

Green SP Benchmark

March 2024



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Rationale for the issuance of a Green Bond



Commitment with the ESG market

- BBVA is committed to the ESG bond market, with the issuance of one green or social or sustainability bond each year
- Since publishing its framework in 2018, BBVA has become an active player in the ESG bond market with an outstanding amount of €4,770Mn¹ in green and €1,000Mn in social bonds
- BBVA has developed a Sustainable Debt Financing Framework under which BBVA, S.A. or any of its subsidiaries can issue Green, Social or Sustainability instruments (Bonds, Certificate of deposits, Commercial paper or any other transaction with financing debt purposes which meets the criteria provided for in this Framework)



Adequacy of our lending activities

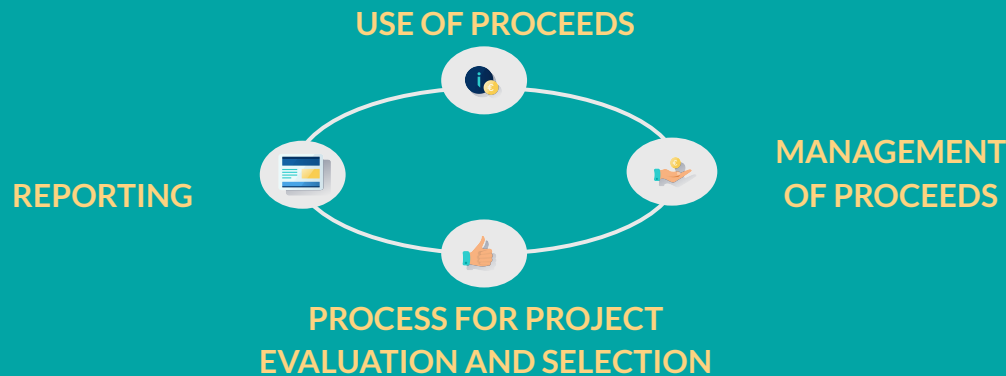
- BBVA is committed to financing sustainability initiatives and progressively align its portfolio with the goals of the Paris Agreement. The issuance of green and social instruments plays a key role in the achievement of the Bank's target as it allows the Bank to support the transition of clients towards a low-carbon economy
- In October 2022, BBVA raised once again its commitment for sustainable business mobilization to €300bn by 2025, three times its initial commitment. As of 2023, the Bank has reached a total amount channelled of €206Bn



¹ It Includes 2 public deals amounted to 425Mn in CHF. Calculated taking into account FX as of March 2024. CHF= 1.0421 EUR

Summary of the Sustainable Debt Financing Framework

- BBVA has developed the Sustainable Debt Financing Framework under which BBVA, S.A. or any of its subsidiaries can issue Green, Social or Sustainability instruments
- This Framework will be applicable to those Instruments which are issued as from the Framework's effective date (latest update in Dec 23). Instruments that have been issued prior to such date will be governed, until their maturity, by the former BBVA SDG Bond Framework published in 2018.
- BBVA intends to update it periodically , including, if appropriate, to adapt it to the elements of the EU Green Bond Standard, once approved and applicable.
- BBVA has developed this Framework based on international best practices. BBVA's Framework is aligned with the 2021 ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines, which provides guidelines in the following four core components:



Summary of the Sustainable Debt Financing Framework

BBVA has also taken into account the main sustainability **objectives of the European Union's Taxonomy for Sustainable Finance** in order to develop BBVA's internal standard ("BBVA Standard for Financing Sustainable Activities") with the aim to provide a harmonized approach to sustainable finance within the Group



GREEN & SOCIAL ELIGIBLE CATEGORIES

Green Categories	SDG
Renewable energy	7,13
Energy efficiency	7,13
Green buildings	7,11
Clean transportation	9,11
Sustainable water & wastewater management	6
Pollution prevention and control	11,12
Environmentally sustainable management of living natural resources and land use	14,15

Social Categories	SDG
Access to essential services (Education / healthcare)	3, 4,10,11
Affordable core infrastructure (Affordable housing /telecommunications and mass transit / Public works infrastructure/ Arts infrastructure / Infrastructure with a social purpose / Social enterprises and foundations	4, 9, 10, 11
Socioeconomic advances and empowerment (Financing for individuals qualifying as vulnerable or on low incomes/ Support for financial inclusion/ Entrepreneurship and support for micro-businesses	1,3,4, 8,10

Green eligible assets for a new Senior Preferred Issuance

- A total **drawn amount of €1,328 Mn of green projects** has been identified for the new green bond issuance. They have been financed over the last 6 months period splitted into two different green eligible categories and have obtained an independent verification assessment from DNV-GL
- These projects are included in the **Bank's total green drawn eligible portfolio of €13,562 Mn** as of Dec23 (+67% YoY). Therefore, the green collateral amount considerably exceeds the total green bond issued (€4,770 Mn)



GREEN ELIGIBLE PORTFOLIO VS OUTSTANDING GREEN BOND (€Mn)

