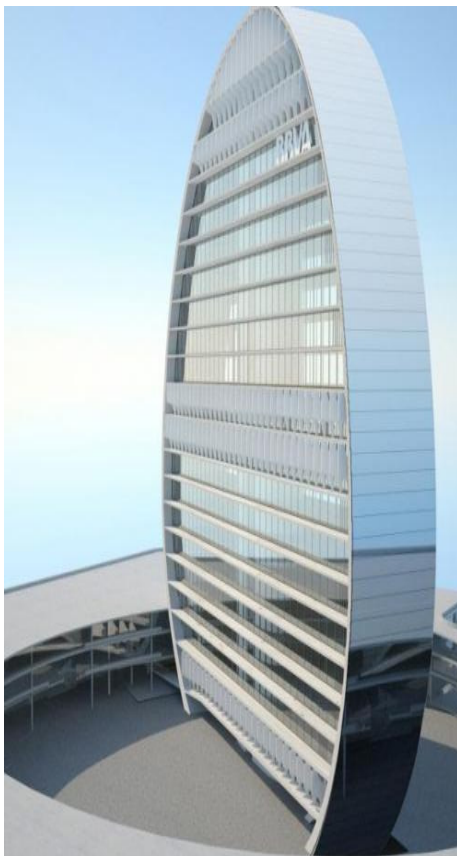


BBVA



Total tax contribution in 2013

A report on the economic contribution made by BBVA Group to public finances



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Appendix - Glossary of key terms

1 Introduction

As we did in 2012, this year 2013, we publish once again the economic contribution made by BBVA to public finances.

In BBVA we believe that we are making an **economic and social valuable contribution** by paying dividends to our shareholders; salaries to our employees; invoices to our suppliers; and tax revenues to governments in the countries where we operate.

BBVA is committed to providing transparency about tax payments and this is why we voluntarily disclose in this report all mayor tax payments in the countries in which we have a significant presence.

The data within the Report, includes payments made in all main countries of operation of BBVA and covers the year ended 31 December 2013.

Due to the favourable reception of the Report in 2012, this year we have decided to repeat the same structure in order to inform the taxes paid in 2013.

BBVA makes a significant contribution to public finances not only through its own tax payments, but also, through third party tax collection due to its economic activity. Apart from that, BBVA contributes to public finances acting as a collaborating entity in tax collection for the governments in the jurisdictions where it operates.

This last public labour that BBVA Group performs as collaborating entity involves human and technology expenses, that have not been quantified in this report.

We believe that this report gives to all our stakeholders an opportunity to understand our tax payments and represents a forward-thinking approach and commitment to corporate responsibility, assuming a leading role in tax transparency.

This report uses the PwC Total Tax Contribution (TTC) methodology, which looks at all the different taxes that companies pay and administer, including employment taxes, value

added tax (VAT), the corporate income tax, as well as other taxes.

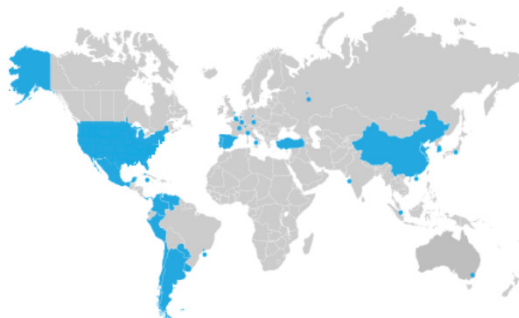
TTC includes both the taxes borne by companies (those taxes which are a cost to the companies and affect their results) and taxes they collect on behalf of third parties.

2 Distribución of BBVA Group's tax payments by geographical area

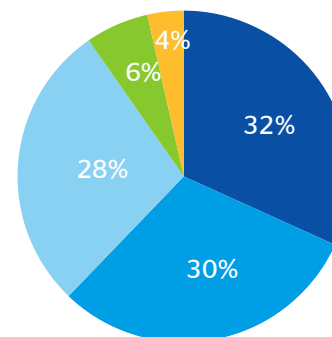
BBVA is a global group that employs more than 110.000 people in over **30 countries** around the world, and has over 50 million customers and more than 1 million shareholders.

