



DIVISION OF
TRADING AND MARKETS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

September 4, 2025

Michael J. Willisch
Davis Polk & Wardwell LLP
Paseo de la Castellana, 41
28046 Madrid

Re: Banco Bilbao Vizcaya Argentaria, S.A.

Dear Mr. Willisch:

In your letter dated September 4, 2025 (“Request Letter”), as supplemented by conversations with the staff of the Division of Trading and Markets (“Division”), you request on behalf of Banco Bilbao Vizcaya Argentaria, S.A. (“BBVA”), a bank organized under the laws of the Kingdom of Spain, exemptive relief from Rules 101 and 102 of Regulation M under the Securities Exchange Act of 1934 (“Exchange Act”), in connection with BBVA’s proposed exchange offer to all shareholders of Banco de Sabadell, S.A. (“Banco Sabadell”), a bank organized under the laws of Spain.

As described in the Request Letter, you seek an exemption to permit BBVA and certain of its affiliates (“Global Companies”) to continue to engage in specified activities conducted in the ordinary course of business consistent with past practice and in accordance with applicable Spanish and European Union laws (“Market Activities”), in the ordinary shares of BBVA (“BBVA Shares”) and the American Depository Shares representing BBVA Shares (“ADSs”), during the Regulation M “restricted period” for the proposed exchange offer to acquire all of the issued and outstanding registered shares of Banco Sabadell in exchange for BBVA Shares (“Offer”). In the Request Letter, you state that exemptive relief from Rules 101 and 102 of Regulation M was granted, on five previous occasions, to BBVA in connection with certain ordinary course activities conducted during a Regulation M restricted period.¹ We have attached a copy of your Request Letter to avoid reciting the facts set forth therein. Unless otherwise noted, each defined term in our response has the same meaning as defined in your Request Letter.

¹ Copies of these exemptive letters are available on the Commission’s website at: <https://www.sec.gov/rules-regulations/no-action-interpretive-exemptive-letters/division-trading-markets-no-action>. The exemptive letters granting Regulation M relief to BBVA are among over fifty other exemptive letters from the Division to permit other financial institutions organized under the laws of the United Kingdom or a country of the European Union, among others, to continue to engage in specified “ordinary course” activities during an applicable Regulation M restricted period.

Response:

Based on the facts and representations that you have made in the Request Letter, but without necessarily concurring in your analysis, the Commission finds that it is necessary or appropriate in the public interest, and is consistent with the protection of investors, to grant, and hereby grants, a conditional exemption from Rules 101 and 102 of Regulation M to permit BBVA and the Global Companies to continue to engage in the Market Activities during the Offer's restricted period, if the conditions below are met.

The relief granted herein extends to any financial institution that is a foreign private issuer as defined in Rule 3b-4(c) under the Exchange Act and is organized in a country that is a member of the Organisation for Economic Co-operation and Development ("OECD") (each, an "Issuer"), and to the Issuer's affiliated purchasers that are organized in a country that is an OECD member, to continue to engage in specified activities² conducted in the ordinary course of business consistent with past practice and in accordance with applicable local governing laws ("Ordinary Course Activities"), in the Issuer's ordinary shares ("Issuer Shares") and the American Depositary Shares representing Issuer Shares ("ADSs"), during the Regulation M restricted period for a distribution occurring only partly in the United States, if the following conditions are met:

1. The principal trading market for Issuer Shares is outside the United States, and the Issuer Shares have an ADTV value of at least \$1 million and a public float value of at least \$150 million;³
2. None of the transactions for which relief is being granted shall occur in the United States, except for a minimal amount of Ordinary Course Activities in Issuer Shares or ADSs, consistent with their historically low trading volume;
3. All Ordinary Course Activities for which relief is being granted shall be effected in the ordinary course of business consistent with past practice, not for the purpose of facilitating the distribution, and do not include any repurchases or redemptions of Issuer Shares or ADSs, by or on behalf of the Issuer, during the Regulation M restricted period;
4. The prospectus or offer documents distributed to United States investors in connection with the distribution will disclose the possibility of, or the intention to engage in, the Ordinary Course Activities;
5. The Issuer maintains and enforces policies and procedures reasonably designed to prevent, through information barriers, price-sensitive information from passing between any area of the Issuer in which any Ordinary Course Activities are conducted and any other area of the Issuer in which price-sensitive information relating to Issuer Shares, including information related to the distribution, would be available; and

² These activities are limited to those included in any of the exemptive letters referenced in note 1.

³ The terms "ADTV" and "public float value" are defined in Rule 100(b) of Regulation M. *See* 17 CFR 242.100(b).

6. The Issuer shall keep, for a period of two years following the completion of the distribution, records of the Ordinary Course Activities effected in the United States under this relief, during the Regulation M restricted period, by the Issuer and any of its affiliated purchasers (“Records”). Such Records shall include:
 - a. the date and time of execution, the broker (if any), and the amount and price of the transaction;
 - b. the market or other manner in which the transaction is effected, and
 - c. whether the transaction was made for a customer account or a principal or proprietary account (but such Records will not include any client-specific data, the disclosure of which is restricted under applicable law).

The foregoing exemption is subject to modification or revocation at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act. In addition, persons relying on this exemption are directed to the anti-fraud and anti-manipulation provisions of the Exchange Act, particularly Sections 9(a) and 10(b), and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the participants in the various transactions, including the persons relying on the exemption. We express no view with respect to any other question that the Request Letter, or any activities undertaken pursuant to this exemption, may raise, including, but not limited to, the applicability of other federal or state securities laws or rules, or other laws and rules, to the proposed activities.

For the Commission,
by the Division of Trading and Markets,
pursuant to delegated authority,⁴

Handwritten signature of Josephine J. Tao in black ink, consisting of a stylized 'J' and 'T' followed by the initials 'Tao'.

Josephine J. Tao
Assistant Director

⁴ 17 CFR 200.30-3(a)(6).



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September 4, 2025

Re: Banco Bilbao Vizcaya Argentaria, S.A. - Request for Exemptive Relief from Rules 101 and 102 of Regulation M

Division of Trading and Markets
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Attn: Ms. Josephine Tao, Assistant Director, Division of Trading and Markets

Dear Ms. Tao:

We are writing as counsel to Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**"), a bank organized under the laws of the Kingdom of Spain ("**Spain**"), regarding the application of Regulation M to transactions by BBVA and certain of its affiliates (also referred to as the "Global Companies," as defined below) in the ordinary shares of BBVA, each with a par value of €0.49 ("**BBVA Shares**"), and American Depositary Shares representing BBVA Shares ("**ADSs**"), in connection with the proposed distribution of BBVA Shares to be made by BBVA pursuant to the exchange offer by BBVA (the "**Offer**") to all shareholders of Banco de Sabadell, S.A., a bank organized under the laws of Spain ("**Banco Sabadell**"), to acquire all of the issued and outstanding registered shares of Banco Sabadell, each with a nominal value of €0.125 (each such share, a "**Banco Sabadell share**"), in exchange for BBVA Shares. Pursuant to the Offer, BBVA is offering to exchange one BBVA Share and €0.70 for each 5.5483 Banco Sabadell shares, subject to certain potential adjustments.

