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February 3, 2021

VIA E-Apps

Ms. Meg Johnson
Vice President
Federal Reserve Bank of Cleveland
1455 East Sixth Street
Cleveland, Ohio 44114

Re: Response to Additional Information Requests on the
Application of The PNC Financial Services Group, Inc. and
PNC Bancorp, Inc. to Acquire BBVA USA Bancshares, Inc.
and/or BBVA USA

Dear Ms. Johnson:

This submission relates to the application that we submitted to the Board of Governors of the Federal Reserve System (the "Board") on December 29, 2020 (the "Federal Reserve Application"), requesting prior approval for The PNC Financial Services Group, Inc. ("PNC") and PNC Bancorp, Inc. ("PNC Bancorp") to acquire BBVA USA Bancshares, Inc. ("BBVA Bancshares") and/or its wholly owned subsidiary bank, BBVA USA, an Alabama-chartered bank ("BBVA USA," and together with BBVA Bancshares, "BBVA"), pursuant to sections 3(a)(3)

Ms. Meg Johnson

February 3, 2021

Page 2

and (5) of the Bank Holding Company Act (the “Holdco Transactions”). Approximately, three months after consummation of the Holdco Transactions, PNC and PNC Bancorp plan to merge BBVA USA with and into PNC Bank, National Association (“PNC Bank”), with PNC Bank as the surviving institution (the “Bank Merger” and, together with the Holdco Transactions, the “Proposed Transaction”).

Specifically, this submission responds to the requests for additional information on the Federal Reserve Application that we received in a letter dated January 22, 2021, from the Federal Reserve Bank of Cleveland (together with the Board, the “Federal Reserve”). This submission includes: an Appendix, a Confidential Appendix, a Public Exhibits Volume and a Confidential Exhibits Volume. The Federal Reserve’s request items are repeated in bold type in the Appendix (non-confidential requests) and Confidential Appendix (confidential requests), and the response immediately follows each request with certain supplemental information provided in one or more exhibits in the Public Exhibits Volume and/or the Confidential Exhibits Volume, as noted in the response.

In addition, a revised form of the Agreement of Merger of BBVA Bancshares with and into PNC (the “Holdco Merger Agreement”) is provided in Exhibit 1 in the Public Exhibits Volume, which replaces the form of Holdco Merger Agreement that was provided in Exhibit 5 to the Federal Reserve Application.

Confidential treatment is being requested under the federal Freedom of Information Act, 5 U.S.C. § 552 (the “FOIA”), and the Board’s implementing regulations, for the information contained in the Confidential Exhibits Volumes (the “Confidential Materials”). The Confidential Materials include, for example, nonpublic pro forma financial information and information regarding the business strategies and plans of (1) PNC, PNC Bancorp and PNC Bank and (2) Banco Bilbao Vizcaya Argentaria, S.A. (“BBVA Parent”), BBVA Bancshares and BBVA USA, and other information regarding additional matters of a similar nature, which is commercial or financial information that is both customarily and actually treated as private by PNC, PNC Bancorp, PNC Bank, BBVA Parent, BBVA Bancshares and BBVA USA and provided to the government under an assurance of privacy. Certain information in the Confidential Materials also includes confidential supervisory information or information prepared for law enforcement purposes, which is protected from disclosure. None of this information is the type of information that would otherwise be made available to the public. All such information, if made public, could result in substantial and irreparable harm to PNC, PNC Bancorp, PNC Bank, BBVA Parent, BBVA Bancshares and BBVA USA. Other exemptions from disclosure under the FOIA may also apply. In addition, investors and potential investors could be influenced or misled by such information, which is not reported in any documents filed or to be filed in accordance with the disclosure requirements of applicable securities laws, as a result of which PNC or BBVA Parent could be exposed to potential inadvertent violations of law or exposure to legal claims.

Ms. Meg Johnson
February 3, 2021
Page 3

Accordingly, confidential treatment is respectfully requested for the Confidential Materials under the FOIA and the Federal Reserve's implementing regulations.

Please contact me (212-403-1127) or my colleague, Richard K. Kim (212-403-1354), before any public release of any of this information pursuant to a request under the FOIA or a request or demand for disclosure by any governmental agency, congressional office or committee, court or grand jury. Such prior notice is necessary so that PNC, PNC Bancorp, PNC Bank, BBVA Parent, BBVA Bancshares and BBVA USA may take appropriate steps to protect such information from disclosure.