BBVA enjoys a solid leadership position in the Spanish market, is the largest financial institution in Mexico, and has leading franchises in South America and the US Sunbelt region. Additionally, it has a relevant banking presence in Turkey and operates an extensive branch network worldwide.

This adequate balance between emerging and developed economies provides revenue diversification and, as a result, higher earnings recurrence.



The following chart shows the total tax payments made by the Group during year 2013 worldwide:



■ Spain ■ South America ■ Mexico ■ Eurasia ■ USA

Our main revenues come from Spain, Mexico and South America; that is why our tax payments are higher in those locations.

3 Tax responsibility

This report is part of a voluntary transparency exercise initiated by BBVA.

BBVA is committed to transparency and business ethics everywhere it operates.

In this line, in 2012, BBVA adopted the Code of Good Tax Practices in Spain, a government initiative to increase cooperation and transparency between entities and the Spanish Tax Revenue Agency.

In the same way, in 2013 BBVA adopted the “Code of Practice on Taxation for Banks”, an initiative launched by HMRC (Revenue and Customs Agency in the UK).

BBVA is making a special effort to be ready for the new disclosure obligations that Directive 2013/36 EU (the CRD IV Directive), which has been recently approved, provides from a tax perspective.

Efforts are being made to improve ethical and transparent work practices in every country where BBVA operates.

In accordance with our fiscal policy, services between group companies were conducted on an arms’length basis.



Total tax contribution in 2013

A report on the economic contribution made by BBVA Group to public finances

4 Total tax contribution in 2013

(Million euros)

9.848
million € of
taxes
contributed
in 2013

Country	2013		
	Own taxes	Third party taxes	Total
Spain	1.491	1.639	3.130
Mexico	809	1.963	2.772
United States	173	174	347
Argentina	264	1.389	1.653
Chile	217	42	259
Colombia	186	199	385
Panama	20	6	26
Paraguay	9	6	15
Peru	218	77	295
Uruguay	22	13	35
Venezuela	212	113	325
Latam	1.148	1.845	2.993
Belgium	1	1	2
China	13	0	13
France	28	1	29
Germany	19	6	25
Ireland	2	0	2
Italy	72	8	80
Korea (South)	0	1	1
Luxembourg	12	0	12
Netherlands	6	2	8
Portugal	17	46	63
Romania	2	1	3
Singapore	1	0	1
Switzerland	13	7	20
Turkey	198	109	307
United Kingdom	26	14	40
Eurasia	410	196	606
Total	4.031	5.817	9.848

Total tax contribution in 2013

A report on the economic contribution made by BBVA Group to public finances

4 Total tax contribution in 2013

(Million euros)

