed Election Notice on or before the 10th Business Day immediately following the Capital Reduction Notice Date, which Election Notice shall be irrevocable.<br><br>For further information, see Condition 6. |

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| **Conversion Price:** | If the Common Shares are (a) then admitted to trading on a Relevant Stock Exchange, the Conversion Price will be the higher of: (i) the Reference Market Price of a Common Share, (ii) the Floor Price and (iii) the nominal value of a Common Share (being €0.49 on the Closing Date) or (b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above.<br><br>The Floor Price is subject to adjustment in accordance with Condition 6.4. |
| **Liquidation Distribution:** | Subject as provided below, in the event of any voluntary or involuntary liquidation or winding-up of the Bank, the Preferred Securities (unless previously converted into Common Shares pursuant to Condition 6) will confer an entitlement to receive out of the assets of the Bank available for distribution to Holders, the Liquidation Distribution.<br><br>If, before such liquidation or winding-up of the Bank described above, a Conversion Event occurs but the relevant conversion of the Preferred Securities into Common Shares pursuant to the Conditions is still to take place at such time, the entitlement conferred by the Preferred Securities for the above purposes will be an entitlement to receive out of the relevant assets of the Bank a monetary amount equal to that which Holders of such Preferred Securities would have received on any distribution of the assets of the Bank if such conversion had taken place immediately prior to such liquidation or winding-up or otherwise in accordance with applicable law at such time. |
| **Purchases:** | The Bank and/or any member of the Group may purchase or otherwise acquire any of the outstanding Preferred Securities at any price in the open market or otherwise, subject to the prior consent of the Regulator (if required, and otherwise in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations in force at the relevant time).<br><br>Any Preferred Securities so acquired by the Bank and/or any member of the Group, shall cease to be outstanding for all purposes immediately on such acquisition (including any conversion of the Preferred Securities on the occurrence of any Conversion Event) and shall immediately be surrendered to the Principal Paying Agent for cancellation. |
| **Spanish Statutory Loss Absorption Powers:** | The obligations of the Bank under the Preferred Securities are subject to, and may be limited, by the exercise of any Spanish Statutory Loss-Absorption Power. By its acquisition of the Preferred Securities, each Holder acknowledges, accepts, consents to and agrees to be bound by (a) the exercise and effect of any Spanish Statutory Loss-Absorption Power by the Relevant Spanish Resolution Authority and (b) the variation of the terms of the Preferred Securities, as deemed necessary by the Relevant Spanish |

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| | Resolution Authority, to give effect to any such exercise. For further information, see Conditions 3.1 and 17. |
| **Pre-emptive rights:** | The Preferred Securities do not grant Holders preferential subscription rights in respect of any possible future issues of preferred securities or any other securities by the Bank or any Subsidiary. |
| **Voting Rights:** | The Preferred Securities shall not confer any entitlement to receive notice of or attend or vote at any meeting of the shareholders of the Bank. Notwithstanding the above, the Conditions of the Preferred Securities contain provisions for convening meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.<br><br>For further information, see Condition 10. |
| **Waiver of set-off rights:** | No Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim or liability of the Bank or that the Bank may have or acquire against such Holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any kind, whether or not relating to such Preferred Securities).<br><br>For further information, see Condition 3.3. |
| **Withholding Tax and Additional Amounts:** | Subject as provided in Condition 12.2, all payments of Distributions and other amounts payable in respect of the Preferred Securities by the Bank will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of Spain in respect of payments of Distributions (but not any Liquidation Preference or other amount), the Bank shall (to the extent such payment can be made out of Distributable Items on the same basis as for payment of any Distribution in accordance with Condition 4) pay such additional amounts as would have been received in respect of such Distribution had no such withholding or deduction been required.<br><br>According to RD 1065/2007, the Bank is not obliged to withhold any tax amount provided that the simplified information procedures (which do not require identification of the Holders) are complied with by the Principal Paying Agent.<br><br>For further information, see Condition 12 and "*Taxation – Preferred Securities – Tax Reporting Obligations of the Bank*" below. |

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| **Form:** | The Preferred Securities will be issued in bearer form and will be represented by a global Preferred Security deposited with a common depositary for Euroclear and Clearstream, Luxembourg. |
| **Ratings:** | The Preferred Securities are expected, upon issue, to be rated Ba1 by Moody's and BB+ by Fitch.<br><br>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.<br><br>Potential investors should not rely on any rating of the Preferred Securities and should make their investment decision on the basis of considerations such as those outlined in "*Risk Factors–The Preferred Securities may not be a suitable investment for all investors*". |
| **Listing and admission to trading:** | Application has been made to Euronext Dublin for the Preferred Securities to be admitted to the Official List and to trading on the GEM. |
| **Governing Law:** | The Preferred Securities and any non-contractual obligations arising out of or in connection with the Preferred Securities shall be governed by, and construed in accordance with, the common laws of the Kingdom of Spain (**Spain**) (*Derecho común español*). |
| **Selling Restrictions:** | In addition to the "Prohibition of sales to EEA Retail Investors" and "Prohibition of sales to UK Retail Investors", there are restrictions on the offer, sale and transfer of the Preferred Securities in the United States, UK, Spain, Singapore, Hong Kong, Switzerland, Canada, Republic of Italy and Belgium. Regulation S, category 2 restrictions under the Securities Act apply; TEFRA C. The Preferred Securities are not and will not be eligible for sale in the United States under Rule 144A of the Securities Act. |

## PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

### ACCOUNTING PRINCIPLES

Under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19th July, 2002, all companies governed by the law of an EU Member State (each a **Member State**) and whose securities are admitted to trading on a regulated market of any Member State must prepare their consolidated financial statements for the years beginning on or after 1st January, 2005 in conformity with International Financial Reporting Standards adopted by the EU (**EU-IFRS**).

BBVA's consolidated financial statements as at and for each of the years ending 31st December, 2025, and 31st December, 2024 (the **Consolidated Financial Statements**), as included in the annual report of BBVA on Form 20-F for the fiscal year ended 31st December, 2025 filed with the U.S. Securities and Exchange Commission (the **SEC**) on 20th February, 2026 (the **Form 20-F**) and incorporated by reference in this Offering Circular have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS-IASB**) and in accordance with EU-IFRS applicable as of 31st December, 2025, reflecting the Bank of Spain's Circular 4/2017, of 27th November (as amended) and any other legislation governing financial reporting applicable to the Group and with the format and mark-up requirements established in EU Delegated Regulation 2019/815 (as amended) of the European Commission.

## FINANCIAL INFORMATION

The following principles should be noted in reviewing the financial information contained in this Offering Circular:

- Unless otherwise stated, any reference to loans refers to both loans and advances.
- All references to any financial information in this Offering Circular are to the consolidated financial information of the Group, unless otherwise stated.
- Interest income figures, when used, do not include interest income on non-accruing loans to the extent that cash payments have been received in the period in which they are due.
- Financial information with respect to segments or subsidiaries may not reflect consolidation adjustments.
- Certain numerical information in this Offering Circular may not compute due to rounding. In addition, information regarding period-to-period changes is based on numbers which have not been rounded.

## STABILISATION

In connection with the issue of the Preferred Securities, Deutsche Bank Aktiengesellschaft as stabilisation manager (the **Stabilisation Manager**) (or persons acting on behalf of the Stabilisation Manager) may over-allot Preferred Securities or effect transactions with a view to supporting the market price of the Preferred Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Preferred Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Preferred Securities and 60 days after the date of the allotment of the Preferred Securities. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

## SPANISH TAX RULES

Article 44 of the regulations approved by Royal Decree 1065/2007 of 27th July, as amended by Royal Decree 1145/2011 of 29th July (as so amended, **RD 1065/2007**), sets out the reporting obligations applicable to preference shares and debt instruments (including debt instruments issued at a discount for a period equal to or less than twelve months) issued under the First Additional Provision of Law 10/2014, of 26th June, on the

organisation, supervision and solvency of credit entities (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended (**Law 10/2014**). According to the Ninth Additional Provision of Law 27/2014 of 27th November, on Corporate Income Tax (**Law 27/2014**), such procedures apply to interest deriving from preference shares to which the First Additional Provision of Law 10/2014 refers.

*General*

The procedure described in this Offering Circular for the provision of information required by Spanish law and regulation is a summary only, and may be updated and/or amended at any time as a result of any change in, or amendment to, the laws or regulations applicable in Spain or any change in the application or binding official interpretation or administration of any such laws or regulations. Neither the Bank nor any of the Managers assume any responsibility therefor.

## DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Bank or the Group, as the case may be, since the date thereof or that the information contained therein is current as of any time subsequent to its date. Any statement contained in any document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The following documents are incorporated in, and form part of, this Offering Circular:

*(a)* (i) the unaudited condensed interim consolidated financial statements of the Group as of and for the nine months ended 30th September, 2026 (the **Condensed Q3 Interim Consolidated Financial Statements**) on pages 3 to 43 (inclusive) (English translated version) and on pages 3 to 44 (inclusive) (Spanish version) of the "Condensed Interim Consolidated Financial Statements and Interim Consolidated Management Report as of and for the nine months ended 30th September, 2026 - BBVA Group 2026" (the **Third Quarter Report**), (ii) on the two pages prior to the table of contents of the Third Quarter Report, the auditors' limited review report on the Condensed Q3 Interim Consolidated Financial Statements and (iii) the information on alternative performance measures on pages 66 to 74 (inclusive) of the Interim Consolidated Management Report included in the Third Quarter Report (available at https://shareholdersandinvestors.bbva.com/wp-content/uploads/2026/10/Group-Interim-Consolidated-Report-and-Management-Report-September-2026.pdf (in English) and https://accionistaseinversores.bbva.com/wp-content/uploads/2026/10/Estados-Financieros-e-Informe-de-Gestion-Septiembre-2026.pdf (in Spanish));

*(b)* (i) the audited condensed interim consolidated financial statements of the Group as of and for the six months ended 30th June, 2026 (the **Condensed Q2 Interim Consolidated Financial Statements**) on pages 3 to 75 (inclusive) (English translated version) and on pages 3 to 76 (inclusive) (Spanish version) of the "Condensed Interim Consolidated Financial Statements and Interim Consolidated Management Report as of and for the six months ended 30th June, 2026 - BBVA Group 2026" (the **Second Quarter Report**), (ii) on the 10 pages prior to the table of contents of the Second Quarter Report, the audit report on the Condensed Q2 Interim Consolidated Financial Statements and (iii) the information on alternative performance measures on pages 63 to 71 (inclusive) of the Interim Consolidated Management Report included in the Second Quarter Report (available at https://shareholdersandinvestors.bbva.com/wp-content/uploads/2026/07/ENG-Interim-Consolidated-Report-June-2026.pdf (in English) and https://accionistaseinversores.bbva.com/wp-content/uploads/2026/07/ESP-Informe-semestral-consolidado-Grupo-BBVA-junio-2026.pdf (in Spanish));

*(c)* (i) the audited consolidated financial statements of the Group as of and for the year ended 31st December, 2025 (the **2025 Consolidated Financial Statements**) on pages 4 to 289 (inclusive) (English translated version) and on pages 4 to 302 (inclusive) (Spanish version) of the "Consolidated Financial Statements, Consolidated Management Report and Audit Report – BBVA Group 2025" (the **2025 Consolidated Report**), (ii) on the 10 pages prior to the table of contents of the 2025 Consolidated Financial Statements, the audit report on the 2025 Consolidated Financial Statements and (iii) the information on alternative performance measures on pages 400 to 408 (inclusive) of the "Consolidated Management Report – BBVA Group 2025" included in the 2025 Consolidated Report (available at: https://shareholdersandinvestors.bbva.com/wp-content/uploads/2026/02/5_2_BBVA_Group_Annual_Report_and_Management_Report_2025.pdf (English translated version) and https://accionistaseinversores.bbva.com/wp-content/uploads/2026/02/5_2_Cuentas_Anuales_e_Informe_de_Gestion_GrupoBBVA_2025.pdf (in Spanish));

*(d)* the Form 20-F of the Bank for the financial year ended 31st December, 2025 (the **Form 20-F**) as filed with the SEC on 20th February, 2026 (which includes (i) on pages F-1 to F-2 thereof the auditor's report, (ii) on page 207 thereof the auditor's opinion on the Bank's internal control over financial reporting and (iii) on pages F-3 to F-221 thereof, the consolidated financial statements for each of the years ending 31st December, 2025 and 31st December, 2024) (available at: https://www.sec.gov/ix?doc=/Archives/edgar/data/842180/000162828026010001/bbva-20251231.htm#fact-identifier-11545);

*(e)* (i) the audited consolidated financial statements of the Group as of and for the year ended 31st December, 2024 (the **2024 Consolidated Financial Statements**) on pages 4 to 240 (inclusive) (English translated version) and on pages 4 to 249 (inclusive) (Spanish version) of the "Consolidated Financial Statements, Consolidated Management Report and Audit Report – BBVA Group 2024" (the **2024 Consolidated Report**), (ii) on the 10 pages prior to the table of contents of the 2024 Consolidated Financial Statements, the audit report on the 2024 Consolidated Financial Statements and (iii) the information on alternative performance measures on pages 430 to 439 (inclusive) of the "Consolidated Management Report – BBVA Group 2024" included in the 2024 Consolidated Report (available at: https://shareholdersandinvestors.bbva.com/wp-content/uploads/2025/02/5_2_ENG_2024_Consolidated_Annual_Accounts_and_Management_Report.pdf (English translated version) and https://accionistaseinversores.bbva.com/wp-content/uploads/2025/03/ESP-Grupo-BBVA-Cuentas-Anuales-e-Informe-de-Gestion-2024.pdf (in Spanish));

*(f)* (i) the audited non-consolidated financial statements of the Bank as of and for the year ended 31st December, 2025 (the **2025 Stand-Alone Financial Statements**) on pages 3 to 222 (inclusive) (English translated version) and on pages 3 to 238 (inclusive) (Spanish version) of the Bank's "Financial Statements, Management Report and Audit Report – BBVA 2025" and (ii) on the 10 pages prior to the table of contents of the 2025 Stand-Alone Financial Statements, the audit report on the 2025 Stand-Alone Financial Statements (available at https://shareholdersandinvestors.bbva.com/wp-content/uploads/2026/02/4_2_Annual_Report_and_Management_Report_BBVA_2025.pdf (English translated version) and https://accionistaseinversores.bbva.com/wp-content/uploads/2026/02/4_2_Cuentas_Anuales_e_Informe_de_Gestion_2025_BBVA.pdf (in Spanish)); and

*(g)* (i) the audited non-consolidated financial statements of the Bank as of and for the year ended 31st December, 2024 (the **2024 Stand-Alone Financial Statements**) on pages 3 to 186 (inclusive) (English translated version) and on pages 3 to 194 (inclusive) (Spanish version) of the Bank's "Financial Statements, Management Report and Audit Report – BBVA 2024" and (ii) on the 10 pages prior to the table of contents of the 2024 Stand-Alone Financial Statements, the audit report on the 2024 Stand-Alone Financial Statements (available at https://shareholdersandinvestors.bbva.com/wp-content/uploads/2025/02/4_2_ENG_2024_Individual_Annual_Accounts_and_Management_Report.pdf (English translated version) and https://accionistaseinversores.bbva.com/wp-content/uploads/2025/02/4_2-Cuentas_Anuales_e_informe_de_Gestion_BBVA_2024.pdf (in Spanish)).

Any non-incorporated parts of a document referred to above do not form part of this Offering Circular.

The English versions of items (a), (b), (c), (e), (f) and (g) above are for information purposes only. In the event of a discrepancy, the original Spanish-language versions prevail.

## CAPITAL ADEQUACY, REGULATORY FRAMEWORK AND CAPITALISATION OF THE GROUP

### Capital Adequacy of the Group Fully Loaded

The following table sets forth details of the fully loaded risk-weighted assets and capital ratios of the Group:

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | *(in millions of euros except percentages)* | | |
| Common equity tier 1 ratio (%) | 12.21 | 12.70 | 12.88 |
| Tier 1 ratio (%) | 13.70 | 14.08 | 14.40 |
| Total capital ratio (%) | 16.57 | 17.21 | 16.90 |
| Total risk-weighted assets | 434,158 | 397,241 | 394,468 |

The table below sets forth the distance to Trigger Event of the Group on a fully loaded basis:

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | (*in millions of euros)* | | |
| Distance to Trigger Event[(1)] | 30,741 | 30,087 | 30,591 |

(1) The Distance to Trigger Event reflects as of 30th September, 2026, 31st December, 2025 and 31st December, 2024, the amount of common equity tier 1 capital above the Trigger Event level applicable to the Preferred Securities (being a CET1 ratio of less than 5.125 per cent.).

If the Bank or the Group failed to comply with its "combined buffer requirement" it would have to calculate the MDA and, until such calculation has been undertaken and reported to the Bank of Spain, the Bank would not be able to make any discretionary payments, including the payment of Distributions on the Preferred Securities. Once the MDA has been calculated and reported to the Bank of Spain, such discretionary payments will be subject to the limit of the calculated MDA.

The table below sets forth the distance to each of the ratios of the Group to be satisfied for the purposes of the "combined buffer requirement" of the Group and in order for discretionary payments not to be subject to the limit of the calculated MDA:

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | | (*in percentages*) | |
| Distance to MDA-Common equity tier 1 ratio (%) | 2.95 | 3.01 | 3.49 |
| Distance to MDA-Tier 1 ratio (%) | 2.95 | 3.01 | 3.49 |
| Distance to MDA-Total capital ratio (%) | 3.44 | 3.76 | 3.61 |

### Capital Adequacy of the Bank Fully Loaded

The following table sets forth details of the fully loaded risk-weighted assets and capital ratios of the Bank:

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | *(in millions of euros except percentages)* | | |
| Common equity tier 1 ratio (%) | 12.42 | 13.81 | 13.71 |
| Tier 1 ratio (%) | 15.13 | 16.30 | 16.14 |
| Total capital ratio (%) | 17.60 | 19.28 | 18.67 |
| Total risk-weighted assets | 231,737 | 213,240 | 232,024 |

The table below sets forth the distance to Trigger Event of the Bank on a fully loaded basis:

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | | (*in millions of euros)* | |
| Distance to Trigger Event[(1)] | 16,907 | 18,523 | 19,919 |

(1) The Distance to Trigger Event reflects as of 30th September, 2026, 31st December, 2025 and 31st December, 2024 the amount of common equity tier 1 capital above the Trigger Event level applicable to the Preferred Securities (being a CET1 ratio of less than 5.125 per cent).

The table below sets forth the distance to each of the ratios of the Bank to be satisfied for the purposes of the "combined buffer requirement" of the Bank and in order for discretionary payments not to be subject to the limit of the calculated MDA:

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | | (*in percentages*) | |
| Distance to MDA-Common equity tier 1 ratio (%) | 4.94 | 5.49 | 5.72 |
| Distance to MDA-Tier 1 ratio (%) | 6.15 | 6.20 | 6.37 |
| Distance to MDA-Total capital ratio (%) | 6.62 | 6.80 | 6.52 |

**MREL of the BBVA Resolution Group[(1)]**

The following table sets forth details of the MREL of BBVA (both general and subordinated) in terms of the MREL requirement and both RWAs and leverage exposure:

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | | (*in percentages*) | |
| MREL in RWAs | 29.40 | 28.89 | 27.92 |
| MREL Subordination in RWAs | 26.37 | 24.67 | 23.13 |
| MREL in LR | 9.89 | 10.21 | 12.10 |
| MREL Subordination in LR | 8.87 | 8.72 | 10.03 |

The table below sets forth the distance to the MREL requirement (both general and subordinated and in terms of both RWAs and leverage exposures) in order for BBVA not to have to calculate the MDA and report it to the Bank of Spain, and discretionary payments not to be subject to the limit of the calculated MDA.

| | As of 30th September, | As of 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | | (*in bps*) | |
| MREL in RWAs | 274 | 180 | 149 |
| MREL Subordination in RWAs | 816 | 721 | 499 |
| MREL in LR | 187 | 162 | 362 |
| MREL Subordination in LR | 331 | 306 | 425 |

(1) The BBVA resolution group consists of the Bank and its subsidiaries belonging to the same European resolution group.

**Available Distributable Items of BBVA**

The available Distributable Items of BBVA at 31st December, 2025 and 2024 amounted to €30,900 million and €30,863 million, respectively (the available Distributable Items are comprised of profit after tax (€7,157 million and €10,235 million, respectively) plus unrestricted reserves (€28,999 million and €25,655 million, respectively) less interim dividends (€5,256 million and €5,027 million, respectively).

**Regulatory Framework**

***General***

The Bank is a Spanish credit institution with registered address at Plaza de San Nicolás 4, Bilbao, Spain. It operates under the form of a public limited liability company (*sociedad anónima*) and is thus subject to Spanish company and tax legislation applicable from time to time (including the special aspects of the provincial scheme applicable in view of its registered address), as well as to banking legislation applicable in Spain and in the EU. The Bank's shares are currently listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Stock Exchange Interconnection System (Continuous Market), on the London and Mexico Stock Exchanges and, by means of ADSs (American Depositary Shares), on the New York Stock Exchange, and are thus subject to stock market regulations applicable in Spain, in the EU, in the UK, in Mexico and in the United States.

The Bank develops its business in different jurisdictions through a number of subsidiaries, which are subject to company, banking, stock market and insurance regulations, among others, as applicable in each specific case. In particular, the Group is exposed to the regulations of Mexico, the United States and Türkiye.

The following summarises some of the regulations that most significantly affect the Bank in Spain, the Group's main market, and as a result of its activities in the EU.

***Solvency and capital requirements***

In its capacity as a Spanish credit institution, the Bank is subject to Directive 2013/36/EU of the European Parliament and of the Council of 26th June, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC, and repealing Directives 2006/48/EC and 2006/49/EC (as amended, replaced or supplemented from time to time, the **CRD Directive**) and to CRR (together with the CRD Directive and any measures implementing the CRD Directive or CRR which may from time to time be applicable in Spain, **CRD**), which is complemented by several binding regulatory technical standards that are directly applicable in all EU Member States, without the need for national implementation measures.

The implementation of the CRD Directive into Spanish law took place through Royal Decree-Law 14/2013, of 29th November, Law 10/2014, Royal Decree 84/2015, of 13th February (**Royal Decree 84/2015**), Bank of Spain Circular 2/2014, of 31st January, Bank of Spain Circular 2/2016, of 2nd February (**Bank of Spain Circular 2/2016**), Bank of Spain Circular 3/2022, of 30th March and Bank of Spain Circular 3/2023, of 31st October.

The final legal texts of Directive (EU) 2024/1619 of the European Parliament and of the Council of 31st May, 2024 amending CRD Directive as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (**CRD VI**) and Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31st May, 2024 amending the CRR as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (**CRR III**) have been published in the Official Journal of the European Union. CRR III became generally applicable from 1st January, 2025 (with some exceptions). CRD VI should have been transposed into national law by Member States by 10th January, 2026, but its transposition in Spain is still pending as of the date of this Offering Circular, and the way it will be implemented may vary depending on the relevant Member State. CRD VI and CRR III introduce, among other things, amendments to the output floor in the calculation of capital requirements, amendments to the input floors in respect of the calculation of risk exposure amounts, a revision of the standardised approaches for capital requirements for credit, market and operational risk and strengthened requirements for management of ESG risks and reporting.

CRD, among other things, established a "Pillar 1" minimum capital requirement and increased the level of capital required through the "combined buffer requirement" that institutions must comply with from 2016 onwards. The "combined buffer requirement" introduced five new capital buffers: (i) the capital conservation buffer, (ii) the G-SIB buffer, (iii) the institution-specific counter-cyclical capital buffer, (iv) the Domestic Systemically Important Banks (**D-SIB**) buffer and (v) the systemic risk buffer (a buffer to prevent systemic or macroprudential risks). The "combined buffer requirement" (broadly, the combination of the capital conservation buffer, the institution-specific counter-cyclical capital buffer, the systemic risk buffer and the higher of (depending on the institution) the G-SIB buffer and the D-SIB buffer, in each case as applicable to the institution) applies in addition to the minimum "Pillar 1" capital requirements and must be satisfied with additional CET1 capital to that provided to meet the "Pillar 1" minimum capital requirement.

As of the date of this Offering Circular, the Bank of Spain considers the Bank to be a D-SIB at a consolidated level. The Bank was required to maintain a fully-loaded D-SIB buffer of a CET1 ratio of 0.75 per cent. on a consolidated basis in 2026, changing to 1.0 per cent. on a consolidated basis in 2027.

The counter-cyclical capital buffer applicable to the Group's credit exposures in Spain is reviewed quarterly by the Bank of Spain. As of the date of this Offering Circular, the counter-cyclical capital buffer applicable to the Group's credit exposures in Spain stands at 0.39 per cent. following the Bank of Spain's decision announced on 1st October, 2025 to increase the counter-cyclical capital buffer applicable to credit exposures in Spain from 0.5 per cent. to 1.0 per cent., effective from 1st October, 2026 given that, according to their analysis, the cyclical systemic risk remained at an intermediate level.

Additionally, Article 104 of the CRD Directive (as implemented by Article 68 of Law 10/2014) and similarly Article 16 of Council Regulation (EU) No. 1024/2013 of 15th October, 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions, also contemplates the possibility that the supervisory authorities may require credit institutions to meet capital requirements exceeding the "Pillar 1" minimum capital requirements and the "combined buffer requirement" by establishing "Pillar 2" capital requirements (which, with respect to other requirements, are above the "Pillar 1" requirements and below the "combined buffer requirement").

Furthermore, CRD allows banks to partially use AT1 and Tier 2 instruments to meet the "Pillar 2" requirement. In particular, the composition of the capital instruments to meet the "Pillar 2" requirement, shall include 56.25 per cent. of CET1 capital and 75 per cent. of Tier 1 capital, at a minimum.

Consequently, all additional "Pillar 2" own funds requirements that the ECB may impose on the Bank and/or the Group under the SREP will require the Bank and/or the Group to maintain capital levels higher than the "Pillar 1" minimum capital requirement.

Considering the applicable SREP carried out by the ECB in 2025 and the applicable "combined buffer requirement", BBVA must maintain, at a consolidated level, from 1st October, 2026, a CET1 ratio of 9.11 per cent. and a total capital ratio of 13.27 per cent. The consolidated total capital requirement includes: (i) the "Pillar 1" capital requirement of 8.0 per cent., of which a minimum of 4.50 per cent. must be met with CET1 capital, 1.50 per cent. may be met with AT1 instruments and 2.0 per cent. may be met with Tier 2 instruments; (ii) the "Pillar 2" capital requirement of 1.62 per cent., of which a minimum of 0.96 per cent. must be met with CET1 capital (of which 0.12 per cent. is determined on the basis of the ECB's prudential provisioning expectation), 0.28 per cent. may be met with AT1 instruments and 0.38 per cent. may be met with Tier 2 instruments; (iii) the capital conservation buffer of 2.50 per cent. (which must be met exclusively with CET1 capital); (iv) the D-SIB capital buffer of 0.75 per cent. (which must be met exclusively with CET1 capital); (v) the capital buffer for Countercyclical Risk of 0.39 per cent. (which must be met exclusively with CET1 capital); and (vi) the capital buffer for Systemic Risk of 0.01 per cent. (which must be met exclusively with CET1 capital).

In addition, considering the most recent SREP carried out in 2026 and the applicable "combined buffer requirement", BBVA must maintain, at a consolidated level, as from 1st January, 2027, a CET1 ratio of 9.36 per cent. and a total capital ratio of 13.60 per cent. The consolidated total capital requirement includes: (i) the "Pillar 1" capital requirement of 8.0 per cent., of which a minimum of 4.50 per cent. must be met with CET1 capital, 1.50 per cent. may be met with AT1 instruments and 2.0 per cent. may be met with Tier 2 instruments; (ii) the "Pillar 2" capital requirement of 1.70 per cent., of which a minimum of 0.96 per cent. must be met with CET1 capital, 0.32 per cent. may be met with AT1 instruments and 0.43 per cent. may be met with Tier 2 instruments. The general Pillar 2 requirement increases from 1.50 per cent. to 1.70 per cent. compared with the previous year, while the additional 0.12 per cent. requirement associated with the ECB's prudential provisioning expectations, which had to be met entirely with CET1 capital, is no longer applicable; (iii) the capital conservation buffer of 2.50 per cent. (which must be met exclusively with CET1 capital); (iv) the D-SIB capital buffer of 1.0 per cent. (which must be met exclusively with CET1 capital); (v) the capital buffer for Countercyclical Risk of 0.39 per cent. (which must be met exclusively with CET1 capital); and (vi) the capital buffer for Systemic Risk of 0.01 per cent. (which must be met exclusively with CET1 capital).

From 1st June, 2026, BBVA must maintain, at an individual level, a CET1 ratio of 7.47[1] per cent. and a total capital ratio of 10.97[1] per cent. As from 1st January, 2027, BBVA must maintain, at an individual level, a CET1 ratio of 7.75 per cent. and a total capital ratio of 11.25 per cent. These ratios include a 0.02 per cent. capital buffer for Systemic Risk and 0.73 per cent. capital buffer for Countercyclical Risk applicable to the Bank at an individual level that shall be met with CET1.

As of 30th September, 2026, 31st December, 2025 and 31st December, 2024, the Group's fully loaded total capital ratio was 16.57 per cent., 17.21 per cent. and 16.90 per cent., respectively, on a consolidated basis and 17.60 per cent.,19.28 per cent. and 18.67 per cent., respectively, on an individual basis, and its CET1 fully loaded capital ratio was 12.21 per cent., 12.70 per cent. and 12.88 per cent., respectively, on a consolidated basis and 12.42 per cent., 13.81 per cent. and 13.71 per cent., respectively, on an individual basis.

Such ratios exceed the applicable regulatory requirements described above, but there can be no assurance that the total capital requirements imposed on the Bank and/or the Group from time to time may not be higher than the levels of capital available at such point in time. There can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further additional "Pillar 2" own funds requirements on the Bank and/or the Group.

In accordance with Article 48 of Law 10/2014, Article 73 of Royal Decree 84/2015 and Rule 24 of Bank of Spain Circular 2/2016, any institution not meeting its "combined buffer requirement" is required to calculate its MDA as stipulated in such legislation. Should that requirement not be met and until the MDA has been calculated and communicated to the Bank of Spain, the relevant institution shall not make any: (i) distributions relating to CET1 capital; (ii) payments related to variable remuneration or discretionary pension benefits; and (iii) distributions linked to AT1 instruments (**discretionary payments**), and once the MDA has been calculated and communicated to the Bank of Spain, the discretionary payments will be subject to the limit of the calculated MDA. Accordingly, restrictions on discretionary payments will be scaled according to the extent of the breach

[1]Considering the last official updates of the countercyclical capital buffer and systemic risk buffer, calculated on the basis of outstanding exposures as of 30th June, 2026.

of the "combined buffer requirement" and calculated as a percentage of the profits of the institution generated since the last annual decision on the distribution of profits. Such calculation will result in a MDA in each relevant period. As an example, the scaling is such that in the bottom quartile of the "combined buffer requirement", no discretionary payments will be permitted to be made.