Specifically, on behalf of BBVA, we ask the Securities and Exchange Commission (the "**SEC**") to grant BBVA and the Global Companies exemptive relief from Rules 101 and 102 of Regulation M to permit them to continue, in the ordinary course of business as described below and in accordance with applicable Spanish anti-market abuse and other laws, to engage in the following transactions¹ involving BBVA Shares and ADSs during the Regulation M restricted period for the Offer (the "**Restricted Period**").² In connection with the relief requested by BBVA in this letter, please note that exemptive relief from Rules 101 and 102 of Regulation M for certain ordinary course activities was granted by the SEC to BBVA on five previous occasions under the exemptive letters dated June 25, 2007,³ October 28, 2010,⁴ November 17, 2014,⁵

¹ In the Prior Letters (as defined herein), relief was also sought in connection with market-making activities. As is customary in Spain for financial institutions, BBVA engages in market-making activities with respect to BBVA Shares through a subsidiary dedicated to that function, Corporación General Financiera S.A. (the "**Market-Making Subsidiary**"). The Market-Making Subsidiary effects these transactions in the ordinary course of business for its own account in order to provide liquidity to the market, primarily in the context of temporary imbalances in the supply and demand for BBVA Shares. The Market-Making Subsidiary makes bids and offers for BBVA Shares on the Automated Quotation System (*Sistema de Interconexión Bursátil Español*) of the Spanish stock exchanges (the "**AQS**"), the centralized national market that integrates by computer quotation the Spanish stock exchanges in Madrid, Barcelona, Bilbao and Valencia (collectively, the "**Spanish Exchanges**"), and different Multilateral Trading Facilities located in the EU where BBVA Shares are quoted (jointly with the AQS, the "**BBVA Shares Exchanges**") and purchases and sells BBVA Shares on the BBVA Shares Exchanges.

The Market-Making Subsidiary ceased its market-making activities upon the announcement of the Offer and does not intend to undertake such activities during the Restricted Period. Therefore, BBVA is not seeking relief in connection with such activities in this letter.

² The Regulation M Restricted Period relating to the Offer is discussed in Section IV of this letter— "Application of Regulation M."

³ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 07-69 (June 25, 2007).

November 3, 2017⁶ and August 26, 2019,⁷ respectively (collectively, the “**Prior Letters**”).

This letter sets forth data concerning the trading activity of BBVA and the Global Companies for the six months ended June 30, 2025.

Derivatives Hedging Activities. In connection with derivatives relating to BBVA Shares or baskets or indices including BBVA Shares (collectively, “**BBVA Share Derivatives**”) that the principal trading unit of BBVA (the “**Trading Unit**”)⁸ and the principal brokerage unit of BBVA (the “**Brokerage Unit**”)⁹ enter into with, or sell to or buy from, customers in unsolicited transactions, the Trading Unit and the Brokerage Unit in the ordinary course of business solicit and effect trades in BBVA Shares for their own accounts and for the accounts of their customers for the purpose of hedging positions (or adjusting or liquidating existing hedge positions) belonging to them and their customers that are established in connection with these derivatives activities.¹⁰ The Trading Unit’s and the Brokerage Unit’s hedging transactions are effected on the BBVA Shares Exchanges.

Trading in, and Investment Advice on, BBVA Shares by Asset Managers and the Wealth Management Unit. Certain affiliates of BBVA manage the assets of certain collective investment undertakings, including mutual funds and investment companies, pension funds and other pension schemes, and investor portfolios (such affiliates, the “**Asset Managers**,” such collective investment undertakings and portfolios, the “**Managed Funds**”).¹¹ As part of their ordinary investment management activities on behalf of the Managed Funds, the Asset Managers buy and sell BBVA Shares for the Managed Funds’ accounts. Further, the principal wealth management unit (the “**Wealth Management Unit**”)¹² provides wealth and portfolio management services to its customers (the “**Wealth Management Customers**”). As part of its ordinary wealth and portfolio management activities, the Wealth Management Unit may buy and sell BBVA Shares for the account of Wealth Management Customers. In addition, the Asset Managers and Wealth Management Unit provide investment advice and, in the case of the Wealth Management Unit, financial planning guidance to Managed Funds and Wealth Management Customers, respectively. This advice and guidance may

⁴ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 10-69 (October 28, 2010).

⁵ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 15-05 (November 17, 2014).

⁶ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 18-01 (November 3, 2017).

⁷ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 19-05 (August 26, 2019).

⁸ The principal Trading Unit is the treasury department of BBVA. Similar activities are carried out by affiliates of BBVA outside Spain and the United States (the “**International Trading Units**”), although their volume of activity relating to BBVA Share Derivatives and their trading in BBVA Shares, whether for proprietary or other purposes, historically have been significantly lower compared to that of the Trading Unit. We ask that the requested relief also cover ordinary course activities of the International Trading Units.

⁹ The principal Brokerage Unit consists of BBVA. Similar activities are carried out by affiliates of BBVA outside Spain and the United States (the “**International Brokerage Units**”), although their volume of activity relating to BBVA Share Derivatives and their trading in BBVA Shares historically have been low compared to that of the Brokerage Unit. We ask that the requested relief also cover the ordinary course activities of the International Brokerage Units.

¹⁰ In addition, the Trading Unit, the Brokerage Unit, the International Trading Units and the International Brokerage Units expect to hold BBVA Share Derivatives, in each case as part of their portfolios of solicited, proprietary trading derivatives, at the time the Restricted Period commences and would expect to continue to hedge these derivatives (through the purchase and sale of BBVA Shares) during the Restricted Period. All such BBVA Share Derivatives will have been entered into in the ordinary course of business and not in contemplation of the Offer. The Trading Unit, the Brokerage Unit, the International Trading Units and the International Brokerage Units would not seek to hedge any additional BBVA Share Derivatives acquired or entered into in connection with solicited, proprietary trading subsequent to the commencement of the Restricted Period.

¹¹ The Asset Managers consist of BBVA Asset Management, S.A., S.G.I.I.C., BBVA Pensiones, E.G.F.P., S.A., and Gestión de Previsión y Pensiones, E.G.F.P., S.A., each of which is a corporation organized under the laws of Spain. Several of BBVA’s affiliates outside the United States and Spain (collectively, the “**International Asset Managers**”) engage in activities of the kind described above in respect of Asset Managers with their respective customers (also referred to herein as “**Managed Funds**”) in their respective jurisdictions. We ask that the requested relief also cover ordinary course activities of the International Asset Managers.

¹² The principal Wealth Management Unit consists of BBVA.

include providing information which would assist such Managed Funds and Wealth Management Customers in determining whether to purchase or sell BBVA Shares.