If you have any questions about this submission or the confidential treatment request, please do not hesitate to contact me.

Sincerely,



Patricia A. Robinson

Attachments and enclosures

cc:

David Reilly, Office of the Comptroller of the Currency (email)
Laurie A. Powell, Office of the Comptroller of the Currency (email)
Mike Hill, Alabama State Banking Department
Mark R. Largent, Texas Department of Banking

(by email)

Gregory B. Jordan, The PNC Financial Services Group, Inc.
Kieran J. Fallon, The PNC Financial Services Group, Inc.
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Ms. Meg Johnson
February 3, 2021
Page 4

(hard copy)
Jeannine Jacokes, Community Development Bankers Association (public portion)
Walter Harris Bruce, Baltimore Community Lending, Inc. (public portion)

APPENDIX

Public Information Request Items:

1. Identify PNC’s and BBVA’s products or services and lines of business. For each product/service and line of business:
 - a. Provide a measure of PNC’s and BBVA’s (a) volume and (b) market share.
 - b. Identify major competitors and provide these competitors’ volume and market share.

Responses are provided below separately for PNC and BBVA.

PNC

PNC has three lines of business (“LOB”): Retail Banking, Corporate & Institutional Banking (“C&IB”), and the Asset Management Group (“AMG”). Responses are provided below for each of these LOBs.

Retail Banking

Tables 1, 2 and 3 summarize the principal product lines within Retail Banking, as well as PNC’s volume of business, principal competitors and market share for each product line.

Table 1—Retail Deposit Products

Deposit Products (Consumer & Small Business)	Description	Volume (Balances) ¹	Market Share	Principal Competitors
Checking	Demand deposits and transactions accounts	\$69.2 billion	1.94% Source: Schedule RC-E, Column A, Item 7 – Total Transaction Accounts	JPMorgan Chase (13%), Bank of America (11%), Wells Fargo & Co (4%), US Bancorp (1%), Truist Financial Corp (1%), M&T (1%), Capital One Financial Corp (1%), Fifth Third (1%), Citizens Financial Group (<1%), Regions Financial (<1%), Keycorp (<1%), and numerous other

¹ Deposit balances reflect average balances during December 2020.

				regional and community depository institutions in the relevant local banking markets
Money Market	Money market deposit accounts	\$188.1 billion	2.85% Source: Schedule RC-E, Memo Item 2.a.1 (MMDA)	JPMorgan Chase (12%), Bank of America (9%), Wells Fargo & Co (7%), Truist Financial Corp (5%), US Bancorp (4%), Fifth Third (2%), Keycorp (2%), Regions Financial (1%), Capital One Financial Corp (1%), M&T (1%), Citizens Financial Group (<1%), and numerous other regional and community depository institutions in the relevant local banking markets
Savings	Savings deposits (other than MMDAs)	\$79.1 billion	2.05% Source: Schedule RC-E, Memo Item 2.a.2	Wells Fargo & Co (20%), Bank of America (18%), JPMorgan Chase (11%), Capital One Financial Corp (4%), Citizens Financial Group (2%), US Bancorp (1%), M&T (1%), Truist Financial Corp (1%), Fifth Third (<1%), Regions Financial (<1%), Keycorp (<1%), and numerous other regional and community depository institutions in the relevant local banking markets

CDs	Certificate of deposits	\$11.1 billion	0.67% Source: Schedule RC-E, Memo 2.b+c+d (Total Time Deposits)	JPMorgan Chase (5%), Wells Fargo & Co (4%), Bank of America (3%), Capital One Financial Corp (2%), Truist Financial Corp (2%), US Bancorp (1%), M&T (1%), Citizens Financial Group (1%), Fifth Third (<1%), Keycorp (<1%), Regions Financial (<1%), and numerous other regional and community depository institutions in the relevant local banking markets
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Table 2—Retail Lending Products

Product	Description	Volume (Balances) ²	Market Share	Principal Competitors
Auto Loans (Direct and Indirect)	Auto loans purchased from auto dealers (indirect) or originated directly to consumers (direct)	\$14.3 billion	1.82% Source: Experian 4Q2020 (market share reflects Indirect only)	Chase (15%), Bank of America (5%), TD Bank (5%), Fifth Third (4%), US Bank (4%) and USAA (2%) In addition, numerous other depository institutions provide auto loans (either direct or indirect).
Floorplan	Loans and lines of credit to auto dealers to finance inventory	\$4.3 billion	Market share information is not Available	Same as above
Credit Card	Open-end credit cards	\$6.3 billion	0.60% Source: Experian	American Express, Bank of America, Barclays Bank Delaware, Capital

² Lending balances reflect spot balance as of 12/31/2020. Small Business Lending includes balances related to the Paycheck Protection Program.