Additionally, pursuant to Article 48 of Law 10/2014, the adoption by the Bank of Spain of the measures provided by Articles 68.2.h and 68.2.i of Law 10/2014, aimed at strengthening own funds and limiting or prohibiting the distribution of dividends, respectively, will also entail the requirement to determine the MDA and to restrict discretionary payments to such MDA. Additionally, the calculation of the MDA and the restrictions described in the preceding paragraph while such calculation is pending, may also be triggered by a breach of the combined buffer requirement when considered in addition to its MREL requirement (see "*Risk Factors – Factors that may affect the Bank's ability to fulfil its obligations under the Preferred Securities – Legal, Regulatory, Tax and Compliance Risks— Regulatory, Tax and Compliance Risks - Increasingly onerous capital and liquidity requirements may have a material adverse effect on the Group's business, financial condition and results of operations*").

CRD also distinguishes between "Pillar 2" capital requirements and "Pillar 2" capital guidance, with only the former being regarded as mandatory requirements. Notwithstanding the foregoing, CRD provides that, besides other measures, supervisory authorities are entitled to impose further "Pillar 2" capital requirements when an institution repeatedly fails to follow the "Pillar 2" capital guidance previously imposed.

Additionally, CRR sets a binding leverage ratio requirement of 3 per cent. of Tier 1 capital that is added to the own funds requirements and to the requirements based on an entity's RWAs. In particular, any breach of this leverage ratio would also entail the need to determine the MDA and the related consequences.

Furthermore, on 7th December, 2017, the Basel Committee on Banking Supervision announced the end of the Basel III reforms (informally referred to as Basel IV), which entered into force on 1st January, 2025. These reforms mainly include changes to the risk weightings applied to the different assets and measures to enhance the sensitivity to risk in those weightings, impose limits on the use of internal ratings-based approaches to ensure a minimum level of conservatism in the use of such approaches and enhance comparability among banks in which such internal ratings-based approaches are used.

The following table includes a summary of the reconciliation of accounting assets and exposures corresponding to the leverage ratio as of 31st December, 2025 and 2024 at a consolidated level:

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| | **Fully Loaded** | **Fully Loaded** |
| a) Total assets as per published financial statements | 859,576 | 772,402 |
| (b) Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation | (31,822) | (28,304) |
| (Adjustment for securities exposures that meet the operational requirements for the recognition of risk transference) | (5,841) | (3,035) |
| (Adjustment for temporary exemption of exposures to central bank (if applicable)) | - | - |
| c) Adjustments for derivative financial instruments | (2,267) | (1,650) |
| d) Adjustments for securities financing transactions "SFTs" | 5,642 | 10,629 |
| e) Adjustment for off-balance sheet items[(1)] | 87,390 | 88,298 |
| f) (Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with point (c) of Article 429a(1) CRR) | - | - |
| g) Other adjustments | (3,809) | (3,852) |
| **Leverage ratio total exposure measure** | 908,869 | 834,488 |
| h) Tier 1 | 55,934 | 56,822 |
| **Leverage ratio total exposure measure** | 908,869 | 834,488 |
| **Leverage ratio[(2)]** | **6.15%** | **6.81%** |

(1) This corresponds to off-balance sheet exposure after application of the conversion factors obtained in accordance with Article 429, paragraph 10 of the CRR.

(2) CRR introduces a mandatory minimum leverage ratio requirement, set at 3 per cent. of Tier 1 capital over the total exposure measure.

Set out below are the Group's solvency data on a consolidated basis and in accordance with the regulations applicable on each of the dates stated. Capital ratios have been calculated in accordance with CRD on a fully loaded basis as of 30th September, 2026, 31st December, 2025 and 31st December, 2024.

| **Total Capital Fully Loaded** (*in millions of euros except percentages*) | | | |
|---|---|---|---|
| | **30/09/2026(1)** | **31/12/2025** | **31/12/2024** |
| Common Equity Tier 1 (CET1) capital | 52,992 | 50,446 | 50,799 |
| Additional Tier 1 (AT1) capital | 6,504 | 5,488 | 6,023 |
| Tier 2 (T2) capital | 12,460 | 12,431 | 9,858 |
| Capital base | 71,956 | 68,365 | 66,680 |
| Total risk-weighted assets | 434,158 | 397,241 | 394,468 |
| CET1 ratio (%) | 12.21% | 12.70% | 12.88% |
| AT1 ratio (%) | 1.50% | 1.38% | 1.53% |
| Tier 1 ratio (%) | 13.70% | 14.08% | 14.40% |
| Tier 2 ratio (%) | 2.87% | 3.13% | 2.50% |
| **Total capital ratio (%)** | 16.57**%** | **17.21%** | **16.90%** |

(1) Data as of 30th September, 2026 is preliminary data.

The Group must also comply with liquidity and financing ratios. Certain elements of the LCR and the NSFR, as implemented by national banking regulators and complied with by the Bank, may require the introduction of changes in some commercial practices. As of 30th September, 2026, 31st December, 2025 and 31st December, 2024, the Group's LCR was 143 per cent., 143 per cent. and 134 per cent., respectively. The Group's NSFR was 123 per cent., 126 per cent. and 127 per cent. as of 30th September, 2026, 31st December, 2025 and 31st December, 2024, respectively.

Under the CRR, any consent of the Regulator to any redemption or purchase of the Preferred Securities pursuant to Conditions 7 and 8 is subject to the following conditions being met:

*(a)* on or before any such redemption of the Preferred Securities, the Bank replaces the Preferred Securities with instruments qualifying as Tier 1 Capital of an equal or higher quality on terms that are sustainable for the income capacity of the Bank; or

*(b)* the Bank has demonstrated to the satisfaction of the Regulator that its Tier 1 Capital, Tier 2 Capital and eligible liabilities would, following such redemption, exceed the ratios required under CRD and BRRD by a margin that the Regulator may consider necessary.

***Resolution***

The BRRD (which has been implemented in Spain through Law 11/2015 and RD 1012/2015) and the SRM Regulation are designed to provide the authorities with mechanisms and instruments to intervene sufficiently early and rapidly in failing or likely to fail credit institutions or investment firms (each, an **Entity**) in order to ensure the continuity of the Entity's critical financial and economic functions, while minimising the impact of its non-feasibility on the economic and financial system. The BRRD further provides that a Member State may only use additional financial stabilisation instruments to provide extraordinary public financial support as a last resort, once the following resolution instruments have been evaluated and used to the fullest extent possible while maintaining financial stability.

In accordance with the provisions of Article 20 of Law 11/2015, an Entity will be considered as failing or likely to fail in any of the following situations: (i) when the Entity significantly fails, or may reasonably be expected to significantly fail in the near future, to comply with the solvency requirements or other requirements necessary to maintain its authorisation; (ii) when the Entity's enforceable liabilities exceed its assets, or it is reasonably foreseeable that they will exceed them in the near future; (iii) when the Entity is unable, or it is reasonably foreseeable that it will not be able, to meet its enforceable obligations in a timely manner; or (iv) when the Entity needs extraordinary public financial support (except in limited circumstances). The decision as to whether the Entity is failing or likely to fail may depend on a number of factors which may be outside of that Entity's control.

In line with the provisions of the BRRD, Law 11/2015 contains four resolution tools which may be used individually or in any combination, when the Relevant Spanish Resolution Authority considers that (a) an Entity is non-viable or is failing or likely to fail, (b) there is no reasonable prospect of any other measures that would

prevent the failure of such Entity within a reasonable period of time and (c) resolution is necessary or advisable, rather than the winding up of the Entity through ordinary insolvency proceedings, for reasons of public interest.

The four resolution instruments are (i) the sale of the Entity's business, which enables the resolution authorities to transfer, under market conditions, all or part of the business of the Entity being resolved; (ii) bridge institution, which enables resolution authorities to transfer all or part of the business of the Entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation, which enables resolution authorities to transfer certain categories of assets (normally impaired or otherwise problematic) to one or more asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) the Bail-in Tool. Any exercise of the Bail-in Tool by the Relevant Spanish Resolution Authority may include the write down and/or conversion into equity or other securities or obligations (which equity, securities and obligations could also be subject to any future application of the Bail-in Tool) of certain unsecured debt claims of an institution (including capital instruments such as the Preferred Securities).

In the event that an Entity is in a resolution situation, the **Bail-in Tool** is understood to mean any write-down, conversion, transfer, modification, or suspension power existing from time to time under: (i) any law, regulation, rule or requirement applicable from time to time in Spain, relating to the transposition or development of the BRRD (as amended, replaced or supplemented from time to time), including, but not limited to (a) Law 11/2015, (b) RD 1012/2015; and (c) the SRM Regulation, each as amended, replaced or supplemented from time to time; or (ii) any other law, regulation, rule or requirement applicable from time to time in Spain pursuant to which (a) obligations or liabilities of banks, investment firms or other financial institutions or their affiliates can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such persons or any other person (or suspended for a temporary period or permanently) or (b) any right in a contract governing such obligations may be deemed to have been exercised.

In accordance with the provisions of Article 48 of Law 11/2015 (without prejudice to any exclusions that may be applied by the Relevant Spanish Resolution Authority in accordance with Article 43 of Law 11/2015), in the event of any application of the Bail-in Tool, any resulting write-down or conversion by the Relevant Spanish Resolution Authority will be carried out in the following sequence (proportionally in each segment and to the extent necessary): (i) CET1 items; (ii) the principal amount of Additional Tier 1 capital instruments; (iii) the principal amount of Tier 2 capital instruments; (iv) the principal amount of other subordinated claims other than Additional Tier 1 capital or Tier 2 capital; and (v) the principal or outstanding amount of the remaining eligible liabilities in the order of the hierarchy of claims in normal insolvency proceedings (with senior non-preferred claims (*créditos ordinarios no preferentes*) subject to the Bail-in Tool after any subordinated claims (*créditos subordinados*) of the Bank under Article 281 of the Insolvency Law but before the other senior claims of the Bank).

In addition to the Bail-in Tool, the BRRD, Law 11/2015 and the SRM Regulation provide for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as the Preferred Securities and certain internal eligible liabilities and instruments at the point of non-viability (**Non-Viability Loss Absorption** and, together with the Bail-in Tool, the **Spanish Statutory Loss Absorption Powers**) of an Entity. Any write-down or conversion must follow the same insolvency hierarchy as described above. The point of non-viability of an Entity is the point at which the Relevant Spanish Resolution Authority determines that the Entity meets the conditions for resolution or will no longer be viable unless the relevant capital instruments (such as the Preferred Securities) are written down or converted into equity or extraordinary public support is to be provided and without such support the Relevant Spanish Resolution Authority determines that the institution would no longer be viable. The point of non-viability of a group is the point at which the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated solvency requirements in a way that would justify action by the Relevant Spanish Resolution Authority in accordance with Article 38.3 of Law 11/2015. Non-Viability Loss Absorption may be imposed prior to or in combination with any exercise of the Bail-in Tool or any other resolution tool or power (where the conditions for resolution referred to above are met) or in combination with such exercise in respect of all eligible liabilities.

In addition, the EBA has published certain technical regulation standards and technical implementation standards to be adopted by the European Commission, in addition to other guidelines. These standards and guidelines could potentially be relevant in determining when or how a Relevant Spanish Resolution Authority

may exercise the Bail-in Tool and/or impose a Non-Viability Loss Absorption. These include guidelines on the treatment of shareholders when applying the Bail-in Tool or Non-Viability Loss Absorption, as well as on the rate for converting debt into shares or other securities or debentures in the application of the Bail-in Tool and/or Non-Viability Loss Absorption.

To the extent that any resulting treatment of a holder of the Bank's securities pursuant to the exercise of the Bail-in Tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder of such affected securities would have a right to compensation under the BRRD and the SRM Regulation based on an independent valuation of the institution, in accordance with Article 10 of RD 1012/2015 and the SRM Regulation, together with any other compensation provided for in any Applicable Banking Regulations (as defined below) including, inter alia, compensation in accordance with Article 36.5 of Law 11/2015. However, if the treatment of a creditor following a Non-Viability Loss Absorption is less favourable than it would have been under ordinary insolvency proceedings, it is uncertain whether that creditor would be entitled to the compensation provided for in the BRRD and the SRM Regulation.

On 30th March, 2026, the European Parliament and Council adopted Directive (EU) 2026/806, Directive (EU) 2026/804 and Regulation (EU) 2026/808, which together amend the EU's existing bank crisis management and deposit insurance framework reform (the **CMDI Reforms**). The CMDI Reforms were published in the Official Journal of the EU on 20th April, 2026 and came into force on 10th May, 2026 and will apply (with some exceptions) 24 months after the date on which they entered into force. The CMDI Reforms include, among other things, amendments to the BRRD, including the amendment of the ranking of claims in insolvency to provide for a general depositor preference, pursuant to which the insolvency laws of Member States would be required by the BRRD to extend (with certain exceptions) the legal preference of claims in respect of deposits relative to ordinary unsecured claims to all deposits. The CMDI Reforms also include amendments to the SRM Regulation as regards early intervention measures, conditions for resolution and funding of resolution actions and the Deposit Guarantee Schemes Directive (Directive 2014/49/EU of the European Parliament and of the Council of 16th April, 2014 on deposit guarantee schemes) as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border co-operation, and transparency. The directives forming part of the CMDI Reforms will require transposition into the national laws of each Member State of the EU (including Spain) with a general deadline being set for this of 11th May, 2028 (subject to certain exceptions). This process may result in differences in implementation across jurisdictions. Accordingly, as of the date of this Offering Circular, there remains uncertainty as to how exactly each Member State will implement the CMDI Reforms.

Following implementation of the CMDI Reforms, senior preferred claims (*créditos ordinarios preferentes*) of the Bank will rank junior to the claims of depositors (with certain exceptions), including deposits of large corporates and other deposits that are currently excluded from the above privileged claims.

This general depositor preference will also affect any application of the Bail-In Tool, as such application is to be carried out in the order of the hierarchy of claims in normal insolvency proceedings. Accordingly, this means that following the necessary amendment of the insolvency laws of Spain to establish such general depositor preference, any resulting write-down or conversion of senior preferred claims (*créditos ordinarios preferentes*) by the Relevant Spanish Resolution Authority would be carried out before any write-down or conversion of the claims of depositors such as those of large corporates that previously would have been written-down or converted alongside such senior preferred claims (*créditos ordinarios preferentes*). By removing the requirement for such deposits to be written-down or converted in this manner, one of the stated objectives of this proposed amendment is to reduce the likelihood of deposits generally needing to be included in any such write-down or conversion upon any application of the Bail-In Tool and improve the process for the application of the Bail-In Tool. This may also increase the likelihood of the Relevant Spanish Resolution Authority applying the Bail-In Tool in any circumstances in which such application is being considered.

**Applicable Banking Regulations** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Bank and/or the Group including, inter alia, the CRD Directive, CRR, BRRD, the SRM Regulation and those laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect in Spain (whether or not such regulations, requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Bank and/or the Group).

**Relevant Spanish Resolution Authority** means the FROB (*Autoridad de Resolución Ejecutiva*, formerly known as the Spanish Fund for Orderly Bank Restructuring or *Fondo de Reestructuración Ordenada Bancaria*), the SRB, the Bank of Spain, the Spanish National Securities Market Commission (**CNMV**) or any other entity with the authority to exercise any of the resolution tools and powers contained in the Applicable Banking Regulations.

***MREL***

The BRRD prescribes that banks shall hold a minimum level of own funds and eligible liabilities in relation to RWAs known as MREL. According to the Commission Delegated Regulation (EU) 2016/1450 of 23rd May, 2016 supplementing BRRD with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities, the level of own funds and eligible liabilities required under MREL will be set by the resolution authority, in agreement with the competent authority, for each bank (and/or group) based on, among other things, the criteria set forth in Article 45 of the BRRD, including the systemic importance of the institution. Eligible liabilities may be senior or subordinated, provided that, among other requirements, they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted by the resolution authority of a Member State under that law or through contractual provisions.

If a Relevant Spanish Resolution Authority considers that there may be any obstacles to resolvability by the Bank and/or the Group, a higher MREL could be imposed.

The EU banking reforms provide that the breach by a bank of its MREL should be addressed by the competent authorities through their powers to address or remove obstacles to resolution, the exercise of their supervisory powers and their power to impose early intervention measures, administrative sanctions and other administrative measures. If there were a deficit in the level of an entity's eligible own funds and liabilities, and that entity's own funds were contributing to meeting the "combined buffer requirement", these own funds would automatically be deemed to count toward meeting the MREL of such entity and would cease to count for the purposes of meeting the "combined buffer requirement", which could lead to the entity failing to comply with its "combined buffer requirement". This could result in the need to calculate the MDA and the resolution authority would have the power (but not the obligation) to impose restrictions on the making of discretionary payments. Therefore, the Bank will have to fully comply with its "combined buffer requirement", in addition to its MREL, to ensure that it can make discretionary payments.

In addition, in accordance with the EBA guidelines on the assumptions of triggering the use of early intervention measures of 8th May, 2015, a significant deterioration in the amount of eligible liabilities and own funds held by an entity in order to comply with its MREL could place an entity in a situation where the conditions for early intervention are met, which could entail the application of early intervention measures by the competent resolution authority, which in the Spanish case are detailed in Articles 9 and 10 of Law 11/2015, including the intervention or provisional replacement of administrators.

The EU banking reforms further include, as part of MREL, a new subordination requirement of eligible instruments for G-SIBs and "top tier" banks (including the Bank) that is determined according to their systemic importance, involving a minimum "Pillar 1" subordination requirement. This "Pillar 1" subordination requirement shall be satisfied with own funds and other eligible MREL instruments (which MREL instruments may not for these purposes be senior debt instruments and only MREL instruments constituting "non-preferred" senior debt and other subordinated liabilities will be eligible for compliance with the subordination requirement). For "top tier" banks such as the Bank, this "Pillar 1" subordination requirement has been determined as the higher of 13.5 per cent. of the Bank's RWAs and 5 per cent. of its leverage exposure. Resolution authorities may also impose further "Pillar 2" subordination requirements, which would be determined on a case-by-case basis but at a minimum level equal to the lower of 8 per cent. of a bank's total liabilities and own funds and 27 per cent. of its RWAs (both including MREL Pillar 1 and Pillar 2).

On 14th April, 2026, the Bank announced that it had received a communication from the Bank of Spain of its new MREL requirement, as determined by the SRB and calculated taking into account the financial and supervisory information as of 31st December, 2024, which communication repeals and supersedes the previous MREL requirement communicated on 12th June, 2025.

In accordance with this MREL communication, BBVA must maintain, from 14th April, 2026 an amount of MREL equal to 23.94 per cent. of the total RWAs of its resolution group, on a sub-consolidated level (the **MREL in RWAs**) (compared to the MREL in RWAs requirement of 23.13 per cent. which was applicable from 12th June, 2025 taking into account the financial and supervisory information as of 31st December, 2023). Within this MREL in RWAs, an amount equal to 13.50 per cent. of the total RWAs of BBVA's resolution group must be met with subordinated instruments (the **subordination requirement in RWAs**) (the same as the subordination requirement in RWAs which was applicable from 12th June, 2025). The MREL in RWAs and the subordination requirement in RWAs do not include the combined buffer requirement which, according to applicable regulations and supervisory criteria, is 3.72 per cent. of the total RWAs of the resolution group as of 14th April, 2026.

In addition, BBVA must maintain, from 14th April, 2026, an amount of own funds and eligible liabilities in terms of the total exposure of its resolution group considered for calculating the leverage ratio equal to 8.96 per cent. (the **MREL in LR**) of which 5.56 per cent., in terms of the total exposure of its resolution group considered for calculating the leverage ratio, shall be satisfied with subordinated instruments (the **subordination requirement in LR**).

As of the date of this Offering Circular, no MREL Pillar 2 requirement has been imposed on BBVA. Given the own funds and eligible liabilities structure of BBVA's resolution group as of 30th September, 2026, the own funds and eligible liabilities stood at 29.40 per cent. of the RWAs of its resolution group, at the sub-consolidated level, complying with the aforementioned MREL in RWAs requirement, and the amount of subordinated instruments was equal to 26.37 per cent. of the RWAs of its resolution group, at the sub-consolidated level, complying with the subordination requirement in RWAs.

In addition, as of 30th September, 2026, the MREL of BBVA in terms of the total exposure considered for calculating the leverage ratio stood at 9.89 per cent. and the amount of subordination instruments in terms of the total exposure considered for calculating the leverage ratio stood at 8.87 per cent., complying with the MREL in LR and the subordination requirement in LR, respectively. The resolution group consists of BBVA and its subsidiaries belonging to the same European resolution group and, as of 31st December, 2024 (the currently applicable reference date), the RWAs of the resolution group amounted to €228,796 million and the total exposure considered for calculating the leverage ratio amounted to €527,804 million.

## Capitalisation of the Group

The following table sets forth the capitalisation and indebtedness of the Group on an unaudited consolidated basis in accordance with EU-IFRS required to be applied under Bank of Spain Circular 4/2017 and in compliance with IFRS-IASB as of 30th September, 2026 on an actual basis:

| | As of 30th September, 2026 |
|---|---|
| | **Actual (in millions of euros) (unaudited)** |
| **Outstanding indebtedness**[1] | |
| Short-term indebtedness[2] | 29,782 |
| Long-term indebtedness | 87,975 |
| *Of which: Preferred securities*[3] | – |
| **Total indebtedness**[4] | **117,757** |
| **Shareholders' equity** | |
| Ordinary shares | 2,700 |
| Ordinary shares held by consolidated companies | (1,046) |
| Reserves[5] | 75,625 |
| Dividends | (2,020) |
| Accumulated other comprehensive income | (17,686) |
| **Total shareholders' equity** | **57,573** |
| Preferred shares | – |
| Non-controlling interest | 4,994 |
| **Total capitalisation and indebtedness** | **180,325** |

(1) No third party has guaranteed any of the debt of the Group.
(2) Includes all outstanding promissory notes and bonds, debentures and subordinated debt (including preferred securities) with a remaining maturity of up to one year as of 30th September, 2026.
(3) In accordance with IFRS-IASB and in accordance with EU-IFRS required to be applied under the Bank of Spain's Circular 4/2017, the Group's preferred securities are accounted for as subordinated debt. Nonetheless, for Bank of Spain regulatory capital purposes, such preferred securities are treated as Tier 1 capital instruments.
(4) Approximately 8 per cent. of the Group's indebtedness was secured as of 30th September, 2026.
(5) Includes Share premium, Equity instruments issued other than capital, Retained earnings, Other reserves and Profit or loss attributable to owners of the parent.

As at the date of this Offering Circular, BBVA's share capital is €2,700,323,995.53 divided into 5,510,865,297 shares. In the event of Conversion, and taking into account the Floor Price, the maximum number of shares issued would be 266,666,666, which represents 4.84 per cent. of the current share capital.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### HISTORY AND DEVELOPMENT OF THE BANK

BBVA's predecessor bank, BBV (Banco Bilbao Vizcaya), was incorporated as a public limited company (a *sociedad anónima* or S.A.) under the Spanish Corporations Law on 1st October, 1988. BBVA was formed following the merger of Argentaria into BBV (Banco Bilbao Vizcaya), which was approved by the shareholders of each entity on 18th December, 1999 and registered on 28th January, 2000. It conducts its business under the commercial name "BBVA". BBVA is registered with the Commercial Registry of Vizcaya (Spain) (Volume 2,083, Sheet 1, Page BI-17.A, first inscription). It has its registered office at Plaza de San Nicolás 4, 48005, Bilbao, Spain, and has its main place of business at Calle Azul, 4, 28050, Madrid, Spain (telephone number: +34 91 374 6201). BBVA is incorporated for an unlimited term. The Legal Entity Identifier (LEI) of BBVA is K8MS7FD7N5Z2WQ51AZ71. The website of the Bank is https://www.bbva.com/en/. The information contained in such website shall not be deemed to constitute a part of this Offering Circular unless specifically incorporated by reference.

BBVA's corporate purpose contained in Article 3 of its bylaws is to engage in all kinds of activities, operations, acts, contracts and services within the banking business or directly or indirectly related to it, that are permitted or not prohibited by prevailing provisions and ancillary activities. Its corporate purpose also includes the acquisition, holding, utilisation and divestment of securities, public offerings to buy and sell securities, and any kind of holdings in any company or enterprise.

### CAPITAL EXPENDITURES

BBVA's principal investments are financial investments in its subsidiaries and affiliates. The main capital expenditures from 2024 to the date of this Offering Circular were the following:

#### 2024, 2025 and 2026 to date

In 2024, 2025 and 2026 to the date of this Offering Circular, there were no significant capital expenditures.

### CAPITAL DIVESTITURES

BBVA's principal divestitures are divestitures in its subsidiaries and affiliates. The main capital divestitures from 2024 to the date of this Offering Circular were the following:

#### 2024 and 2025

In 2024 and 2025, there were no significant capital divestitures.

#### 2026 to date

#### Completion of the sale of the Romanian subsidiary of Garanti BBVA

On 28th March, 2026, it was announced that Türkiye Garanti Bankası A.Ş. (**Garanti BBVA**) had reached an agreement with Raiffeisen Bank SA, the Romanian subsidiary of the Austrian bank, Raiffeisen Bank International AG, to sell 100 per cent. of Garanti BBVA's subsidiaries in Romania. As a result of this transaction, all the balance sheet items of Garanti Bank SA, Motoractive IFN SA and Motoractive Multiservices SRL were reclassified into the category of "Non-current assets (liabilities)

and disposal groups classified as held for sale" in the Group's consolidated balance sheet as of 30th September, 2026.

Following receipt of the relevant regulatory approvals, the completion of the transaction took place on 2nd November, 2026.

## RECENT DEVELOPMENTS

### *Shareholder Remuneration*

On 19th December, 2025, BBVA announced the launch of a €3.96 billion extraordinary share buyback programme aimed at reducing BBVA's share capital and which would be executed in several tranches. The execution of the first tranche, which commenced on 22nd December, 2025, was completed on 6th March, 2026 and resulted in the buyback and redemption of 74,963,302 shares for the amount of €1.5 billion. The second tranche of the extraordinary share buyback programme, which commenced on 23rd March, 2026, was completed on 17th April, 2026 and resulted in the buyback and redemption of 52,800,888 shares for the amount of €1 billion. The remaining amount of the extraordinary share buyback programme was executed in a third tranche, which commenced on 6th May, 2026 and was completed on 3rd August, 2026 and resulted in the buyback and redemption of 70,339,213 shares for the amount of €1.46 billion.

On 30th July, 2026, BBVA announced the launch of a €2.0 billion extraordinary share buyback programme aimed at reducing BBVA's share capital and which would be executed in several tranches. The execution of the first tranche commenced on 5th August, 2026 and was completed on 1st October, 2026, resulting in the buyback of 40,204,840 shares, whose redemption is pending execution. The remaining amount of the extraordinary share buyback programme (€1 billion) is being executed in a second tranche, which commenced on 14th October, 2026, and which has not yet been completed as at the date of this Offering Circular.

### *Cash distributions in 2026*

The Annual General Shareholders' Meeting of BBVA held on 20th March, 2026 approved a cash distribution against the 2025 results as a final dividend for the 2025 financial year, for an amount equal to €0.60 gross per outstanding BBVA share entitled to participate in this distribution, which was paid on 10th April, 2026. The total amount paid, excluding dividends paid in respect of treasury shares held by the Group's companies other than BBVA, amounted to approximately €3,357 million.

Additionally, on 1st October, 2026, BBVA announced that its Board of Directors had approved the payment of a cash interim dividend of €0.37 gross (€0.2997 net of withholding tax) per outstanding BBVA share entitled to participate in this distribution, which was paid on 15th October, 2026. The total amount paid, excluding dividends paid in respect of treasury shares held by the Group's companies other than BBVA, amounted to approximately €2,022 million.

## BUSINESS OVERVIEW

The Group is a customer-centric global financial services group founded in 1857. Internationally diversified and with strengths in the traditional banking businesses of retail banking, asset management and wholesale banking, the Group is committed to offering a compelling digital proposition focused on customer experience.

For this purpose, the Group is focused on increasingly offering products online and through mobile channels, improving the functionality of its digital offerings and refining the customer experience, contributing to the delivery of its strategy in a sustainable and inclusive way. BBVA places

sustainability at the core of its strategy. Sustainability is impacting the banking business, affecting not only relations with customers but also internal processes.

During the nine months ended 30th September, 2026, the number of digital and mobile phone customers and the volume of online transactions continued to increase.

***Standards and interpretations that became effective in the first nine months of 2026***

*Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments*

On 30th May, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify, among others, how to assess the contractual cash flow characteristics of financial assets that include contingent features such as the achievement of ESG targets. Additionally, they clarify that a financial liability should be derecognised on the 'settlement date' and introduce an accounting policy option to derecognise before that date financial liabilities that are settled using an electronic payment system. Finally, additional disclosures are required by IFRS 7 for financial instruments with contingent characteristics and equity instruments classified at fair value through other comprehensive income.

The amendments came into force on 1st January, 2026, and had no significant impact on the Group's consolidated financial statements.

*Amendments to IFRS 9 and IFRS 7: Contracts that refer to nature-dependent electricity*

On 18th December, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting for renewable electricity purchase agreements. The amendments include guidance on the 'own use' exemption for electricity purchasers and requirements for applying hedge accounting to these agreements.

The amendments came into force on 1st January, 2026, with no significant impacts on the Group's consolidated financial statements arising from the entry into force of the amendments.

***Standards and interpretations issued but not yet effective as of 30th September, 2026***

*IFRS 18 - "Presentation and Disclosures in Financial Statements"*

On 9th April, 2024, the IASB issued IFRS 18 "Presentation and Disclosures in Financial Statements" which introduces new requirements to improve the quality of information presented in financial statements and to promote analysis, transparency and comparability of companies' performance.

Specifically, IFRS 18 introduces three predefined profit and loss categories (operating, investing and financing) and two subtotals ("operating profit (loss)" and "profit (loss) before financing and income taxes") to provide a consistent structure in the income statement and facilitate the analysis of the income statement. Additionally, it introduces disclosure requirements for management-defined performance measures. Finally, it establishes requirements and provides guidance on aggregation/disaggregation of the information to be provided in the primary financial statements.

This new standard will come into force on 1st January, 2027, with early application permitted once it is adopted by the EU. The Group is currently evaluating the potential effects derived from the application of the standard; however, given that it is fundamentally a presentation and disclosure standard, no impacts are expected on the consolidated equity of the Group or on the attributed profit, beyond possible changes in the presentation, disaggregation and disclosure of certain financial information.

*IFRS 19 "Subsidiaries without Public Accountability: Disclosures"*

On 9th May, 2024, the IASB issued IFRS 19 "Subsidiaries without Public Accountability: Disclosures" which allows certain eligible entities to elect to apply the reduced disclosure requirements of IFRS 19 while continuing to apply the requirements of recognition, valuation and presentation of other IFRS accounting standards.

