



General Policy on BBVA's Tax Strategy

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1. Introduction

The Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (onwards, "**BBVA**" or the "**Bank**") as a credit institution and listed company, has decided to update its General Policy on BBVA's Tax Strategy (hereinafter, the **Policy**”).

BBVA's purpose is “**To bring the age of opportunity to everyone**”

Customers, markets and society as a whole not only expect large companies to create value, but also expect them to make a positive contribution to society. In particular, they expect the economic development to which they contribute through their activities to be inclusive.

The Bank is committed to responsible banking and will ensure that its activities are conducted in accordance with a set of values, principles, criteria and attitudes aimed at achieving the sustained creation of value for shareholders, employees, customers and society as a whole.

BBVA's tax practice is inspired and guided by the aforementioned purpose, allowing, through compliance with its tax obligations, to put the needs and expectations of its interest groups at the center of our activity, and to contribute effectively to their sustainable economic development.

In this sense, BBVA's tax practice is characterized by:

- Be aligned with the most demanding international standards derived from the Project *Base Erosion and Profit Shifting* (BEPS) promoted by the G20 and the OECD, and its current developments through the Inclusive Framework, aligning value generation with contribution; as well as with the provisions of Chapter XI of the OECD Guidelines for multinational companies, by taking into account both the letter and the spirit of the tax law.
- Be oriented towards sustainability. Taxation is BBVA's main contribution to sustaining public expenditure, thus contributing to the development of the societies in which it operates. In this sense, BBVA takes into consideration legitimate public interests in its decision-making process, which implies responsible, compliance-oriented taxation and a proactive attitude of cooperation with the authorities.

- Be committed to the promotion, protection and assurance of an effective exercise of human rights also in the tax field, adopting the Guiding Principles on business and Human Rights. In this sense, taxation is linked to human rights, insofar as, through the redistributive action of the public administrations in each State, it provides the least economically favored people with the means to effectively exercise their rights. BBVA is committed to the payment of taxes and ensures that these taxes are paid in the jurisdictions in which they are collected, aligning the contribution with the effective performance of its economic activity.

2. Normative framework

This Policy takes as reference the following regulatory framework:

(i) article 249 bis of Royal Legislative Decree 1/2010, of July 2, which approves the consolidated text of the Capital Companies Law, which determines that among the non-delegable powers of the board of directors is the to determine the general policies and strategies of the society; as well as article 529 ter i) of the same legal text, which expressly contemplates as a non-delegable power of this body the determination of the company's tax strategy; and

(ii) article 17 of the Regulations of the Board of Directors of BBVA, which establishes that the Board's powers include determining the Bank's general policies and strategies, as well as determining the tax strategy.

Finally, in the preparation of this Policy, the Code of Good Tax Practices approved in the Large Companies Forum on July 20, 2010, to which the Bank adheres, and the Standard UNE 19.602:2019, of February 27, 2019, issued by the Spanish Association for Standardization, on tax compliance management systems.

3. Object

The purpose of the Policy is to define and establish the tax strategy of the BBVA Group, which is based on a series of principles included in section 5 below and is specified in the provisions included in section 6 of this Policy.

4. Area of application

This Policy will apply to BBVA and the companies that, at any time, make up its Group for the purposes of accounting consolidation (hereinafter, the "**BBVA Group**" or the "**Group**") and over which the Bank has management control, without prejudice to the adaptations that, where appropriate, are required to be incorporated in application of the legislation of the

different local jurisdictions in which the Bank operates.¹ In this sense, the integrity of the tax strategy defined in this Policy and the tax principles contained therein must always be respected.

The different areas and businesses of the BBVA Group, regardless of their geography, must act in accordance with the provisions of this Policy and the set of internal regulations that are issued by the tax function in the development of these Principles and Strategy.

5. Principles in tax matters

In application of this Policy, the BBVA Group will follow the following principles in tax matters (hereinafter, the “**principles**”):

1. **Integrity**, as a manifestation of ethics in the actions of the BBVA Group and in all its relations with interest groups. In tax matters is identified with the observance of the Law and with the maintenance of a cooperative and good faith relationship with the different tax administrations.
2. **Prudence**, basically understood as the precautionary principle in the assumption of risk. In this sense, the BBVA Group previously assesses the tax implications derived from its decisions.
3. **Transparency**, as a maxim that prevails in all the activity of the BBVA Group to offer access to clear and truthful information within the limits of legality, manifested in the tax field both in the information to be provided to our clients, as well as that provided to the rest of stakeholders on BBVA's own activity.
4. Achievement of a **profitable and sustainable business** long-term. The tax function will provide proactive support to the Group's business areas, taking into account our explicit commitment to paying taxes, respect for human rights, prudence in risk management, and an horizon of generation of recurring and sustainable results over time.
5. **Long-term value creation** for its interest groups. The tax function is aware of the impact of its decisions not only for the BBVA Group, but also for society as a whole, which is why it will take into consideration from a tax perspective the interests of its various *stakeholders*, in particular, the possible environmental impacts, of a social nature or that affect the corporate governance of the entity, maintaining in all cases the commitments assumed by BBVA in terms of full respect for human rights.
6. **Compliance with applicable legislation** in every moment. This compliance extends not only to the letter but also to the spirit of the rule, refraining from any type of abuse of rights or unreasonable interpretation of it.

¹ Currently, and in accordance with United Kingdom regulations, BBVA makes public its Tax Strategy for its branch in said jurisdiction, reproducing the one applicable throughout the Group with the adaptations required by United Kingdom regulations.