Trading in BBVA Shares by the Insurance Company. As part of its business, BBVA Seguros, S.A. de Seguros y Reaseguros (the “**Insurance Company**”), an affiliate of BBVA incorporated in Spain, sells certain insurance products requiring the insurer to invest the premiums paid by the purchaser of the policies within certain asset classes determined by that purchaser (such as shares represented in the IBEX 35 Index, which includes BBVA Shares) (such products, the “**Asset Class Policies**”, and such activities, the “**Insurance-Related Activities**”). The Insurance Company does not provide any investment advice to purchasers with respect to the asset classes that may be selected by the customer as part of the Asset Class Policies.

Unsolicited Brokerage Activities. The Brokerage Unit engages in full-service brokerage activities for its customers through ordinary customer facilitation and related services. These services involve discussions with customers regarding investment strategies, including with respect to BBVA Shares, and buying and selling BBVA Shares both as principal and agent in connection with such customers’ unsolicited orders. Although the buy or sell orders received by the Brokerage Unit from its customers are unsolicited, the Brokerage Unit may solicit the other sides of these transactions.¹³

Stock Borrowing Activities. The principal stock borrowing unit of BBVA (the “**Stock Borrowing Unit**”)¹⁴ borrows and lends securities, including BBVA Shares, from and to customers as part of stock borrowing/lending transactions in the ordinary course of business, which includes repurchase agreements (repos) and reverse repurchase agreements (reverse repos).

In some cases, a customer may purchase BBVA Shares from a third party in anticipation of lending them to the Stock Borrowing Unit, or a customer may arrange for a third party to purchase BBVA Shares after the customer has borrowed them from the Stock Borrowing Unit.

Trading in BBVA Shares Pursuant to Employee Share Ownership and Incentive Share Programs and Customer Dividend Reinvestment Plans. The Trading Unit purchases BBVA Shares in the market to be transferred to employees (or former employees) (which term includes, for purposes of the programs referred to below, BBVA’s officers and directors) under BBVA’s employee share ownership and incentive share programs. When BBVA Shares become vested under a particular employee share ownership or incentive share program, BBVA may instruct a broker on behalf of the employees (or former employees) to whom the BBVA Shares will be transferred, to sell a fraction of such shares in order to satisfy the tax liabilities of employees (or former employees) arising upon the vesting of the share awards. Further, the Trading Unit purchases BBVA Shares in the market to be transferred to certain shareholders that participate in dividend reinvestment plans. According to the terms of such plans, BBVA is required to deliver BBVA Shares to such shareholders following the distribution of a dividend by BBVA, as such dividends are automatically reinvested into BBVA Shares. BBVA purchases these BBVA Shares in the market. In addition to the direct market purchases referred to above, BBVA also uses derivatives to acquire BBVA Shares, including put and call options or forward purchases, in order to hedge, in connection with the aforementioned programs and plans, the economic risk of a rising share price. Derivative

¹³ BBVA Securities, Inc., BBVA’s affiliated U.S. broker-dealer, engages in unsolicited brokerage activities with its customers in the United States. The volume of brokerage of BBVA Shares and ADSs by this business unit historically has been low. In addition, the International Brokerage Units engage in unsolicited brokerage activities of the kind described above with their customers, although their volume of brokerage of BBVA Shares historically has also been low. We ask that the requested relief also cover the ordinary course, unsolicited brokerage activities of BBVA Securities, Inc. and the International Brokerage Units.

¹⁴ The principal Stock Borrowing Unit consists of BBVA.

counterparties of BBVA may purchase BBVA Shares as a result of, or in connection with such derivatives.

The transactions referred to above are conducted in the ordinary course of business consistent with past practice and are not made in contemplation of, or as a result of, an offering of securities by BBVA, including the Offer described in this letter.

The Trading Unit, the Brokerage Unit, the Asset Managers, the Wealth Management Unit, the Insurance Company and the Stock Borrowing Unit are collectively referred to herein as the “**Spanish Companies**.” The Spanish Companies, together with the International Trading Units, the International Brokerage Units, the International Asset Managers and BBVA Securities, Inc. are collectively referred to herein as the “**Global Companies**.”

The availability of the exemption BBVA is requesting would be conditioned on the undertakings outlined below.

The descriptions of factual matters in this letter, including the market for BBVA Shares and BBVA's and the Global Companies' business and market activities, as well as the descriptions of certain matters under Spanish law and the laws of other jurisdictions outside the United States included in this letter, have been provided to us by BBVA.

I. The Market for BBVA Shares

The principal trading market for BBVA Shares is on the Spanish Exchanges through the AQS in Spain, where they are traded under the symbol “BBVA.” BBVA Shares are also listed on the London Stock Exchange under the symbol “BVA” and the Mexican Stock Exchange under the symbol “BBVA.” BBVA ADSs are listed on the New York Stock Exchange (the “**NYSE**”) under the symbol “BBVA.” Each BBVA ADS represents the right to receive one BBVA Share. BBVA is a foreign private issuer as defined in Rule 3b-4(c) under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

At June 30, 2025, there were 5,763,285,465 BBVA Shares outstanding, held by 681,425 record holders. As of June 30, 2025, 718 record holders with registered addresses in the United States held 25.9% of BBVA's outstanding capital. BBVA's market capitalization at June 30, 2025 was approximately €75.3 billion (\$88.6 billion),¹⁵ the second largest of any Spanish bank and one of the largest of any Spanish company, representing approximately 10.5% of the IBEX 35 Index. The average daily trading volume in the BBVA Shares on the Spanish Exchanges in the six months ended June 30, 2025 was approximately €133.3 million (\$156.9 million). The average daily trading volume of the ADSs on the NYSE during the six months ended June 30, 2025 was approximately \$32.1 million. The average daily trading volume of the BBVA Shares on the London and Mexican stock exchanges during the six months ended June 30, 2025 was approximately €2.8 million (\$3.3 million), in the aggregate.

The AQS links the Spanish Exchanges, providing securities quoted on it with a uniform continuous market that eliminates the differences among the Spanish Exchanges. The principal feature of the system is the computerized matching of buy and sell orders at the time of entry of the order. Each order is executed as soon as a matching order is entered but can be modified or canceled until executed. The activity of the market can be continuously monitored by investors and brokers. All trades on the AQS must be placed through a bank, a brokerage firm, an official stock broker or a dealer firm member of a Spanish Exchange

¹⁵ Throughout this letter, euros have been translated to dollars at the rate of €1.00 = \$ 1.1770, the noon buying rate in New York City as of June 30, 2025 published by the Federal Reserve Bank of New York.

directly. The AQS operates separate order-matching systems for block trades (which exceed certain minimum amounts) and all other trades.

II. The Market Activities for Which Relief is Sought

BBVA is a global, integrated financial services firm operating principally in Spain, Mexico, Turkey, South America and, to a lesser extent, the United States. BBVA, together with its subsidiaries, is engaged primarily in retail banking, asset management, private banking and investment banking. BBVA has offices worldwide and its principal executive offices are located in Madrid, Spain. BBVA is regulated and licensed under the Bank of Spain in Spain and is subject to Spanish and European Union regulations, and its branch and affiliates in the United States are subject to applicable U.S. bank and other regulations. As of December 31, 2024, BBVA was one of the largest banking groups in Spain in terms of customer deposits. In 2024, BBVA had consolidated profit attributable to the parent company of approximately €10.1 billion (\$10.5 billion), and at December 31, 2024 it had total assets of approximately €772.4 billion (\$909.1 billion) and total equity of approximately €60.0 billion (\$70.6 billion).