This new standard will enter into force on 1st January, 2027, allowing early application once it is adopted by the EU. There are no eligible entities within the Group that fall within the scope of this standard, so no significant impact on the Group's consolidated financial statements is expected.

*Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"*

As stated above, IFRS 19, issued in May 2024, allows certain eligible entities to elect to apply the reduced disclosure requirements of IFRS 19 while continuing to apply the requirements of recognition, valuation and presentation of other IFRS accounting standards (including IFRS 18). With these amendments, IFRS 19 reflects the changes in IFRS that will come into effect on 1st January, 2027, the date on which IFRS 19 will become applicable. In the future, IFRS 19 will be amended simultaneously with the publication or revision by the IASB of other accounting standards.

This amendment is pending approval by the EU. No significant impact on the Group's consolidated financial statements is expected.

*Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"*

On 13th November, 2025, the IASB issued a series of amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates. These amendments address how companies should translate financial information from a non-hyperinflationary functional currency to a hyperinflationary presentation currency.

Specifically, it states that a company with a non-hyperinflationary functional currency but with a hyperinflationary presentation currency must translate all amounts in the financial statements (including comparative amounts) using the closing exchange rate at the end of the reporting period.

The amendments also require entities to disclose and provide details of the financial information related to their foreign operations affected by the proposed translation method.

The amendments will come into effect on 1st January, 2027, once adopted by the EU, and will be applied retrospectively. The entry into force of the standard will not have any impact on the Group’s consolidated financial statements.

*Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates"*

In June 2026, the IASB issued specific amendments to IAS 28 regarding the use of fair value option as an exemption from applying the equity method to investments in associates and joint ventures for eligible entities. The amendments clarify the scope of this exemption to include entities whose main business activity is investing in specified type of assets, in accordance with IFRS 18. The amendments become effective when an entity first applies IFRS 18, i.e. for annual reporting periods beginning on or after 1st January, 2027, or earlier if IFRS 18 is adopted early. However, the amendments are still pending endorsement by the EU. The entry into force of the standard is not expected to have any impact on the Group’s consolidated financial statements.

**Operating Segments**

As of 30th September, 2026, the structure of the operating segments used by the Group for management purposes remained the same as in 2025.

Set forth below are the Group's current five operating segments:

- Spain;
- Mexico;
- Türkiye;
- South America; and
- Rest of Business.

In addition to the operating segments referred to above, the Group has a Corporate Center which includes those items that have not been allocated to an operating segment. It includes the Group's general management functions, including costs from central units that have a corporate function; management of structural exchange rate positions carried out by the Assets & Liabilities Management unit (**ALCO**), including currency hedging; certain proprietary portfolios; certain tax assets and liabilities; certain provisions related to commitments with employees; and goodwill and other intangibles, as well as the financing of such asset portfolios. It also includes the results of the Group's stake in the venture capital fund Propel Venture Partners.

Following the publication of the 2025 Consolidated Financial Statements, certain immaterial balance sheet amounts related to specific activities undertaken by the business units were reallocated between the operating segments and the Corporate Center. As a result, certain immaterial income and expenses were reallocated, in particular, between the Spain, Mexico, South America and Rest of Business operating segments and the Corporate Center. In order to make the segment information as of 31st December, 2025 and for the nine months ended 30th September, 2025 included herein comparable with the segment information as of and for the nine months ended 30th September, 2026, segment information as of 31st December, 2025 and for the nine months ended 30th September, 2025 included herein has been revised in conformity with these intra-group adjustments. These intra-group adjustments had no impact at the consolidated level.

The breakdown of the Group's total assets by each of BBVA's operating segments and the Corporate Center as of 30th September, 2026 and 31st December, 2025 was as follows:

| | As of 30th September, 2026 | As of 31st December, 2025 |
|---|---|---|
| | (in millions of euros) | |
| Spain | 537,231 | 458,090 |
| Mexico | 201,581 | 182,654 |
| Türkiye | 101,018 | 90,702 |
| South America | 90,449 | 76,624 |
| Rest of Business | 138,727 | 88,354 |
| **Subtotal Assets by Operating Segment** | **1,069,005** | **896,424** |
| Corporate Center | (82,814) | (36,848) |
| **Total Assets Group** | **986,191** | **859,576** |

The following tables set forth certain summarised information relating to the profit (loss) attributable to the parent company and income, respectively, for each of BBVA's operating segments and the Corporate Center for the nine months ended 30th September, 2026 and 2025. Such information is presented under management criteria; however, for the nine months ended 30th September, 2026 and 2025, there are no differences between the sum of the income statements of BBVA's operating segments and the Corporate Center (calculated in accordance with management criteria used to report segment financial information) and the consolidated income statement of the Group.

| | Profit / (Loss) Attributable to Parent Company | | Per cent. of Profit / (Loss) Attributable to Parent Company[1] | |
|---|---|---|---|---|
| | For the nine months ended 30th September, | | | |
| | 2026 | 2025 | 2026 | 2025 |
| | (in millions of euros) | | (in percentage) | |
| Spain | 3,106 | 3,111 | 30.9 | 35.8 |
| Mexico | 4,522 | 3,866 | 45.0 | 44.4 |
| Türkiye | 789 | 648 | 7.9 | 7.5 |
| South America | 821 | 578 | 8.2 | 6.6 |
| Rest of Business | 801 | 497 | 8.0 | 5.7 |
| **Subtotal operating segments** | **10,040** | **8,701** | **100.0** | **100.0** |
| Corporate Center | (974) | (723) | | |
| **Profit attributable to parent company** | 9,066 | 7,978 | | |

[1] Based on subtotal from operating segments.

| | Operating Segments | | | | | | |
|---|---|---|---|---|---|---|---|
| | Spain | Mexico | Türkiye | South America | Rest of Business | Corporate Center | Total |
| | (in millions of euros) | | | | | | |
| **September, 2026** | | | | | | | |
| Net interest income / (expense) | 5,055 | 9,826 | 3,357 | 4,518 | 833 | (346) | 23,243 |
| Gross income | 7,601 | 13,026 | 5,085 | 5,065 | 1,873 | (579) | 32,072 |
| Operating profit / (loss) before tax | 4,435 | 6,408 | 1,860 | 1,803 | 1,029 | (1,210) | 14,325 |
| **Profit / (loss) attributable to parent company** | **3,106** | **4,522** | **789** | **821** | **801** | **(974)** | **9,066** |
| **September, 2025** | | | | | | | |
| Net interest income / (expense) | 4,886 | 8,393 | 2,137 | 3,547 | 584 | (301) | 19,246 |
| Gross income | 7,436 | 11,124 | 3,776 | 4,011 | 1,289 | (500) | 27,136 |
| Operating profit / (loss) before tax | 4,488 | 5,374 | 1,445 | 1,345 | 640 | (1,000) | 12,292 |
| **Profit / (loss) attributable to parent company** | **3,111** | **3,866** | **648** | **578** | **497** | **(723)** | **7,978** |

The following tables set forth certain summarised information relating to the balance sheet of the operating segments and the Corporate Center and adjustments as of 30th September, 2026 and 31st December, 2025. Information relating to the Türkiye operating segment as of 30th September, 2026 has been presented under management criteria. Therefore, in the case of the table relating to 30th September, 2026, the summarised information relating to the balance sheet of the operating segments and the Corporate Center is reconciled to the summarised balance sheet information of the Group. The "Adjustments" column in the table as of 30th September, 2026 shows the differences between the Group balance sheet information and the balance sheet information calculated in accordance with management criteria used to report segment financial information.

| | As of 30th September, 2026 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Spain | Mexico | Türkiye[1] | South America | Rest of Business | Total Operating Segments | Corporate Center | Adjustments[1] | Group |
| | (in millions of euros) | | | | | | | | |
| **Total Assets** | 537,231 | 201,581 | 101,018 | 90,449 | 138,727 | 1,069,005 | (82,814) | – | **986,191** |
| Cash, cash balances at central banks and other demand deposits | 12,824 | 10,845 | 8,991 | 8,475 | 22,346 | 63,482 | (278) | (271) | 62,933 |
| Financial assets at fair value [2] | 147,495 | 63,465 | 5,896 | 14,836 | 3,296 | 234,987 | (6,258) | (118) | 228,611 |
| Financial assets at amortised cost | 280,601 | 119,724 | 80,857 | 63,157 | 112,104 | 656,443 | (1,119) | (3,622) | 651,701 |
| Loans and advances to customers | 201,581 | 108,355 | 61,621 | 59,866 | 99,839 | 531,262 | (1,083) | (2,725) | 527,455 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Total Liabilities** | **521,327** | **189,113** | **90,766** | **82,225** | **131,881** | **1,015,311** | **(91,687)** | **–** | **923,623** |
| Financial liabilities held for trading and designated at fair value through profit or loss | 115,554 | 39,028 | 1,838 | 3,448 | 993 | 160,862 | (12,665) | – | 148,195 |
| Financial liabilities at amortised cost - Customer deposits | 262,293 | 100,502 | 69,242 | 62,998 | 47,756 | 542,790 | (215) | (3,012) | 539,563 |
| **Total Equity** | **15,904** | **12,468** | **10,252** | **8,224** | **6,846** | **53,694** | **8,874** | **–** | **62,568** |
| **Assets under management** | **127,350** | **76,982** | **27,028** | **11,045** | **773** | **243,177** | | | |
| Mutual funds | 99,711 | 68,782 | 18,921 | 11,045 | – | 198,459 | | | |
| Pension funds | 27,638 | – | 8,107 | – | 773 | 36,518 | | | |
| Other placements | – | 8,200 | – | – | – | 8,200 | | | |

(1) As a result of the agreement for the sale of the Romanian subsidiaries of Garanti BBVA, the assets and liabilities of the affected companies were reclassified to "Non-current assets and disposal groups classified as held for sale" and "Liabilities included in disposal groups classified as held for sale", respectively, in the Group´s consolidated balance sheet as of 30th September, 2026. However, information in this section is presented under management criteria, pursuant to which the related balance sheet items in the Türkiye operating segment have not been reclassified into these line items and are shown instead in their pre-reclassification line items as of 30th September, 2026.

(2) Financial assets at fair value include: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income".

| | **As of 31st December, 2025** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Spain** | **Mexico** | **Türkiye** | **South America** | **Rest of Business** | **Total Operating Segments** | **Corporate Center** | **Group** |
| | **(in millions of euros)** | | | | | | | |
| **Total Assets** | **458,090** | **182,654** | **90,702** | **76,624** | **88,354** | **896,424** | **(36,848)** | **859,576** |
| Cash, cash balances at central banks and other demand deposits | 19,929 | 10,417 | 9,061 | 8,073 | 11,559 | 59,039 | (202) | 58,837 |
| Financial assets at fair value (1) | 119,910 | 60,136 | 5,010 | 10,602 | 1,928 | 197,587 | (3,314) | 194,272 |
| Financial assets at amortised cost | 263,437 | 105,494 | 72,047 | 54,283 | 74,292 | 569,552 | (660) | 568,893 |
| Loans and advances to customers | 192,959 | 97,259 | 53,745 | 51,235 | 66,418 | 461,618 | (1,217) | 460,401 |
| **Total Liabilities** | **442,920** | **171,639** | **81,467** | **69,352** | **83,152** | **848,529** | **(50,752)** | **797,778** |
| Financial liabilities held for trading and designated at fair value through profit or loss | 82,785 | 32,584 | 1,690 | 2,430 | 764 | 120,252 | (9,918) | 110,334 |
| Financial liabilities at amortised cost - Customer deposits | 251,430 | 93,855 | 62,984 | 53,375 | 40,932 | 502,577 | (75) | 502,501 |
| **Total Equity** | **15,171** | **11,015** | **9,235** | **7,271** | **5,202** | **47,895** | **13,903** | **61,798** |
| **Assets under management** | **119,535** | **69,533** | **26,290** | **8,271** | **736** | **224,365** | | |
| Mutual funds | 92,820 | 62,657 | 19,436 | 8,271 | — | 183,183 | | |
| Pension funds | 26,715 | — | 6,855 | — | 736 | 34,306 | | |
| Other placements | — | 6,876 | — | — | — | 6,876 | | |

(1) Financial assets at fair value include: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income".

***Spain***

This operating segment includes all of BBVA's banking and non-banking businesses in Spain, other than those included in the Corporate Center. The primary business units included in this operating segment are:

- ***Spanish Retail Network***: including individual customers, private banking, small companies and businesses in the domestic market;

- ***Corporate and Business Banking***: which manages small and medium-sized enterprises (**SMEs**), companies and corporations, and public institutions;

- ***Corporate and Investment Banking***: responsible for business with large corporations and multinational groups and the trading floor and distribution business in Spain; and

- ***Other units***: which includes the insurance business unit in Spain (BBVA Seguros) as well as the Group's shareholding in Compañía de Seguros y Reaseguros, S.A., the Group's Asset Management unit (which manages Spanish mutual funds and pension funds), lending to real estate developers and foreclosed real estate assets in Spain, as well as certain proprietary portfolios and certain funding and structural interest-rate positions of the euro balance sheet which are not included in the Corporate Center.

Cash, cash balances at central banks and other demand deposits amounted to €12,824 million as of 30th September, 2026, a 35.6 per cent. decrease compared with the €19,929 million recorded as of 31st December, 2025, mainly driven by the widening of the credit gap, the purchase of debt securities issued by certain European central governments, and the payment of dividends, partially offset by the proceeds of debt issuances completed during the nine months ended 30th September, 2026.

Financial assets at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") amounted to €147,495 million as of 30th September, 2026, a 23.0 per cent. increase from the €119,910 million recorded as of 31st December, 2025, mainly as a result of increased activity, through trading loans (reverse repurchase agreements) with other financial institutions, in the Global Markets unit.

Financial assets at amortised cost of this operating segment as of 30th September, 2026 amounted to €280,601 million, a 6.5 per cent. increase compared with the €263,437 million recorded as of 31st December, 2025. Within this heading, loans and advances to customers amounted to €201,581 million as of 30th September, 2026, a 4.5 per cent. increase compared with the €192,959 million recorded as of 31st December, 2025, mainly due to increases in corporate loans and, to a lesser extent, consumer loans. In addition, within this heading, debt securities of this operating segment as of 30th September, 2026 amounted to €58,130 million, a 4.8 per cent. increase compared with the €55,491 million recorded as of 31st December, 2025, mainly due to increases in debt securities issued by certain European central governments.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 30th September, 2026 amounted to €115,554 million, a 39.6 per cent. increase compared with the €82,785 million recorded as of 31st December, 2025, mainly due to the increase in trading deposits (through repurchase agreements), supported by higher liquidity in the financial system and, to a lesser extent, the increase in derivatives.

Customer deposits at amortised cost of this operating segment as of 30th September, 2026 amounted to €262,293 million, a 4.3 per cent. increase compared with the €251,430 million recorded as of 31st

December, 2025, mainly due to the increase in deposits from financial institutions (through repurchase agreements).

Off-balance sheet funds of this operating segment (which includes "Mutual funds" (including customers' portfolios) and "Pension funds") as of 30th September, 2026 amounted to €127,350 million, a 6.5 per cent. increase compared with the €119,535 million recorded as of 31st December, 2025, mainly due to increases in mutual funds supported by favourable financial market evolution.

This operating segment's NPL ratio (defined as NPLs divided by total credit risk and calculated as the sum of impaired loans and advances to customers, impaired guarantees to customers and other impaired commitments divided by the sum of loans and advances to customers, guarantees to customers and other commitments) decreased to 2.9 per cent. as of 30th September, 2026 from 3.0 per cent. as of 31st December, 2025. This ratio was positively affected by a decrease in the amount of non-performing mortgage loans due to recoveries, and certain mortgage portfolio sales, alongside the increases in the wholesale loan portfolio and consumer loans, increasing the overall loans and advances to customers in the ratio's denominator. This operating segment's NPL coverage ratio (defined as allowance for credit losses divided by NPLs and calculated as loss allowances on loans and advances divided by the sum of impaired loans and advances to customers, impaired guarantees to customers and other impaired commitments) increased to 72.0 per cent. as of 30th September, 2026 from 67.0 per cent. as of 31st December, 2025, as a result, in part, of the fact that the reduction in NPLs was concentrated in secured loans, which typically carry a lower coverage level than the portfolio's average.

***Mexico***

The Mexico operating segment includes the banking, insurance and asset management business conducted in Mexico by BBVA Mexico. It also includes BBVA Mexico's agency in Houston.

The Mexican peso appreciated by 2.6 per cent. against the euro as of 30th September, 2026 compared with 31st December, 2025, positively affecting the business activity of the Mexico operating segment as of 30th September, 2026 expressed in euros.

Cash, cash balances at central banks and other demand deposits amounted to €10,845 million as of 30th September, 2026, a 4.1 per cent. increase compared with the €10,417 million recorded as of 31st December, 2025, mainly driven by the increase in repurchase agreements activity, the proceeds of debt issuances completed during the nine months ended 30th September, 2026 and the appreciation of the Mexican peso against the euro.

Financial assets at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 30th September, 2026 amounted to €63,465 million, a 5.5 per cent. increase from the €60,136 million recorded as of 31st December, 2025, mainly due to an increase in debt securities in the Global Markets unit, an increase in trading derivatives and the appreciation of the Mexican peso against the euro, partially offset by the decrease in trading loans (through reverse repurchase agreements) and advances.

Financial assets at amortised cost of this operating segment as of 30th September, 2026 amounted to €119,724 million, a 13.5 per cent. increase compared with the €105,494 million recorded as of 31st December, 2025. Within this heading, loans and advances to customers of this operating segment as of 30th September, 2026 amounted to €108,355 million, a 11.4 per cent. increase compared with the €97,259 million recorded as of 31st December, 2025, mainly attributable to increases in the volume of corporate and consumer loans, supported by digital marketing campaigns, and the appreciation of the Mexican peso against the euro.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 30th September, 2026 amounted to €39,028 million, a 19.8 per cent. increase compared with the €32,584 million recorded as of 31st December, 2025, mainly as a result of the increase in trading deposits (through repurchase agreements) from financial institutions and private and corporate customers, increases in derivatives and the appreciation of the Mexican peso against the euro, partially offset by a decrease in short positions held for trading.

Customer deposits at amortised cost of this operating segment as of 30th September, 2026 amounted to €100,502 million, a 7.1 per cent. increase compared with the €93,855 million recorded as of 31st December, 2025, primarily due to increases in demand deposits from central governments in a highly competitive environment, and the appreciation of the Mexican peso against the euro.

Off-balance sheet funds of this operating segment (which includes "Mutual funds" (including customers' portfolios) and "Other placements") as of 30th September, 2026 amounted to €76,982 million, a 10.7 per cent. increase compared with the €69,533 million as of 31st December, 2025, mainly as a result of the continuing search by customers for higher-return investments, which continued to boost mutual funds, and supported by favourable financial market evolution and the appreciation of the Mexican peso against the euro.

This operating segment's NPL ratio (as defined in "Spain" above) increased to 2.9 per cent. as of 30th September, 2026 from 2.7 per cent. as of 31st December, 2025. This operating segment's NPL coverage ratio (as defined in "Spain" above) decreased to 111 per cent. as of 30th September, 2026 from 124 per cent. as of 31st December, 2025 as a result of higher non-performing retail and wholesale loan portfolios (whose coverage levels were lower than the average coverage) and lower provisions resulting from the impact of the annual recalibration of the parameters used in the expected credit loss calculation models.

***Türkiye***

This operating segment comprises the activities carried out by Garanti BBVA as an integrated financial services group operating in the banking, insurance and asset management business in Türkiye, including corporate, commercial, SME, payment systems, retail, private and investment banking, together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage and asset management, as well as its international subsidiaries in Romania and the Netherlands.

On 28th March, 2026, Garanti BBVA reached an agreement with Raiffeisen Bank SA, the Romanian subsidiary of the Austrian bank, Raiffeisen Bank International AG, to sell 100 per cent. of Garanti BBVA's subsidiaries in Romania. Following receipt of the relevant regulatory approvals, the completion of the transaction took place on 2nd November, 2026. As a result of the execution of the aforementioned agreement, the assets and liabilities of the affected companies were reclassified to "Non-current assets and disposal groups classified as held for sale" and "Liabilities included in disposal groups classified as held for sale" in the Group's consolidated balance sheet as of 30th September, 2026. However, information in this section is presented under management criteria, pursuant to which the related balance sheet items in the Türkiye operating segment have not been reclassified into these line items and are shown instead in their pre-reclassification line items as of 30th September, 2026. The profit (loss) of these companies was not reclassified to "Profit / (loss) from discontinued operations, net" in either the Group's consolidated income statement or the Türkiye operating segment for the nine months ended 30th September, 2026, and has been included instead within each corresponding line item in the Group's consolidated income statement.

The Turkish lira depreciated by 9.3 per cent. against the euro as of 30th September, 2026 compared to 31st December, 2025, adversely affecting the business activity of the Türkiye operating segment as of 30th September, 2026 expressed in euros.

Since the first half of 2022, the Turkish economy has been considered to be hyperinflationary as defined by IAS 29 "Financial Reporting in Hyperinflationary Economies".

Cash, cash balances at central banks and other demand deposits amounted to €8,991 million as of 30th September, 2026, a 0.8 per cent. decrease compared with the €9,061 million recorded as of 31st December, 2025, mainly as a result of the depreciation of the Turkish lira against the euro and the widening of the credit gap (with Turkish lira loans increasing at a faster pace than deposits), partially offset by the accumulation of foreign currency deposits and the proceeds of debt issuances completed during the nine months ended 30th September, 2026.

Financial assets at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 30th September, 2026 amounted to €5,896 million, a 17.7 per cent. increase from the €5,010 million recorded as of 31st December, 2025, mainly due to the purchase of short-term debt securities as part of the liquidity management strategy during the nine months ended 30th September, 2026, partially offset by the depreciation of the Turkish lira against the euro.

Financial assets at amortised cost of this operating segment as of 30th September, 2026 amounted to €80,857 million, a 12.2 per cent. increase compared with the €72,047 million recorded as of 31st December, 2025. Within this heading, loans and advances to customers of this operating segment as of 30th September, 2026 amounted to €61,621 million, a 14.7 per cent. increase compared with the €53,745 million recorded as of 31st December, 2025, mainly due to the increase in the volume of Turkish lira-denominated wholesale loans, commercial loans and credit cards, due, in part, to the measures adopted by the Turkish authorities to encourage Turkish lira-denominated loans, partially offset by the depreciation of the Turkish lira against the euro. In addition, within this heading, debt securities of this operating segment as of 30th September, 2026 amounted to €6,205 million, a 1.5 per cent. decrease compared with the €6,299 million recorded as of 31st December, 2025, mainly as a result of the depreciation of the Turkish lira against the euro.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 30th September, 2026 amounted to €1,838 million, a 8.8 per cent. increase compared with the €1,690 million recorded as of 31st December, 2025, mainly due to an increase in trading derivatives, partially offset by the depreciation of the Turkish lira against the euro.

Customer deposits at amortised cost of this operating segment as of 30th September, 2026 amounted to €69,242 million, a 9.9 per cent. increase compared with the €62,984 million recorded as of 31st December, 2025, mainly due to the increase in Turkish lira-denominated wholesale and retail time deposits supported by high interest rates during the period, with new inflows into Turkish lira-denominated savings products, partially offset by the depreciation of the Turkish lira against the euro.

Off-balance sheet funds of this operating segment (which includes "Mutual funds" and "Pension funds") as of 30th September, 2026 amounted to €27,028 million, a 2.8 per cent. increase compared with the €26,290 million as of 31st December, 2025, with increases in pension funds partially offset by the depreciation of the Turkish lira against the euro.

The NPL ratio (as defined in "Spain" above) of this operating segment increased to 4.2 per cent. as of 30th September, 2026 from 3.9 per cent. as of 31st December, 2025, mainly as a result of increases in the balance of non-performing retail and wholesale loans, partially offset by the sale of certain NPL portfolios and the increase in the volume of retail and wholesale loans (which resulted in an increase in the denominator). This operating segment's NPL coverage ratio (as defined in "Spain" above) stood at 76 per cent. as of both 30th September, 2026 and 31st December, 2025.

***South America***

The South America operating segment includes the Group's banking, finance, insurance and asset management business mainly in Argentina, Chile, Colombia, Peru, Uruguay, Venezuela and Brazil.

The main business units included in the South America operating segment are:

- ***Retail and Corporate Banking***: includes banks in Argentina, Chile, Colombia, Peru, Uruguay, Venezuela and Brazil.

- ***Insuranc***e: includes insurance businesses in Argentina, Colombia and Venezuela.

As of 30th September, 2026, the Argentine peso depreciated against the euro by 0.9 per cent. compared to 31st December, 2025. On the other hand, the Colombian peso and the Peruvian sol appreciated against the euro by 16.4 per cent. and 1.0 per cent. respectively, compared to 31st December, 2025. Other currencies in the region have less impact on BBVA's financial condition and results of operations. Overall, changes in exchange rates resulted in a positive exchange rate effect on the business activity of the South America operating segment as of 30th September, 2026 expressed in euros.

As of 30th September, 2026 and 31st December, 2025, the Argentine and Venezuelan economies were considered to be hyperinflationary as defined by IAS 29 "Financial Reporting in Hyperinflationary Economies".

Cash, cash balances at central banks and other demand deposits as of 30th September, 2026 amounted to €8,475 million, a 5.0 per cent. increase compared with the €8,073 million recorded as of 31st December, 2025, mainly due to the credit gap tightening in Peru and Colombia and the appreciation of the Colombian peso against the euro, partially offset by the widening of the credit gap in Argentina.

Financial assets at fair value for this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 30th September, 2026 amounted to €14,836 million, a 39.9 per cent. increase compared with the €10,602 million recorded as of 31st December, 2025, mainly due to the increase in derivatives, loans and debt securities in Colombia, the increase in debt securities in Argentina and, to a lesser extent, the appreciation of the Colombian peso against the euro.

Financial assets at amortised cost of this operating segment as of 30th September, 2026 amounted to €63,157 million, a 16.3 per cent. increase compared with the €54,283 million recorded as of 31st December, 2025. Within this heading, loans and advances to customers of this operating segment as of 30th September, 2026 amounted to €59,866 million, a 16.8 per cent. increase compared with the €51,235 million recorded as of 31st December, 2025, mainly as a result of increases in wholesale loans and consumer loans in Colombia and, to a lesser extent, in Argentina and Peru, and the appreciation of the Colombian peso against the euro.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 30th September, 2026 amounted to €3,448 million, a 41.9 per cent. increase compared with the €2,430 million recorded as of 31st December, 2025, mainly due to the increases in derivatives in Colombia and the appreciation of the Colombian peso against the euro.

Customer deposits at amortised cost of this operating segment as of 30th September, 2026 amounted to €62,998 million, a 18.0 per cent. increase compared with the €53,375 million recorded as of 31st December, 2025, mainly as a result of increases in demand deposits from central governments and households in Colombia, increases in demand deposits from households in Peru, increases in time

deposits from non-financial corporations in Colombia and Peru, and the appreciation of the Colombian peso against the euro.

Off-balance sheet funds of this operating segment (which includes "Mutual funds", including customers' portfolios, in Argentina, Colombia and Peru) as of 30th September, 2026 amounted to €11,045 million, a 33.5 per cent. increase compared with the €8,271 million as of 31st December, 2025, mainly due to increases in mutual funds in Argentina and Colombia.

The NPL ratio (as defined in "Spain" above) of this operating segment decreased to 3.8 per cent. as of 30th September, 2026 from 4.0 per cent. as of 31st December, 2025, mainly as a result of the decrease in NPLs in the retail loan portfolios in Colombia and Peru and in the wholesale loan portfolio in Peru, and increased loan activity (which led to an increase in the denominator), partially offset by the increase in NPLs due to higher impairment requirements in the retail loan portfolio in Argentina. This operating segment's NPL coverage ratio (as defined in "Spain" above) decreased to 89.0 per cent. as of 30th September, 2026, from 92.0 per cent. as of 31st December, 2025, mainly as a result of the abovementioned increases in NPLs in Argentina and the new NPL inflows from certain clients in the wholesale portfolio in Colombia (whose coverage levels were lower than the average coverage).

***Rest of Business***

This operating segment mainly includes the wholesale activity carried out by the Group in Europe (excluding Spain), the United States and (through BBVA branches located therein) Asia, as well as the Group's digital banks in Italy and Germany.

The U.S. dollar appreciated by 3.5 per cent. against the euro as of 30th September, 2026 compared to 31st December, 2025, positively affecting the business activity of the Rest of Business operating segment as of 30th September, 2026 expressed in euros.

Cash, cash balances at central banks and other demand deposits as of 30th September, 2026 amounted to €22,346 million, a 93.3 per cent. increase compared with the €11,559 million recorded as of 31st December, 2025, mainly due to the increase in cash balances held at central banks within this operating segment, in particular at the Federal Reserve, to support increased activity in U.S. dollars, and, to a lesser extent, the appreciation of the U.S. dollar against the euro.

Financial assets at fair value for this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 30th September, 2026 amounted to €3,296 million, a 70.9 per cent. increase compared with the €1,928 million recorded as of 31st December, 2025, mainly due to the increase in trading loans and advances recorded under "Financial assets held for trading" in BBVA UK, the New York branch and BBVA Securities Inc. (BBVA's broker-dealer in the United States) and, to a lesser extent, the appreciation of the U.S. dollar against the euro.

Financial assets at amortised cost of this operating segment as of 30th September, 2026 amounted to €112,104 million, a 50.9 per cent. increase compared with the €74,292 million recorded as of 31st December, 2025. Within this heading, loans and advances to customers of this operating segment as of 30th September, 2026 amounted to €99,839 million, a 50.3 per cent. increase compared with the €66,418 million recorded as of 31st December, 2025, mainly due to increased corporate loans in the branches located in Europe, Asia and New York driven by increased activity and, to a lesser extent, the appreciation of the U.S. dollar against the euro.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 30th September, 2026 amounted to €993 million, a 30.0 per cent. increase compared with the €764 million recorded as of 31st December, 2025, mainly due to the increase in trading deposits

(through repurchase agreements) in BBVA Securities Inc. recorded under "Financial liabilities held for trading" and, to a lesser extent, the appreciation of the U.S. dollar against the euro.

Customer deposits at amortised cost of this operating segment as of 30th September, 2026 amounted to €47,756 million, a 16.7 per cent. increase compared with the €40,932 million recorded as of 31st December, 2025, mainly as a result of an increase in time deposits in the New York branch and in Europe, and the appreciation of the U.S. dollar against the euro.

Off-balance sheet funds of this operating segment (which consist of pension funds, including customers' portfolio) as of 30th September, 2026 amounted to €773 million, a 5.0 per cent. increase compared with the €736 million recorded as of 31st December, 2025.

The NPL ratio (as defined in "Spain" above) of this operating segment increased to 0.3 per cent. as of 30th September, 2026 from 0.2 per cent. as of 31st December, 2025, mainly due to increases in certain non-performing corporate loans located in the United States and Europe. This operating segment's NPL coverage ratio (as defined in "Spain" above) decreased to 84.0 per cent. as of 30th September, 2026, from 172.0 per cent. as of 31st December, 2025, since the coverage level of the abovementioned NPLs were typically lower than the average coverage.