6. Tax Strategy

1. BBVA is committed to paying taxes and complying with the rest of its tax obligations, in accordance with applicable regulations, and is aware of the impact that its tax decisions have on contributing to sustainable development in the countries in which it operates. Therefore, it will take into account the impacts that these tax decisions may derive in environmental, social and corporate governance terms.
2. BBVA will avoid investment structures that are artificial for tax reasons, that do not respond to organizational or business reasons, and/or that do not have an adequate economic substance for the activity carried out.
3. The eventual participation in structures in which entities residing in jurisdictions classified as non-cooperatives or tax havens potentially intervene in accordance with the applicable regulations, will always respond in the BBVA Group to valid economic reasons; will not pursue or have as its purpose the obtaining of tax advantages for the BBVA Group; undermine its transparency; or prevent the tax authorities from knowing who is ultimately responsible for the activities or the ultimate owner of the assets or rights involved.

In any case, special observance will be paid to the anti-abuse rules that are applicable with respect to said jurisdictions, being subject to specific controls.

4. BBVA makes its decisions on tax matters making reasonable interpretations of the applicable tax regulations, and the provisions contained in the Double Taxation Tax Treaties. In particular, it incorporates into its analyzes the interpretative criteria established by the competent tax authorities.
5. BBVA has an internal transfer pricing standard for all its operations between related parties and entities that is governed by the principles of free competition, creation of value and assumption of risks and benefits in the jurisdictions in which it operates.
6. Digitalization has transformed and will continue to transform the economy, in terms of productivity, growth and value creation. This reality impacts the functioning of national and international tax systems. In this sense, BBVA is actively working to adapt to this new environment and thus face the challenges posed by the digitalization of the economy, also in terms of taxation.

7. BBVA promotes a reciprocally cooperative relationship with the different Tax Administrations with which it relates as a consequence of carrying out its activity, based on the principles of transparency, mutual trust, good faith and loyalty between the parties. In the area of cooperation with the different Tax Administrations, BBVA actively collaborates in the interpretative clarification of the Law as well as in the reduction of tax conflict.
8. BBVA promotes transparent, clear and responsible communication of its main tax magnitudes, by transferring to its different stakeholders information related to its tax contribution in each of the jurisdictions in which it is present.
9. BBVA takes into account, in the preparation and design of any financial product, the tax implications that they have for its clients and provides them, in a transparent, clear and responsible manner, with the relevant information in order to correctly fulfill their tax obligations.

7. Control of compliance

The effectiveness of compliance with this Policy requires an adequate control model.

BBVA's tax control is integrated with the rest of the BBVA Group's control model, and is configured around three fundamental axes:

- 01 Specific plans for the identification, mitigation and control of tax risk are carried out annually at BBVA.
- 02 The controls for tax risk management are subject to the annual review cycle of the internal control areas in order to evaluate their suitability and effectiveness.
- 03 Internal Audit, acts as a third line of defense, evaluating the activity of the first two lines, following a risk-based approach and with an universal scope.

Additionally, integrated into the Group's general risk management and control model, it is mandatory to have a series of specific tax risk indicators, in order to contribute to the establishment and management of the Group's risk profile in tax matter.

BBVA's tax function carries out the process of evaluating and monitoring these indicators, in order to:

- Identify tax risks.
- Evaluate the impact of the materialization of tax risks.
- Develop redirection measures that allow dynamic management of tax risk.
- Report and generate relevant information on the evolution of tax risks for the Group's Governing Bodies.

For these purposes, a tax compliance body will be established at BBVA in the sense established by the UNE 19602 standard, made up of the people who at any given time occupy the positions responsible for the tax function of the BBVA Group, together with the person responsible of the non-financial risks area, and the person responsible for the Group's internal financial control, whose main task will be to ensure the correct functioning and effectiveness of the tax risk management systems.

In this sense, the BBVA Audit Committee, within the framework of the functions assigned to it, will be periodically informed by the Global Head of Tax on the relevant tax information, including the main risks, degree of compliance with this Principles and the Tax Strategy, and every information that must be reported as a consequence of the current legal provisions and/or the commitments assumed by the Bank, including the Code of Good Tax Practices.

The Policy is reflected in the BBVA's Code of Conduct. For its effective implementation, there are communication and reporting channels for said Code of Conduct, and both the disciplinary and sanctioning procedures in case of non-compliance, as well as the training of all staff in this matter, are fully applicable.

8. Policy governance and supervision model

8.1. Approval, responsibility for the Policy and government model

This Policy has been approved by the BBVA Board of Directors on November 29th, 2023, after review by the Audit Committee, and becomes effective upon approval by the Board.

Since its entry into force, this Policy replaces the previous Tax Strategy approved in 2015.

The Finance area of the Group, through the tax function, will be responsible, at the executive level, for this Policy and, therefore, will be in charge of its publication and will promote its knowledge and extension to the Group companies to which it is applicable. Likewise, the area will know the degree of application of this Policy and

will be able to establish the necessary internal rules and criteria that ensure compliance with the Policy.

8.2. Supervision, control and review

The Board of Directors, as the Bank's highest oversight body, will directly or through the Audit Committee supervise the application of the Policy.

With a minimum annual periodicity or in the event of any event that requires changes to this Policy, the *Finance* area will promote its review and, if appropriate, will submit to the consideration of BBVA's corporate bodies the updates and modifications that are considered necessary or convenient. Without prejudice to the above, the modification of references to the nomenclature of areas, units and the Internal Regulation will be carried out by the area of *Finance* without the need for these types of modifications to be submitted to the approval of the Bank's corporate bodies.