				One Financial Corp, Citigroup, Discover, JPMorgan Chase, US Bank
Personal Lending	Unsecured personal installment loans	\$2.0 billion	2.25% Source: U.S. National Consumer Portfolio Credit Trends Report from Equifax	Fifth Third, KeyBank, US Bank, Wells Fargo, Truist, USAA, SoFi, Marcus, Rocket Loans, Prosper, TD Bank, Citigroup, HBSC, Upgrade Competitor market share information is not available.
Home Equity	Open-end and closed-end home equity loans and lines of credit secured by property	\$23.8 billion	5.0% Source: ICON/ SNL data	Wells Fargo (12%), Bank of America (12%), JPMorgan (8%), Citi (5%) In addition, numerous other depository institutions provide home equity loans and lines of credit.
Residential Mortgage	Residential mortgage loans	\$21.0 billion	0.4% Source: Inside Mortgage Finance (Dec. 11, 2020)	Quicken (7%), Wells Fargo (6%), Chase (4%) In addition, numerous other depository institutions and nonbank companies originate residential mortgage loans.
Small Business Lending	Loans and lines of credit to small businesses (PNC Business Banking segment covers businesses with revenue of <\$5 million)	\$10.0 billion	1.0% Source: FDIC data as of 12/31/2019 based on C&I loans < \$1 million	Wells Fargo (5%), Bank of America (5%), JPMorgan Chase (4%), US Bank (3%), Truist Financial Corp. (2%), Citibank (1%) In addition, numerous other insured depository institutions and nonbank entities

				(e.g., OnDeck, Kabbage) originate small business loans.
Securities-Based Lending ³	Loans to High Net Worth individuals secured by the value of marketable securities	\$2.6 billion	Market share information is not available	Morgan Stanley, Merrill Lynch, Wells Fargo, US Bank, JPMorgan, Citi, Truist Financial Corp, and TriState Capital Competitor market share information is not available.
Student Loans	Personal loans to finance higher education	\$3 billion	2% Source: MeasureOne Private Student Loan Reports (market share reflects private student loans only)	Citizens, Discover, SallieMae, Wells Fargo, SoFi and Earnest Competitor market share information is not available.

Table 3—Other Retail Banking Products

Product	Description	Volume	Market Share	Principal Competitors
Investments	Retail securities brokerage services, including related advisory services	\$59.9 billion in 2020 Assets under Management (“AUM”)	0.27%	The brokerage competitor set is large, and specific types of competitors for brokerage include national banks (e.g., JPMorgan), regional banks (e.g., Fifth Third), discount brokers (e.g. Fidelity, Schwab), wire houses (e.g., Goldman Sachs), and independent brokers (e.g., Raymond James).
Merchant Services	Merchant acquiring services and processing	\$70.8 billion of transaction volume	0.77%	Chase (15%), Bank of America (9%), WorldPay (9%), Global Payments

³ Securities-Based Lending is offered through PNC’s Asset Management Group.

			Source: Full year 2019 Nilson Report	(9%), Wells Fargo (7%), Fiserv Direct (4%), and Key Bank (<1%)
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Corporate & Institutional Banking

Table 4 summarizes the principal product lines within C&IB, as well as PNC’s volume of business, principal competitors and market share for each product line.