***Organisational Structure***

For information on the composition of the Group as of 31st December, 2025, see Note 1.1 to the 2025 Consolidated Financial Statements.

The companies comprising the Group are principally domiciled in the following countries: Argentina, Belgium, Chile, Colombia, France, Germany, Italy, Mexico, Netherlands, Peru, Portugal, Romania, Spain, Switzerland, Türkiye, the United Kingdom, the United States of America and Uruguay. In addition, BBVA has an active presence in Asia.

Below is a simplified organisational chart of BBVA's most significant subsidiaries as of 31st December, 2025.

| Subsidiary | Country of Incorporation | Activity | BBVA Voting Power (in percentages) | BBVA Ownership (in percentages) | Total Assets[(1)] (in millions of euros) |
|---|---|---|---|---|---|
| BBVA MÉXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA MÉXICO | MEXICO | Bank | 100.00 | 100.00 | 155,059 |
| TÜRKIYE GARANTI BANKASI A.Ş. | TÜRKIYE | Bank | 85.97 | 85.97 | 72,157 |
| BANCO BBVA PERU | PERU | Bank | 94.26 (2) | 47.13 | 28,019 |
| BBVA COLOMBIA S.A. | COLOMBIA | Bank | 96.35 | 96.35 | 23,027 |
| BBVA SEGUROS S.A. DE SEGUROS Y REASEGUROS | SPAIN | Insurance | 99.96 | 99.96 | 13,879 |
| BANCO BBVA ARGENTINA S.A. | ARGENTINA | Bank | 67.00 | 66.55 | 14,085 |
| BBVA SEGUROS MÉXICO, S.A. DE C.V., GRUPO FINANCIERO BBVA MEXICO | MEXICO | Insurance | 99.98 | 100.00 | 13,366 |
| GARANTIBANK BBVA INTERNATIONAL N.V. [(3)] | THE NETHERLANDS | Bank | 85.97 | 100.00 | 10,746 |
| BBVA PENSIONES MEXICO, S.A. DE C.V., GRUPO FINANCIERO BBVA MEXICO | MEXICO | Insurance | 100.00 | 100.00 | 8,754 |
| BANCO BILBAO VIZCAYA ARGENTARIA URUGUAY S.A. | URUGUAY | Bank | 100.00 | 100.00 | 4,016 |

(1) Information for non-EU subsidiaries has been calculated using the prevailing exchange rates on 31st December, 2025.
(2) Subject to certain exceptions.
(3) BBVA owns 85.97 per cent. of Garanti BBVA, which in turn owns 100 per cent. of GarantiBank International N.V.

**Selected Consolidated Financial Data**

The historical financial information set forth below has been selected from, and should be read together with, the Condensed Q3 Interim Consolidated Financial Statements, the 2025 Consolidated Financial Statements and the 2024 Consolidated Financial Statements, each of which are incorporated by reference herein.

**Consolidated statement of income data**

| | For the nine months ended 30th September, | | For the year ended 31st December, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2025 | 2024 |
| | *(in millions of euros)* | | | |
| Net interest income | 23,243 | 19,246 | 26,280 | 25,267 |
| Profit (loss) | 9,672 | 8,461 | 11,126 | 10,575 |
| Profit (loss) attributable to owners of the parent | 9,066 | 7,978 | 10,511 | 10,054 |

**Consolidated balance sheet data**

| | As at 30th September, | As at 31st December, | |
|---|---|---|---|
| | 2026 | 2025 | 2024 |
| | *(in millions of euros)* | | |
| Total assets | 986,191 | 859,576 | 772,402 |
| Financial assets at amortised cost | 651,701 | 568,893 | 502,400 |
| Customers' deposits at amortised cost | 539,563 | 502,501 | 447,646 |
| Debt certificates | 117,757 | 87,839 | 74,464 |
| Non-controlling interests | 4,994 | 4,441 | 4,359 |
| Total equity | 62,568 | 61,798 | 60,014 |

**DIRECTORS AND SENIOR MANAGEMENT**

BBVA is managed by a Board of Directors which, in accordance with its current by-laws (*Estatutos*), must consist of no less than 5 and no more than 15 members. All members of the Board of Directors are elected to serve three-year terms. BBVA's Board of Directors Regulations state that the Board of Directors must try to ensure that there is an ample majority of non-executive directors over the number of executive directors on the Board of Directors.

BBVA's corporate governance system is based on the distribution of functions between the Board of Directors and the following specialised Board Committees: the Executive Committee (*Comisión Delegada Permanente*); the Audit Committee; the Appointments and Corporate Governance Committee; the Remuneration Committee; the Risk and Compliance Committee; and the Technology and Cybersecurity Committee. BBVA's Board of Directors is assisted in fulfilling its responsibilities by the Executive Committee. The Executive Committee will deal with those matters of the Board of Directors that the Board agrees to delegate to it, in accordance with the law, the Bylaws, the Board of Directors' Regulations or its own Regulations approved by the Board of Directors.

**Board of Directors**

The Board of Directors of BBVA currently comprises 15 members, 13 of which are non-executive directors and two are executive directors. The business address of the directors of BBVA is Calle Azul, 4, 28050 Madrid.

BBVA may, from time to time, enter into transactions in the ordinary course of its business, and on an arm's-length basis, with the directors.

BBVA's Board of Directors Regulations include rules which are designed to prevent situations where a potential conflict of interest may arise. These Regulations provide, among other matters, that directors must refrain from participating in deliberations and votes on resolutions or decisions in which they or a related party may have a direct or indirect conflict of interest, unless these are decisions relating to the appointment or removal of positions of the management body. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the directors and their duties to BBVA.

The following table sets forth the names of the members of the Board of Directors as of the date of this Offering Circular, their date of appointment and, if applicable, re-election, their current positions and their principal activities outside the Bank and employment history.

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| Carlos Torres Vila [(1) (6)] | 1966 | Chair | 4th May, 2015 | 21st March, 2025 | Chair of the Board of Directors of BBVA since December 2018. Chair of the Executive Committee and of the Technology and Cybersecurity Committee. Director at the following BBVA Group companies: Grupo Financiero BBVA México, S.A. de C.V. and BBVA México S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México. Chief Executive Officer of BBVA (2015 – 2018). He held senior management posts at BBVA, including Head of Digital Banking (2014 –2015) and Head of Corporate Development & Strategy (2009 – 2014). He previously held positions of responsibility in other companies, such as Chief Financial Officer, Head of Corporate Strategy and member of the Executive Committee of Endesa, as well as elected partner at McKinsey & Company. |
| Onur Genç [(1)] | 1974 | Chief Executive Officer | 20th December, 2018 | 21st March, 2025 | Chief Executive Officer of BBVA since December 2018. Director at the following |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | BBVA Group companies: Grupo Financiero BBVA México, S.A. de C.V. and BBVA México S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México. President and CEO of BBVA USA and BBVA's Country Manager in the United States (2017 - 2018). Deputy CEO at Garanti BBVA (2015 - 2017) and Executive Vice President for Retail, Private Banking and Payment Systems at Garanti BBVA (2012 - 2015). He has also held positions of responsibility in different McKinsey & Company offices, having been a Senior Partner and Manager of its Turkish office. |
| José Miguel Andrés Torrecillas (1) (2) (3) | 1955 | Deputy Chair (Independent Director) | 13th March, 2015 | 15th March, 2024 | Deputy Chair of the BBVA Board of Directors since April 2019. Chair of the Audit Committee and of the Appointments and Corporate Governance Committee. Independent director of Obrascón Huarte Laín, S.A. Chair of Ernst & Young Spain (2004 - 2014), where he was a partner since 1987 and also held a series of senior offices, including Managing Partner of the Banking Group (1989 - 2004), General Managing Partner for Audit and Advisory Services Spain (2001 - 2004), and Managing Director of the Audit and Advisory practices Italy and Portugal (2008 - 2013). He has been director of Zardoya Otis, S.A. (2015 - 2022).<br><br>He has been a member of various organisations such as the ROAC (Official Registry |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | of Auditors), the REA (Registry of Economic Auditors), the Governing Board of the Spanish Institute of Financial Analysts, the Empresa y Sociedad Foundation, the Spanish Institute of Chartered Accountants, the Advisory Board of the Institute of Internal Auditors and the Institute of Chartered Accountants in England & Wales (the ICAEW). |
| Jaime Caruana Lacorte[1] [3] [5] | 1952 | Independent Director | 16th March, 2018 | 15th March, 2024 | General Manager of the Bank of International Settlements (BIS) (2009 - 2017). Head of the Monetary and Capital Markets Department and Financial Counselor to the General Manager at the International Monetary Fund (IMF) (2006 - 2009). Chair of the Basel Committee on Banking Supervision (2003 - 2006). Governor of the Bank of Spain and member of the Governing Council of the European Central Bank (2000 - 2006). |
| Enrique Casanueva Nárdiz [2] [5] | 1961 | Independent Director | 15th March, 2024 | Not applicable | Independent director at Celsa Steel, S.A. He has held various positions of responsibility at J.P. Morgan, as Managing Director of Investment Banking for Spain and Portugal (2000 – 2006), President and CEO of Spain and Portugal and member of the EMEA Management Committee (2006 – 2015), Head of Southern Europe, Nordic Countries, Central and Eastern Europe, Ireland and Israel, and member of the EMEA Executive Committee (2015 – 2017) and Senior Advisor and member of EMEA Advisory Council (2019 – 2024). Previously, he served as |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | Managing Director of Investment Banking for Spain and Portugal at Banco Santander in the Santander Investment Area (1995 – 2000) and Executive Director in the Investment Banking department at Goldman Sachs (1991 – 1995). |
| Sonia Dulá[(2)] [(4)] | 1961 | Independent Director | 17th March, 2023 | 20th March, 2026 | Director at Huntsman Corporation, Acciona, S.A. and Corporación Acciona Energías Renovables, S.A., as well as lifetime member of the Council on Foreign Relations. She has held various senior positions at Bank of America Merrill Lynch, including Vice Chair for Latin America (2013 – 2018), Head of Wealth Management for Latin America (2010 – 2013) and Head of Corporate and Investment Banking for Latin America (2007 – 2010). She also served as Executive Director and Vice President of Investment Banking and Capital Markets at Goldman Sachs (1986 – 1995). She has sat on the boards of Bestinver, Grupo Prisa, Millicom, Hemisphere Media, Council of the Americas, Women's World Banking, and The Adrienne Arsht Center for the Performing Arts. She has also been a member of the International Advisory Board of Banco Itaú (Brazil), the Young Presidents Organization (YPO) and the Bank of America Global Diversity and Inclusion Council. |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| Raúl Galamba de Oliveira [3] [5] [6] [7] | 1964 | Independent Director | 13th March, 2020 | 20th March, 2026 | Lead Director of BBVA since April 2022 and Chair of the Risk and Compliance Committee. Independent Chair of the Board of Directors of CTT- Correios de Portugal, S.A. and non-executive director of José de Mello Capital. His career path has been mainly linked to McKinsey & Company, where he was appointed partner in 1995, Head of the global practice of financial services in 2000, Managing Partner for Spain and Portugal (2005 - 2011), Managing Partner of Global Risk practice (2013 - 2016), member of the Global Shareholders Council (2005 - 2011), member of the Partner Election and Evaluation Committees (2001 - 2017), member of the Remuneration Committee (2005 - 2013) and Chair of the Global Learning Board (2006 - 2011). |
| Belén Garijo López[1] [3] | 1960 | External Director | 16th March, 2012 | 15th March, 2024 | CEO of Sanofi. Chair of the European side of the EU-Japan Business Round Table, member of the Executive Committee of the German Chemical Industry Association, member of the European Round Table for Industry, member of The Business Council and member of the European Innovation Council (EIC). She has been a member of the Board of Directors of L'Oréal (2014-2024). Previously, she has held various positions of responsibility at Abbot Laboratories (1989 – 1996), Rhône-Poulenc (1996 – 1999), Aventis Pharma (1999 – 2004), |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | Sanofi Aventis (2004 – 2011) and Merck (2011 - 2026). |
| Connie Hedegaard Koksbang (2) | 1960 | Independent Director | 18th March, 2022 | 21st March, 2025 | Independent director at Danfoss A/S. She participates in international forums, organisations and foundations, including as member of the Advisory Board of the European Climate Foundation, Chair of the OECD Roundtable on Sustainable Development, member of the Climate and Environment Advisory Council of the European Investment Bank (EIB), Chair of the European Commission's Mission on Adaptation to Climate Change, including Social Change, and Vice Chair of the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping Foundation and the Villum Foundation. She is also Chair of the Board at Aarhus University, member of the Sustainability Advisory Council at Volkswagen and advisor to the Board of Directors of Gazelle Wind Power Limited. She has been a member of the Supervisory Board of Nordex SE (2016 – 2022) and a non-executive director of Cadeler A/S (2020 – 2023). She has held various positions in the public sector in Denmark and the EU, such as EU Commissioner for Climate Action, Danish Minister of Climate and Energy, Minister of Environment, and Minister of Nordic Cooperation. |
| Jorge Montalbo Todolí (2) | 1965 | Independent Director | 20th March, 2026 | Not applicable | Member of the Board of Trustees of Estimia Foundation since 2022 and independent director of Medvida Partners, S.A. de Seguros y Reaseguros |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | (2022 – 2026). He developed his professional career at Deloitte from 1990 to 2022, where he was appointed Partner of Audit & Assurance for Spain in 2004 and for Financial Services in Catalonia, Aragon and Balearic in 2014, as well as member of Deloitte's Partners Council (2014 – 2021) and co-leader for the Insurance sector for EMEA in 2018. He is a member of the Official Register of Account Auditors and of the College of Actuaries of Catalonia. |
| Cristina de Parias Halcón (3) (6) | 1965 | External Director | 15th March, 2024 | Not applicable | Independent director of Sanitas Seguros. Member of the Board of Trustees of the BBVA Microfinance Foundation, Professor Uría Foundation, member of the IESE Alumni Executive Committee, as well as member of the Advisory Board of BUPA Europe & Latin América. Director at Endesa (2022 - 2026) and at the following Group companies until 2024: BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Grupo Financiero BBVA México, S.A. de C.V. She has held positions of responsibility at BBVA such as Head of the consumer finance subsidiary (Finanzia) and CEO of Uno-e Bank, Head of New Digital Businesses, Territorial Head of the Central Region and Country Manager for Spain and Portugal (2014 – 2019). She was also Head of Marketing and Multichannel for retail clients and Head of the Personal Banking business |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | unit (CitiGold) at Citibank (1991 – 1998). |
| Ana Peralta Moreno [4] [5] | 1961 | Independent Director | 16th March, 2018 | 15th March, 2024 | Independent director of Grenergy Renovables, S.A. and of Inmobiliaria Colonial, SOCIMI, S.A. She was an independent member of the Board of Directors of Deutsche Bank SAE (2015 - 2018) and Banco Etcheverría, S.A. (2013 - 2014), an independent director at Grupo Lar Holding Residencial, S.A.U. (2017 - 2018) and Senior Advisor at Oliver Wyman Financial Services (2012 - 2018). Chief Risk Officer and member of the Management Committee of Banco Pastor, S.A. (2008 - 2011). Before that, she held several positions at Bankinter, including Chief Risk Officer and member of the Management Committee (2004 - 2008). |
| Ana Revenga Shanklin [4] [5] [6] | 1963 | Independent Director | 13th March, 2020 | 20th March, 2026 | Chair of the Remuneration Committee. Member of the Board of Trustees of the BBVA Microfinance Foundation and member of the Advisory Council of ESADE EcPol - Center for Economic Policy and Political Economy. She has been Chair of the Board of Trustees at the ISEAK Foundation (2018 - 2025), Associate Professor at the Walsh School of Foreign Service at Georgetown University (2019 - 2021) and Senior Fellow at the Brookings Institution (2018 - 2023).<br><br>She has held several positions of responsibility at the World Bank, including in East Asia and Pacific, Europe and |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | Central Asia, Latin America and the Caribbean region, as well as Senior Director Poverty and Equity Global Practice (2014 - 2016) and Deputy Chief Economist (2016 - 2017). |
| Carlos Salazar Lomelín [4] | 1951 | External Director | 13th March, 2020 | 20th March, 2026 | Independent director of Sukarne S.A. de C.V., Alsea, S.A.B. de C.V. and CYDSA Corporativo, S.A. de C.V. Director of the following BBVA Group companies: Grupo Financiero BBVA México, S.A. de C.V., BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, BBVA Seguros México, S.A. de C.V. Grupo Financiero BBVA México, BBVA Pensiones México, S.A. de C.V. Grupo Financiero BBVA México and BBVA Seguros Salud México, S.A. de C.V. Grupo Financiero BBVA México. Chair of the Consejo Coordinador Empresarial de México (the Mexican Business Coordinating Council) (2019 – 2022). His career path has been linked to the Grupo Fomento Económico Mexicano S.A.B. de C.V. (Femsa) until 2019, having held roles such as General Manager of Cervecería Cuauhtémoc-Moctezuma, Manager of Coca Cola Femsa and General Manager of Femsa. |
| Jan Verplancke [4] [6] | 1963 | Independent Director | 16th March, 2018 | 15th March, 2024 | Advisor to the internal advisory board at Abdul Latif Jameel and Chief Executive Officer of Vestraco, S.à.R.L. Non-executive director at Cambridge Solutions (2006 - 2009) and Monitise (2008 - |

| Name | Birth Year | Current Position | Date Nominated | Date Re-elected | Principal Business Activities and Employment History(*) |
|---|---|---|---|---|---|
| | | | | | 2011). Director, Chief Information Officer, and Head of Technology and Banking Operations of Standard Chartered Bank (2004 - 2015), Vice President of Technology and Chief Information Officer for the EMEA region, of Dell (1999 - 2004), as well as Vice President and Chief of Architecture and Vice President for Information of the Youth Category at Levi Strauss (1994 - 1999). |

(*) Where no date is provided, the position is currently held.
(1) Member of the Executive Committee.
(2) Member of the Audit Committee.
(3) Member of the Appointments and Corporate Governance Committee.
(4) Member of the Remuneration Committee.
(5) Member of the Risk and Compliance Committee.
(6) Member of the Technology and Cybersecurity Committee.
(7) Lead Director.

## Major Shareholder and Share Capital

On 4th July, 2025, Blackrock, Inc. reported to the CNMV that it had an indirect holding of BBVA common stock totaling 7.158 per cent., of which 7.076 per cent. were voting rights attributed to shares and 0.082 per cent. were voting rights held through other financial instruments.

BBVA's major shareholder does not have voting rights which are different from those held by the rest of its shareholders. To the extent known to BBVA, BBVA is not controlled, directly or indirectly, by any corporation, government or any other natural or legal person.

As of 30th October, 2026, there were 650,203 registered holders of BBVA's shares, with an aggregate of 5,510,865,297 shares.

## Legal Proceedings

Spanish judicial authorities have investigated the activities of Cenyt. Such investigation included the provision of services by Cenyt to BBVA. On 29th July, 2019, BBVA was named as an investigated party (*investigado*) in the Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court (*Audiencia Nacional*).

On 9th July, 2026, the judge issued an order opening oral proceedings in respect of BBVA, for alleged offences of bribery and discovery and revelation of secrets, and in respect of certain BBVA employees, both current and former, as well as certain former directors and officers.

As of the date of this Offering Circular, the commencement date of the oral proceeding has not yet been scheduled by the Criminal Chamber of the National High Court. It is not possible at this time to predict the possible outcome of these proceedings or estimate their potential implications for the Group. An adverse outcome could result in potential fines and/or civil liabilities, neither of which would be

material, as well as other adverse consequences, including potential adverse effects on the Group's reputation.

The Group operates in legal and regulatory environments that expose it to potentially significant legal and regulatory actions and proceedings, including legal claims and proceedings, civil and criminal regulatory proceedings, governmental and judicial investigations and proceedings, tax proceedings and other proceedings in jurisdictions around the world. Legal and regulatory actions and proceedings are subject to many uncertainties, and their outcomes, including the timing thereof, the amount of fines or settlements or the form of any settlements arising therefrom, or changes in business practices the Group may need to introduce as a result thereof, any of which may be material and are often difficult to predict, particularly in the early stages of a particular legal or regulatory matter.

As of the date of this Offering Circular, and in addition to as described above, the Bank and its subsidiaries are involved in a number of legal and regulatory actions and proceedings in various jurisdictions around the world (including, among others, Spain, Mexico and the United States), the adverse resolution of which may adversely impact the Group. See "*Risk Factors – Factors that may affect the Bank's ability to fulfil its obligations under the Preferred Securities – Legal, Regulatory, Tax and Compliance Risks— Legal Risks—The Group is party to a number of legal and regulatory actions and proceedings*" and "*Criminal proceedings in respect of BBVA in relation to alleged offences of bribery and discovery and revelation of secrets*".

The Group can provide no assurance that the legal and regulatory actions and proceedings to which it is subject, or to which it may become subject in the future or otherwise affected by, will not, if resolved adversely, result in a material adverse effect on the Group's business financial position, results of operations or liquidity.

## CONDITIONS OF THE PREFERRED SECURITIES

*The following is the text of the Conditions of the Preferred Securities (save for the paragraphs of italicised text in Conditions 2, 3 and 12).*

The Preferred Securities (as defined below) are issued by Banco Bilbao Vizcaya Argentaria, S.A. (the **Bank**) by virtue of the resolutions passed by (i) the shareholders meeting (*Junta General Ordinaria de Accionistas*) of the Bank, held on 20th March, 2026 and (ii) the meeting of the Board of Directors (*Consejo de Administración*) of the Bank, held on 29th July, 2026 and in accordance with the First Additional Provision of Law 10/2014, of 26th June, on regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 junio, de ordenación, supervisión y solvencia de entidades de crédito*) (as amended from time to time, **Law 10/2014**) and the CRR (as defined below).

The Preferred Securities will be issued following the granting before a Spanish Notary Public and the registration with the Commercial Registry of Vizcaya of a public deed relating to the issuance of the Preferred Securities on or before the Closing Date (as defined below).

Paragraphs in italics within these Conditions are a summary of certain procedures of Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream**, **Luxembourg** and, together with Euroclear, the **European Clearing Systems**) and certain other information applicable to the Preferred Securities. The European Clearing Systems may, from time to time, change their procedures.

### 1. Definitions

1.1 For the purposes of the Preferred Securities, the following expressions shall have the following meanings:

**5-year Mid-Swap Rate** means, in relation to a Reset Date and the Reset Period commencing on that Reset Date:

(a) the rate for the Reset Date of the annual mid-swap rate for euro swap transactions maturing on the last day of such Reset Period, expressed as a percentage, which currently appears on the relevant Screen Page (under the heading "EURIBOR BASIS – EUR" and above the caption "11AM FRANKFURT" as of the Closing Date) as of 11.00 a.m. (Central European Time) on the Reset Determination Date; or

(b) if such rate does not appear on the relevant Screen Page at such time on such Reset Determination Date, the Reset Reference Bank Rate for such Reset Period, unless a Benchmark Event has occurred, in which case the Original Reference Rate shall be determined pursuant to Condition 4.13;

**5-year Mid-Swap Rate Quotations** means the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

(a) has a term of 5 years commencing on the relevant Reset Date; and

(b) is in a Representative Amount,

where the floating leg (calculated on an Actual/360 day count basis) is equivalent to (i) the rate for deposits in euro for a six month-period commencing on the relevant Reset Date offered by the principal Eurozone office of major banks in the Eurozone interbank market to prime banks in the Eurozone interbank market at the time the relevant 5-year Mid-Swap Rate Quotation is provided by the relevant Reference Banks or (ii) to the extent that an industry-accepted

substitute or successor rate for the rate in (i) has been established, including the rate that would have been used for the floating leg of the mid-swap rate that was to appear on the relevant Screen Page at the relevant time if it had appeared at such time (as determined by BBVA in its sole discretion), such substitute or successor rate;

**Accounting Currency** means EUR or such other primary currency used in the presentation of the Group's accounts from time to time;

**Additional Common Shares** has the meaning given in Condition 6.5;

**Additional Tier 1 Capital** means Additional Tier 1 capital (*capital de nivel 1 adicional*) as provided under Applicable Banking Regulations;

**Additional Tier 1 Instrument** means any instrument of the Bank qualifying as Additional Tier 1 Capital, in whole or in part;

**Adjustment Spread** means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive or negative or zero and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) where the Original Reference Rate is replaced with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) in the case of a Successor Rate if no such spread, formula or methodology is formally recommended or provided as an option by any Relevant Nominating Body or in the case of an Alternative Rate, is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate,

or if no such recommendation or option has been made (or made available), or the Benchmark Calculation Agent, acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines there is no such spread, formula or methodology in customary market usage, the spread, formula or methodology which the Benchmark Calculation Agent, following consultation with an Independent Adviser, and acting in good faith and a commercially reasonable manner, determines in its sole discretion:

(A) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(B) if the Benchmark Calculation Agent so determines that no such industry standard is recognised or acknowledged, to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Holders, as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be),

and in either such case, which the Benchmark Calculation Agent, following consultation with an Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be so applied;

**Agency Agreement** means the agency agreement dated 18th November, 2026 relating to the Preferred Securities;

**Agent Bank** means Deutsche Bank AG, London Branch and includes any successor agent bank appointed in accordance with the Agency Agreement;

**Agents** means the agents appointed in accordance with the Agency Agreement;

**Alternative Rate** means an alternative benchmark or screen rate which the Benchmark Calculation Agent determines in accordance with Condition 4.13 is used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in euro;

**Applicable Banking Regulations** means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Bank and/or the Group including, without limitation to the generality of the foregoing, CRD, the BRRD, the SRM Regulation and those laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Bank and/or the Group);

**Benchmark Calculation Agent** means such party as is appointed by the Bank to act as Benchmark Calculation Agent, which party may include the Bank or an affiliate of the Bank and shall be a leading bank or financial institution, or another party of recognised standing and with appropriate expertise to make the determinations and/or calculations to be made by the Benchmark Calculation Agent;

**Benchmark Event** means:

(A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

(B) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to such specified date;

(C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued or is no longer representative or will no longer be representative or, where such discontinuation is to apply from a specified date after the making of any public statement to such effect, the later of the date of the making of such public statement and the date falling six months prior to such specified date; or

(D) the later of (a) (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate or by any relevant competent authority or other relevant official body pursuant to Regulation (EU) 2016/1011 as that Regulation applies in the European Union, or (ii) the effect of the application of Regulation (EU) 2016/1011 as that Regulation applies in the European Union otherwise being, that the

Original Reference Rate will be prohibited from being used (assuming, in the case of a public statement by any relevant competent authority or other relevant official body pursuant to Regulation (EU) 2016/1011 as that Regulation applies in the European Union, that the Bank has not published (or, does not intend to publish within six months of the date of the relevant public statement) a statement on its website providing a reasoned explanation for not being able to replace the Original Reference Rate) or that its use will be subject to restrictions or adverse consequences or that adding a new reference to the Original Reference Rate will be prohibited, in each case on or before a specified date and (b) the date falling six months prior to such specified date; or

(E) it has or will prior to the next Reset Determination Date become unlawful for the Agent Bank, any Agent or the Bank to determine any Distribution Rate and/or calculate any payments using the Original Reference Rate (including, without limitation, under Regulation (EU) No. 2016/1011 (including as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018), if applicable);

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15th May, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms or such other directive as may come into effect in place thereof, as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended, replaced or supplemented from time to time, including as amended by Directive 2019/879/EU of the European Parliament and of the Council of 20th May, 2019 and including any other relevant implementing regulatory provisions;

**Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Madrid and London;

**Capital Event** means a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law or Applicable Banking Regulations or any official application or interpretation thereof, on or after the Closing Date, that results (or is likely to result) in any of the outstanding aggregate Liquidation Preference of the Preferred Securities ceasing to be included in, or counting towards, the Group's or the Bank's Tier 1 Capital;

**Capital Reduction** means the adoption, in accordance with Article 418.3 of the Spanish Corporations Law, by a general shareholders' meeting of the Bank of a resolution of capital reduction by reimbursement of cash contributions (*restitución de aportaciones*) to shareholders by way of a reduction in the nominal value of the shares of such shareholders in the capital of the Bank. A resolution of capital reduction for the redemption of any Common Shares previously repurchased by the Bank will not be considered a Capital Reduction for the purposes of these Conditions;

**Capital Reduction Conversion** has the meaning given in Condition 6.2;

**Capital Reduction Notice** has the meaning given in Condition 6.2, which notice shall specify the Election Period and the procedures for Holders to deliver an Election Notice;

**Capital Reduction Notice Date** means the date on which a Capital Reduction Notice is given in accordance with Condition 6.2;

**Cash Dividend** means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of "Spin-Off"; and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of

"Dividend", but a Dividend falling within paragraph (c) or (d) of the definition of "Dividend" shall be treated as being a Non-Cash Dividend;

**CET1 Capital** means, at any time, the common equity tier 1 capital of the Bank or the Group, respectively, as calculated by the Bank in accordance with Chapter 2 (Common Equity Tier 1 capital) of Title I (Elements of Own Funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at such time, including any applicable transitional, phasing in or similar provisions;

**CET1 ratio** means, at any time, with respect to the Bank or the Group, as the case may be, the reported ratio (expressed as a percentage) of the aggregate amount (in the Accounting Currency) of the CET1 Capital of the Bank or the Group, respectively, at such time divided by the Risk Weighted Assets Amount of the Bank or the Group, respectively, at such time, all as calculated by the Bank;

**Clearing System Preferred Securities** means, for so long as any of the Preferred Securities is represented by a Global Preferred Security held by or on behalf of a European Clearing System, any particular Liquidation Preference of the Preferred Securities shown in the records of a European Clearing System as being held by a Holder;

**Closing Date** means 18th November, 2026;

**Closing Price** means, in respect of a Common Share and in relation to any Dealing Day, the price per Common Share quoted by the Relevant Stock Exchange as the closing price or closing auction price of a Common Share on such Dealing Day;

**CNMV** means the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*);

**Common Shares** means ordinary shares in the capital of the Bank, each of which confers on the holder one vote at general meetings of the Bank and is credited as fully paid up;

**Conversion** means a Trigger Conversion or a Capital Reduction Conversion, as the case may be;

**Conversion Event** means a Trigger Event or a Capital Reduction, as the case may be;

**Conversion Notice** means a Trigger Event Notice or a Capital Reduction Notice, as the case may be;

**Conversion Notice Date** means the Trigger Event Notice Date or the Capital Reduction Notice Date, as the case may be;

**Conversion Price** means, in respect of a Conversion Notice Date, if the Common Shares are:

(a) then admitted to trading on a Relevant Stock Exchange, the higher of:

(i) the Reference Market Price of a Common Share;

(ii) the Floor Price; and

(iii) the nominal value of a Common Share (being €0.49 on the Closing Date),

in each case on that Conversion Notice Date; or

(b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above;