The Spanish Companies are either business units or subsidiaries of BBVA and have separate management in charge of day-to-day operations. Although certain Spanish Companies have offices outside Spain and the United States, the principal executive offices of the Spanish Companies are located in Madrid and the Spanish Companies' market activities for which BBVA is seeking relief will occur solely on the BBVA Shares Exchanges and be managed principally by representatives in Madrid who operate within information barriers, as further discussed below. The Spanish Companies have confirmed that they would undertake the activities for which they are requesting relief in this letter only to the extent they are permitted under applicable European Union, Spanish and other local laws, and that any such activities would be conducted in accordance therewith and the guidelines given by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") with respect to trading activities in BBVA Shares in the context of the Offer. The guidelines provided by the CNMV generally prohibit transactions with BBVA Shares by the Global Companies for their own account, except as a result of trading (or similar) activities similar to those referred to above and carried out by the Global Companies in the ordinary course of their activities from the date of announcement of the Offer until its settlement date. The treatment granted by the CNMV to the abovementioned transactions is based on the premise that the Global Companies will be acting in the ordinary course of their respective business, according to their past practice and not with the aim of accumulating BBVA Shares or facilitating the Offer.

In the United States, BBVA conducts a securities business through a separate subsidiary, BBVA Securities, Inc., which has its principal offices in New York City. BBVA Securities, Inc. is registered with the SEC as a broker-dealer and is a member of the Financial Industry Regulatory Association. In the rest of the world, excluding Spain, BBVA conducts securities and related businesses through the International Trading Units, the International Brokerage Units and the International Asset Managers. With respect to those activities for which BBVA is seeking relief, BBVA Securities, Inc. will only engage in unsolicited brokerage activities involving BBVA Shares or ADSs in the United States. The rest of the activities for which BBVA is seeking relief will be conducted by BBVA and the Global Companies outside the United States as described below.

Derivatives Hedging Activities. In connection with BBVA Share Derivatives that the Trading Unit and the Brokerage Unit enter into with, or sell to or buy from, customers in unsolicited transactions, the Trading Unit and the Brokerage Unit in the ordinary course of business solicit and effect trades in BBVA Shares for their own accounts and for the accounts of their customers for the purpose of hedging positions (or adjusting or liquidating existing hedging positions) belonging to them and their customers that are established in connection with these derivatives activities. These hedging transactions are effected outside the United States, through the AQS, and during the six months

ended June 30, 2025 represented approximately 2.39% of the average daily trading volume in BBVA Shares on the Spanish Exchanges.

In addition, the Trading Unit and the Brokerage Unit expect to hold BBVA Share Derivatives as part of their portfolios of solicited, proprietary trading derivatives at the time the Restricted Period commences and would expect to continue to hedge these derivatives (through the purchase and sale of BBVA Shares) during the Restricted Period. All such BBVA Share Derivatives will have been entered into in the ordinary course of business consistent with past practice and not in contemplation of the Offer. The Trading Unit and the Brokerage Unit would not seek to hedge any additional BBVA Share Derivatives acquired or entered into in connection with solicited, proprietary trading activities subsequent to the commencement of the Restricted Period.

As noted above, the International Trading Units and the International Brokerage Units also engage in such hedging activities in the ordinary course of business in their respective jurisdictions, each of which is outside the United States.

Trading in, and Investment Advice on, BBVA Shares by Asset Managers and the Wealth Management Unit. As part of their ordinary activities, the Asset Managers, the International Asset Managers and the Wealth Management Unit buy and sell BBVA Shares outside the United States for the account of their Managed Funds and Wealth Management Customers, respectively. Further, they provide investment advice regarding BBVA Shares.

Under Spanish law, the Asset Managers and the Wealth Management Unit have a fiduciary duty to act in the best interest of the Managed Funds or the Wealth Management Customers, as the case may be. The Asset Managers and the Wealth Management Unit are prohibited by law from taking into account any factors other than the interests of the Managed Funds and their beneficiaries, or Wealth Management Customers, as the case may be, in making investment decisions or providing investment advice. Accordingly, the Asset Managers and the Wealth Management Unit would be prohibited by law from following a directive by BBVA to cease trading BBVA Shares during the Restricted Period, unless the Asset Managers or Wealth Management Unit believed that cessation of such trading was in the best interests of the Managed Funds and their beneficiaries or the Wealth Management Customers, as applicable.¹⁶ Similarly, the Asset Managers and the Wealth Management Unit would be prohibited by law from following a BBVA directive to bid for or purchase BBVA Shares unless the Asset Managers or Wealth Management Unit independently concluded that such bids or purchases were in the best interests of the Managed Funds and their beneficiaries or the Wealth Management Customers, as the case may be. Asset Managers and the Wealth Management Unit would be subject to similar limitations in connection with any investment advice they may provide related to BBVA Shares. Further, International Asset Managers generally would be subject to similar fiduciary duties under the laws of their respective jurisdictions.¹⁷

¹⁶ Some of the pension funds managed by the Asset Managers have an "investment oversight committee" charged with overseeing the investments made by the Asset Managers. In certain cases, representatives and/or employees of BBVA or its affiliates may be members of those investment oversight committees. However, those committees (and their members) would be unable to require the pension fund Asset Manager to stop or start trading BBVA Shares during the Restricted Period if the Asset Manager did not believe it was in the best interests of the fund's owners to do so. The representatives and/or employees of BBVA or its affiliates who participate on the investment oversight committees are, like the Asset Managers themselves, isolated by information barriers from the areas of BBVA where price-sensitive information relating to BBVA Shares and where information relating to the Offer would be discussed.

¹⁷ In the absence of the requested relief being granted, prior to the commencement of the Restricted Period, BBVA would issue advisory notices to the Asset Managers, International Asset Managers and Wealth Management Unit informing them that any trading by them in BBVA Shares or any investment advice relating thereto, during the Restricted Period could result in a violation of U.S. law. However, in light of the fiduciary duties that the Asset Managers, International Asset Managers and Wealth Management Unit have to the beneficiaries of the Managed Funds or their Wealth Management Customers, as the case may be (as further described above), no assurances can be given that they will in fact refrain from trading in BBVA Shares or

Trading activities in BBVA Shares by the Asset Managers and the Wealth Management Unit for which relief is being sought in this letter represented, in the aggregate, approximately 0.17% of the average daily trading volume in BBVA Shares on the Spanish Exchanges during the six months ended June 30, 2025.

Trading in BBVA Shares by the Insurance Company. The Insurance Company purchases¹⁸ BBVA Shares in connection with its Insurance-Related Activities by investing premiums paid on Asset Class Policies, which require investments within a narrow class of assets, such as the IBEX 35 Index, that may include BBVA Shares. The Insurance Company conducts the Insurance-Related Activities outside the United States.