Table 4—C&IB Products and Services

Product	Description	Volume ⁴	Market Share	Principal Competitors
Corporate Banking	Banking / lending capabilities for companies with more than \$50 million in annual revenues, includes industry verticals (Healthcare, Public Finance, DIG, FIG), ESOP expertise, Asset-Backed Lending	Average loans of \$82.0 billion	Average Industry C&I Loans, per the H8 data in 2020 was \$2.71 trillion Estimated PNC market share: 3.4%	Commercial Banks in the U.S., including Bank of America (7%), Wells Fargo (5%), JPMorgan (4%), US Bank (4%), KeyCorp (2%), Huntington Bank (1%), and numerous other regional and community banks
Commercial Banking	Banking / lending capabilities for companies with \$5 million – \$50 million in revenues	Average loans of \$10.4 billion		
Business Credit	Asset-Based Lending, Vendor Finance, Specialty Lending Areas	Average loans of \$22.6 billion	The top three lenders account for 80% of market share PNC is #4 in Asset-Based Lending in the U.S.	Commercial Banks in the U.S., including JPMorgan, Wells Fargo, Bank of America, US Bank, KeyCorp, Huntington Bank, and numerous other regional banks
Real Estate	Real Estate Lending, Commercial Loan Servicing, Tax Credit Solutions (e.g., LIHTC)	\$62 billion in commitments	Per 3Q20 Mortgage Banking Association report, there was \$1.47 trillion in Mortgage Debt Outstanding at Commercial Banks in 2020	Commercial Banks in the U.S., including JPMorgan (7%), Wells Fargo (4%), Bank of America (4%), US Bank (3%), KeyCorp (1%), Huntington Bank

⁴ Volume reflects full year 2020 average loans unless otherwise noted.

			Estimated PNC market share of 4.2%	(<1%), and numerous other regional and community banks
Treasury Management	Cash Management Solutions including payables, receivables, liquidity, information services, international and escrow services	2019 revenues of \$840 million	E&Y Cash Management report had 2019 industry revenues at \$18.6 billion Estimated PNC market share of 4.5%	Commercial Banks in the U.S., including JPMorgan, Wells Fargo, Bank of America, US Bank, KeyCorp, Huntington Bank, and numerous other regional and community banks
Capital Markets	Foreign Exchange, Derivatives, Debt Sales and Trading	Revenue of \$533 million	See Response to Item 9.c	Commercial Banks and Broker-Dealers in the U.S., including JPMorgan, Wells Fargo, Bank of America, Goldman Sachs, Morgan Stanley, US Bank, KeyCorp, Huntington Bank, and numerous other regional banks and broker-dealers
Debt Capital Markets	Loan Syndication	2020 Pro Rata Loans of \$35.1 billion ⁵	Estimated PNC market share: 4.2% ⁶	Bank of America (14%), JPMorgan (13%), Citi (9%), Wells Fargo (8%), Barclays (4%), Goldman Sachs (4%), Credit Suisse (3%), Morgan Stanley (3%), US Bank (3%), and others

⁵ Refinitiv™ Loan Connector, League Table – US: 2020 Overall Bookrunner (Jan. 5, 2021).

⁶ *Id.*

Asset Management Group

Tables 5 and 6 summarize the principal product lines within AMG’s Personal Wealth and Institutional Asset Management segments, as well as PNC’s volume of business, principal competitors and market share for each product line within these segments.

Table 5—Personal Wealth

Product	Description	Total Balances ⁷	Market Share ⁸	Key Competitors
Investment Management	Discretionary investment management across equities, fixed income, and alternative asset classes	\$107.9 billion	Estimated: 0.6%	Personal Wealth’s existing competitor set is large, and specific types of competitors for Personal Wealth include national banks (e.g., JPMorgan), regional banks (e.g. Comerica), discount brokers (e.g., Fidelity), wire houses (e.g. Goldman Sachs), trust companies (e.g., Northern Trust), and Registered Investment Advisors (“RIAs”).
Asset Servicing and Custody	Provide administration for client assets	\$25.6 billion		
Lending	Lending solutions include residential mortgages, home equity lines of credit, securities-based lines of credit, and some commercial loans	\$8.4 billion	See the Retail Banking response for detail (AMG deposit offerings are based on Retail Banking offerings and included in those totals)	Due to limitations around publicly available data relative to the size of Personal Wealth’s peers, competitor volume and market share cannot be reasonably estimated at this time.
Deposits	Deposit solutions including interest- and noninterest-bearing DDAs, money market deposits, savings, and certificates of deposits	\$20.7 billion		

In connection with providing the above products, AMG also provides:

- **Wealth Strategy Services:** Provide advice on wealth and retirement planning, gift and transition planning, business succession, and insurance; and

⁷ As of 12/31/2020; represents spot balances.