**Conversion Settlement Date** means the date on which the relevant Common Shares are to be delivered on Conversion, which shall be as soon as practicable and in any event not later than one month following (or such other period as Applicable Banking Regulations may require) the Conversion Notice Date;

**Conversion Shares** has the meaning given in Condition 6.3;

**CRD** means any or any combination of the CRD Directive, the CRR, and any CRD Implementing Measures;

**CRD Directive** means Directive 2013/36/EU of the European Parliament and of the Council of 26th June, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, as amended or replaced from time to time;

**CRD Implementing Measures** means any regulatory capital rules implementing the CRD Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Regulator, the European Banking Authority or any other relevant authority, which are applicable to the Bank (on a standalone basis) or the Group (on a consolidated basis) including, without limitation, Law 10/2014 as amended or replaced from time to time, and any other regulation, circular or guidelines implementing or developing Law 10/2014;

**CRR** means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June, 2013 on prudential requirements for credit institutions, as amended or replaced from time to time;

**Current Market Price** means, in respect of a Common Share at a particular date, the average of the daily Volume Weighted Average Price of a Common Share on each of the 5 consecutive Dealing Days ending on the Dealing Day immediately preceding such date, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) (the **Relevant Period**); provided that if at any time during the Relevant Period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), then:

(a) if the Common Shares to be issued and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Common Shares shall have been based on a price cum-Dividend (or cum-any other entitlement) shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Common Share as at the date of the first public announcement relating to such Dividend or entitlement; or

(b) if the Common Shares to be issued and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Common Shares shall have been based on a price ex-Dividend (or ex-any other entitlement) shall for the purposes of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Common Share as at the date of the first public announcement relating to such Dividend or entitlement,

and provided further that:

(i) if on each of the Dealing Days in the Relevant Period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Common Shares to be issued and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Common Share as at the date of first public announcement relating to such Dividend or entitlement; and

(ii) if the Volume Weighted Average Price of a Common Share is not available on one or more of the Dealing Days in the Relevant Period (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in the Relevant Period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the Relevant Period the Current Market Price shall be determined in good faith by an Independent Adviser;

**Dealing Day** means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Common Shares, Securities, Spin-Off Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

**Delivery Notice** means a notice in the form for the time being currently available from the specified office of any Paying and Conversion Agent or in such form as may be acceptable to the European Clearing Systems from time to time, which contains the relevant account and related details for the delivery of any Common Shares and all relevant certifications and/or representations as may be required by applicable law and regulations (or is deemed to constitute the confirmation thereof), and which are required to be delivered in connection with a Conversion of the Preferred Securities and the delivery of the Common Shares;

**Distributable Items** means the profits and reserves (if any) available for the payment of a Distribution at any given time together with any other distributions and payments to be made from such profits and reserves, in each case in accordance with Applicable Banking Regulations then in force, and including as such term is further defined in CRD, as interpreted and applied in accordance with Applicable Banking Regulations;

**Distribution** means the non-cumulative cash distribution in respect of the Preferred Securities and a Distribution Period, determined in accordance with Condition 4;

**Distribution Payment Date** means each of 18th February, 18th May, 18th August and 18th November in each year;

**Distribution Period** means the period from (and including) one Distribution Payment Date (or, in the case of the first Distribution Period, the Closing Date) to (but excluding) the next Distribution Payment Date;

**Distribution Rate** means the rate at which the Preferred Securities accrue Distributions in accordance with Condition 4;

**Dividend** means any dividend or distribution to Shareholders in respect of the Common Shares (including a Spin-Off) whether of cash, assets or other property (and for these purposes a distribution of assets includes without limitation an issue of Common Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital, provided that:

(a) where:

(i) a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Common Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of (A) the Fair Market Value of such cash amount and (B) the Current Market Price of such Common Shares as at the first date on which the Common Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, as the case may be, the Fair Market Value of such other property or assets as at the date of the first public announcement of such Dividend or capitalisation or, in any such case, if later, the date on which the number of Common Shares (or amount of such other property or assets, as the case may be) which may be issued and delivered is determined; or

(ii) there shall be any issue of Common Shares by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Dividend in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Common Shares as at the first date on which the Common Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, in any such case, if later, the date on which the number of Common Shares to be issued and delivered is determined;

(b) any issue of Common Shares falling within Conditions 6.4.1 or 6.4.2 shall be disregarded;

(c) a purchase or redemption or buy back of share capital of the Bank by or on behalf of the Bank in accordance with any general authority for such purchases or buy backs approved by a general meeting of Shareholders and otherwise in accordance with the limitations prescribed under the Spanish Corporations Law for dealings generally by a company in its own shares shall not constitute a Dividend and any other purchase or redemption or buy back of share capital of the Bank by or on behalf of the Bank or any member of the Group shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Common Shares by or on behalf of the Bank or any member of the Group, the weighted average price per Common Share (before expenses) on any one day (a Specified Share Day) in respect of such purchases or redemptions or buy backs (translated, if not in the Share Currency, into the Share

Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the average of the daily Volume Weighted Average Price of a Common Share on the 5 Dealing Days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Common Shares at some future date at a specified price or where a tender offer is made, on the 5 Dealing Days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Common Share, a minimum price per Common Share or a price range or a formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Share Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Common Shares purchased, redeemed or bought back by the Bank or, as the case may be, any member of the Group (translated where appropriate into the Share Currency as provided above) exceeds the product of (i) 105 per cent. of the daily Volume Weighted Average Price of a Common Share determined as aforesaid and (ii) the number of Common Shares so purchased, redeemed or bought back;

(d) if the Bank or any member of the Group shall purchase, redeem or buy back any depositary or other receipts or certificates representing Common Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Adviser; and

(e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Bank for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Common Shares held by them from a person other than (or in addition to) the Bank, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Bank, and the foregoing provisions of this definition, and the provisions of these Conditions, including references to the Bank paying or making a dividend, shall be construed accordingly;

**Election Notice** has the meaning given in Condition 6.2;

**Eligible Persons** means those Holders or persons (being duly appointed proxies or representatives of such Holders) that are entitled to attend and vote at a meeting of the Holders, for the purposes of which no person shall be entitled to vote at any such meeting in respect of Preferred Securities held by or for the benefit, or on behalf, of the Bank or any of its Subsidiaries;

**equity share capital** means, in relation to any entity, its issued share capital excluding any part of that capital which, in respect of dividends and capital, does not carry any right to participate beyond a specific amount in a distribution;

**EUR**, **€** and **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

**Existing Shareholders** has the meaning given in the definition of "Newco Scheme";

**Extraordinary Resolution** has the meaning given in Condition 10;

**Fair Market Value** means, with respect to any property on any date, the fair market value of that property as determined by an Independent Adviser in good faith provided that (a) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (b) the Fair Market Value of any other cash amount shall be the amount of such cash; (c) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by an Independent Adviser in good faith), the Fair Market Value (i) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (ii) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (i) and (ii) above during the period of 5 Dealing Days on the relevant stock exchange or securities market commencing on such date (or, if later, the first such Dealing Day such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded; and (d) where Securities, Spin-Off Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined by an Independent Adviser in good faith, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Common Share, the dividend yield of a Common Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (a) above, be translated into the Share Currency (if such Cash Dividend is declared or paid or payable in a currency other than the Share Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Share Currency; and in any other case, shall be translated into the Share Currency (if expressed in a currency other than the Share Currency) at the Prevailing Rate on that date. In addition, in the case of (a) and (b) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

**First Reset Date** means 18th May, 2034;

**Floor Price** means €3.75, subject to adjustment in accordance with Condition 6.4;

**Further Preferred Securities** means any similar securities or instruments to the Preferred Securities which securities or instruments are contingently convertible into Common Shares other than at the option of the holders thereof;

**Global Preferred Security** means the global Preferred Security representing the Preferred Securities;

**Group** means the Bank together with its consolidated Subsidiaries;

**Holders** means the holders of the Preferred Securities;

**Iberclear** means the Spanish clearing and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.*);

**Independent Adviser** means, in the case of any determination or calculation pursuant to or relating to Condition 6 or Condition 4.13, an independent financial institution of international

repute or other independent adviser of recognised standing with appropriate expertise appointed by the Bank for the purposes of such Condition at its own expense;

**Initial Margin** means 3.334 per cent. per annum;

**Insolvency Law** means the restated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5th May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) as amended, replaced or supplemented from time to time;

**Law 10/2014** means Law 10/2014 of 26th June on the organisation, supervision and solvency of credit entities (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended, replaced or supplemented from time to time, including as amended by Royal Decree Law 7/2021 of 27th April on the transposition of European Union directives in matters of credit institutions, among others;

**Law 11/2015** means Law 11/2015, of 18th June, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), as amended, replaced or supplemented from time to time including as amended by Royal Decree Law 7/2021 of 27th April on the transposition of European Union directives in matters of credit institutions, among others;

**Liquidation Distribution** means the Liquidation Preference per Preferred Security plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in, Condition 4, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date of payment of the Liquidation Distribution;

**Liquidation Preference** means €200,000 per Preferred Security;

**MDA** means, at any time, any maximum distributable amount required to be calculated at such time in accordance with (a) Article 48 of Law 10/2014 and any provision developing Article 48 of Law 10/2014, and any other provision of Spanish law transposing or implementing Article 141 of the CRD Directive and/or (b) Applicable Banking Regulations;

**MREL-MDA** means, at any time, the lower of any maximum distributable amount required to be calculated, if applicable, at such time in accordance with Article 16.a) of BRRD, as implemented in Spain by Article 16 bis of Law 11/2015;

**Newco** has the meaning given in the definition of "Newco Scheme";

**Newco Scheme** means a scheme of arrangement or analogous proceeding (**Scheme of Arrangement**) which effects the interposition of a limited liability company (**Newco**) between the Shareholders of the Bank immediately prior to the Scheme of Arrangement (the **Existing Shareholders**) and the Bank, provided that:

(i) only ordinary shares of Newco or depositary or other receipts or certificates representing ordinary shares of Newco are issued to Existing Shareholders;

(ii) immediately after completion of the Scheme of Arrangement the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco, are Existing Shareholders and the Voting Rights in respect of Newco are held by Existing Shareholders in the same

proportions as their respective holdings of such Voting Rights immediately prior to the Scheme of Arrangement;

(iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only ordinary shareholder (or shareholders) of the Bank;

(iv) all Subsidiaries of the Bank immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary) are Subsidiaries of the Bank (or of Newco) immediately after completion of the Scheme of Arrangement; and

(v) immediately after completion of the Scheme of Arrangement, the Bank (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Bank immediately prior to the Scheme of Arrangement;

**Non-Cash Dividend** means any Dividend which is not a Cash Dividend, and shall include a Spin-Off;

**Original Reference Rate** means the 5-year Mid-Swap Rate (provided that if, following one or more Benchmark Events, such originally specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

**outstanding** means, in relation to the Preferred Securities, all the Preferred Securities issued other than those Preferred Securities:

(a) that have been redeemed pursuant to Condition 7 or otherwise pursuant to the Conditions or cancelled pursuant to the exercise of any Spanish Statutory Loss-Absorption Power;

(b) following a Conversion Event in respect of which all the remaining obligations of the Bank have been duly performed in relation thereto;

(c) that have been purchased and cancelled under Condition 8;

(d) which claims have become void under Condition 15; and

(e) that have been mutilated or defaced, or are alleged to have been lost, stolen or destroyed, and have been replaced pursuant to clause 5 of the Agency Agreement,

provided that for each of the following purposes, namely:

(i) the right to attend and vote at any meeting of Holders; and

(ii) the determination of how many and which Preferred Securities are for the time being outstanding for the purposes of Condition 10,

those Preferred Securities (if any) which are for the time being held by or for the benefit of the Bank or any of its Subsidiaries shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**Parity Securities** means any instrument issued or guaranteed by the Bank (including the guarantee thereof), which instrument or guarantee, respectively, ranks *pari passu* with the Preferred Securities upon the insolvency of the Bank;

**Paying and Conversion Agents** means the Principal Paying Agent and any other paying and conversion agent appointed in accordance with the Agency Agreement and includes any successors thereto appointed from time to time in accordance with the Agency Agreement;

**Payment Business Day** means a T2 Business Day and, in the case of Preferred Securities in definitive form only, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation;

**Preferred Securities** means these Series 17 €1,000,000,000 Non-Step-Up Non-Cumulative Contingent Convertible Perpetual Preferred Tier 1 Securities issued by the Bank on the Closing Date;

**Prevailing Rate** means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on that date as appearing on or derived from the Reference Page or, if such a rate cannot be determined at such time, the rate prevailing as at 12 noon (London time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Reference Page, the rate determined in such other manner as an Independent Adviser in good faith shall prescribe;

**Principal Paying Agent** means Deutsche Bank AG, London Branch (or any successor Principal Paying Agent appointed by the Bank from time to time and notice of whose appointment is published in the manner specified in Condition 13);

**Qualifying Preferred Securities** has the meaning given in Condition 11.2;

**RD 1012/2015** means Royal Decree 1012/2015 of 6th November by virtue of which Law 11/2015 is developed and Royal Decree 2606/1996 of 20th December on credit entities' deposit guarantee fund is amended (*Real Decreto 1012/2015, de 6 de noviembre, por el que se desarrolla la Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión, y por el que se modifica el Real Decreto 2606/1996, de 20 de diciembre, sobre fondos de garantía de depósitos de entidades de crédito*), as amended, replaced or supplemented from time to time;

**RD 1065/2007** means Royal Decree 1065/2007 of 27th July, as amended by Royal Decree 1145/2011 of 29th July, as amended, replaced or supplemented from time to time;

**Recognised Stock Exchange** means an organised, regularly operating, recognised stock exchange or securities market;

**Redemption Price** means, per Preferred Security, the Liquidation Preference plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in, Condition 4, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date fixed for redemption of the Preferred Securities;

**Reference Banks** means 5 leading swap dealers in the Eurozone interbank market as selected by the Bank;

**Reference Date** means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a Dealing Day, the next following Dealing Day;

**Reference Market Price** means, in respect of a Common Share at a particular date, the arithmetic mean of the Closing Price per Common Share on each of the 5 consecutive Dealing Days on which such Closing Price is available ending on the Dealing day immediately preceding such date, rounding the resulting figure to the nearest cent (half a cent being rounded upwards);

**Reference Page** means the relevant page on Bloomberg or Reuters or such other information service provider that displays the relevant information;

**Regulated Entity** means any entity eligible for resolution under the laws of Spain;

**Regulator** means the European Central Bank, *Banco de España* and/or the Relevant Spanish Resolution Authority, as applicable, and/or such other or successor authority having primary bank supervisory authority with respect to prudential or resolution matters in relation to the Bank and/or the Group;

**Relevant Spanish Resolution Authority** means the FROB (*Autoridad de Resolución Ejecutiva*, formerly known as the Spanish Fund for Orderly Bank Restructuring or *Fondo de Reestructuración Ordenada Bancaria*), the Single Resolution Board, the Bank of Spain, the CNMV or any other entity with the authority to exercise any of the resolution tools and powers contained in the Applicable Banking Regulations;

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

**Relevant Stock Exchange** means the Spanish Stock Exchanges or, if at the relevant time the Common Shares are not at that time listed and admitted to trading on the Spanish Stock Exchanges, the principal stock exchange or securities market on which the Common Shares are then listed, admitted to trading, quoted or accepted for dealing;

**Representative Amount** means an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market;

**Reset Date** means the First Reset Date and each date falling on the fifth anniversary of the previous Reset Date;

**Reset Determination Date** means, in relation to each Reset Date, the second Business Day immediately preceding such Reset Date;

**Reset Period** means the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

**Reset Reference Bank Rate** means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the arithmetic mean of the 5-year Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 a.m. (Central European Time) on the Reset Determination Date for such Reset Date. The Bank will request the principal office of each Reference Bank to provide a quotation of its rate. If three or more quotations are provided, the Reset Reference Bank Rate for such Reset Period will be the percentage reflecting the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate for the Reset Period will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, 3.325 per cent. per annum (corresponding to the 5-year Mid-Swap Rate at the pricing time on the trade date of 10th November, 2026);

**Retroactive Adjustment** has the meaning given in Condition 6.5;

**Risk Weighted Assets Amount** means at any time, with respect to the Bank or the Group, as the case may be, the aggregate amount (in the Accounting Currency) of the risk weighted assets of the Bank or the Group, respectively, calculated in accordance with CRR and/or Applicable Banking Regulations at such time;

**Scheme of Arrangement** has the meaning given in the definition of "Newco Scheme";

**Screen Page** means the display page on the relevant Reuters information service designated as the "ICESWAP2" page, or such other page as may replace that page on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the 5-year Mid-Swap Rate;

**Securities** means any securities including, without limitation, shares in the capital of the Bank, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Bank;

**Selling Agent** has the meaning given in Condition 6.10;

**Settlement Shares Depository** means a reputable financial institution, trust company or similar entity (which could be the Bank) appointed by the Bank on or prior to any date when a function ascribed to the Settlement Shares Depository in these Conditions is required to be performed, to perform such functions and who will hold Conversion Shares in Iberclear or any of its participating entities in a designated custody account for the benefit of the Holders and otherwise on terms consistent with these Conditions;

**Share Currency** means euro or such other currency in which the Common Shares are quoted or dealt in on the Relevant Stock Exchange at the relevant time or for the purposes of the relevant calculation or determination;

**Shareholders** means the holders of Common Shares meaning the persons in whose names the relevant Common Shares are for the time being registered in the Spanish Central Registry or,

as the case may be, the relevant Iberclear Member accounting book (or, in the case of a joint holding, the first such named holder);

**Spanish Central Registry** means the central registry of the Spanish clearance and settlement system managed by Iberclear;

**Spanish Corporations Law** means the consolidated text of the Corporate Enterprises Act (*Ley de Sociedades de Capital*), approved by the Royal Legislative Decree 1/2010, of 2nd July, as amended from time to time;

**Spanish Statutory Loss-Absorption Powers** means any write-down, conversion, transfer, modification, cancellation, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to the recovery and resolution of credit entities and/or transposition of the BRRD, including, but not limited to (i) Law 11/2015, (ii) RD 1012/2015, (iii) SRM Regulation, and (iv) any other instruments, rules or standards made or implemented in connection with either (i), (ii), (iii) or the BRRD, pursuant to which any obligation of a Regulated Entity (or other affiliate of such Regulated Entity) can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such Regulated Entity or any other person (or suspended for a temporary period);

**Spanish Stock Exchanges** means the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the Automated Quotation System – Continuous Market (*SIBE – Sistema de Interconexión Bursátil Español – Mercado Continuo*);

**Spin-Off** means:

(a) a distribution of Spin-Off Securities by the Bank to Shareholders as a class; or

(b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than the Bank) to Shareholders as a class or, in the case of or in connection with a Newco Scheme, Existing Shareholders as a class (but excluding the issue and allotment of ordinary shares (or depositary or other receipts or certificates representing such ordinary shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Bank or any member of the Group;

**Spin-Off Securities** means equity share capital of an entity other than the Bank or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Bank;

**SRM Regulation** means Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15th July, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time;

**SSM Regulation** means Council Regulation (EU) No. 1024/2013 of 15th October, 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, as amended or replaced from time to time, including as amended by Regulation (EU) No. 877/2019 of the European Parliament and Council of 20th May, 2019;

**Subsidiary** means any entity over which the Bank may have, directly or indirectly, control in accordance with Article 42 of the Spanish Commercial Code (*Código de Comercio*) or Applicable Banking Regulations;

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

**T2 Business Day** means any day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System or any successor or replacement for that system is open;

**Tax Event** means that as a result of any change in, or amendment to, the laws or regulations applicable in Spain (as defined in Condition 12) (including any treaty to which Spain is a party) or any change in the application or binding official interpretation or administration of any such laws or regulations, which change or amendment, or change in the application or binding official interpretation or administration, becomes effective on or after the Closing Date (a) the Bank would not be entitled to claim a deduction in computing its taxation liabilities in Spain in respect of any Distribution to be made on the next Distribution Payment Date or the value of such deduction to the Bank would be materially reduced, or (b) the Bank would be required to pay additional amounts pursuant to Condition 12 below, or (c) the applicable tax treatment of the Preferred Securities would be materially affected;

**Tier 1 Capital** means at any time, with respect to the Bank or the Group, as the case may be, the Tier 1 capital (*capital de nivel 1*) of the Bank or the Group, respectively, as calculated by the Bank in accordance with Chapters 1, 2 and 3 (Tier 1 capital, Common Equity Tier 1 capital and Additional Tier 1 capital) of Title I (Elements of Own Funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at such time, including any applicable transitional, phasing in or similar provisions;

**Tier 2 Capital** means Tier 2 capital (*capital de nivel 2*) as provided under Applicable Banking Regulations;

**Tier 2 Instrument** means any instrument of the Bank qualifying as Tier 2 Capital, in whole or in part;

**Trigger Conversion** has the meaning given in Condition 6.1;

**Trigger Event** means if, at any time, the CET1 ratio is less than 5.125 per cent. as determined by the Bank;

**Trigger Event Notice** has the meaning given in Condition 6.1;

**Trigger Event Notice Date** means the date on which a Trigger Event Notice is given in accordance with Condition 6.1;

**Volume Weighted Average Price** means, in respect of a Common Share, Security or, as the case may be, a Spin-Off Security on any Dealing Day, the order book volume-weighted average price of a Common Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of a Common Share) from the Reference Page or (in the case of a Security (other than Common Shares) or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day, provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Common Share, Security or a Spin-Off Security, as

the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined or as an Independent Adviser might otherwise determine in good faith to be appropriate;

**Voting Rights** means the right generally to vote at a general meeting of Shareholders of the Bank (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency); and

**Waived Set-Off Rights** means any and all rights or claims of any holder of a Preferred Security against the Bank for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Preferred Security.

1.2 References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or in accordance therewith or under or in accordance with such modification or re-enactment.

1.3 References to any issue or offer or grant to Shareholders or Existing Shareholders **as a class** or **by way of rights** shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

1.4 In making any calculation or determination of Reference Market Price, Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Adviser determines in good faith appropriate to reflect any consolidation or sub-division of the Common Shares or any issue of Common Shares by way of capitalisation of profits or reserves, or any like or similar event.

1.5 For the purposes of Condition 6.4 only (a) references to the **issue** of Common Shares or Common Shares being **issued** shall, if not otherwise expressly specified in these Conditions, include the transfer and/or delivery of Common Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Bank or any member of the Group, and (b) Common Shares held by or on behalf of the Bank or any member of the Group (and which, in the case of Conditions 6.4.4 and 6.4.6, do not rank for the relevant right or other entitlement) shall not be considered as or treated as in issue or issued or entitled to receive any Dividend, right or other entitlement.

## 2. Form

The Preferred Securities will be issued in bearer form.

*It is intended that a global Preferred Security representing the Preferred Securities will be delivered by the Bank to a common depositary for the European Clearing Systems. As a result, accountholders should note that they will not themselves receive definitive Preferred Securities but instead Preferred Securities will be credited to their securities account with the relevant European Clearing System. It is anticipated that only in exceptional circumstances (such as the closure of the European Clearing Systems, the non-availability of any alternative or successor clearing system, removal of the Preferred Securities from the European Clearing Systems or failure to comply with the terms and conditions of the Preferred Securities by the Bank) will definitive Preferred Securities be issued directly to such accountholders.*

## 3. Status and Waived Set-Off Rights

3.1 The obligations of the Bank under the Preferred Securities are subject to, and may be limited by, the exercise of any Spanish Statutory Loss-Absorption Powers.

3.2 Unless previously converted into Common Shares pursuant to Condition 6, the Preferred Securities constitute direct, unconditional, unsecured and subordinated obligations of the Bank and, in the case of insolvency (*concurso de acreedores*) of the Bank, in accordance with Article 281.1 of the Insolvency Law and Additional Provision 14.3 of Law 11/2015 and to the extent permitted by the Insolvency Law (as amended, replaced or supplemented from time to time) or any other applicable laws relating to or affecting the enforcement of creditors' rights in Spain and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), for so long as the Preferred Securities constitute an Additional Tier 1 Instrument of the Bank, the payment obligations of the Bank under the Preferred Securities will rank:

3.2.1 junior to (A) any claim in respect of any unsubordinated obligations of the Bank (including where the relevant claim subsequently becomes subordinated pursuant to Article 281.1.1º of the Insolvency Law), and (B) any claim in respect of any other subordinated obligations of the Bank, present and future, other than under any outstanding Additional Tier 1 Instrument of the Bank (other than, to the extent permitted by law, any Parity Securities, whether so ranking by law or their terms);

3.2.2 *pari passu* with each other and with all other claims in respect of contractually subordinated obligations of the Bank under any outstanding Additional Tier 1 Instruments, present and future (and, to the extent permitted by law, *pari passu* with any other Parity Securities, whether so ranking by law or their terms); and

3.2.3 senior to the Common Shares or any other subordinated obligations of the Bank which by law rank junior to the Preferred Securities (including, to the extent permitted by law, any contractually subordinated obligations of the Bank expressed by their terms to rank junior to the Preferred Securities).

*See "Risk Factors – Factors which are material for the purpose of assessing the risks associated with the Preferred Securities – The Preferred Securities may be subject to the exercise of the Spanish Statutory Loss-Absorption Powers by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Holders of the Preferred Securities under, and the value of, any Preferred Securities" and "Capital Adequacy, Regulatory Framework and Capitalisation of the Group – Regulatory Framework – Resolution".*

3.3 No holder of the Preferred Securities may at any time exercise or claim any Waived Set-Off Rights against any right, claim or liability of the Bank or that the Bank may have or acquire against such holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities (including any non-contractual obligations) arising under or in relation to any and all agreements or other instruments of any kind, whether or not relating to such Preferred Security) and each holder of any Preferred Security shall be deemed to have waived all Waived-Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any amount payable by the Bank in respect of, or arising under or in connection with, any Preferred Security to any holder of such Preferred Security is discharged by set-off or netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Bank and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Bank and, accordingly, any such discharge shall be deemed not to have taken place.

Nothing in this Condition 3.3 is intended to provide, or shall be construed as acknowledging, any Waived Set-Off Rights or that any such Waived Set-Off Right is or would be available to any holder of any Preferred Security but for this Condition 3.3.

## 4. Distributions

4.1 The Preferred Securities accrue Distributions:

4.1.1 in respect of the period from (and including) the Closing Date to (but excluding) the First Reset Date at the rate of 6.500 per cent. per annum; and

4.1.2 in respect of each Reset Period, at the rate per annum equal to the aggregate of the Initial Margin and the 5-year Mid-Swap Rate (quoted on an annual basis) for such Reset Period, converted to a quarterly rate in accordance with market convention (rounded to four decimal places, with 0.00005 rounded down), all as determined by the Agent Bank on the relevant Reset Determination Date.

Subject as provided in Conditions 4.3, 4.4 and 4.5 below, such Distributions will be payable quarterly in arrear on each Distribution Payment Date.

If a Distribution is required to be paid in respect of a Preferred Security on any other date, it shall be calculated by the Agent Bank by applying the Distribution Rate to the Liquidation Preference in respect of each Preferred Security, multiplying the product by (a) the actual number of days in the period from (and including) the date from which Distributions began to accrue (the **Accrual Date**) to (but excluding) the date on which Distributions fall due divided by (b) the actual number of days from (and including) the Accrual Date to (but excluding) the next following Distribution Payment Date multiplied by four, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

4.2 The Bank will be discharged from its obligations to pay Distributions on the Preferred Securities by payment to the Principal Paying Agent for the account of the Holders on the relevant Distribution Payment Date. Subject to any applicable fiscal or other laws and regulations, each such payment in respect of the Preferred Securities will be made in euro by transfer to an account capable of receiving euro payments, as directed by the Principal Paying Agent.

If any date on which any payment is due to be made on the Preferred Securities would otherwise fall on a date which is not a Payment Business Day, the payment will be postponed to the next Payment Business Day and the Holder shall not be entitled to any interest or other payment in respect of any such delay.

4.3 The Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time and for any (or no) reason.

4.4 Payments of Distributions in any financial year of the Bank shall be made only out of Distributable Items of the Bank.

To the extent that (i) the Bank has insufficient Distributable Items to make Distributions on the Preferred Securities scheduled for payment in the then current financial year and any interest payments or distributions that have been paid or made or are scheduled or required to be paid or made out of Distributable Items of the Bank in the then current financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Bank, and/or (ii) the Regulator, in accordance with Article 68 of Law 10/2014 and/or Article 16 of the SSM Regulation and/or with Applicable Banking Regulations then in

force, requires the Bank to cancel the relevant Distribution in whole or in part, then the Bank will, without prejudice to the right above to cancel the payment of all such Distributions on the Preferred Securities, make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities.

4.5 No payments will be made on the Preferred Securities (whether by way of a repayment of the Liquidation Preference, the payment of any Distribution or otherwise) if and to the extent that such payment would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Instruments pursuant to Applicable Banking Regulations (including, without limitation, any such restriction or prohibition relating to any MDA or MREL-MDA applicable to the Bank and/or the Group).

4.6 Distributions on the Preferred Securities will be non-cumulative. Accordingly, if any Distribution (or part thereof) is not made in respect of the Preferred Securities as a result of any election of the Bank to cancel such Distribution pursuant to Condition 4.3 above or the limitations on payment set out in Conditions 4.4 and 4.5 above, then the right of the Holders to receive the relevant Distribution (or part thereof) in respect of the relevant Distribution Period will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof) accrued for such Distribution Period or to pay any interest thereon, whether or not Distributions on the Preferred Securities are paid in respect of any future Distribution Period.

4.7 No such election to cancel the payment of any Distribution (or part thereof) pursuant to Condition 4.3 above or non-payment of any Distribution (or part thereof) as a result of the limitations on payment set out in Conditions 4.4 and 4.5 above will constitute (i) an event of default, (ii) any breach of any obligation of the Bank under the Preferred Securities or (iii) the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Bank or in any way limit or restrict the Bank from making any distribution or equivalent payment in connection with any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 Capital of the Bank or the Group) or in respect of any other Parity Security or other Securities, except to the extent Applicable Banking Regulations otherwise provide.

If the Bank does not pay a Distribution or part thereof on the relevant Distribution Payment Date, such non-payment shall evidence the cancellation of such Distribution (or relevant part thereof) in accordance with this Condition 4 or, as appropriate, the Bank's exercise of its discretion to cancel such Distribution (or relevant part thereof) in accordance with this Condition 4, and accordingly, such Distribution shall not in any such case be due and payable.

4.8 Save as described in this Condition 4, the Preferred Securities will confer no right to participate in the profits of the Bank.

4.9 Payments in respect of the Preferred Securities will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12) any law implementing an intergovernmental approach thereto.

4.10 All references in these Conditions to Distributions shall be deemed to include, as applicable, any additional amounts payable pursuant to Condition 12 in respect thereof, including the automatic application of the same restrictions as to payment and considerations relating to cancellation as may apply to the corresponding Distribution.

