



BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (BBVA)

SENIOR PREFERRED GREEN BOND



Document title: Second Party Opinion on BBVA Senior Preferred Green Bond

Prepared by: DNV Business Assurance Spain S.L.U.

Location: Madrid, Spain

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This assessment is valid so long as the evidence provided to DNV remains materially unchanged and remains applicable in the context of the financial Framework being assessed.



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organisation were applied as per the scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this assessment.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data reviewed as part of this assessment. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from the DNV website (www.dnv.com)



BBVA SENIOR PREFERRED GREEN BOND

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Banco Bilbao Vizcaya Argentaria S.A. (henceforth referred to as “BBVA Group”) and its affiliates and subsidiaries offers retail, wholesale, and investment banking services. The Bank offers, among others, consumer and mortgage loans, private banking, asset management, insurance, mutual funds, and securities brokerage services. BBVA Group has a solid leading position in Spain, is the largest financial institution in Mexico, and has leading franchises in South America. It is also the leading shareholder in Turkey's Garanti BBVA and has an important investment, transactional and capital markets banking business in the U.S.

BBVA Group intends to issue a Senior Preferred Green Bond in benchmark size (henceforth referred to as “the Bond”) under its existing Sustainable Debt Financing Framework (December 2023).

DNV Business Assurance Spain S.L.U. (“DNV”) has been commissioned by BBVA Group to provide a review of BBVA’s Senior Preferred Green Bond issuance (the “Bond”). Our methodology to achieve this is described under ‘Work Undertaken’ below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of debt instruments issued via the Bond, the value of any investments in the debt instrument, or the long term environmental benefits of the transaction. Our objective has been to provide an assessment that the Bond has met the criteria established on the basis set out below.

Responsibilities of the Management Team of BBVA Group and DNV

The management team of BBVA Group has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform BBVA’s management team, and other interested stakeholders, as to whether the Bond is aligned with the Green Bond Principles 2021 (GBP) issued by ICMA . DNV’s assessment is supplemented with international guidelines and standards, as well as DNV’s own technical expertise to assess the eligibility of the Bond. In our work, we have relied on the information and the facts presented to us by BBVA Group. DNV is not responsible for any aspect of the projects or assets referred to in this opinion, and cannot be held liable, if estimates, findings, opinions or conclusions based on information or data provided by BBVA Group management are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by BBVA Group and used as a basis for this assessment were not correct or complete.

Basis of DNV’s opinion

We have adapted our eligibility assessment methodology to create BBVA Group specific Bond Eligibility Assessment Protocol (henceforth referred to as “Protocol”). Our Protocol includes a set of suitable criteria that can be used to underpin DNV’s opinion. As per our Protocol, the criteria against which the Bond has been reviewed are grouped under the four Principles:



- **Principle One: Use of Proceeds.** The “Use of Proceeds” criteria are guided by the requirement that an issuer of a Green, Social, or Sustainable debt instrument must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental and social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green, Social or Sustainable debt instrument, should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria is guided by the requirements that a Green, Social or Sustainable debt instrument should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the instrument investors should be made of the use of Green, Social or Sustainable debt instrument proceeds, and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by BBVA Group in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

- Creation of a BBVA Group specific Protocol, adapted to the purpose of the Bond as described above;
- Assessment of the documentary evidence provided to us by BBVA Group on the Bond, supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with BBVA Group’s management, and a review of the relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of the findings against each element of the criteria, as detailed in Schedule 2 of this document.

Our opinion, as detailed below, is a summary of these findings.

Findings and DNV’s opinion

DNV’s findings are listed below:

1 PRINCIPLE ONE: USE OF PROCEEDS.

BBVA Group intends to use the proceeds from the issuance of the Bond to finance and re-finance green projects which contribute to the achievement of the SDG’s. Three projects have been reviewed for the issuance, falling in the Green Categories of Renewable Energy and Clean Transportation.



DNV concludes that BBVA Group is committed to issuing this Bond in line with the Sustainable Debt Financing Framework. The eligible category outlined above and in the Sustainable Debt Financing Framework is consistent with the categories outlined in the ICMA GBP 2021.