**Disclosure
of own and
third party
taxes by
type of tax**

Country	CIT	Employees/ Professionals	VAT	Other taxes	Total Own Taxes	Employees/ Professionals	VAT	Other taxes	Total Third party Taxes	Total
Spain	682	357	329	123	1,491	702	97	840	1,639	3,130
Spain	682	357	329	123	1,491	702	97	840	1,639	3,130
Belgium	0	1	0	0	1	1	0	0	1	2
China	13	0	0	0	13	0	0	0	0	13
France	22	5	1	0	28	1	0	0	1	29
Germany	11	1	0	7	19	4	0	2	6	25
Ireland	2	0	0	0	2	0	0	0	0	2
Italy	67	3	2	0	72	6	0	2	8	80
Korea (South)	0	0	0	0	0	1	0	0	1	1
Luxembourg	1	0	0	11	12	0	0	0	0	12
Netherlands	5	1	0	0	6	2	0	0	2	8
Portugal	3	7	5	1	17	10	9	27	46	63
Romania	1	1	0	0	2	1	0	0	1	3
Singapore	1	0	0	0	1	0	0	0	0	1
Switzerland	12	1	0	0	13	3	0	4	7	20
Turkey	69	17	20	92	198	39	0	70	109	307
United Kingdom	20	3	2	1	26	14	0	0	14	40
Eurasia	227	40	31	112	410	82	9	105	196	606
Argentina	109	41	7	107	264	21	179	1,189	1,389	1,653
Chile	205	0	9	3	217	13	7	22	42	269
Colombia	115	25	18	28	186	18	11	170	199	385
Panama	19	1	0	0	20	1	1	4	6	28
Paraguay	6	2	0	1	9	1	4	1	6	16
Peru	175	7	19	17	218	29	39	9	77	295
Uruguay	8	7	3	4	22	10	1	2	13	35
Venezuela	133	8	30	41	212	2	2	109	113	325
Latam	770	91	86	201	1,148	95	244	1,506	1,845	2,993
Mexico	557	57	181	14	809	109	488	1,366	1,963	2,772
Mexico	557	57	181	14	809	109	488	1,366	1,963	2,772
United States	112	45	2	14	173	171	0	3	174	347
United States	112	45	2	14	173	171	0	3	174	347
Total Payments	2,048	590	629	484	4,001	1,168	808	3,620	6,617	9,648

Total tax contribution in 2013

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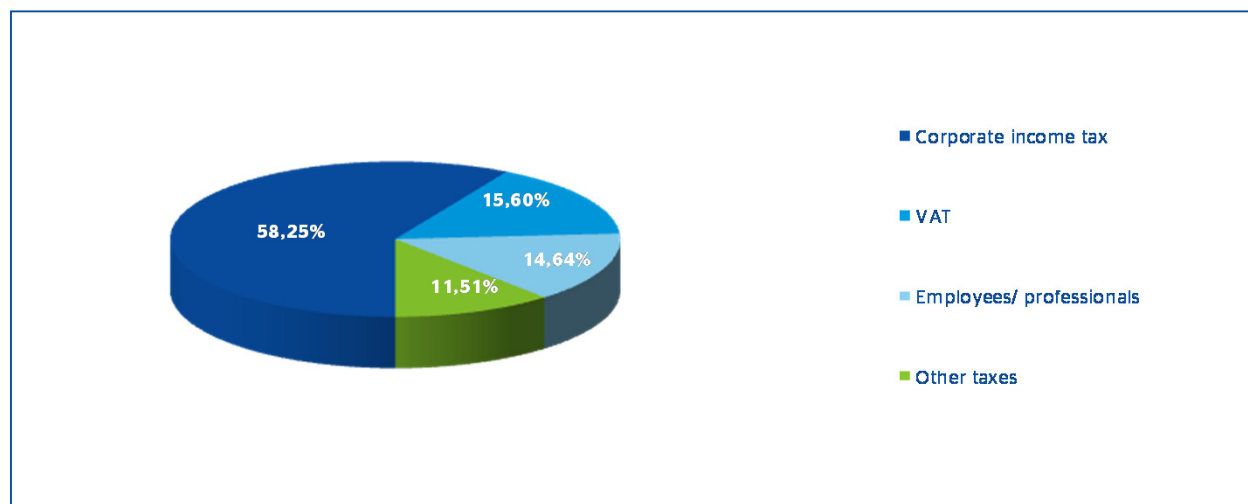
4 Total tax contribution in 2013

The graph below shows the distribution by type of tax of **4.031 million** euros of own taxes paid by BBVA Group during 2013.

Corporate income tax is the largest payment, 2.348 million euros, representing **58,25%** of BBVA total tax payments in 2013, however, other taxes make a considerable contribution.

Value-added taxes account for **15,60%**, **employees and professionals taxes** **14,64%** and **other taxes** **11,51%** including property taxes, stamp duties and different local levies.

Contribution by type of tax of own taxes:



Total tax contribution in 2013

A report on the economic contribution made by BBVA Group to public finances

5 Taxes charged in the financial statements in 2013

When reporting the **financial result** of any particular year, entities report tax numbers in the profit and loss account while tax payments are part of the **cash flows**. These results will differ, as taxes very few times are paid at the same time as income arises, because governments set the rules as to when tax becomes payable and those rules vary greatly from one country to another.