4.11 The Agent Bank will, at or as soon as practicable after the relevant time on each Reset Determination Date at which the Distribution Rate is to be determined, determine the Distribution Rate for the relevant Reset Period. The Agent Bank will cause the Distribution Rate for each Reset Period to be notified to the Bank and any stock exchange or other relevant authority on which the Preferred Securities are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 13 as soon as possible after its determination but in no event later than the fourth Business Day after each Reset Determination Date.

4.12 All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Agent Bank, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Principal Paying Agent, the Agent Bank, the other Paying and Conversion Agents and all Holders and (in the absence of wilful default, bad faith or manifest error) no liability to the Bank or the Holders shall attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.13 By its acquisition of the Preferred Securities, each Holder (which for these purposes includes each holder of a beneficial interest in the Preferred Securities) will be deemed to have expressly consented to the application of the provisions of this Condition 4.13. Without any requirement for any further consent or approval of the Holders (whether pursuant to Condition 11 or otherwise) and notwithstanding the other provisions in this Condition 4, if the Bank or the Benchmark Calculation Agent (in consultation with the Bank, where the Benchmark Calculation Agent is a party other than the Bank, or, if the Benchmark Calculation Agent deems it appropriate, an Independent Adviser) determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any Distribution Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions of this Condition 4.13 shall apply.

*(a) Successor Rate or Alternative Rate*

If the Benchmark Calculation Agent, acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its sole discretion that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.13(b)) subsequently be used in place of the Original Reference Rate to determine the relevant Distribution Rate (or the relevant component part thereof) for all relevant future Distributions (subject to the further operation of this Condition 4.13); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.13(b)) subsequently be used in place of the Original Reference Rate to determine the relevant Distribution Rate (or the relevant component part thereof) for all relevant future Distributions (subject to the further operation of this Condition 4.13).

*(b) Adjustment Spread*

If the Benchmark Calculation Agent, acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate, which

may include consultation with an Independent Adviser, determines in its sole discretion that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Benchmark Calculation Agent shall, if necessary, calculate such Adjustment Spread and apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Distribution Rate (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

*(c) Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.13 and the Benchmark Calculation Agent, acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its sole discretion (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Bank and the Agent Bank and/or the Benchmark Calculation Agent, as applicable, shall, subject to giving notice thereof in accordance with Condition 4.13(e), without any requirement for the consent or approval of Holders (whether pursuant to Condition 11 or otherwise), agree to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such modifications in accordance with this Condition 4.13(c), the Bank shall comply with the rules of any stock exchange on which the Preferred Securities are for the time being listed or admitted to trading. Notwithstanding any other provision of this Condition 4.13, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the Conditions be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the treatment of the Preferred Securities as the Group's or the Bank's Tier 1 Capital.

*(d) Benchmark Calculation Agent and any Independent Adviser*

In the event the Benchmark Calculation Agent determines it appropriate, in its sole discretion, to consult with an Independent Adviser in connection with any determination to be made by the Benchmark Calculation Agent pursuant to this Condition 4.13, the Bank shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 4.13 shall act in good faith in a commercially reasonable manner but shall have no relationship of agency or trust with the Holders and (in the absence of fraud) shall have no liability whatsoever to the Benchmark Calculation Agent or the Holders for any determination made by it or for any advice given to the Benchmark Calculation Agent in connection with any determination made by the Benchmark Calculation Agent pursuant to this Condition 4.13 or otherwise in connection with the Preferred Securities.

If the Benchmark Calculation Agent consults with an Independent Adviser as to the occurrence of any Benchmark Event and/or whether there is a Successor Rate or an Alternative Rate and/or any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such

Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of that Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud) the Benchmark Calculation Agent shall have no liability whatsoever to any Holders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination or otherwise in connection with the Preferred Securities.

*(e)* *Notice*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.13 will be notified promptly by the Bank to the Agents and, in accordance with Condition 13, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

*(f)* *Survival of Original Reference Rate Provisions*

Without prejudice to the obligations of the Benchmark Calculation Agent and the Bank under this Condition 4.13, the Original Reference Rate and the fallback provisions otherwise provided for in these Conditions will continue to apply unless and until the Benchmark Calculation Agent has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 4.13.

*(g)* Notwithstanding any other provision of Condition 4.13, the Agent Bank shall not be obliged to concur with the Bank in respect of any Benchmark Amendments which, in the reasonable opinion of the Agent Bank would have the effect of increasing the obligations or duties, or decreasing the rights or protections, of the Agent Bank in the Agency Agreement and/or those contained herein.

*(h)* Notwithstanding any provision of these Conditions, if in the sole opinion of the Agent Bank, there is any uncertainty between two or more alternative courses of action in making any determination or calculation provided for by the terms of a Benchmark Amendment, the Agent Bank shall promptly notify the Bank thereof and the Bank shall following consultation with the Benchmark Calculation Agent direct the Agent Bank in writing as to which alternative course of action to adopt. If the Agent Bank is not promptly provided with such direction or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Bank thereof and the Agent Bank shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

## 5. Liquidation Distribution

5.1 Subject as provided in Condition 5.2 below, in the event of any voluntary or involuntary liquidation or winding-up of the Bank, the Preferred Securities (unless previously converted into Common Shares pursuant to Condition 6 below) will confer an entitlement to receive out of the assets of the Bank available for distribution to Holders, the Liquidation Distribution. Such entitlement will arise before any distribution of assets is made to holders of Common Shares or any other instrument of the Bank ranking junior to the Preferred Securities.

5.2 If, before such liquidation or winding-up of the Bank described in Condition 5.1, a Conversion Event occurs but the relevant conversion of the Preferred Securities into Common Shares

pursuant to Condition 6 below is still to take place at such time, the entitlement conferred by the Preferred Securities for the purposes of Condition 5.1 will be an entitlement to receive out of the relevant assets of the Bank a monetary amount equal to that which holders of such Preferred Securities would have received on any distribution of the assets of the Bank if such conversion had taken place immediately prior to such liquidation or winding-up or otherwise in accordance with applicable law at such time.

5.3 After payment of the relevant entitlement in respect of a Preferred Security as described in Conditions 5.1 and 5.2, such Preferred Security will confer no further right or claim to any of the remaining assets of the Bank.

**6. Conversion**

6.1 If the Trigger Event occurs at any time on or after the Closing Date, then the Bank will:

(a) notify the Regulator and Holders in accordance with Condition 13 below or otherwise with the rules and regulations of any applicable stock exchange or other relevant authority (together, a **Trigger Event Notice**);

(b) not make any further Distribution on the Preferred Securities, including any accrued and unpaid Distributions, which shall be cancelled by the Bank in accordance with Condition 4 above; and

(c) irrevocably and mandatorily (and without any requirement for the consent or approval of Holders) convert all the Preferred Securities into Common Shares (a **Trigger Conversion**) to be delivered on the relevant Conversion Settlement Date.

The Bank shall further notify Holders of the expected Conversion Settlement Date and of the Conversion Price in accordance with Condition 13 not more than 10 Business Days following the Trigger Event Notice Date.

Any failure by the Bank to give a Trigger Event Notice or otherwise notify the Holders as provided in this Condition 6.1 will not in any way impact on the effectiveness of, or otherwise invalidate, any Trigger Conversion or give Holders any rights as a result of such failure.

Holders shall have no claim against the Bank in respect of (i) any Liquidation Preference of Preferred Securities converted into Common Shares or (ii) any accrued and unpaid Distributions cancelled or otherwise unpaid, in each case pursuant to any Trigger Conversion.

A Trigger Event will not constitute (i) an event of default, (ii) any breach of any obligation of the Bank under the Preferred Securities or (iii) the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Bank.

For the purposes of determining whether the Trigger Event has occurred, the Bank will (i) calculate the CET1 ratio based on information (whether or not published) available to management of the Bank, including information internally reported within the Bank pursuant to its procedures for ensuring effective ongoing monitoring of the capital ratios of the Bank and the Group and (ii) calculate and publish the CET1 ratio on at least a quarterly basis. The Bank's calculation shall be binding on the Holders.

6.2 Subject as provided in Condition 7.7 below, if a Capital Reduction occurs at any time on or after the Closing Date, then the Bank will:

(a) notify the Regulator and Holders in accordance with Condition 13 below or otherwise with the rules and regulations of any applicable stock exchange or other relevant authority (together, a **Capital Reduction Notice**); and

(b) subject as provided below, irrevocably and mandatorily (and without any requirement for the consent or approval of Holders) convert all the Preferred Securities into Common Shares (a **Capital Reduction Conversion**) to be delivered on the relevant Conversion Settlement Date and on such Conversion Settlement Date pay to the Holders, as applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in, Condition 4, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the Conversion Settlement Date.

Holders shall have no claim against the Bank in respect of any Liquidation Preference of Preferred Securities converted into Common Shares pursuant to any Capital Reduction Conversion.

Notwithstanding the foregoing provisions of this Condition 6.2, if the Bank gives a Capital Reduction Notice, each Holder will have the right to elect that its Preferred Securities shall not be converted in accordance with this Condition 6.2, in which case the Preferred Securities of such Holder shall remain outstanding and no payment of any accrued and unpaid Distributions on such Preferred Securities shall be made to that Holder pursuant to subparagraph (b) above (although without prejudice to any future payment of such Distributions or any other Distributions that may accrue in respect of those Preferred Securities pursuant to Condition 4). To exercise such right, a Holder must complete, sign and deposit at the specified office of any Paying and Conversion Agent a duly completed and signed notice of election (an **Election Notice**), in the form for the time being current, obtainable from the specified office of any Paying and Conversion Agent together with the relevant Preferred Securities on or before the 10th Business Day immediately following the Capital Reduction Notice Date (the period from (and including) the Capital Reduction Notice Date to (and including) such 10th Business Day, the **Election Period**). In the case of any Clearing System Preferred Securities, an Election Notice may be delivered within the Election Period by the Holder of such Clearing System Preferred Securities giving notice to the Principal Paying Agent of such election in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Holder's instruction by Euroclear or Clearstream, Luxembourg to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Election Notice shall be irrevocable. Each Paying and Conversion Agent shall notify the Principal Paying Agent within two Business Days of the end of such Election Period of the Election Notices received during the Election Period and the Principal Paying Agent shall notify the Bank of the details of the relevant Holders that have duly submitted an Election Notice within the Election Period and the Preferred Securities of such Holders by no later than the immediately following Business Day.

Notwithstanding any of the above, any Preferred Securities that remain outstanding and are not converted pursuant to this Condition 6.2 may still be the subject of Conversion on the occurrence of the Trigger Event pursuant to Condition 6.1 above.

6.3 Subject as provided in the second paragraph of Condition 6.11, the number of Common Shares to be issued on Conversion in respect of each Preferred Security to be converted (the **Conversion Shares**) shall be determined by dividing the Liquidation Preference of such Preferred Security by the Conversion Price in effect on the Conversion Notice Date.

The obligation of the Bank to issue and deliver Conversion Shares to a Holder on the Conversion Settlement Date shall be satisfied by the delivery of the Conversion Shares to the Settlement Shares Depository on behalf of that Holder in accordance with Condition 6.10. Receipt of the Conversion Shares by the Settlement Shares Depository shall discharge the Bank's obligations in respect of the Preferred Securities converted (other than, where applicable, the Bank's obligation under Condition 6.2(b) to make payment of an amount equal to any accrued and unpaid Distributions, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in, Condition 4).

Holders shall have recourse to the Bank only for the issue and delivery of Conversion Shares pursuant to these Conditions and a Holder shall have no further recourse to the Bank following any such delivery to the Settlement Shares Depository. After the delivery of any Conversion Shares to the Settlement Shares Depository pursuant to these Conditions, the relevant Holders shall have recourse to the Settlement Shares Depository only and exclusively for the purposes of the delivery to them of such Conversion Shares or, in the circumstances described in Condition 6.10, any cash amounts to which such Holders are entitled under Condition 6.10.

If a Conversion Event occurs, the Preferred Securities will be converted in whole and not in part as provided in this Condition 6.

The Preferred Securities are not convertible into Common Shares at the option of Holders at any time and are not redeemable in cash as a result of a Conversion Event.

6.4 Upon the happening of any of the events described below, the Floor Price shall be adjusted as follows:

6.4.1 If and whenever there shall be a consolidation, reclassification/redesignation or subdivision affecting the number of Common Shares, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such consolidation, reclassification/redesignation or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Common Shares in issue immediately before such consolidation, reclassification/redesignation or subdivision, as the case may be; and

B is the aggregate number of Common Shares in issue immediately after, and as a result of, such consolidation, reclassification/redesignation or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification/redesignation or subdivision, as the case may be, takes effect.

6.4.2 If and whenever the Bank shall issue any Common Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (i) where any such Common Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive, (ii) where the Shareholders may elect to receive a Dividend in cash in lieu of such Common Shares or (iii) where any such Common Shares are or are expressed to be issued in lieu of a

Dividend (whether or not a cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Common Shares in issue immediately before such issue; and

B is the aggregate number of Common Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Common Shares.

6.4.3 (a) If and whenever the Bank shall pay or make any Extraordinary Dividend to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Common Share on the Effective Date; and

B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Common Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Common Shares entitled to receive the relevant Dividend.

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend can be determined.

**Effective Date** means, in respect of this Condition 6.4.3(a), the first date on which the Common Shares are traded ex-the relevant Cash Dividend on the Relevant Stock Exchange.

**Extraordinary Dividend** means any Cash Dividend which is expressly declared by the Bank to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to Shareholders or any analogous or similar term (including any distribution made as a result of any Capital Reduction), in which case the Extraordinary Dividend shall be such Cash Dividend.

(b) If and whenever the Bank shall pay or make any Non-Cash Dividend to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Common Share on the Effective Date; and

B is the portion of the Fair Market Value of the aggregate Non-Cash Dividend attributable to one Common Share, with such portion being determined by dividing the Fair Market Value of the aggregate Non-Cash Dividend by the number of Common Shares entitled to receive the relevant Non-Cash Dividend (or, in the case of a purchase, redemption or buy back of Common Shares or any depositary or other receipts or certificates representing Common Shares by or on behalf of the Bank or any member of the Group, by the number of Common Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Common Shares, or any Common Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Non-Cash Dividend is capable of being determined as provided herein.

**Effective Date** means, in respect of this Condition 6.4.3(b), the first date on which the Common Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase, redemption or buy back of Common Shares or any depositary or other receipts or certificates representing Common Shares by or on behalf of the Bank or any member of the Group, the date on which such purchase, redemption or buy back is made (or, in any such case if later, the first date upon which the Fair Market Value of the relevant Dividend is capable of being determined as provided herein) or in the case of a Spin-Off, the first date on which the Common Shares are traded ex-the relevant Spin-Off on the Relevant Stock Exchange.

(c) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the Effective Date.

(d) In making any calculations for the purposes of this Condition 6.4.3, such adjustments (if any) shall be made as an Independent Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Common Shares or (ii) the issue of Common Shares by way of capitalisation of profits or reserves (or any like or similar event) or (iii) any increase in the number of Common Shares in issue in the Relevant Year in question.

6.4.4 If and whenever the Bank shall issue Common Shares to Shareholders as a class by way of rights, or the Bank or any member of the Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Common Shares, or any Securities which by their terms of issue carry

(directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to acquire, any Common Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Common Share which is less than 95 per cent. of the Current Market Price per Common Share on the Effective Date, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Common Shares in issue on the Effective Date;

B is the number of Common Shares which the aggregate consideration (if any) receivable for the Common Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued or granted by way of rights and for the total number of Common Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Common Share; and

C is the number of Common Shares to be issued or, as the case may be, the maximum number of Common Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate,

provided that if at the Effective Date such number of Common Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6.4.4, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 6.4.4, the first date on which the Common Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

6.4.5 If and whenever the Bank or any member of the Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity shall issue any Securities (other than Common Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire any Common Shares or Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Common Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities (other than Common Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire Common

Shares or Securities which by their term carry (directly or indirectly) rights of conversion into, or exchange or subscription for, rights to otherwise acquire, Common Shares), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Common Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Common Share.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 6.4.5, the first date on which the Common Shares are traded ex-the relevant Securities or ex-rights, ex-option or ex-warrants on the Relevant Stock Exchange.

6.4.6 If and whenever the Bank shall issue (otherwise than as mentioned in Condition 6.4.4 above) wholly for cash or for no consideration any Common Shares (other than Common Shares issued on conversion of the Preferred Securities or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or right to otherwise acquire Common Shares) or if and whenever the Bank or any member of the Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity shall issue or grant (otherwise than as mentioned in Condition 6.4.4 above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Common Shares (other than the Preferred Securities, which term shall for this purpose include any Further Preferred Securities), in each case at a price per Common Share which is less than 95 per cent. of the Current Market Price per Common Share on the date of the first public announcement of the terms of such issue or grant, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Common Shares in issue immediately before the issue of such Common Shares or the grant of such options, warrants or rights;

B is the number of Common Shares which the aggregate consideration (if any) receivable for the issue of such Common Shares or, as the case may be, for the Common Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Common Share on the Effective Date; and

C is the number of Common Shares to be issued pursuant to such issue of such Common Shares or, as the case may be, the maximum number of Common

Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

provided that if at the Effective Date such number of Common Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of Condition 6.4.6, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 6.4.6, the date of issue of such Common Shares or, as the case may be, the grant of such options, warrants or rights.

6.4.7 If and whenever the Bank or any member of the Group or (at the direction or request of or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity (otherwise than as mentioned in Conditions 6.4.4, 6.4.5 or 6.4.6 above) shall issue wholly for cash or for no consideration any Securities (other than the Preferred Securities, which term for this purpose shall include any Further Preferred Securities) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Common Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified/redesignated as Common Shares, and the consideration per Common Share receivable upon conversion, exchange, subscription, purchase, acquisition or redesignation is less than 95 per cent. of the Current Market Price per Common Share on the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Common Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, purchase of, or rights to otherwise acquire Common Shares which have been issued, purchased or acquired by the Bank or any member of the Group (or at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) for the purposes of or in connection with such issue, less the number of such Common Shares so issued, purchased or acquired);

B is the number of Common Shares which the aggregate consideration (if any) receivable for the Common Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Common Shares to be issued or to arise from any such reclassification/redesignation would purchase at such Current Market Price per Common Share; and

C is the maximum number of Common Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Common Shares which may be issued or arise from any such reclassification/redesignation,

provided that if at the Effective Date such number of Common Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified/redesignated or at such other time as may be provided), then for the purposes of this Condition 6.4.7, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, reclassification/redesignation had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 6.4.7, the date of issue of such Securities or, as the case may be, the grant of such rights.

6.4.8 If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Preferred Securities, which term shall for this purpose include any Further Preferred Securities) as are mentioned in Condition 6.4.7 above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Common Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Common Share on the date of the first public announcement of the proposals for such modification, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Common Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Common Shares which have been issued, purchased or acquired by the Bank or any member of the Group (or at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) for the purposes of or in connection with such Securities, less the number of such Common Shares so issued, purchased or acquired);

B is the number of Common Shares which the aggregate consideration (if any) receivable for the Common Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Common Share or, if lower, the existing

conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and

C is the maximum number of Common Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Adviser in good faith shall consider appropriate for any previous adjustment under this Condition 6.4.8 or Condition 6.4.7 above,

provided that if at the Effective Date such number of Common Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided) then for the purposes of this Condition 6.4.8, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 6.4.8, the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

6.4.9 If and whenever the Bank or any member of the Group or (at the direction or request of or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Floor Price falls to be adjusted under Conditions 6.4.2, 6.4.3, 6.4.4, 6.4.5 or 6.4.6 above or Condition 6.4.10 below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Common Share on the relevant Dealing Day under Condition 6.4.5 above)) the Floor Price shall be adjusted by multiplying the Floor Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Common Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the relevant offer attributable to one Common Share.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 6.4.9, the first date on which the Common Shares are traded ex-rights on the Relevant Stock Exchange.

6.4.10 If the Bank determines that a reduction to the Floor Price should be made for whatever reason, the Floor Price will be reduced (either generally or for a specified period as notified to Holders) in such manner and with effect from such date as the Bank shall determine and notify to the Holders.

Notwithstanding the foregoing provisions:

(a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6.4 have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Floor Price or where more than one event which gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of the Bank, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result; and

(b) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to ensure that (i) an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once and (ii) the economic effect of a Dividend is not taken into account more than once.

For the purpose of any calculation of the consideration receivable or price pursuant to Conditions 6.4.4, 6.4.6, 6.4.7 and 6.4.8, the following provisions shall apply:

(i) the aggregate consideration receivable or price for Common Shares issued for cash shall be the amount of such cash;

(ii) (A) the aggregate consideration receivable or price for Common Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities; (B) the aggregate consideration receivable or price for Common Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Bank to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date as referred to in Conditions 6.4.4, 6.4.6, 6.4.7 or 6.4.8, as the case may be, plus in the case of each of (A) and (B) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights; and (C) the consideration receivable or price per Common Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (A) or (B) above (as the case may be) divided by the number of Common Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

(iii) if the consideration or price determined pursuant to (i) or (ii) above (or any component thereof) shall be expressed in a currency other than the Share Currency, it shall be converted into the Share Currency at the Prevailing Rate on the relevant Effective Date (in the case of (i) above) or the relevant date of first public announcement (in the case of (ii) above);

(iv) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Common Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and

(v) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable regardless of whether all or part thereof is received, receivable, paid or payable by or to the Bank or another entity.

6.5 If the Conversion Settlement Date in relation to the conversion of any Preferred Security shall be after the record date in respect of any consolidation, reclassification/redesignation or sub-division as is mentioned in Condition 6.4.1 above, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Conditions 6.4.2, 6.4.3, 6.4.4, 6.4.5 or 6.4.9 above, or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in Conditions 6.4.6 and 6.4.7 above or of the terms of any such modification as is mentioned in Condition 6.4.8 above, but before the relevant adjustment to the Floor Price (if applicable) becomes effective under Condition 6.4 above (such adjustment, a **Retroactive Adjustment**), then the Bank shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued and delivered to the Settlement Shares Depository, for onward delivery to Holders, in accordance with the instructions contained in the relevant Delivery Notices received by the Settlement Shares Depository, such additional number of Common Shares (if any) (the **Additional Common Shares**) as, together with the Common Shares issued on conversion of the Preferred Securities (together with any fraction of a Common Share not so delivered to any relevant Holder), is equal to the number of Common Shares which would have been required to be issued and delivered on such Conversion if the relevant adjustment to the Floor Price had been made and become effective immediately prior to the relevant Conversion Notice Date, provided that if the Settlement Shares Depository and/or the Holders, as the case may be, shall be entitled to receive the relevant Dividend in respect of the Common Shares to be issued or delivered to them, then no such Retroactive Adjustment shall be made in relation to such Dividend and Additional Common Shares shall not be issued and delivered to the Settlement Shares Depository and the Holders in relation thereto.

6.6 If any doubt shall arise as to whether an adjustment falls to be made to the Floor Price or as to the appropriate adjustment to the Floor Price, and following consultation between the Bank and an Independent Adviser, a written determination of such Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error.

6.7 No adjustment will be made to the Floor Price where Common Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Bank or any member of the Group or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option or similar scheme.

6.8 On any adjustment, the resultant Floor Price, if a number of more decimal places than the initial Floor Price, shall be rounded down to such decimal place. No adjustment shall be made to the Floor Price where such adjustment (rounded down if applicable) would be less than 1 per cent. of the Floor Price then in effect. Any adjustment not required to be made and/or any amount by which the Floor Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Floor Price shall be given by the Bank to Holders in accordance with Condition 13 below or otherwise with the rules and regulations of any applicable stock exchange or other relevant authority promptly after the determination thereof.

6.9 On any Conversion of the Preferred Securities, the Common Shares to be issued and delivered shall be issued and delivered subject to and as provided below and immediately on such Conversion the Preferred Securities shall cease to be outstanding for all purposes and shall be deemed cancelled.

6.10 On or prior to the Conversion Settlement Date, the Bank shall deliver to the Settlement Shares Depository, as set out below, such number of Common Shares as is required to satisfy in full the Bank's obligation to deliver Common Shares in respect of the Conversion of the aggregate amount of Preferred Securities outstanding on the Conversion Notice Date.

In order to obtain delivery of the relevant Common Shares upon any Conversion from the Settlement Shares Depository, the relevant Holder must deliver a duly completed Delivery Notice, together with the relevant Preferred Securities held by it (which shall include any Clearing System Preferred Securities), to the specified office of any Paying and Conversion Agent (including, in the case of any Clearing System Preferred Securities, the delivery of (i) such Delivery Notice to the Principal Paying Agent through the relevant European Clearing System and (ii) Preferred Securities to the specified account of such Paying and Conversion Agent in the relevant European Clearing System, each in accordance with the procedures of such European Clearing System) no later than 5 Business Days (in the relevant place of delivery) prior to the relevant Conversion Settlement Date (the **Notice Cut-off Date**).

The Principal Paying Agent shall give instructions to the Settlement Shares Depository for the relevant Common Shares to be delivered by the Settlement Shares Depository on the Conversion Settlement Date in accordance with the instructions given in the relevant Delivery Notice, provided that such duly completed Delivery Notice and the relevant Preferred Securities have been so delivered not later than the Notice Cut-off Date.

If a duly completed Delivery Notice and the relevant Preferred Securities are not delivered to a Paying and Conversion Agent as provided above on or before the Notice Cut-off Date, then at any time following the Notice Cut-off Date and prior to the 10th Business Day after the Conversion Settlement Date the Bank may in its sole and absolute discretion (and the relevant Holders of such Preferred Securities shall be deemed to agree thereto), elect to appoint a person (the **Selling Agent**) to procure that all Common Shares held by the Settlement Shares Depository in respect of which no duly completed Delivery Notice and Preferred Securities have been delivered on or before the Notice Cut-off Date as aforesaid shall be sold by or on behalf of the Selling Agent as soon as reasonably practicable. Subject to the deduction by or on behalf of the Selling Agent of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue, registration and/or transfer taxes and duties (if any) and any fees or costs incurred by or on behalf of the Selling Agent in connection with the issue, allotment and sale thereof, the net proceeds of sale shall as soon as reasonably practicable be

distributed rateably to the relevant Holders in accordance with Condition 4.2 or in such other manner and at such time as the Bank shall determine and notify to the relevant Holders.

Such payment shall for all purposes discharge the obligations of the Bank, the Settlement Shares Depository and the Selling Agent in respect of the relevant Conversion.

The Bank, the Settlement Shares Depository and the Selling Agent shall have no liability in respect of the exercise or non-exercise of any discretion or power pursuant to this Condition 6.10 or in respect of any sale of any Common Shares pursuant to these Conditions, whether for the timing of any such sale or the price at or manner in which any such Common Shares are sold or the inability to sell any such Common Shares.

If the Bank does not appoint the Selling Agent by the 10th Business Day after the Conversion Settlement Date, or if any Common Shares are not sold by the Selling Agent in accordance with this Condition 6.10, such Common Shares shall continue to be held by the Settlement Shares Depository until the relevant Holder delivers a duly completed Delivery Notice and the relevant Preferred Securities.

Any costs incurred by the Settlement Shares Depository or any parent, subsidiary or affiliate of the Settlement Shares Depository in connection with the holding by the Settlement Shares Depository of any Common Shares and any amount received in respect thereof shall be deducted by the Settlement Shares Depository from such amount prior to the delivery of such Common Shares and payment of such amount to the relevant Holder.

6.11 Any Delivery Notice shall be irrevocable. Failure to properly complete and deliver a Delivery Notice and deliver the relevant Preferred Securities may result in such Delivery Notice being treated as null and void, and the Bank shall be entitled to procure the sale of any applicable Common Shares to which the relevant Holder may be entitled in accordance with Condition 6.10. Any determination as to whether any Delivery Notice has been properly completed and delivered as provided in Condition 6.10 and this Condition 6.11 shall be made by the Bank in its sole discretion, acting in good faith, and shall, in the absence of manifest error, be conclusive and binding on the relevant Holders.

Fractions of Common Shares will not be issued on Conversion or pursuant to Condition 6.5 and no cash payment or other adjustment will be made in lieu thereof. Without prejudice to the generality of the foregoing, if one or more Delivery Notices are received by or on behalf of the Bank such that the number of Conversion Shares or Additional Common Shares to be delivered by the Bank are to be registered in the same name, the number of such Conversion Shares or Additional Common Shares to be delivered in respect thereof shall be calculated on the basis of the aggregate Liquidation Preference of such Preferred Securities being so converted and rounded down to the nearest whole number of Common Shares.

6.12 A Holder or Selling Agent must pay (in the case of the Selling Agent by means of deduction from the net proceeds of sale referred to in Condition 6.10 above) any taxes and capital, stamp, issue and registration and transfer taxes or duties arising on Conversion (other than any taxes or capital, issue and registration and transfer taxes or stamp duties payable in Spain by the Bank in respect of the issue and delivery of the Common Shares (including any Additional Common Shares) in accordance with a Delivery Notice delivered pursuant to these Conditions which shall be paid by the Bank) and such Holder or the Selling Agent (as the case may be) must pay (in the case of the Selling Agent, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Preferred Security or interest therein.

If the Bank shall fail to pay any capital, stamp, issue, registration and transfer taxes and duties for which it is responsible as provided above, the Holder or the Selling Agent, as the case may be, shall be entitled (but shall not be obliged) to tender and pay the same and the Bank as a separate and independent obligation, undertakes to reimburse and indemnify each Holder or the Selling Agent, as the case may be, in respect of any payment thereof and any penalties payable in respect thereof.

6.13 The Common Shares (including any Additional Common Shares) issued on Conversion will be fully paid and will in all respects rank *pari passu* with the fully paid Common Shares in issue on the relevant Conversion Notice Date or, in the case of Additional Common Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Common Shares or, as the case may be, Additional Common Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the Conversion Notice Date or, as the case may be, the relevant Reference Date.

6.14 Notwithstanding any other provision of this Condition 6 and subject to compliance with the provisions of the Spanish Corporations Law and/or with any Applicable Banking Regulations, the Bank or any member of the Group may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Bank (including Common Shares) or any depositary or other receipts or certificates representing the same without the consent of the Holders.

## 7. Optional Redemption

7.1 The Preferred Securities are perpetual and are only redeemable in accordance with the following provisions of this Condition 7. The Preferred Securities are not redeemable at the option of the Holders at any time.

7.2 Subject to Conditions 7.3 and 7.4, the Preferred Securities shall not be redeemable prior to the First Reset Date. All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank, on the First Reset Date, and on any Distribution Payment Date thereafter, at the Redemption Price (meaning, per Preferred Security, the Liquidation Preference plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in, Condition 4, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date fixed for redemption of the Preferred Securities) in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations in force at such time.

7.3 If, on or after the Closing Date, there is a Capital Event or a Tax Event, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, at any time, at the Redemption Price subject to the prior consent of the Regulator if required pursuant to Applicable Banking Regulations (and otherwise in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations in force at the relevant time).