⁸ According to the Capgemini Research Institute, total assets held by High Net Worth Individuals (defined as individuals with assets over \$1 million) in North America was \$21.7 trillion as of the end of 2019. Given that the United States is the domicile of the majority of High Net Worth Individuals in North America (per Capgemini report referenced above), this number is used as a proxy for the total size of the market that AMG’s Personal Wealth business competes in as it relates to investment management and asset servicing and custody services. The report is available at <https://worldwealthreport.com/resources/world-wealth-report-2020/>.

- Trust and Estate Advice: Provide advice on trust and estate planning, trust administration, and estate settlement.

Separate market share information is not available on these services. The principal competitors identified in Table 5 also generally provide these services.

Table 6—Institutional Asset Management

Product	Description	Total Balances ⁹	Market Share ¹⁰	Key Competitors
Investment Management	Discretionary investment management across equities, fixed income, and alternative asset classes	\$61.9 billion	Estimated: 1.2%	<p>The Institutional Asset Management industry is extremely competitive, highly fragmented, and maintains low barriers to entry for new entrants.</p> <p>Competitor (Total OCIO Balances¹¹ / Estimated Market Share¹²)</p> <ul style="list-style-type: none"> • Mercer (\$260.5 billion / 13%) • Russell Investments (\$161.9 billion / 8%) • Blackrock (\$139.6 billion / 7%) • Vanguard (\$44.0 billion / 2%) • Commonfund (\$11.7 billion / 1%)
Asset Servicing and Custody	Provide administration for client assets	\$129.0 billion		

⁹ As of 12/31/2020; represent spot balances

¹⁰ According to the June 29, 2020 issue of Pensions & Investments trade publication (page 15), \$1.96 trillion of global institutional assets were managed by financial institutions on behalf of clients (“OCIO”) as of 3/31/2020. The publication cited PNC Institutional Asset Management’s equivalent client balances as of that same time period as \$24.4 billion. Estimated market share referenced in the table is relative to OCIO-specific services only.

¹¹ Data per the aforementioned Pensions & Investments trade publication, as of 3/31/2020, and represents global OCIO balances.

¹² Market share estimated by dividing total competitor OCIO balances by total industry OCIO balances.

BBVA

Tables 7, 8, 9, 10 and 11 summarize the principal product lines of BBVA as mapped to PNC’s product lines, as well as BBVA USA’s volume of business, principal competitors and market share for each product line.

Table 7—Retail Deposit Products

Deposit Products (Consumer & Small Business)	Description	Volume (Balances) ¹³	Market Share	Principal Competitors
Checking	Demand deposits and transactions accounts	\$7.1 billion	0.19% Source: Schedule RC-E, Column A, Item 7 – Total Transaction Accounts	See market share breakdown provided in Table 1
Money Market	Money market deposit accounts	\$36.2 billion	0.56% Source: Schedule RC-E, Memo Item 2.a.1 (MMDA)	See market share breakdown provided in Table 1
Savings	Savings deposits (other than MMDAs)	\$38.1 billion	1.01% Source: Schedule RC-E, Memo Item 2.a.2	See market share breakdown provided in Table 1
CDs	Certificate of deposits	\$4.6 billion	0.29% Source: Schedule RC-E, Memo 2.b+c+d (Total Time Deposits)	See market share breakdown provided in Table 1

¹³ BBVA USA deposit balances reflect balances as of 12/31/2020.

Table 8—Retail Lending Products

Product	Description	Volume (Balances) ¹⁴	Market Share	Principal Competitors
Auto Loans (Direct and Indirect)	Auto loans purchased from auto dealers (indirect) or originated directly to consumers (direct)	\$3.9 billion	0.50% Source: Experian 4Q2020 (market share reflects Indirect only)	See market share breakdown provided in Table 2
Floorplan	Loans and lines of credit to auto dealers to finance inventory	\$1.0 billion	Not Available	See market share breakdown provided in Table 2
Credit Card	Open-end credit cards	\$1.9 billion	0.18% Source: Experian	See market share breakdown provided in Table 2
Personal Lending	Unsecured personal installment loans	\$1.5 billion	1.78% Source: U.S. National Consumer Portfolio Credit Trends Report from Equifax	See market share breakdown provided in Table 2
Home Equity	Open-end and closed-end loans and lines of credit secured by property	\$2.6 billion	0.06% Source: ICON/SNL data	See market share breakdown provided in Table 2
Residential Mortgage	Residential mortgage loans	\$13.4 billion	0.30% Source: Inside Mortgage Finance (Dec. 11, 2020)	See market share breakdown provided in Table 2
Small Business Lending	Loans and lines of credit to small businesses	\$661 million	0.10% Source: FDIC data as of 12/31/2019 based on C&I loans < \$1 million	See market share breakdown provided in Table 2

¹⁴ Lending balances reflect average balances as of 12/31/2020.