**Cuentas Anuales
consolidadas, informe de
gestión e informe de
auditoría correspondientes
al ejercicio anual 2013**

In 2013 BBVA Group had tax credits, mostly in Spain, which have the potential to reduce future tax payments, that reduce the total amount of the corporate income tax charged.

The probability of recovery of these assets has been assessed under the relevant International Financial Reporting Standard, IAS12.

Further analysis and reconciliation of tax data can be found in the BBVA Group Annual Report 2013 and at www.bbva.com.

5 Taxes charged in the financial statements in 2013



Deferred tax is an accounting concept, meaning an asset or future tax liability, arising from timing differences that occur when items of income or expense are included in the financial statements in different periods to those in which they are taxable or deductible.

During 2013, Group BBVA had 9.080 million of **deferred tax assets** and 1.537 million euros of **deferred tax liabilities**.

Total deferred tax assets	9.080
Pensions	1.703
Portfolio	1.138
Other assets	456
Impairment losses	1.517
Others	512
Tax credits	3.754
Total deferred tax liabilities	1.537
Portfolio	925
Depreciation and others	612

6 Main conclusions

BBVA is an organization driven by the **principles** of integrity, prudence and transparency.

1. **Integrity**, as an expression of ethics in the Group's activity and in its relations with stakeholders (customers, employees, shareholders, suppliers and society at large).
2. **Prudence**, understood basically as the principle of caution in risk-taking.
3. **Transparency**, as the maxim that prevails throughout its activity to offer access to clear and truthful information within the bounds of the law.

According to these principles, since 2011 the Group, publishes annually the amount of taxes paid in the different geographical areas.

This Report aspires not only to be a good example of transparency but also a **best practice in the sector**.

It is certain that this will not be the only step forward in the field. That is the reason why the comments of our stakeholders are welcome in order to progress. Please let us know your feedback through the website [bancaparatodos](http://bancaparatodos.com) or twitter [@bancaparatodos](https://twitter.com/bancaparatodos).



Appendix- Glossary of key terms

In this Report the following terms should be understood in the way shown below:

**Employees/
professionals**

Withholding taxes and payments on account made by Group BBVA from a tax perspective which are related to those employees and professionals that provide services to the Group. Please note that Social Security payments are included in this category.

**Third party
taxes**

Taxes withheld, collected and paid to public finances on behalf of third parties, which are not part of Group BBVA.

Deferred Tax Asset

Is an asset recognized, whenever it is probable that the entity will obtain sufficient future taxable profits against which the deferred tax asset can be utilized, for:

- a) Deductible temporary differences, which will enable the entity to reduce any subsequent period's income tax payments or to increase future recovery amounts receive, when the carrying amount of the asset or liability is recovered or settled.

**Deferred Tax
Liability**

b) A Tax credit for tax losses.

c) A tax credit for tax deductions and other tax benefits.

Is a liability that in general is recognised for taxable temporary differences that will result in taxable amounts in determining taxable profit or loss of future periods and therefore, will increase future tax payments or decrease the company's future refund amounts, when the carrying amount of the asset or liability is recovered or settled.

Appendix – Glossary of key terms

Tax payments All taxes that have been paid (cash criteria) according to the regulations of each type of tax.

Own Taxes All taxes, withholdings and payments on account paid by BBVA Group on its own.

Corporate Income tax All taxes that are based on the profits obtained by a company.

Value Added tax In this term we include all taxes that are levied on the acquisition of goods or services. The most important consumption tax is VAT. For financial entities, VAT is a relevant own tax, due to the fact that it is not deductible.

Other taxes Any other tax different from Corporate Income Tax, VAT, employees or professionals taxes; either if they are local, autonomic or national, such as taxes on economic activities, taxes on property transactions...



BBVA



Total tax contribution in 2013

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