2 PRINCIPLE TWO: PROCESS FOR PROJECT EVALUATION AND SELECTION.

DNV reviewed the evidence which demonstrates BBVA Group's commitment to issuing this Bond in line with the Sustainable Debt Financing Framework, which describes the process through which projects are evaluated and selected. The Sustainable Debt Financing Framework clearly articulates the process by which eligibility is assessed, including the eligibility criteria and the business functions involved in assessing eligibility.

The Sustainable Debt Financing Framework also outlines the process by which eligibility is maintained and the actions that will be taken in the event that a project is no longer eligible.

DNV has reviewed evidence of the Standards Working Group and the evaluation and selection of Eligible Project from BBVA Group's asset pool.

DNV concludes that these procedures for the evaluation and selection of activities to be financed or refinanced by the Bond are robust, appropriately described, and aligned with the Sustainable Debt Financing Framework and the ICMA GBP 2021

3 PRINCIPLE THREE: MANAGEMENT OF PROCEEDS.

DNV has reviewed BBVA's Sustainable Debt Financing Framework and evidence which states the use of proceeds of this Bond issuance will be directed to refinancing BBVA Group's green project which contribute to the achievement of the SDG's.

BBVA intends for the full proceeds to be disbursed at point of issuance of any Bond under the BBVA Sustainable Debt Financing Framework, however any funds pending allocation will be placed in BBVA's liquidity portfolio.

DNV has reviewed evidence and can confirm BBVA Group has committed to appropriately managing the net proceeds from the sale of the Bond in line with the Sustainable Debt Financing Framework and requirements of the ICMA GBP 2021.

4 PRINCIPLE FOUR: REPORTING.

DNV can confirm BBVA Group has committed to publish on its website an annual Green and Social Bonds Report, including this Bond issuance information on the allocation of the expenditure and the balance remaining until the tracked proceeds are redeemed or fully allocated to eligible projects.

BBVA Group has also committed to add this information to the dedicated Green and Social Bonds Report which will provide investors with information on the selected projects and expected environmental or social impacts per eligible category issued in line with the Sustainable Debt Financing Framework. BBVA Group clearly outline the proposed impact indicators for each eligible category and units of measurement.

DNV has reviewed BBVA's 2022 Green and Social Bond Report which includes reporting on previous bond issuances and concludes that BBVA Group is meeting the requirements within the BBVA Sustainable Debt Financing Framework.



On the basis of the information provided by BBVA Group and the work undertaken, it is DNV's opinion that the Bond meets the criteria established in the Protocol, and that it is aligned with the stated definitions of green bonds within the GBP 2021.

for DNV Business Assurance Spain S.L.U.

Madrid, 15 March 2024

A handwritten signature in blue ink, appearing to read "Lars Appel".

Lars Appel
Project Manager
DNV – Business Assurance

A handwritten signature in blue ink, appearing to read "Juan Andrés Salido".




Juan Andrés Salido
Project Sponsor and Technical Reviewer
DNV – Business Assurance

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 15,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE BBVA GREEN BOND

ICMA Eligible Categories	Description of the Eligible Activities / Projects	SDG alignment
<ul style="list-style-type: none"> Green categories: 		
<p>Renewable energy</p>	<p>Projects that support the development of renewable energies:</p> <ul style="list-style-type: none"> - Electricity production from wind and solar photovoltaic/concentrated solar <p>Production thresholds:</p> <ul style="list-style-type: none"> - Facilities operating with life cycle emissions below 100gCO₂e / kWh, decreasing to 0g CO₂e/ kWh by 2050. 	 
<p>Clean Transportation</p>	<p>Projects include investment and expenditures relating to the manufacture or acquisition of low-carbon transport vehicles and their key components.</p> <ul style="list-style-type: none"> - Passenger cars, light commercial vehicles, heavy vehicles, buses, railway fleets, boats and other personal mobility devices with specific thresholds. <p>Thresholds for manufacture and acquisition of sustainable vehicles.</p> <ul style="list-style-type: none"> - Up to December 31, 2025: vehicles with an emission intensity of less than 50 g of CO₂ per km. - As of January 1, 2026: only vehicles with an emission intensity of 0 g CO₂ per km - For zero-emission motorcycles - Heavy vehicles and buses: vehicles N2, N3, M2, M3 under Regulation (EU) 2018/858. - Low-emission heavy-duty vehicles or zero-emission heavy-duty vehicles as defined in Regulation (EU) 2019/1242 - Vehicles that use electric, hybrid, hydrogen, CNG and LNG fuels. - Electric or hydrogen, CNG or LNG-fueled vehicles. - Up to December 31, 2025: hybrid and dual fuel vessels that for normal operation source at least 50% of their energy from fuels with zero direct CO₂ emissions or from electricity. 	