Under Spanish law, the Insurance Company has a fiduciary duty to the purchasers of Asset Class Policies to oversee the investments with respect to those policies in a manner that is in the best interests of those purchasers. The Insurance Company may not take into account any factors other than the interests of its insureds in making investment decisions under these policies. Accordingly, the Insurance Company would be prohibited by law from following, with respect to the Asset Class Policies, a directive by BBVA to cease trading BBVA Shares during the Restricted Period, unless such a halt in trading were in the best interests of the purchasers of those policies. Similarly, the Insurance Company would be prohibited by law from following a BBVA directive to bid for or purchase BBVA Shares unless the Insurance Company independently concluded that such bids or purchases were in the best interests of its insureds under the Asset Class Policies.

Unsolicited Brokerage Activities. The Brokerage Unit engages in full-service brokerage activities outside the United States for its customers through ordinary customer facilitation and related services. These services involve discussions with customers regarding investment strategies, including with respect to BBVA Shares, and buying and selling BBVA Shares in Spain and elsewhere outside the United States as both principal and agent in connection with such customers' unsolicited orders.¹⁹ The unsolicited brokerage activities of the Brokerage Unit for which relief is being sought in this letter (excluding trades executed by the Brokerage Unit on behalf of the Market-Making Subsidiary) represented approximately 4.93% of the average daily trading volume in BBVA Shares on the Spanish Exchanges during the six months ended June 30, 2025.

Although the Brokerage Unit from time to time provides advice to its customers regarding an investment in BBVA Shares, none of the Brokerage Unit, BBVA or any subsidiary of BBVA publishes research reports concerning BBVA.²⁰

The Brokerage Unit is required by Spanish law, as well as, in some cases, by the terms of its contracts with customers, to facilitate the trading activity of such customers as described above.²¹ It would place a substantial burden on these customers to require them to transfer their BBVA Shares to a securities account with another bank, or to have the Brokerage Unit place orders with

providing advice relating thereto during the Restricted Period. Accordingly, we are asking that the requested relief cover the activities of the Asset Managers, International Asset Managers and Wealth Management Unit to the extent that they continue to trade in, or provide investment advice related to, BBVA Shares in the ordinary course of business during the Restricted Period.

¹⁸ One of the Asset Managers makes such purchases on behalf of the Insurance Company. Therefore, the volume of purchases made on behalf of the Insurance Company during the six months ended June 30, 2025 is included in the volume of purchases made by the Asset Managers and the Wealth Management Unit during such period, as set forth in this letter.

¹⁹ In addition, although the buy or sell orders received by the Brokerage Unit from its customers are unsolicited, the Brokerage Unit may solicit the other sides of these transactions.

²⁰ Accordingly, none of the International Brokerage Units or BBVA Securities Inc. publishes research reports concerning BBVA.

²¹ The Brokerage Unit is not required, however, to buy or sell BBVA Shares as principal for the benefit of its clients.

another bank, in order to make trades with respect to the BBVA Shares during the Restricted Period. Moreover, the Brokerage Unit would likely lose a significant number of these customers if it were prevented from providing them with customary facilitation services during this time period.

As noted above, BBVA Securities, Inc. engages in unsolicited brokerage transactions with its customers in the United States, which may involve BBVA Shares or ADSs. These transactions are effected in the over-the-counter market, through the AQS in Spain and, occasionally, on the NYSE. In addition, the International Brokerage Units also engage in unsolicited brokerage transactions with their customers in their respective jurisdictions, each of which is outside the United States.

Stock Borrowing Activities. The Stock Borrowing Unit borrows and lends securities, including BBVA Shares, from and to customers as part of stock borrowing/lending transactions in the ordinary course of business, which includes repurchase agreements (repos) and reverse repurchase agreements (reverse repos).

The activities of the Stock Borrowing Unit do not constitute bids for, purchases of or inducements to make bids for or purchases of BBVA Shares in the traditional sense. However, as discussed above, in some cases a customer may purchase BBVA Shares from a third party in anticipation of lending them to the Stock Borrowing Unit, or a customer may arrange for a third party to purchase BBVA Shares after the customer has borrowed them from the Stock Borrowing Unit.

BBVA seeks exemptive relief in order to continue to conduct these activities during the Restricted Period. These purchases of BBVA Shares have historically represented a very small portion of all trading in BBVA Shares.

Trading in BBVA Shares Pursuant to Employee Share Ownership and Incentive Share Programs and Customer Dividend Reinvestment Plans. The Trading Unit purchases BBVA Shares in the market to be transferred to employees (or former employees) under BBVA's employee share ownership and incentive share programs. When BBVA Shares become vested under a particular employee share ownership or incentive share program, BBVA may instruct a broker on behalf of the employees (or former employees) to whom the BBVA Shares will be transferred, to sell a fraction of such shares in order to satisfy the tax liabilities of employees (or former employees) arising upon the vesting of the share awards. Further, the Trading Unit purchases BBVA Shares in the market to be transferred to certain shareholders that participate in dividend reinvestment plans. According to the terms of such plans, BBVA is required to deliver BBVA Shares to such shareholders following the distribution of a dividend by BBVA, as such dividends are automatically reinvested into BBVA Shares. BBVA purchases these BBVA Shares in the market. In addition to the direct market purchases referred to above, BBVA also uses derivatives to acquire BBVA Shares, including put and call options or forward purchases, in order to hedge, in connection with the aforementioned programs and plans, the economic risk of a rising share price. Derivative counterparties of BBVA may purchase BBVA Shares as a result of, or in connection with such derivatives. The transactions referred to in this paragraph are conducted in the ordinary course of business consistent with past practice and are not made in contemplation of, or as a result of, an offering of securities by BBVA, including the Offer described in this letter.

The trading activities in BBVA Shares described in the preceding paragraph represented, in the aggregate, approximately 0.94% of the average daily trading volume in BBVA Shares on the Spanish Exchanges during the six months ended June 30, 2025.

Information Barriers. BBVA has established information barrier procedures to prevent price-

sensitive information from passing between any area in which derivatives hedging, asset management (including any investment oversight committee), wealth management, investment advice, Insurance-Related Activities or brokerage activities of the Global Companies are conducted and any other area of BBVA in which price-sensitive information relating to BBVA Shares, including information relating to the Offer, would be available. Accordingly, during restricted periods prior to announcements of earnings results or other material developments that have not yet become public, BBVA and the Global Companies are generally able to continue their respective market activities as described herein. BBVA will continue to maintain these information barrier procedures during the Restricted Period. Furthermore, the Global Companies will continue to conduct their market activities free of direction from senior management of BBVA, including management with responsibility for the Offer.

