



January 29, 2018

Onur Genç
Banco Bilbao Vizcaya Argentaria, S.A.
15 South 20th Street, Suite 1901
Birmingham, AL 35233

Dear Mr. Genç:

The Board of Governors of the Federal Reserve System (Board) and the Federal Deposit Insurance Corporation (FDIC) (together, the Agencies) have reviewed the annual resolution plan submission (2015 Plan) that Banco Bilbao Vizcaya Argentaria, S.A. (Covered Company) submitted in December 2015, as required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act,¹ and the jointly issued implementing regulation (the Resolution Plan Rule).²

The Agencies are jointly issuing this letter to clarify expectations for the resolution plan required to be submitted on or before December 31, 2018 (2018 Plan).³ The Covered Company should comply with the requirements for its 2018 Plan by submitting information that is responsive to and consistent with this letter by December 31, 2018. Previously provided guidance continues to be applicable, except to the extent that it is superseded or supplemented by the provisions of this letter.

Pursuant to subsection __.4(k) of the Resolution Plan Rule, the Agencies have jointly determined that the executive summary and strategic analysis of the 2018 Plan may be limited to

¹ 12 U.S.C. § 5365(d).

² 12 CFR Part 243 (Board) and 12 CFR Part 381 (FDIC).

³ Pursuant to a letter to the Covered Company dated August 8, 2017, the Agencies have extended the date for the next resolution plan submission to December 31, 2018.

any content that has changed from that of the 2015 Plan as a result of feedback provided in this letter. The 2018 Plan should incorporate by reference elements of the 2015 Plan that do not require any change or clarification, as outlined in subsection __.4(j) of the Resolution Plan Rule, with reference to the relevant chapter and page(s) of the 2015 Plan. The 2018 Plan should discuss material changes to the Covered Company's resolution plan from the 2015 Plan, including any material changes to (i) the Covered Company's resolution strategy; (ii) the funding, liquidity, and capital needs of, and the resources available to, the Covered Company and its material entities; and (iii) the provisions for continuity of shared and outsourced services following a bankruptcy filing by the U.S. intermediate holding company. The 2018 Plan should also discuss (i) actions taken by the Covered Company since the filing of the 2015 Plan to improve the effectiveness of the resolution plan or to remedy or otherwise mitigate any material weaknesses or impediments to effective and timely execution of the resolution plan and (ii) the Covered Company's strategy for ensuring that any insured depository institution subsidiary will be adequately protected from risks arising from the activities of any nonbank subsidiaries (other than those that are subsidiaries of the insured depository institution).

Stress Scenario: The 2018 Plan should assume that the Dodd-Frank Act Stress Test (DFAST) severely adverse scenario for the first quarter of 2018 is the domestic and international economic environment at the time of the Covered Company's entry into resolution and throughout the resolution process. The 2018 Plan should also discuss any changes to the resolution strategy under the adverse and baseline scenarios to the extent that these scenarios reflect obstacles to a rapid and orderly resolution that are not captured under the severely adverse scenario. The Covered Company's U.S. resolution plan should address a scenario in which the U.S. operations experience material financial distress, the foreign parent is unable or unwilling to

provide sufficient financial support for the continuation of U.S. operations, and at least the U.S. intermediate holding company files for Chapter 11 bankruptcy.

Organizational Structure: The Covered Company should describe any changes it has made to its resolution plan resulting from the Covered Company's implementation of the intermediate bank holding company requirement of Regulation YY (12 CFR § 252.153). In particular, the Covered Company should address subsections __.4(e) and __.4(g) of the Resolution Plan Rule.

Material Entity Designation: If the 2018 Plan continues to treat Aplica Soluciones Tecnológicas (Aplica) as a non-material entity, the 2018 Plan should include an explanation as to how this entity does not meet the definition of material entity in subsection __.2(l) of the Resolution Plan Rule. If the 2018 Plan identifies Aplica as a material entity, the 2018 Plan should provide information for Aplica that is responsive to the Resolution Plan Rule.

Public Section: The 2018 Plan must be divided into a confidential section and a public section. The public section should be submitted as a separate document and should contain an executive summary of the resolution plan that describes the business of the Covered Company and includes, to the extent material to an understanding of the Covered Company, the eleven informational elements required by subsection __.8(c) of the Resolution Plan Rule. Additionally, either the public section or the confidential section must detail compliance with subsection __.3(e) of the Resolution Plan Rule.

If you have any questions about the information communicated in this letter, please contact Kathryn Ballintine, Senior Supervisory Financial Analyst, Board of Governors of the Federal Reserve System, at 202-452-2555 or katie.ballintine@frb.gov, or Robert Connors, Associate Director, Federal Deposit Insurance Corporation, at 202-898-3834 or

rconnors@fdic.gov.

Sincerely,



Michael S. Gibson
Director
Division of Supervision & Regulation
Board of Governors
of the Federal Reserve System

Sincerely,



Doreen R. Eberley
Director
Division of Risk Management Supervision
Federal Deposit Insurance Corporation

CC: Kathryn Ballintine, Board of Governors of the Federal Reserve System
Robert Connors, Federal Deposit Insurance Corporation