7.4 If, on or after the Closing Date, 75 per cent. or any higher percentage of the aggregate Liquidation Preference of the Preferred Securities has been purchased by, or on behalf of, the Bank or any other member of the Group, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, subject to the prior consent of the Regulator if required pursuant to Applicable Banking Regulations (and otherwise in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations in force at the relevant time), at the Redemption Price.

7.5 The decision to redeem the Preferred Securities must be irrevocably notified by the Bank to Holders upon not less than 5 nor more than 30 calendar days' notice prior to the relevant redemption date in accordance with Condition 13 below or otherwise with the rules and regulations of any applicable stock exchange or other relevant authority.

7.6 The Bank may not give a notice of redemption pursuant to this Condition 7 if a Trigger Event has occurred. If any notice of redemption of the Preferred Securities is given pursuant to this Condition 7 and a Trigger Event occurs prior to such redemption, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, there shall be no redemption of the Preferred Securities on the relevant redemption date and, instead, the Conversion of the Preferred Securities shall take place as provided under Condition 6.

7.7 If a Capital Reduction Notice has been given, the Bank may not give a notice of redemption pursuant to this Condition 7 until the end of the Election Period. If any notice of redemption has been given pursuant to this Condition 7 and a Capital Reduction occurs on or prior to the redemption date, the relevant Capital Reduction Notice shall be automatically rescinded and shall be of no force and effect, and there shall be no conversion of the Preferred Securities pursuant to Condition 6.2 and, instead, the redemption of the Preferred Securities shall take place as provided under this Condition 7. Accordingly, the provisions of Condition 6.2 shall not apply to any such Capital Reduction and Holders of the Preferred Securities shall be deemed to have irrevocably waived their rights under Article 418 of the Spanish Corporations Law in such circumstances.

7.8 Upon any redemption of the Preferred Securities pursuant to this Condition 7:

(i) distributions on the Preferred Securities shall cease;

(ii) the Preferred Securities will no longer be considered outstanding; and

(iii) the Holders will no longer have any rights as holders of the Preferred Securities.

7.9 If the Bank improperly withholds or refuses to pay the Redemption Price of the Preferred Securities, Distributions will continue to accrue, subject as provided in Condition 4 above, at the rate specified from (and including) the redemption date to (but excluding) the date of actual payment of the Redemption Price.

## 8. Purchases of Preferred Securities

The Bank, and/or any member of the Group, may purchase or otherwise acquire any of the outstanding Preferred Securities at any price in the open market or otherwise, subject to the prior consent of the Regulator if required pursuant to Applicable Banking Regulations (and otherwise in accordance with Articles 77 and 78 of the CRR and/or any other Applicable Banking Regulations in force at the relevant time).

Any Preferred Securities so acquired by the Bank and/or any member of the Group, shall cease to be outstanding for all purposes immediately on such acquisition (including any conversion of the Preferred Securities on the occurrence of any Conversion Event) and shall immediately be surrendered to the Principal Paying Agent for cancellation.

## 9. Undertakings

So long as any Preferred Security remains outstanding, the Bank will, save with the approval of an Extraordinary Resolution:

(a) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on Conversion, Common Shares could not, under any applicable law then in effect, be legally issued as fully paid;

(b) if any offer is to be made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associates of the offeror) to acquire all or a majority of the issued Common Shares, or if a scheme is proposed with regard to such acquisition (other than a Newco Scheme), give notice of such offer or scheme to the Holders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices and/or the website of the Bank and, where such an offer or scheme has been recommended by the board of directors of the Bank, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to the Holders if a Conversion Event occurs, or the relevant Holders if a Conversion Event has occurred and any Conversion Shares are still to be delivered to such Holders, during the period of the offer or scheme;

(c) in the event of a Newco Scheme, take (or will procure that there is taken) all necessary action to ensure that such amendments are made to these Conditions immediately after completion of the Scheme of Arrangement as are necessary to ensure that the Preferred Securities may be converted into or exchanged for ordinary shares in Newco (or depositary or other receipts or certificates representing ordinary shares of Newco) mutatis mutandis in accordance with and subject to these Conditions and the ordinary shares of Newco are:

(i) admitted to the Relevant Stock Exchange; or

(ii) listed and/or admitted to trading on another Recognised Stock Exchange,

and the Holders irrevocably authorise the Bank to make such amendments to these Conditions without the need for any further authorisation from the Holders;

(d) issue, allot and deliver Common Shares upon Conversion subject to and as provided in Condition 6;

(e) use all reasonable endeavours to ensure that its issued and outstanding Common Shares and any Common Shares issued upon Conversion will be admitted to listing and trading on the Relevant Stock Exchange or will be listed and/or admitted to trading on another Recognised Stock Exchange;

(f) at all times keep in force the relevant resolutions needed for issue, free from pre-emptive rights, sufficient authorised but unissued Common Shares to enable Conversion of the Preferred Securities, and all rights of subscription and exchange for Common Shares, to be satisfied in full; and

(g) where the provisions of Condition 6 require or provide for a determination by an Independent Adviser or a role to be performed by a Settlement Shares Depository, use all reasonable endeavours promptly to appoint such person for such purpose.

## 10. Meetings of Holders

10.1 Convening of Meetings, Quorum, Adjourned Meetings

10.1.1 The Bank may at any time and, if required in writing by Holders holding not less than ten per cent. in aggregate Liquidation Preference of the Preferred Securities for the time being outstanding, shall convene a meeting of the Holders and, if the Bank fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Holders. Every meeting shall be held at a time and place (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform) approved by the Principal Paying Agent.

10.1.2 At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Holders in the manner provided in Condition 13. The notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting and, in the case of an Extraordinary Resolution only, shall either (i) specify the terms of the Extraordinary Resolution to be proposed or (ii) inform Holders that the terms of the Extraordinary Resolution are available free of charge from the Principal Paying Agent, provided that, in the case of (ii), such resolution is so available in its final form with effect on and from the date on which the notice convening such meeting is given as aforesaid. The notice shall (a) include statements as to the manner in which Holders are entitled to attend and vote at the meeting or (b) inform Holders that details of the voting arrangements are available free of charge from the Principal Paying Agent, provided that, in the case of (b), the final form of such details are so available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by post to the Bank (unless the meeting is convened by the Bank).

10.1.3 The person (who may but need not be a Holder) nominated in writing by the Bank (the **Chair**) shall be entitled to take the chair at each meeting but, if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chair failing which the Bank may appoint a Chair. The Chair of an adjourned meeting need not be the same person as was Chair of the meeting from which the adjournment took place.

10.1.4 At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 5 per cent. in Liquidation Preference of the Preferred Securities for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chair in accordance with Condition 10.1.3) shall be transacted at any meeting unless the required quorum is present at the commencement of business. The quorum at any meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Eligible Persons present and holding or representing in the aggregate not less than 50 per cent. in Liquidation Preference of the Preferred Securities for the time being outstanding provided that at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):

(i) a reduction or cancellation of the Liquidation Preference of the Preferred Securities; or

(ii) without prejudice to the provisions of Condition 4 (including, without limitation, the right of the Bank to cancel the payment of any Distributions on the Preferred Securities), a reduction or cancellation of the amount payable or modification of the payment date in respect of any Distributions or variation of the method of calculating the Distribution Rate; or

(iii) a modification of the currency in which payments under the Preferred Securities are to be made; or

(iv) a modification of the majority required to pass an Extraordinary Resolution; or

(v) the sanctioning of any scheme or proposal described in Condition 10.2.8(vi); or

(vi) alteration of this proviso or the proviso to Condition 10.1.5 below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds in Liquidation Preference of the Preferred Securities for the time being outstanding.

10.1.5 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chair may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall, if convened by Holders or if the Bank was required by Holders to convene such meeting pursuant to Condition 10.1.1, be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday the next following business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall be adjourned for a period being not less than 14 clear days nor more than 42 clear days and at a place appointed by the Chair and approved by the Principal Paying Agent). If within 15 minutes (or a longer period not exceeding 30 minutes as the Chair may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chair may either dissolve the meeting or adjourn it for a period, being not less than 14 clear days (but without any maximum number of clear days) and to a place as may be appointed by the Chair (either at or after the adjourned meeting) and approved by the Principal Paying Agent, and the provisions of this sentence shall apply to all further adjourned meetings.

10.1.6 At any adjourned meeting one or more Eligible Persons present (whatever the Liquidation Preference of the Preferred Securities so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present provided that at any adjourned meeting the business of which includes any of the matters specified in the proviso to Condition 10.1.4 the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in Liquidation Preference of the Preferred Securities for the time being outstanding.

10.1.7 Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 clear days' notice were substituted for 21 clear days' notice as in Condition 10.1.2 and the notice shall state the relevant quorum. Subject to this it shall not be necessary to give any notice of an adjourned meeting.

10.2 Conduct of Business at Meetings

10.2.1 Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chair shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which they may be entitled as an Eligible Person.

10.2.2 At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chair or the Bank or by any Eligible Person present (whatever the Liquidation Preference of the Preferred Securities held by him), a declaration by the Chair that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

10.2.3 Subject to Condition 10.2.5, if at any meeting a poll is demanded it shall be taken in the manner and, subject as provided below, either at once or after an adjournment as the Chair may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

10.2.4 The Chair may, with the consent of (and shall if directed by) any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

10.2.5 Any poll demanded at any meeting on the election of a Chair or on any question of adjournment shall be taken at the meeting without adjournment.

10.2.6 Any director or officer of the Bank and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, but without prejudice to the proviso to the definition of **outstanding** in Condition 1, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless they are an Eligible Person.

10.2.7 Subject as provided in Condition 10.2.6, at any meeting:

(i) on a show of hands every Eligible Person present shall have one vote; and

(ii) on a poll every Eligible Person present shall have one vote in respect of each €1.00 or such other amount as the Principal Paying Agent shall in its absolute discretion specify of Liquidation Preference of Preferred Securities in respect of which they are an Eligible Person.

10.2.8 A meeting of the Holders shall, in addition to the powers set out above, have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in Conditions 10.1.4 and 10.1.6):

(i) power to approve any compromise or arrangement proposed to be made between the Bank and the Holders;

(ii) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders against the Bank or against any of its

property whether these rights arise under the Agency Agreement or the Preferred Securities or otherwise;

(iii) power to agree to any modification of the provisions contained in the Agency Agreement, these Conditions or the Preferred Securities, which is proposed by the Bank;

(iv) power to give any authority or approval which under the provisions of this Condition 10 or the Preferred Securities is required to be given by Extraordinary Resolution;

(v) power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;

(vi) power to approve any scheme or proposal for the exchange or sale of the Preferred Securities for, or the conversion of the Preferred Securities into, or the cancellation of the Preferred Securities in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Bank or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash; and

(vii) power to approve the substitution of any entity in place of the Bank (or any previous substitute) as the principal debtor in respect of the Preferred Securities.

10.3 Miscellaneous

10.3.1 Any resolution passed at a meeting of the Holders duly convened and held shall be binding upon all the Holders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Holders shall be published in accordance with Condition 13 by the Bank within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

10.3.2 The expression **Extraordinary Resolution** when used in this Condition 10 means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 10 by a majority consisting of not less than 75 per cent. of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on the poll.

10.3.3 Subject to Condition 10.2.1, to be passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 10, a resolution (other than an Extraordinary Resolution) shall require a majority of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, a majority of the votes given on the poll.

10.3.4 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Bank and any minutes signed by the Chair of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.

10.3.5 For the purposes of calculating a period of **clear days**, no account shall be taken of the day on which a period commences or the day on which a period ends.

10.3.6 The initial provisions governing the manner in which Holders (including accountholders in the European Clearing Systems) may attend and vote at a meeting of the holders of Preferred Securities are set out in the Agency Agreement. The Principal Paying Agent may without the consent of the Bank or the Holders prescribe any other regulations regarding such manner of attendance and voting as the Principal Paying Agent may in its sole discretion think fit. Notice of any such regulations may be given to Holders in accordance with Condition 13 and/or at the time of service of any notice convening a meeting.

## 11. Modification, substitution and variation

11.1 The Principal Paying Agent and the Bank may agree, without the consent of the Holders, to:

(a) any modification of the Preferred Securities or the Agency Agreement which is not, in the opinion of the Bank, prejudicial to the interests of the Holders; or

(b) any modification of the Preferred Securities or the Agency Agreement which, in the opinion of the Bank, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 13 as soon as practicable thereafter.

11.2 By its acquisition of the Preferred Securities, each Holder (which for these purposes includes each holder of a beneficial interest in the Preferred Securities) will be deemed to have expressly consented to any modification of the Preferred Securities pursuant to this Condition 11.2. Without any requirement for any further consent or approval of the Principal Paying Agent or the Holders (whether pursuant to Condition 10 or otherwise) and without limiting and notwithstanding Condition 11.1 above, if a Capital Event or a Tax Event, as applicable, occurs and is continuing, the Bank may substitute or modify the terms of all (but not some only) of the Preferred Securities provided that (a) any variation in the terms of the Preferred Securities resulting from such substitution or modification is not materially prejudicial to the interests of the Holders and (b)(i) the Preferred Securities are substituted for, or (ii) following such modification the Preferred Securities are, Qualifying Preferred Securities, at any time prior to the occurrence of either a Trigger Event or a Capital Reduction on giving not less than 5 nor more than 30 calendar days' notice to the Holders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date for such substitution or, as applicable, modification), and subject to the prior consent of the Regulator if required pursuant to Applicable Banking Regulations.

For the purposes of the foregoing paragraph, any variation in the ranking of the relevant Preferred Securities as set out in Condition 3 resulting from any such substitution or modification shall be deemed not to be prejudicial to the interests of the Holders where the

ranking of such Preferred Securities following such substitution or modification is at least the same ranking as is applicable to such Preferred Securities under Condition 3 on the Closing Date of such Preferred Securities.

Any such notice shall specify the relevant details of the manner in which such substitution or modification shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Preferred Securities. Such substitution or modification will be effected without any cost or charge to the Holders.

Holders (which for the purpose of this Condition 11.2 includes each holder of a beneficial interest in the Preferred Securities) shall, by virtue of purchasing and holding any Preferred Securities, be deemed to accept any substitution or modification of the terms pursuant to this Condition 11.2 and to grant to the Bank and the Principal Paying Agent full power and authority to take any action and/or to execute and deliver any document in the name and/or on behalf of the Holders which is necessary or convenient to complete any such substitution or modification.

In these Conditions:

**Qualifying Preferred Securities** means, at any time, any securities or other instruments issued directly or indirectly by the Bank that:

(a) contain terms which comply with the then current requirements to be included in, or count towards, the Group's and the Bank's Tier 1 Capital;

(b) have at least the same ranking as is applicable to the Preferred Securities under Condition 3.1 on the Closing Date;

(c) have the same denomination and aggregate outstanding Liquidation Preference, the same terms for the determination of any applicable Distributions, the same redemption rights as the Preferred Securities, the same dates for payment of Distributions as the Preferred Securities immediately prior to any substitution or modification pursuant to this Condition 11.2 and without resulting in terms that are materially less favourable to the Holders;

(d) preserve any existing rights under the Preferred Securities to any accrued Distributions which have not been paid in respect of the period from (and including) the Distribution Payment Date last preceding the date of substitution or modification;

(e) are listed or admitted to trading on any stock exchange as selected by the Bank, if the Preferred Securities were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or modification pursuant to this Condition 11.2; and

(f) are not, immediately following the relevant substitution or modification pursuant to this Condition 11.2, subject to a Capital Event or a Tax Event.

## 12. Taxation

12.1 All payments of Distributions and other amounts payable in respect of the Preferred Securities by the Bank will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of the Kingdom of Spain, or any political subdivision thereof or any authority or agency therein or thereof having power to tax (for the purposes of this Condition 12, **Spain**) in respect of payments of Distributions (but not

any Liquidation Preference or other amount), the Bank shall (to the extent such payment can be made out of Distributable Items on the same basis as for payment of any Distribution in accordance with Condition 4) pay such additional amounts as will result in Holders receiving such amounts as they would have received in respect of such Distributions had no such withholding or deduction been required.

12.2 The Bank shall not be required to pay any additional amounts as referred to in Condition 12.1 in relation to any payment in respect of Preferred Securities:

(a) to a Holder (or to a third party on behalf of a Holder) who is liable for such taxes, duties, assessments or governmental charges in respect of the Preferred Securities by reason of their having some connection with Spain other than the mere holding of Preferred Securities;

(b) to a Holder (or to a third party on behalf of a Holder) who does not provide to the Bank or an agent acting on behalf of the Bank the information concerning such Holder's identity and tax residence as may be required in order to comply with any applicable procedures that may be implemented; or

(c) to a Holder (or to a third party on behalf of a Holder) if the Bank does not receive the relevant information as may be required by Spanish tax law, regulation or binding ruling, including a duly executed and completed certificate issued in accordance with RD 1065/2007 or in case the current information procedures are modified, amended or supplemented by any Spanish law, regulation or binding ruling.

Additional amounts will also not be paid with respect to any payment to any Holder who is a fiduciary, partnership, limited liability company or person other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of Spain to be included in the income, for Spanish tax purposes, of a beneficiary or settlor with respect to such fiduciary, member of such partnership, interest holder in that limited liability company or a beneficial owner who would not have been entitled to such additional amounts had it been the holder.

12.3 For the purposes of this Condition 12, the **Relevant Date** means, in respect of any payment, the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect is duly given to the Holders in accordance with Condition 13 below.

See "*Taxation*" for a fuller description of certain tax considerations relating to the Preferred Securities.

**13. Notices**

Notices, including notice of any redemption of the Preferred Securities, will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Bank may decide (which is expected to be the Financial Times). The Bank shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Preferred Securities are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Preferred Securities are issued, there may, so long as any Global Preferred Securities representing the Preferred Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Holders except that for so long as any Preferred Securities are listed on a stock exchange or admitted to listing by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Holders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

**14. Agents**

In acting under the Agency Agreement and in connection with the Preferred Securities, the Agents act solely as agents of the Bank and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders.

The initial Agents and their initial specified offices are listed in the Agency Agreement. The Bank reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, a successor agent bank, and additional or successor paying and conversion agents; provided, however, that the Bank will maintain a Principal Paying Agent and an Agent Bank.

Notice of any change in any of the Agents or in their specified offices shall promptly be given to the Holders in accordance with Condition 13 above.

**15. Prescription**

To the extent that Article 950 of the Spanish Commercial Code (*Código de Comercio*) applies to the Preferred Securities, claims relating to the Preferred Securities will become void unless such claims are duly made within three years of the relevant payment date.

**16. Governing Law and Jurisdiction**

16.1 The Preferred Securities and any non-contractual obligations arising out of or in connection with the Preferred Securities shall be governed by, and construed in accordance with, the common laws of the Kingdom of Spain (*Derecho común español*).

16.2 Except as provided in the paragraph immediately below, the Bank and any Holders hereby irrevocably submit to the non-exclusive jurisdiction of the Spanish courts in the city of Madrid to settle any disputes which may arise out of or in connection with the Preferred Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Preferred Securities) and that accordingly any suit, action or proceedings arising out of or in connection with the Preferred Securities (together referred to as **Proceedings**) may be brought in such courts. The Bank and any Holders in relation to any Proceedings irrevocably waive any objection to the Spanish courts in the city of Madrid on the grounds that they are an inconvenient or inappropriate forum to settle any Proceedings.

Notwithstanding the above, the Spanish courts in the city of Madrid have exclusive jurisdiction to settle any dispute arising out of or in connection with the application of any Spanish Statutory Loss-Absorption Powers by the Relevant Spanish Resolution Authority (a **Bail-in Dispute**) and accordingly each of the Bank and any Holders in relation to any Bail-in Dispute submits to the exclusive jurisdiction of the Spanish courts. Each of the Bank and any Holders in relation to

any Bail-in Dispute further waives any objection to the Spanish courts on the grounds that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

**17. Recognition of Spanish Statutory Loss-Absorption Powers**

Notwithstanding any other term of the Preferred Securities or any other agreements, arrangements, or understandings between the Bank and any Holder, by its acquisition of the Preferred Securities, each Holder (which, for the purposes of this Condition 17 includes each holder of a beneficial interest in the Preferred Securities) acknowledges, accepts, consents to and agrees to be bound by:

(a) the exercise and effect of any Spanish Statutory Loss-Absorption Power by the Relevant Spanish Resolution Authority, which may be imposed with or without any prior notice with respect to the Preferred Securities, and which may include and result in any of the following, or some combination thereof:

(A) the reduction or cancellation of all, or a portion, of the Amounts Due;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Bank, the Group or another person (and the issue to or conferral on the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Preferred Securities;

(C) the cancellation of the Preferred Securities; and

(D) the amendment or alteration of the maturity of the Preferred Securities or amendment of the Distributions payable on the Preferred Securities, or the date on which the Distributions becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Preferred Securities, as deemed necessary by the Relevant Spanish Resolution Authority, to give effect to the exercise of any Spanish Statutory Loss-Absorption Power by the Relevant Spanish Resolution Authority.

*The exercise of any Spanish Statutory Loss-Absorption Power by the Relevant Spanish Resolution Authority pursuant to any relevant laws, regulations, rules or requirements in effect in Spain is not dependent on the application of this Condition 17.*

No such exercise of any Spanish Statutory Loss-Absorption Power or variation of the terms of the Preferred Securities shall give rise to any event of default or any other right of Holders to declare such Preferred Security due and payable.

In this Condition 17, **Amounts Due** means the principal amount of or outstanding amount, together with any accrued but unpaid interest, due on the Preferred Securities. References to such amount will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Spanish Statutory Loss-Absorption Power by the Relevant Spanish Resolution Authority.

## USE OF PROCEEDS

The net proceeds from the issue of Preferred Securities will be used for the Group's general corporate purposes. The Bank will request that the Preferred Securities qualify as Additional Tier 1 Capital own funds for the purposes of the Applicable Banking Regulations.

# TAXATION

## SPANISH TAXATION

*The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Preferred Securities and Common Shares. It does not purport to be a complete analysis of all tax consequences relating to the Preferred Securities and Common Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Preferred Securities and Common Shares and receiving any payments under the Preferred Securities and Common Shares. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date. References in this section to Holders include the beneficial owners of the Preferred Securities and Common Shares, where applicable.*

### Acquisition of the Preferred Securities and Common Shares

The issue of, subscription for, transfer and acquisition of the Preferred Securities and Common Shares is exempt from Transfer and Stamp Tax (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) and Value Added Tax (*Impuesto sobre el Valor Añadido*).

### Taxation on the income and transfer of the Preferred Securities and Common Shares

The tax treatment of the acquisition, holding and subsequent transfer of the Preferred Securities and Common Shares is summarised below and is based on the tax regime applicable pursuant to:

*(a)* for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax (**PIT**) (*Impuesto sobre la Renta de las Personas Físicas)*, Law 35/2006 of 28th November, on the PIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law (the **PIT Law**), and Royal Decree 439/2007, of 30th March promulgating the PIT Regulations, along with Law 19/1991 of 6th June on the Wealth Tax (*Impuesto sobre el Patrimonio*), Law 29/1987, of 18th December on the Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*) and Law 38/2022, for the establishment of temporary levies on energy and financial credit institutions and introducing a temporary solidarity tax on large fortunes;

*(b)* for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (**CIT**) (*"Impuesto sobre Sociedades)*, Law 27/2014 of 27th November (the **CIT Law**) and Royal Decree 634/2015, of 10th July promulgating the CIT Regulations; and

*(c)* for individuals and entities who are not resident for tax purposes in Spain which are subject to Non-Resident Income Tax (**NRIT**) (*Impuesto sobre la Renta de los no Residentes*), Royal Legislative Decree 5/2004 of 5th March approving the consolidated text of the Non-Resident Income Tax Law, as amended (the **NRIT Law**), Royal Decree 1776/2004 of 30th July approving the NRIT Regulations as amended, Law 19/1991 of 6th June on the Wealth Tax, Law 29/1987 of 18th December on the Inheritance and Gift Tax and Law 38/2022, for the establishment of temporary levies on energy and financial credit institutions and introducing a temporary solidarity tax on large fortunes, as amended.

Consideration has also been given to Spanish legislation on the issuance of the Preferred Securities and debt securities (Law 10/2014) and RD 1065/2007.

**Preferred Securities**

***Individuals with Tax Residency in Spain***

**Personal Income Tax (PIT)**

Income obtained by Holders who are PIT taxpayers, both as interest and income obtained in connection with the transfer, redemption or repayment of the Preferred Securities, shall be considered income on investments obtained from the assignment of an individual's capital to third parties, as defined in Section 25.2 of the PIT Law, and therefore will be taxed as savings income at the applicable rate (currently varying from 19 per cent. to 30 per cent.).

Pursuant to Article 44.5 of RD 1065/2007, if the Preferred Securities are registered with a clearing system outside of Spain, any income derived from the Preferred Securities will be paid by the Bank free of Spanish withholding tax provided that the relevant information about the Preferred Securities is submitted in the manner detailed in "*Tax Reporting Obligations of the Bank*". In addition, income obtained upon transfer, redemption or repayment of the Preferred Securities may also be paid free of Spanish withholding tax in certain circumstances.

Notwithstanding the above, withholding tax at the applicable rate of 19 per cent. may have to be deducted by other entities (such as depositaries, institutions, or financial entities), provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual Holders may credit the withholding against their PIT liability for the relevant fiscal year and may be refundable pursuant to Section 103 of the PIT Law.

**Wealth Tax**

Individuals with tax residency in Spain are currently subject to Wealth Tax to the extent that their net worth exceeds €700,000, without prejudice to any exemption which may apply and the laws and regulations in force in each autonomous region (*Comunidad Autónoma*), at the applicable rates, ranging between 0.2 per cent. and 3.5 per cent., on the value of the Preferred Securities which they hold as at the end of the relevant fiscal year.

In addition to Wealth Tax, the Solidarity Tax applies to the wealth of individuals in excess of €3,000,000 with rates from 1.7 per cent. to 3.5 per cent. The amount of this tax can be deducted from the amount of the Wealth Tax. Although the Solidarity Tax was initially designed to be temporary, its application has been indefinitely extended, pursuant to the Fifth Additional Provision of Royal Decree-Law 8/2023 of 27 December adopting measures to deal with the economic and social consequences of the conflicts in Ukraine and the Middle East and to alleviate the effects of the drought (*Real Decreto-ley 8/2023, de 27 de diciembre, por el que se adoptan medidas para afrontar las consecuencias económicas y sociales derivadas de los conflictos en Ucrania y Oriente Próximo, así como para paliar los efectos de la sequía*), until a revision of Spanish wealth taxation takes place in the context of a reform of the Spanish regional financing system.

**Inheritance and Gift Tax**

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Preferred Securities by inheritance, gift or legacy will be subject to Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules.

The effective State's tax rates currently range between 0 per cent. and 81.6 per cent., depending on relevant factors.

*Legal Entities with Tax Residency in Spain*

**Corporate Income Tax**

Both interest periodically received and income derived from the transfer, redemption or repayment of the Preferred Securities are subject to CIT (at the current general tax rate of 25 per cent.) in accordance with the rules for this tax.

Pursuant to Article 44.5 of RD 1065/2007, any income derived from the Preferred Securities will be paid by the Bank to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds) free of Spanish withholding tax provided that the relevant information about the Preferred Securities is submitted in the manner detailed in "*Tax Reporting Obligations of the Bank*".

In the case of Preferred Securities held by Spanish resident entities and deposited with a Spanish resident entity acting as a depositary or custodian, income derived from the transfer, redemption or repayment may be subject to withholding tax, currently at a rate of 19 per cent. withholding that will be made to the depositary or custodian, unless the Preferred Securities comply with the exemption requirements specified in Article 61 of the CIT Regulations, as interpreted by the ruling nº 1500/2004 issued by the Spanish General Directorate for Taxes (*Dirección General de Tributos*) dated 27 July 2004, which requires that (i) the Preferred Securities are placed outside of Spain, in another OECD jurisdiction, and (ii) the Preferred Securities are admitted to trading in an organised market of an OECD jurisdiction other than Spain.

Amounts withheld, if any, may be credited by the relevant investors against their final CIT liability.

**Wealth Tax**

Legal entities are not subject to Wealth Tax nor to Solidarity Tax.

**Inheritance and Gift Tax**

Legal entities resident in Spain for tax purposes (and NRIT taxpayers acting through a permanent establishment in Spain, as described below) which acquire ownership or other rights over the relevant securities by inheritance, gift or legacy are not subject to Spanish Inheritance and Gift Tax.

***Individuals and Legal Entities with no Tax Residency in Spain***

**Non-Resident Income Tax**

***Investors with no Tax Residency in Spain, acting through a Permanent Establishment in Spain***

If the Preferred Securities form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Preferred Securities are, generally, the same as those set forth above for Spanish CIT taxpayers. See "*—Legal Entities with Tax Residency in Spain - Corporate Income Tax*".

Ownership of the Preferred Securities by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

***Investors with no Tax Residency in Spain not acting through a permanent establishment in Spain***

Income obtained by Holders who are not tax resident in Spain acting for these purposes without a permanent establishment within Spain is exempt from NRIT, on the same terms laid down for income from Spanish public debt.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Preferred Securities, in the manner detailed under "*Tax Reporting Obligations of the Bank*" as laid down in Article 44 of RD 1065/2007. If these information obligations are not complied with in the manner indicated, the Bank will withhold at the rate applicable from time to time (currently 19 per cent.) and the Bank will not pay additional amounts.

In any case, please note that non-resident investors acting without a permanent establishment in Spain may benefit from a withholding tax exemption or reduced withholding tax rate pursuant to the NRIT Law or an applicable Double Tax Treaty (**DTT**) signed by Spain, subject to certain requirements.

**Wealth Tax**

Individuals resident in a country with which Spain has entered into a DTT in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory, exceed €700,000 would be subject to Wealth Tax at the applicable rates, ranging between 0.2 per cent. and 3.5 per cent., without prejudice to any exemption or reductions which may apply. Therefore, such individuals should take into account the value of the Preferred Securities which they hold as of 31st December in each year.

In accordance with Additional Provision 4 of the Wealth Tax Law as amended by Law 11/2021 of 9th July, non-resident taxpayers will be entitled to the application of specific regulations approved by the Autonomous Community where the greater value of the assets and rights they own and for which the tax is required is located, can be exercised or must be fulfilled in Spanish territory.

In addition to Wealth Tax, the Solidarity Tax applies to the wealth of individuals in excess of €3,000,000 with rates from 1.7 per cent. to 3.5 per cent. The amount of this tax can be deducted from the amount of the Wealth Tax. Although the Solidarity Tax was initially designed to be temporary, its application has been indefinitely extended until a revision of Spanish wealth taxation takes place in the context of a reform of the Spanish regional financing system.

Legal entities are not subject to Wealth Tax nor to Solidarity Tax.

**Inheritance and Gift Tax**

The transfer of the Preferred Securities to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax in accordance with the applicable Spanish and State rules even if title passes outside Spain and neither the heir nor the beneficiary, as the case may be, is resident in Spain for tax purposes, without prejudice to the provisions of any DTT signed by Spain.