III. The Offer

On May 9, 2024, BBVA announced its decision to make an exchange offer to all shareholders of Banco Sabadell to acquire all the issued and outstanding Banco Sabadell shares in exchange for BBVA Shares. Pursuant to the Offer, BBVA is offering to exchange one BBVA Share and €0.70 for each 5.5483 Banco Sabadell shares, subject to certain potential adjustments.²²

The Offer will need to be authorized by the CNMV. BBVA is relying on the Tier II exemptive relief provided under Rule 14d-1 under the Exchange Act (“**Tier II Relief**”) in connection with the Offer. The Offer will be made in Spain and the United States pursuant to a Spanish prospectus (*folleto explicativo*) submitted to the CNMV, and an offer to exchange/prospectus included in a registration statement on Form F-4 filed with the SEC (collectively, the “**Offer Document**”). The registration statement on Form F-4 will register the BBVA Shares to be offered and sold to U.S. holders of Banco Sabadell shares pursuant to the Offer.

The acceptance period for the Offer will commence shortly after authorization is granted by the CNMV. The offer to exchange/prospectus will be disseminated to U.S. holders of Banco Sabadell shares on the date the acceptance period for the Offer commences.

Since Banco Sabadell shares are not registered under Section 12 of the Exchange Act, the Offer is not subject to Regulation 14D under the Exchange Act, but it is subject to Regulation 14E thereunder. Accordingly, the Offer must comply with the requirements of Spanish Law 6/2023, of March 17, 2023, on Securities Markets and Investment Services, Royal Decree 1066/2007, of July 27, 2007, on the Takeover Bids Regime (“**Royal Decree 1066/2007**”), and the relevant rules and regulations promulgated thereunder and Section 14(e) of the Exchange Act, and the rules and regulations promulgated thereunder, except to the extent permitted pursuant to (i) the Tier II Relief, (ii) the exemption granted by the SEC to BBVA from Rule 14e-5 under the Exchange Act to permit BBVA, BBVA’s subsidiaries and their respective affiliates and departments to conduct certain trading activities in Banco Sabadell shares, and derivatives related to such securities, prior to and during the conduct of, but outside of the terms of, the Offer, under the circumstances described therein,²³ (iii) certain exemptive relief from Rule 14e-1(b) under the Exchange Act and no-action relief with respect to Rule 14d-4(d)(2) and Rule 14d-7 under the Exchange Act and Section 14(d)(5) of the Exchange Act that BBVA has requested from the SEC, to permit BBVA to (a) reduce the consideration to

²² No fractional BBVA Shares will be issued in connection with the Offer. Instead of any such fractional BBVA Shares that a tendering holder of Banco Sabadell shares would otherwise be entitled to receive, BBVA will pay to the relevant tendering holder an amount in cash equal to the weighted average price per BBVA Share during the 15 trading sessions prior to the expiration date (including the expiration date) of the Offer (the “**Reference Period**”) multiplied by the fraction of a BBVA Share that a tendering holder of Banco Sabadell shares would otherwise be entitled to receive in accordance with the exchange ratio of 5.5483 (adjusted, as the case may be, as described in the Offer Document). Such amount in cash will be rounded to the nearest euro cent and, in the event of a half of a euro cent, to the immediately higher euro cent. The Reference Period will be contained within the Restricted Period.

²³ See Order granting exemption from Exchange Act Rule 14e-5 in the Matter of Banco Bilbao Vizcaya Argentaria, S.A. dated May 29, 2024.

be paid in the Offer if Banco Sabadell pays a dividend or other distribution prior to the settlement of the Offer, without extending the Offer period, (b) waive the Minimum Acceptance Condition (as defined below) in accordance with Spanish law and practice in the event that such condition has not been satisfied, without extending the Offer period, and (c) rely, if necessary, on Rule 162 under the Securities Act of 1933, as amended, to commence the Offer before its registration statement on Form F-4 is declared effective,²⁴ and (iv) the relief requested in this Letter.

Consummation of the Offer (once commenced) will be subject to the satisfaction or waiver of certain conditions (collectively, the “**Conditions**”), including the acceptance of the Offer by a number of shares of Banco Sabadell that permits BBVA to acquire at least more than half of the voting rights of the Banco Sabadell shares at the end of the acceptance period (excluding any treasury shares held by Banco Sabadell as of that time) (the “**Minimum Acceptance Condition**”).

Banco Sabadell shareholders who tender their Banco Sabadell shares in the Offer may withdraw any such tendered Banco Sabadell shares at any time prior to the last day of the acceptance period.

After expiration of the acceptance period and satisfaction or waiver of the Conditions, the Offer would be settled, and BBVA would pay for all Banco Sabadell shares validly tendered and not withdrawn against the issue of BBVA Shares. Settlement of the Offer would occur between approximately 10 to 15 Spanish stock exchange trading days after the end of the acceptance period.

All of the BBVA Shares to be delivered in the Offer will be newly issued shares. Assuming all of the Banco Sabadell shares are tendered into the Offer, the former holders of Banco Sabadell shares will own approximately 13.6% of the share capital and voting rights of BBVA following completion of the Offer.

IV. Application of Regulation M

In connection with the Offer, BBVA will distribute BBVA Shares to holders of Banco Sabadell shares, some of whom are expected to reside in the United States, and may therefore be considered to be engaged in a distribution in the United States for purposes of Regulation M. Pursuant to Rule 100 of Regulation M, the Restricted Period will begin on the day the offer to exchange/prospectus will be first disseminated to security holders and will continue through the end of the period in which Banco Sabadell shareholders can tender their Banco Sabadell shares. Thus, the Restricted Period is likely to last from 30 to 70 calendar days.

As business units or affiliates of BBVA that, from time to time, purchase BBVA Shares and ADSs for their own accounts and the accounts of others and recommend and exercise investment discretion with respect to the purchase of BBVA Shares and ADSs, the Global Companies may be deemed to be “**affiliated purchasers**” of BBVA, as defined in Rule 100 of Regulation M. As such, their market activities will be subject to Rule 102 of Regulation M throughout the Restricted Period, except to the extent that any of them acts as a “distribution participant” subject to Rule 101 of Regulation M.

Under both Rule 101 and Rule 102 of Regulation M, BBVA and the Global Companies would not be permitted to bid for or purchase, or attempt to induce any person to bid for or purchase, BBVA Shares or ADSs during the Restricted Period unless one of the specified exceptions under the applicable rule is available. There are no exceptions available under either rule that would permit BBVA and the Global Companies to engage in the ordinary course market activities described in this letter. Therefore, without the requested exemptive relief, BBVA and the Global Companies would not be permitted to engage in these

²⁴ See Response of the Office of Mergers and Acquisitions Division of Corporation Finance and Order granting exemption from Exchange Act Rule 14e-1(b) in the Matter of Banco Bilbao Vizcaya Argentaria, S.A., each dated September 2, 2025.

activities for an extended period of time, which is likely to last from 30 to 70 calendar days.

If the Trading Unit and the International Trading Units and the Brokerage Unit and the International Brokerage Units are precluded from effecting hedging transactions in BBVA Shares relating to BBVA Share Derivatives on behalf of their customers, and on behalf of themselves in the case of BBVA Share Derivatives held by them in order to accommodate customer requests, the application of Regulation M could have serious adverse effects on their ability to meet their clients' demands for BBVA Share Derivatives. Given that these hedging transactions are entered into in connection with BBVA Share Derivatives which were entered into by or at the requests of their customers, these business units would have to cease providing such derivatives services to their customers if they were prohibited from effecting these hedging transactions.