SCHEDULE 2: BBVA GROUP SPECIFIC GREEN BOND PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of Bond	<p>The Green instrument must fall in one of the following categories, as defined by the Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond • Use of Proceeds Revenue Bond • Project Bond • Securitized Bond. <p>Green instrument are defined as any type of instrument made available, exclusively to finance or re-finance, in whole or in part, new and/or existing Eligible Sustainable Projects.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	<p>BBVA Group has committed to this Bond issuance falling into the category of a Use of Proceeds Bond.</p>
1b	Green Project Categories	<p>The cornerstone of a Green instrument is the utilisation of the proceeds, which should be appropriately described in the legal documentation for the instrument.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 	<p>We conclude that the legal documentation confirms the utilization of proceeds and commits to adhere to the Sustainable Debt Financing Framework.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	
1c	Green benefits	All designated Green Project categories should provide clear environmentally sustainable or social benefits which, where feasible, will be quantified or assessed by the issuer.	Evidence reviewed: <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	The Green Eligible Categories aim to support the increase in renewable and clean energy use and generation, and clean transportation. DNV concludes that these categories help facilitate the transition to a low-carbon economy and provide a clear environmental benefit.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green instrument should outline the decision-making process it follows to determine the eligibility of projects using instrument proceeds.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	We conclude that the investment decision process is well documented in the Sustainable Debt Financing Framework and committed to under this issuance.
2b	Issuer's governance framework	In addition to the information disclosed by an issuer on its Green Instrument process, criteria and assurances, investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Annual Report 2022 • BBVA TCFD Report 2022 	Based on the information reviewed, DNV concludes that BBVA Group has in place the appropriate level of corporate governance, and the relevant social and environmental policies to observe and fulfil its commitment to its sustainability priorities and to the relevant UN SDGs. DNV can also confirm that the Framework and its associated eligible categories are aligned with BBVA Group's broader sustainability strategy, accelerating the transformation of the Bank, supporting the Bank's Purpose "To bring the age of opportunity to everyone" and contributing to the strategic priority of "helping their clients transition toward a sustainable future".

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> • BBVA Standard for Financing Sustainable Activities 2023 • Sustainability General Policy of BBVA • Discussions with issuer 	

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	<p>The net proceeds of a Green instrument should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.</p> <p>So long as the Green Instrument are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green investments disbursements made during that period.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	<p>We conclude that the investment decision process is well documented in the Sustainable Debt Financing Framework and committed to under this issuance.</p>
3b	Temporary holdings	<p>Pending such investments or disbursements to Eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	<p>DNV can confirm that BBVA Group has appropriately disclosed how it will manage any unallocated proceeds within its portfolio. We can also confirm that this is in line with the Framework and the requirements set out under the GBP.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3c	Over-collateralisation	n/a	Evidence reviewed: <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	List of eligible evaluated collateral projects in the size of 1328 Mn are included in the Group's green drawn eligible portfolio which in turn exceeds the outstanding amount of green bonds and the new green issuance expected Benchmark size.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds, and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which instrument proceeds, have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Evidence reviewed: <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework 2023 • BBVA Draft Term Sheet EUR SP, March 2024 • BBVA Offering Circular: Global Medium Term Note and Covered Bond Programme, July 2023 • BBVA Green Bond IR Presentation, March 2024 • BBVA Eligible evaluated collateral projects, March 2024 • Discussions with issuer 	DNV can confirm BBVA Group has committed to annual reporting specific to this Bond issuance on the allocation of the expenditure and the balance remaining until the tracked proceeds are redeemed or fully allocated to eligible projects. BBVA Group has also committed to add this information to the dedicated Green and Social Bonds Report which will provide investors with information on the selected projects and expected environmental or social impacts per eligible category issued in line with the Sustainable Debt Financing Framework. BBVA Group clearly outline the proposed impact indicators for each eligible category and units of measurement. DNV has reviewed BBVA's 2022 Green and Social Bond Report which includes reporting on previous bond issuances and concludes that BBVA is meeting the requirements within the BBVA Sustainable Debt Financing Framework.