If no DTT is applicable, individuals who do not have tax residency in Spain who acquire ownership or other rights over the Preferred Securities by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with Spanish legislation, to the extent that rights deriving from the Preferred Securities can be exercised within Spanish territory. According to the Second Additional Provision of Law 29/1987 of 18th December approving the Inheritance and Gift Tax Law, non-Spanish tax resident individuals may be subject to Spanish Inheritance and Gift Tax in accordance with the rules set forth in the relevant autonomous regions in accordance with the law. As such, prospective investors should consult their tax advisers.

The effective State's tax rate, after applying all relevant factors, ranges between 0 per cent. and 81.6 per cent.

In the event that the beneficiary is an entity other than a natural person, the income obtained shall be subject to NRIT and without prejudice, in the latter event, to the provisions of any DTT that may apply.

***Tax Reporting Obligations of the Bank***

Article 44 of RD 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014. The procedures apply to interest deriving from preference shares and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

According to the literal wording of Article 44.5 of RD 1065/2007, income derived from securities originally registered with the entities that manage clearing systems located outside Spain, that are recognised by Spanish law or by the law of another OECD country (such as Euroclear or Clearstream, Luxembourg), will be paid free of Spanish withholding tax provided that the Principal Paying Agent appointed by the Bank submits a statement to the Bank, the form of which is included in the Agency Agreement, with the following information (a **Payment Statement**):

- identification of the securities;
- payment date;
- total amount of income paid on the relevant date; and
- total amount of the income corresponding to each clearing house located outside Spain.

In accordance with paragraph 6 of Article 44 of RD 1065/2007, the Principal Paying Agent should provide the Bank with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on the date, the entities obliged to provide the declaration fail to do so, the Bank or the Principal Paying Agent on its behalf will make a withholding at the general rate of 19 per cent. on the total amount of the return on the relevant Preferred Securities otherwise payable to such entity.

The Bank has otherwise agreed that in the event withholding tax should be required by law, the Bank shall pay such additional amounts as would have been received had no such withholding or deduction been required, except as provided in Condition 12 and as otherwise described in this Offering Circular.

In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Bank will notify the Holders of such information procedures and their implications, as the Bank may be required to apply withholding tax on Distributions in respect of the Preferred Securities if the Holders do not comply with such information procedures.

**Prospective investors should note that the Bank does not accept any responsibility in relation to any failure in the delivery of a duly executed and completed Payment Statement by the Principal Paying Agent in connection with each payment of income under the Preferred Securities. Accordingly, the Bank will not be liable for any damage or loss suffered by any beneficial owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose Distribution payments are nonetheless paid net of Spanish withholding tax because the Payment Statement was not duly delivered to the Bank. Moreover, the Bank will not pay any additional amounts with respect to any such withholding tax.**

**Conversion of the Preferred Securities into Common Shares**

***Individuals with tax residency in Spain***

**Personal Income Tax**

Income obtained on the conversion of the Preferred Securities into Common Shares, computed as the difference between the market value of the Common Shares received and the acquisition or subscription value of the Preferred Securities delivered in exchange, will be considered as a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law.

The tax treatment will be as described above in relation to the PIT treatment in respect of the Preferred Securities.

**Corporate Income Tax**

Subject to the applicable accounting regulations, income derived from the conversion of the Preferred Securities into Common Shares will be computed as the difference between the market value of the Common Shares received and the book value of the Preferred Securities delivered in exchange. Such income will be subject to CIT at the current general rate of 25 per cent., in accordance with the rules for this tax.

The tax treatment will be as described above in relation to the CIT treatment in respect of the Preferred Securities.

***Individuals and Legal Entities with no Tax Residency in Spain***

**Non-Resident Income Tax**

***Investors with no Tax Residency in Spain, acting through a Permanent Establishment in Spain***

Non-Spanish tax resident investors operating through a permanent establishment in Spain are subject to the same tax treatment that applies to Spanish CIT taxpayers.

***Investors with no Tax Residency in Spain not acting through a permanent establishment in Spain***

Income obtained by non-Spanish tax resident investors on the conversion of the Preferred Securities into Common Shares will be exempt from such NRIT and from withholding tax on account of NRIT.

The tax treatment applicable to the income obtained will be as described above in relation to the NRIT treatment in respect of the Preferred Securities.

**Common Shares**

***Individuals and Legal Entities with no Tax Residency in Spain***

**Non-Resident Income Tax**

***Investors with no Tax Residency in Spain not acting through a permanent establishment in Spain***

*Taxation of dividends*

Under Spanish law, dividends paid to a non-Spanish resident Holder in Spain not acting through a permanent establishment in Spain in respect of the Common Shares are subject to the Spanish NRIT, and therefore a 19 per cent. withholding tax is currently applied on the gross amount of dividends.

The Order of 13th April, 2000 establishes the procedure applicable to dividend payments made to Holders subject to the Spanish NRIT.

However, when a DTT applies, the non-resident is entitled to the Treaty-reduced rate. To benefit from the Treaty-reduced rate, the non-resident must provide to the Bank or to the Spanish resident depositary, if any, through which its Common Shares are held, a certificate of tax residence issued by the tax authorities of the country of residence within the meaning of the relevant DTT.

In addition, pursuant to the provisions set forth under Article 14.1.h) of the NRIT Law, non-Spanish corporate Holders with residence in the EU who (i) hold at least 5 per cent. of the share capital of a Spanish Company, and (ii) who hold the relevant shares for an uninterrupted period of at least one year (which requirement may be fulfilled after the dividend deriving from the relevant shares is received), may benefit from an exemption from NRIT on dividends deriving from the relevant shares, provided that the rest of conditions of Article 14.1.h) of the NRIT Law are met.

The aforesaid exemption will be applicable, subject to the compliance of similar requirements, to dividends distributed by a Spanish subsidiary to its EEA parent company provided that there is an effective exchange of tax information with such EEA parent company's country.

However, this exemption from NRIT will not apply if the majority of the voting rights in the parent company of the Spanish Company in which the relevant shareholding is acquired are held, directly or indirectly, by natural or legal persons which are non-resident in the EU or in a country of the EEA with an effective exchange information procedure according to Law 36/2006, of 29th November unless it can be demonstrated that the formation and performance of the relevant Spanish Company was and is carried out for valid economic reasons and substantial business reasons.

In addition, the aforesaid exemption will not be applicable if the dividend is obtained through a country or territory that is defined as a tax haven or a non-cooperative jurisdiction (*jurisdicción no cooperativa*) by Spanish regulations.

*Taxation of capital gains*

Capital gains realised by non-Spanish resident Holders not acting through a permanent establishment in Spain in respect of the Common Shares will be taxed under the rules provided by the NRIT Law.

However, capital gains realised by a Holder will be exempt from Spanish NRIT in the following cases:

– If such Holder is a resident of another EU Member State, it will be exempt from Spanish NRIT on capital gains, provided that (i) the Bank's assets do not mainly consist of, directly or indirectly, Spanish real estate, (ii) in the case of individual taxpayers the seller has not maintained a direct or indirect holding of at least 25 per cent. of the Common Shares outstanding during the twelve months preceding the disposition of the latter, (iii) in the case of a non-resident entity, the sale falls within the exemption provided for in Article 21 of Law 27/2014 (in general terms and among other requirements, where that entity's ownership interest is at least 5 per cent. and has been held for at least a year), and (iv) the gain is not obtained through a country or territory statutorily defined as a tax haven or a non-cooperative jurisdiction (*jurisdicción no cooperativa*). This exemption shall also apply to capital gains which have not been obtained through a permanent establishment in Spain by individuals and entities resident for tax purposes in Member States of the EEA (other than Spain), or permanent establishments

of these resident in other Member States of the EEA (other than Spain), provided that the requirements set forth in the NRIT Law are met.

– If the transfer of Common Shares in an official Spanish secondary stock market is made by any Holder who is resident in a country that has entered into a DTT with Spain containing an exchange of information clause (including the Treaty), the gain obtained will be exempt from taxation in Spain. This exemption is not applicable to capital gains obtained through a country or territory defined as a non-cooperative jurisdiction (*jurisdicción no cooperativa*) under applicable Spanish regulations.

– If such Holder benefits from a DTT that provides for taxation only in such non-Spanish resident Holder's country of residence.

In the event that a capital gain derived from the disposition of Common Shares is exempt from Spanish NRIT, such Holder will be obliged to file with the Spanish tax authorities the corresponding 210 tax Form evidencing its entitlement to the exemption and providing the Spanish tax authorities with a certificate of tax residence issued by the tax authorities of the country of residence, within the meaning of a DTT, if applicable.

***Investors with no Tax Residency in Spain, acting through a Permanent Establishment in Spain***

*Taxation of dividends*

If the Common Shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such ordinary shares are the same as those for legal entities with tax residency in Spain described below.

Ownership of the Common Shares by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

*Taxation of capital gains*

If the Common Shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to capital gains derived from such ordinary shares are the same as those for legal entities with tax residency in Spain described below.

**Wealth Tax**

Individuals resident in a country with which Spain has entered into a DTT in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory, exceed €700,000 would be subject to Wealth Tax at the applicable rates, ranging between 0.2 per cent. and 3.5 per cent., without prejudice to any reductions which may apply. Therefore, such individuals should take into account the value of the Common Shares which they hold as at 31st December in each year.

In accordance with Additional Provision 4 of the Wealth Tax Law as amended by Law 11/2021 of 9th July, non-resident taxpayers will be entitled to the application of specific regulations approved by the Autonomous Community where the greater value of the assets and rights they own and for which the tax is required is located, can be exercised or must be fulfilled in Spanish territory.

In addition to Wealth Tax, the Solidarity Tax applies to the wealth of individuals in excess of €3,000,000 with rates from 1.7 per cent. to 3.5 per cent. The amount of this tax can be deducted from the amount of the Wealth Tax.

***Inheritance and Gift Tax***

The transfer of the Common Shares to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax in accordance with the applicable Spanish rules even if title passes outside Spain and neither the heir nor the beneficiary, as the case may be, is resident in Spain for tax purposes, without prejudice to the provisions of any DTT signed by Spain.

If no DTT is applicable, individuals who do not have tax residency in Spain who acquire ownership or other rights over the Common Shares by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with Spanish legislation. Non-Spanish tax resident individuals are subject to Spanish Inheritance and Gift Tax according to the rules set forth in the relevant autonomous regions according to the law. As such, prospective shareholders should consult their tax advisers.

The effective tax State's rate, after applying all relevant factors, ranges between 0 per cent. and 81.6 per cent.

In the event that the beneficiary is an entity other than a natural person, the income obtained shall be subject to CIT or NRIT, as the case may be, and without prejudice, in the latter event, to the provisions of any DTT that may apply.

***Individuals with Tax Residency in Spain***

**Personal Income Tax**

*Taxation of dividends*

According to the PIT Law the following, amongst others, must be treated as gross capital income: income received by a Spanish shareholder in the form of dividends, consideration paid for attendance at shareholders' meetings, income from the creation or assignment of rights of use or enjoyment of the shares and any other income received in their position as shareholder.

Gross capital income is reduced by any administration and custody expenses (but not by those incurred in individualized portfolio management); the net amount is included in the relevant Spanish shareholder's savings taxable base at the applicable rate (currently varying from 19 per cent. to 30 per cent.).

The payment to Spanish shareholders of dividends or any other distribution will be generally subject to a withholding tax at the then-applicable rate (currently set at 19 per cent.). Such withholding tax is creditable from the PIT payable; if the amount of tax withheld is greater than the amount of the net PIT payable, the taxpayer is entitled to a refund of the excess withheld in accordance with the PIT Law.

*Taxation of capital gains*

Gains or losses recorded by a shareholder subject to PIT as a result of the transfer of ordinary shares qualify for the purposes of the PIT Law as capital gains or losses and are subject to taxation according to the general rules applicable to capital gains. The amount of capital gains or losses is equal to the difference between the shares' acquisition value (plus any fees or taxes incurred) and the transfer value, which is the listed value of the shares as of the transfer date or, if higher, the agreed transfer price, less any fees or taxes incurred.

Capital gains or losses arising from the transfer of shares held by a Spanish shareholder are included in such Spanish savings taxable base at the applicable rate (currently varying from 19 per cent. to 30 per cent.).

Capital gains arising from the transfer of shares are not subject to withholding tax on account of PIT. Losses arising from the transfer of ordinary shares admitted to trading on certain official stock exchanges will not be treated as capital losses if ordinary shares of the same kind have been acquired during the period between two months before and two months after the date of the transfer which originated the loss. In these cases, the capital losses are included in the taxable base upon the transfer of the remaining ordinary shares by the taxpayer.

**Wealth Tax**

Individuals with tax residency in Spain are currently subject to Wealth Tax to the extent that their net worth exceeds €700,000, without prejudice to any exemption which may apply and the laws and regulations in force in each Autonomous Region, at the applicable rates, ranging between 0.2 per cent. and 3.5 per cent., on the value of the relevant securities which they hold as at the end of each year.

In addition to Wealth Tax, the Solidarity Tax applies to the wealth of individuals in excess of €3,000,000 with rates from 1.7 per cent. to 3.5 per cent. The amount of this tax can be deducted from the amount of the Wealth Tax.

**Inheritance and Gift Tax**

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any relevant securities by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The effective State's tax rates currently range between 0 per cent. and 81.6 per cent., depending on relevant factors.

***Legal Entities with Tax Residency in Spain***

**Corporate Income Tax**

*Taxation of dividends*

Dividends from BBVA received by corporate Spanish shareholders, less any expenses inherent to holding the Common Shares, must be included in the CIT taxable base. The general CIT tax rate is 25 per cent.

Dividends in respect of the shares obtained by the shareholders that (i) hold, directly or indirectly, at least 5 per cent. in the issuer's stock; and (ii) hold such participation for at least one year prior to the relevant distribution date or commits to hold the participation for the time needed to complete such one-year holding period, will be 95 per cent. exempt from CIT on that dividend as a general rule.

In practice, this means that dividends and interests in profits of a company obtained by CIT taxpayers will be taxed at an effective 1.25 per cent. rate (general 25 per cent. CIT rate on the 5 per cent. of the registered dividends and interests in profits of a company).

In case the conditions to apply this exemption apply to the relevant shareholder, and provided that the minimum one year holding period requirement is complied with on the distribution date in respect of the Common Shares, dividends will not be subject to withholding tax. Otherwise, dividends will be taxed at the applicable CIT tax rate of the taxpayer and a withholding will apply (currently set at 19 per cent.). This CIT withholding will be credited against the taxpayer's annual CIT due, and if the amount of tax withheld is greater than the amount of the annual CIT due, the taxpayer will be entitled to a refund of the excess withheld.

*Taxation of capital gains*

Gains or losses arising from the sale of the Common Shares by a shareholder that is a Spanish CIT taxpayer must be included in its taxable base. The general CIT tax rate is 25 per cent. Gains arising from the sale of the Common Shares will not be subject to withholding tax on account of CIT.

For CIT payers that (i) hold, directly or indirectly, at least 5 per cent. in the issuer's stock; and (ii) hold such participation for at least one year prior to the relevant transfer, capital gains will be 95 per cent. exempt from CIT as a general rule (in practice, this means that capital gains obtained by CIT taxpayers would be taxed at an effective 1.25 per cent. rate -general 25 per cent. CIT rate on the 5 per cent. of the capital gains-). Otherwise, capital gains will be taxed at the CIT rate applicable to the relevant taxpayer.

CIT payers are urged to consult their tax advisers regarding compliance of the requirements for application of the aforesaid participation exemption.

Capital gains deriving from the disposal of the Common Shares will not be subject to withholding tax on account of CIT.

**Wealth Tax**

Legal entities are not subject to Wealth Tax nor to Solidarity Tax.

**Inheritance and Gift Tax**

Legal entities resident in Spain for tax purposes (and NRIT taxpayers acting through a permanent establishment in Spain, as described below) which acquire ownership or other rights over the Common Shares by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax.

**THE SPANISH FINANCIAL TRANSACTIONS TAX (SPANISH FTT)**

The Spanish law which implements the Spanish FTT was approved on 7th October, 2020 (the **FTT Law**) and the FTT Law was published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on 16th October, 2020. The Spanish FTT came into force three months after the publication of the FTT Law in the Spanish Official Gazette (that is, on 16th January, 2021).

Spanish FTT charges a 0.2 per cent. rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion on 1st December of the year prior to the acquisition, regardless of the jurisdiction of residence of the parties involved in the transaction.

The list of the Spanish companies with a market capitalisation exceeding €1 billion at 1 December of each year will be published on the Spanish tax authorities' website before 31st December each year. For the purposes of transactions to be closed during 2026, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded €1 billion as of 1st December, 2025, that will fall within the scope of the Spanish FTT and the Bank was included in such list. Therefore, onerous acquisitions of the Bank's shares to be carried out during 2026 would fall within the scope of the Spanish FTT.

According to the criterion of the Spanish tax authorities, the Spanish FTT would not apply in relation to the acquisition of the contingent convertible capital securities. Additionally, the conversion of the contingent convertible capital securities into ordinary shares falls within the Spanish FTT although it may be exempt of such tax if it consists in a primary market transaction. However, the Spanish FTT would apply (at a fixed rate of 0.2 per cent.) to other financial transactions involving the Bank's shares, regardless of the jurisdiction of residence of the parties involved in the transaction.

Prospective holders of the Preferred Securities are advised to seek their own professional advice in relation to the Spanish FTT.

## SPANISH DIRECT REFUND FROM SPANISH TAX AUTHORITIES

Beneficial owners entitled to receive income payments in respect of the Common Shares at the reduced withholding tax rate contained in any applicable DTT, but in respect of whom income payments have been made net of Spanish withholding tax at the general withholding tax rate, may apply directly to the Spanish tax authorities for any refund to which they may be entitled.

Beneficial owners may claim any excess amount withheld by the Bank from the Spanish Treasury following the 1st of February of the calendar year following the year in which the relevant payment date takes place, and within the first four years following the last day on which the Bank may pay any amount so withheld to the Spanish Treasury (which is generally the 20th calendar day of the month immediately following the relevant payment date), by filing with the Spanish tax authorities (i) the relevant Spanish tax form, (ii) proof of beneficial ownership, and (iii) a certificate of residence issued by the tax authorities of the country of tax residence of such beneficial owner, among other documents.

For further details, prospective Holders should consult their tax advisers.

## U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT WITHHOLDING

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Bank is a foreign financial institution for these purposes. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Preferred Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Preferred Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Preferred Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Preferred Securities.

## SUBSCRIPTION, SALE AND TRANSFER

The Managers have, pursuant to a subscription agreement dated 10th November, 2026 (the **Subscription Agreement**), agreed to subscribe or procure subscribers for the Preferred Securities at the issue price of 100 per cent. of the Liquidation Preference of the Preferred Securities, less the agreed commissions of €7,500,000 payable to the Managers (the **Purchase Price**) and in the case of BBVA, exclusively in its capacity as a joint bookrunner, to procure subscribers for the Preferred Securities at the issue price of 100 per cent. The Bank has also agreed to reimburse the Managers in respect of certain of its expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Preferred Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Purchase Price to the Bank. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Preferred Securities, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Closing Date. In this situation, the issuance of the Preferred Securities may not be completed. Investors will have no rights against the Bank or the Managers in respect of any expense incurred or loss suffered in these circumstances.

### United States

The Preferred Securities and the Common Shares to be issued and delivered in the event of any Conversion have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Capitalised terms used in this paragraph have the meanings given to them under Regulation S.

The Preferred Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Preferred Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the **distribution compliance period**) within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act and that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells any Preferred Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preferred Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Preferred Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

In addition, under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the **C Rules**), Preferred Securities must be issued and delivered outside the United States and its possessions in connection with their original issue. Each of the Managers has represented that it has not offered, sold or delivered, and agreed that it will not offer, sell or deliver, directly or indirectly, Preferred Securities within the United States or its possessions in connection with their original issue. Further, in connection with the original issue of Preferred Securities, each of the Managers has represented that it has not communicated, and agreed that it will not communicate, directly or indirectly, with a prospective purchaser if any of the Managers or such purchaser is within the United States or its possessions or otherwise involve any of the

Managers' U.S. office in the offer or sale of Preferred Securities. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

**Prohibition of Sales to EEA Retail Investors**

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Preferred Securities to any retail investor in the EEA.

For these purposes, the expression **retail investor** means a person who is one (or both) of the following:

(i) an EEA Retail Client; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

**Spain**

Each of the Managers has represented and agreed that the Preferred Securities shall not be offered, distributed or sold in Spain in the primary market. However, the Preferred Securities may be sold to Spanish resident investors in circumstances that satisfy the requirements set forth in the ruling 1500/04 of the Directorate General for Taxation (*Dirección General de Tributos*) of 27th July, 2004.

Notwithstanding this, the Preferred Securities may not be offered, sold or otherwise made available at any time to any retail investor (as defined above) in Spain and any sales of the Preferred Securities in Spain according to the previous paragraph shall be made only to professional clients (*clientes profesionales*) or eligible counterparties (*contrapartes elegibles*) as defined in Articles 194 and 196, respectively of the Spanish Securities Markets Law (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*).

No publicity of any kind shall be made in Spain.

**Republic of Italy**

Each of the Managers has acknowledged that the offering of the Preferred Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Preferred Securities may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Preferred Securities be distributed in the Republic of Italy, except:

*(a)* to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24th February, 1998, as amended (the **Financial Services Act**) and Italian CONSOB regulations; or

*(b)* in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14th May, 1999, as amended from time to time, and the applicable Italian laws.

In any event, any offer, sale or delivery of the Preferred Securities or distribution of copies of this Offering Circular or any other document relating to the Preferred Securities in the Republic of Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15th February, 2018 (as amended from time to time) and Legislative Decree No. 385 of 1st September, 1993, as amended (the **Banking Act**); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other Italian authority (including (i) any restrictions on taking deposits and other repayable funds applicable to the Issuer under the Italian implementation of CRD VI and (ii) the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time).

**Belgium**

Each Manager has represented and agreed that an offering of Preferred Securities may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, $2^0$ of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Preferred Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Preferred Securities, directly or indirectly, to any Belgian Consumer.

**United Kingdom**

**Prohibition of Sales to UK Retail Investors**

Each of the Managers has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Preferred Securities to any retail investor in the UK.

For these purposes, the expression **retail investor** means a person who is either one (or both) of the following:

(i) a UK Retail Client; or

(ii) not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Each Manager has represented and agreed that:

*(a)* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Preferred Securities in circumstances in which Section 21(1) of the FSMA would not, if the Bank was not an authorised person, apply to the Bank; and

*(b)* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Preferred Securities in, from or otherwise involving the UK.

**Singapore**

Each of the Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each of the Managers has represented and agreed that it has not offered or sold any Preferred Securities or caused the Preferred Securities to be made the subject of an

invitation for subscription or purchase and will not offer or sell any Preferred Securities or cause the Preferred Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Preferred Securities, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant, and in accordance with the conditions specified in Section 275 of the SFA.

**Hong Kong**

Each Manager has represented and agreed that:

*(a)* it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Preferred Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

*(b)* it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Preferred Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Preferred Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

**Switzerland**

Each of the Managers has acknowledged that the offering of the Preferred Securities in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**FinSA**). Each of the Managers has acknowledged that this Offering Circular does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Preferred Securities.

**Canada**

The Preferred Securities are not and will not be qualified by prospectus for sale under the securities laws of any province or territory of Canada and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Offering Circular or the merits of the Preferred Securities and any representation to the contrary is an offence. No offer, sale or distribution of the Preferred Securities has been or will be made by BBVA (in its capacity as a joint bookrunner).

Each Manager has represented and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Preferred Securities, directly or indirectly, in Canada to, or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

*(a)* any offer, sale or distribution of the Preferred Securities in Canada will be made only to purchasers that are resident in, or subject to the securities laws of the province of Ontario that are “accredited investors” (as such term is defined in section 73.3(1) of the Securities Act (Ontario)), that are also “permitted clients” (as such term is defined in section 1.1 of NI 31-

103), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that are not a person created or used solely to purchase or hold the Preferred Securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;

*(b)* either (I) it is appropriately registered under applicable Canadian securities laws to sell and deliver the Preferred Securities, (II) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations and agreements set out herein, or (III) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and

*(c)* it has not and will not distribute or deliver this Offering Circular, or any other offering material in connection with any offering of the Preferred Securities, in Canada or to any person subject to the securities laws of any province or territory of Canada, other than in compliance with applicable Canadian securities laws.

**General**

No action has been taken by the Bank or any of the Managers that would, or is intended to, permit an offer of the Preferred Securities in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Preferred Securities or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Preferred Securities by it have been and will be made on the same terms.

## ADDITIONAL INFORMATION

1. The creation and issue of the Preferred Securities has been authorised by (i) the shareholders' meeting (*Junta General Ordinaria de Accionistas*) of the Bank, held on 20th March, 2026 and (ii) the meeting of the Board of Directors (*Consejo de Administración*) of the Bank, held on 29th July, 2026.

2. Except as disclosed in the section entitled "*Description of Banco Bilbao Vizcaya Argentaria, S.A. – Legal Proceedings*" on pages 90 to 91 (inclusive), none of the Bank or any of the Bank's subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending of which the Bank or any of the Bank's subsidiaries is aware) in the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Bank or the Group.

3. Save as disclosed in note 6.1 on pages 19 to 20 (inclusive) to the Condensed Q3 Interim Consolidated Financial Statements, there has been no significant change in the financial or trading position of the Bank and its subsidiaries since 30th September, 2026, and save as disclosed in note 6.1 on pages 21 to 24 (inclusive), note 4 on pages 16 to 19 (inclusive) and note 48 on page 74 to the Condensed Q2 Interim Consolidated Financial Statements, there has been no material adverse change in the prospects of the Bank and its subsidiaries since 30th June, 2026.

4. For so long as any of the Preferred Securities are outstanding, copies of the following documents will be available at www.bbva.com:

   (a) the corporate bylaws (*estatutos sociales*) of the Bank (with an English translation thereof); and

   (b) this Offering Circular.

   The information contained in such web page shall not be deemed to constitute a part of this Offering Circular, unless specifically incorporated by reference.

5. The Bank publishes quarterly unaudited condensed interim consolidated financial statements which are available at www.cnmv.es and www.bbva.com. The Bank does not publish unconsolidated interim financial statements. The information contained in such web pages shall not be deemed to constitute a part of this Offering Circular, unless specifically incorporated by reference.

6. The Bank does not intend to provide any post-issuance information in relation to the issue of the Preferred Securities.

7. On 18th March, 2022, the general shareholders' meeting of the Bank approved the appointment of Ernst & Young, S.L. (**EY**), independent auditors on the *Registro Oficial de Auditores de Cuentas* under number S0530 whose address is Calle de Raimundo Fernández Villaverde, 65, 28003 Madrid, Spain, as the independent auditors of the Group for the financial years ended 31st December, 2022, 2023 and 2024. Additionally, on 21st March, 2025 and 20th March, 2026 the general shareholders' meeting of the Bank approved the appointment of EY as the current independent auditors of the Group for the financial years ended 31st December, 2025 and 31st December, 2026, respectively.

8. For the financial years ended 31st December, 2025 and 2024, EY audited the Bank's Spanish language original stand-alone financial statements (such stand-alone financial statements for

each such year, the **Stand-Alone Financial Statements**). EY also audited the Spanish language original Consolidated Financial Statements. The Stand-Alone Financial Statements have been prepared in accordance with the applicable regulatory framework for financial information in Spain (as identified in note 1.2 to each of the Stand-Alone Financial Statements) and, specifically, the accounting principles and criteria contained therein. The Consolidated Financial Statements have been prepared in accordance with IFRS-IASB and in accordance with EU-IFRS, reflecting the Bank of Spain Circular 4/2017 of 27th November (as amended) and any other legislation governing financial reporting applicable to the Group and with the format and mark up requirements established in the EU Delegated Regulation 2019/815 of the European Commission.

EY carried out an audit of the Spanish language Condensed Q2 Interim Consolidated Financial Statements, which were prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU (IAS 34).

In addition, EY carried out a limited review of the Spanish language Condensed Q3 Interim Consolidated Financial Statements, which were prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU (IAS 34).

In case of any discrepancy between the English language and the Spanish language versions of the Bank's (i) Stand-Alone Financial Statements, including the corresponding audit reports thereon, (ii) Consolidated Financial Statements, including the corresponding audit reports thereon, (iii) Condensed Q3 Interim Consolidated Financial Statements, including the corresponding limited review report thereon and/or (iv) Condensed Q2 Interim Consolidated Financial Statements, including the corresponding audit report thereon, the Spanish language versions shall prevail.

9. The expenses related to the admission of the Preferred Securities to trading on the GEM are estimated to be €5,240.

10. The yield on the Preferred Securities until the First Reset Date is 6.500 per cent. per annum (on the basis of quarterly distribution payments), which is equivalent to a yield of 6.660 per cent. per annum (on the basis of an annual distribution payment).

11. The Preferred Securities have been accepted for clearance through the European Clearing Systems. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg. The ISIN for the Preferred Securities is XS3571745119 and the common code is 357174511. The European Clearing Systems are expected to follow certain procedures to facilitate the Bank and the Principal Paying Agent in the collection of the details referred to above. If any European Clearing System is, in the future, unable to facilitate the collection of such information, it may decline to allow the Preferred Securities to be cleared through such European Clearing System and this may affect the liquidity of the Preferred Securities. Provisions have been made for the Preferred Securities, in such a case, to be represented by definitive Preferred Securities (see "*Conditions of the Preferred Securities – Form*"). The procedures agreed and fully described in the Agency Agreement may be amended to comply with Spanish laws and regulations and operational procedures of the European Clearing Systems.

12. The Common Shares are (i) in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) issued under Spanish Law and registered with Iberclear; and (ii) listed on the Spanish Stock Exchanges, which are regulated markets for the purposes of MiFID II, through the Automated Quotation System – Continuous Market (*SIBE – Sistema de Interconexión Bursátil Español – Mercado Continuo*) of the Spanish Stock Exchanges, on the London and Mexico Stock Exchanges and, by means of ADSs (American Depositary Shares), on the New York

Stock Exchange. The ISIN for the Common Shares is ES0113211835. The CNMV is the body responsible for the supervision and inspection of Spanish securities markets and the activity of all those involved in them (including the Spanish Stock Exchanges). Information about the Spanish Stock Exchanges (including their date of establishment, how price information is published, daily trading volumes and as to the standing of the Spanish Stock Exchanges in Spain) and the past and future performance of the Common Shares and their volatility (including the frequency with which prices of the Common Shares are published) can be obtained from the respective websites of each of the Spanish Stock Exchanges at www.bolsamadrid.es, www.borsabcn.es, www.bolsavalencia.es and www.bolsabilbao.es. The information contained in such web pages shall not be deemed to constitute a part of this Offering Circular.

13. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Bank and its affiliates in the ordinary course of business. Save as discussed in "*Subscription, Sale and Transfer*", so far as the Bank is aware, no person involved in the offer of the Preferred Securities has an interest material to the offer.

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## LEGAL ADVISERS

*To the Bank*
*as to the laws of England and Wales*

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