Separately, if the Trading Unit and the International Trading Units and the Brokerage Unit and the International Brokerage Units are precluded from effecting hedging transactions in BBVA Shares relating to BBVA Share Derivatives held in their proprietary trading portfolios prior to the commencement of the Restricted Period and entered into in the ordinary course of business and not in contemplation of the Offer, these units may be forced to unwind these derivatives or to incur losses as a result of their inability to properly hedge these transactions. Further, precluding them from undertaking these trading activities could result in the relevant BBVA group entity violating the BBVA group's internal risk policies, as well as risk management legal obligations that may be applicable to it.

Absent an exemption, the Brokerage Unit, BBVA Securities, Inc. and the International Brokerage Units may also be unable to execute brokerage orders submitted by their customers in the normal course, thereby forcing their customers to take their orders elsewhere. In view of the role of BBVA and its subsidiaries in maintaining the accounts in which BBVA Shares are held and executing trades in BBVA Shares on the Spanish Exchanges, BBVA believes significant market disruption could occur if the Brokerage Unit could no longer execute trades in BBVA Shares requested by clients.

Given the importance of BBVA Shares to the overall Spanish securities market, to prohibit the Asset Managers and the Wealth Management Unit from trading BBVA Shares during the Restricted Period would have a significant adverse effect on their ability to manage investments on behalf of their clients. Furthermore, it would be a violation of their fiduciary duties to the beneficiaries of the Managed Funds or their Wealth Management Customers, as the case may be, for such Asset Managers and the Wealth Management Unit to refrain from, or engage in, trading BBVA Shares or providing investment advice relating thereto, as a result of instructions received from their parent company unless such action were in the best interests of such beneficiaries or customers.

Similarly, the Insurance Company has fiduciary duties to the purchasers of Asset Class Policies to oversee the investments with respect to those policies in a manner that is in the best interests of those purchasers. Accordingly, the Insurance Company may not refrain from, or engage in, trading BBVA Shares as a result of investment instructions received from BBVA, unless such action is in the best interests of the purchasers of those policies.

As noted above, the International Asset Managers, the International Trading Units, BBVA Securities, Inc. and the International Brokerage Units historically have engaged in low volumes of trading in BBVA Shares and ADSs. Accordingly, BBVA believes that because these units intend to conduct the trading activities that are the subject of this request for exemptive relief in a manner consistent with their past practices, it is unlikely that such activities could have any price effect on the markets for BBVA Shares or ADSs.

The activities of the Stock Borrowing Unit do not constitute bids for, purchases of or inducements to make

bids for or purchases of BBVA Shares in the traditional sense. The Stock Borrowing Unit and (in connection with BBVA's employee share ownership and incentive share programs and customer dividend reinvestment plans, as described above) the Trading Unit historically have engaged in low average daily volumes of trading in BBVA Shares relative to the average daily trading volumes. Accordingly, BBVA believes that because these units intend to conduct the trading activities that are the subject of this request for exemptive relief in a manner consistent with their past practices, it is unlikely that such activities could have any price effect on the markets for BBVA Shares.

The BBVA Shares would easily qualify as actively traded securities that are exempt under Rule 101(c)(1), with a worldwide average daily trading volume in the six months ended June 30, 2025 (based on the value of such trading volume) of approximately €423.1 million (\$498.0 million), and a public float value of approximately €75.2 billion (\$88.5 billion) as of June 30, 2025. Regulation M normally would not interfere with market activities in actively traded securities, such as the BBVA Shares. However, because the Global Companies are affiliated purchasers of the issuer, they may not rely on the actively traded securities exception to do what brokers for large U.S. issuers are normally allowed to do during distributions by those issuers.

In addition, the Offer is being conducted in accordance with applicable U.S. law and trading in BBVA Shares by the business units and affiliates of BBVA identified herein during the Offer's distribution is subject to and will be conducted in accordance with applicable Spanish law, other applicable non-U.S. laws and CNMV guidelines with respect to trading activities in BBVA Shares in the context of the Offer. As noted above, the guidelines provided by the CNMV generally prohibit transactions with BBVA Shares by the Global Companies for their own account, except as a result of trading (or similar) activities similar to those referred to above and carried out by the Global Companies in the ordinary course of their activities from the date of announcement of the Offer until its settlement date. The treatment granted by the CNMV to the abovementioned transactions is based on the premise that the Global Companies will be acting in the ordinary course of their respective business, according to their past practice and not with the aim of accumulating BBVA Shares or facilitating the Offer. As discussed in greater detail below, applicable Spanish law provides important safeguards against the type of risk of abuse that Regulation M was designed to prevent.

Finally, BBVA believes that the risk of market manipulation by BBVA or the Global Companies is further limited by the information barrier procedures and fiduciary duties described above, the fact that the market activities that are the subject of this request for exemptive relief are the ordinary course market activities of BBVA and the Global Companies rather than activities commenced or managed in contemplation of the Offer, and the fact that the jurisdictions in which the Global Companies operate have laws that prohibit market manipulation (as further discussed below).²⁵

For these reasons, BBVA asks the SEC to provide an exemption from Regulation M that would allow BBVA and the Global Companies to continue to engage in the ordinary course market activities described above during the Restricted Period, as permitted under market practice and applicable law in their home jurisdictions.

V. The Spanish Regulatory Regime

²⁵ We note that under the terms of the Offer, the exchange ratio between BBVA Shares and Banco Sabadell shares is fixed (subject to certain potential adjustments related to the distribution of dividends by any of BBVA or Banco Sabadell) and will not be adjusted to reflect any changes in the market prices of any of the securities of either company, including the market price of BBVA Shares. Consequently, during the Restricted Period, BBVA will not have any incentive to seek to increase the market price of BBVA Shares in order to deliver fewer BBVA Shares to Banco Sabadell shareholders. See also footnote 22.

The principal regulations that apply to the Spanish Companies' market activities under Spanish law are Law 6/2023 of March 17, on Securities Market and Investment Services Act (the "**SSMA**") and Royal Decree 813/2023 of November 8, on the Legal Regime of Investment Services Firms and Other Entities Providing Investment Services. Pursuant to the SSMA, an independent regulatory authority, the CNMV, supervises the Spanish securities markets. European anti-market abuse legislation is found principally in Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, on market abuse ("**EU Regulation 596/2014**"), which is directly applicable to EU member States. EU Regulation 596/2014 and the SSMA govern, among other things, trading practices, insider trading and disclosure. In particular, Article 15 of EU Regulation 596/2014 prohibits market manipulation. Under EU Regulation 596/2014 and the SSMA, the CNMV is the competent authority to oversee price formation, execution and the settlement of transactions to ensure that insider trading, price manipulation and other breaches of law may be detected. The CNMV has responsibility for, *inter alia*, market supervision, monitoring compliance, investigating violations and imposing disciplinary measures. The CNMV also takes measures to ensure that information necessary to maintain a transparent market is made public. This applies, in particular, to the prices and volumes of securities traded on and off the Spanish Exchanges.

The Spanish Criminal Code also provides remedies for abusing confidential information that is likely to influence the prices of securities. Insider trading and price manipulation are criminal offenses in Spain (or administrative offenses if certain economic thresholds are not reached). In particular, Article 284 of the Spanish Criminal Code establishes criminal liability for employment of any machination with the intent to alter prices that would otherwise result from a free market for, among other things, securities.

Further, under Spanish law, the holding of BBVA Shares by BBVA or its subsidiaries is subject to reporting obligations, among others. The Bank of Spain requires BBVA to provide monthly reports of the number of BBVA Shares held by BBVA and its subsidiaries, the number of BBVA Shares held for hedging purposes and the number of BBVA Shares held by third parties whose purchase was either financed by or pledged to BBVA or any of its subsidiaries.

Pursuant to Spanish regulations relating to conduct in the securities markets, the Brokerage Unit must keep records of orders received from any third party regarding BBVA Shares and any other security as well as the execution of such order. The Brokerage Unit must also keep records relating to transactions in which it is acting as principal. The information contained in such records must include identification of the client, the number, type and price of securities bought or sold, and the market on which the transaction is effected. These records must be made available to the CNMV upon request. In addition, the Trading Unit, the Insurance Company, the Asset Managers, the Wealth Management Unit and the Stock Borrowing Unit must also maintain records relating to the transactions in which they engage, including the number, type and price of securities bought or sold.

The activities with respect to which BBVA is seeking relief hereunder would be conducted in the ordinary course of business and in accordance with past practice and the foregoing and all other applicable European Union and Spanish anti-market abuse and other laws, as well as in accordance with CNMV guidelines with respect to trading activities in BBVA Shares in the context of the Offer. As noted above, the guidelines provided by the CNMV generally prohibit transactions with BBVA Shares by the Global Companies for their own account, except as a result of trading (or similar) activities similar to those referred to above and carried out by the Global Companies in the ordinary course of their activities from the date of announcement of the Offer until its settlement date. The treatment granted by the CNMV to the abovementioned transactions is based on the premise that the Global Companies will be acting in the ordinary course of their respective business, according to their past practice and not with the aim of accumulating BBVA Shares or facilitating the Offer.

VI. Relief Requested

As discussed above, BBVA is seeking exemptive relief from the application of Rule 102 and, to the extent applicable, Rule 101 of Regulation M to permit BBVA and the Global Companies to continue to engage in the activities involving BBVA Shares and ADSs that are described in Section II of this letter, during the Restricted Period.

As a condition to the relief being requested, none of the transactions for which relief is being requested will occur in the United States, except transactions in connection with unsolicited brokerage activities by BBVA Securities, Inc., as described in this letter.

As another condition to the requested relief, all of the transactions for which relief is being requested will be effected in the ordinary course of business, not for the purpose of facilitating the Offer and in accordance with applicable law and CNMV guidelines with respect to trading activities in BBVA Shares in the context of the Offer, all as described in this letter.

As another condition to the exemptive relief being requested, BBVA will include disclosure in the offer to exchange/prospectus that forms part of the registration statement on Form F-4 filed with the SEC in connection with the Offer. The disclosure will be substantially as follows:

“BBVA and certain of its affiliates will continue to engage, including since the announcement of the Offer and during the Offer, in various dealing, brokerage and investment advice activities involving BBVA Shares and ADSs when and to the extent permitted by applicable law. Among other things, BBVA and certain of its affiliates, as the case may be, intend (i) to engage in trades in BBVA Shares for their own account and the accounts of their customers for the purpose of hedging positions (or adjusting or liquidating existing hedge positions) belonging to them and their customers; (ii) to provide to customers investment advice and financial planning guidance which may include information about BBVA Shares; (iii) to engage in unsolicited brokerage transactions in BBVA Shares, ADSs and derivatives thereon with their customers; (iv) to trade in BBVA Shares and derivatives thereon as part of their asset management and wealth management activities for the accounts of their customers; (v) to engage in stock borrowing/lending transactions involving BBVA Shares; and (vi) to acquire BBVA Shares and derivatives in connection with BBVA’s obligations under BBVA’s employee share ownership and incentive share programs and dividend reinvestment plans. These market activities have occurred and are expected to continue to occur primarily outside the United States and, to a lesser extent, inside the United States, in each case solely in the ordinary course of business and not in contemplation of, or with a view to facilitating, the Offer.”

As a condition to the relief being requested, BBVA will undertake to keep records (the “**Records**”) of the following information in connection with the transactions for which relief is being requested: the date and time when any BBVA Shares and ADSs are purchased or sold, the market in which the purchase or sale is effected, the amount of BBVA Shares and ADSs purchased or sold and the price of the purchase or sale, for each purchase or sale of BBVA Shares and ADSs that BBVA and the Global Companies effect in the United States during the Restricted Period. This information with respect to BBVA and to the Global Companies will not include any client-specific data, the disclosure of which is restricted under local law. BBVA will maintain the Records for a period of two years following the completion of the Offer. Upon the written request of the Director of the Division of Trading and Markets of the SEC, BBVA will make a copy of the relevant Records available at the SEC’s offices in Washington, D.C.

As a final condition to the relief being requested, except as otherwise permitted by the relief being

requested, BBVA and the Global Companies will comply with Regulation M in connection with the Offer.

In connection with the relief requested by BBVA in this letter, please note that exemptive relief from Rules 101 and Rule 102 of Regulation M for certain ordinary course activities was granted by the SEC to BBVA in the exemptive letters dated June 25, 2007,²⁶ October 28, 2010,²⁷ November 17, 2014,²⁸ November 3, 2017²⁹ and August 26, 2019.³⁰ The 2007 letter is especially pertinent because it was granted in connection with an acquisition by BBVA where the consideration consisted of BBVA Shares. Exemptive relief from both Rule 101 and Rule 102 of Regulation M in connection with exchange offers by a financial service firm has been granted to UBS AG under the exemptive letter dated October 7, 2014³¹ and to Banco Santander, S.A. under the exemptive letters dated September 18, 2014³² and August 2, 2019.³³

* * *

If you have any questions about this request, please do not hesitate to contact me at +34-91-768-9610. We appreciate your assistance in this matter.

Very truly yours,



Michael J. Willisch

cc: Javier Álvarez-Cienfuegos, BBVA

²⁶ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 07-69 (June 25, 2007).

²⁷ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 10-69 (October 28, 2010).

²⁸ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 15-05 (November 17, 2014).

²⁹ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 18-01 (November 3, 2017).

³⁰ See Banco Bilbao Vizcaya Argentaria, S.A., SEC No-Action Letter, File No. TP 19-05 (August 26, 2019).

³¹ See UBS AG, SEC No-Action Letter, File No. TP 15-01 (October 7, 2014).

³² See Banco Santander, S.A., SEC No-Action Letter, File No. TP 14-15 (September 18, 2014).

³³ See Banco Santander, S.A., SEC No-Action Letter, File No. TP 19-04 (August 2, 2019).