Table 9—Other Retail Banking Products

Product	Description	Volume	Market Share	Principal Competitors
Investments	Retail securities brokerage services, including related advisory services	Included within Personal Wealth in Table 11	NA	NA
Merchant Services	Merchant acquiring services and processing	\$14.5 billion of transaction volume	0.16% Source: Full year 2019 Nilson Report	Chase (15%), Bank of America (9%), WorldPay (9%), Global Payments (9%), Wells Fargo (7%), Fiserv Direct (4%), and Key Bank (<1%)
Money Transfer Services	Money movement and payment services	\$106 million in 2020 revenue	Market share information is not available	Uniteller, Transnetwork, Appria Pay and other licensed money transmitters with direct relationships with foreign payers. Market data for major competitors is not publicly available

Table 10—Commercial Banking Products and Services

Product	Description	Volume ¹⁵	Market Share	Principal Competitors
Corporate Banking	Banking / lending capabilities for companies with more than \$50 million in annual revenues, includes industry verticals (Healthcare, Public Finance, DIG, FIG), ESOP expertise, Asset-Backed Lending	Average loans of \$13.6 billion	Average Industry C&I Loans, per the H8 data in 2020 was \$2.71 trillion Estimated BBVA market share: 0.7%	See market share breakdown provided in Table 4
Commercial Banking	Banking / lending capabilities for companies with \$5 million – \$50 million in revenues	Average loans of \$5.5 billion		
Business Credit	Asset-Based Lending, Vendor Finance, Specialty Lending Areas	Average loans of \$2.3 billion	The top three lenders account for 80% of market share	See market share breakdown provided in Table 4
Real Estate	Real Estate Lending, Commercial Loan Servicing, Tax Credit Solutions (e.g., LIHTC)	\$16 billion in commitments	Per 3Q20 Mortgage Banking Association report, there was \$1.47 trillion in Mortgage Debt Outstanding at Commercial Banks in 2020 Estimated BBVA market share of 1.1%	See market share breakdown provided in Table 4
Treasury Management	Cash Management Solutions including payables, receivables, liquidity, information services, international and escrow services	2019 revenues of \$146 million	E&Y Cash Management report had 2019 industry revenues at \$18.6 billion Estimated BBVA market share of 0.8%	See market share breakdown provided in Table 4
Capital Markets	Foreign Exchange, Derivatives, Debt Sales and Trading	Revenue of \$75 million	See Response to Item 9.c	See market share breakdown provided in Table 4

¹⁵ Volume reflects full year 2020 average loans unless otherwise noted.

Debt Capital Markets	Loan Syndication	2020 Pro Rata Loans of \$5.0 billion ¹⁶	Estimated BBVA market share: 0.3% ¹⁷	See market share breakdown provided in Table 4
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Table 11—Personal Wealth

Product	Description	Total Balances ¹⁸	Market Share ¹⁹	Key Competitors
Investment Management	Discretionary investment management across equities, fixed income, and alternative asset classes	\$23.1 billion (Personal Wealth) \$299 million (Institutional)	0.1%	The competitor set for Wealth Management’s personal wealth business is large, and specific types of competitors for include national banks (<i>e.g.</i> , JPMorgan), regional banks (<i>e.g.</i> , Comerica), discount brokers (<i>e.g.</i> , Fidelity), wire houses (<i>e.g.</i> , Goldman Sachs), trust companies (<i>e.g.</i> , Northern Trust), and RIAs. Due to limitations around publicly available data relative to the size of Personal Wealth’s peers, competitor volume and market share cannot be reasonably estimated at this time.
Asset Servicing and Custody	Provide administration for client assets	\$2.9 billion (Personal Wealth) \$3.2 billion (Institutional)		
Lending	Lending solutions include residential mortgages, home equity lines of credit, securities-based lines of credit, and some commercial loans	\$3.9 billion	See the Retail Banking response for detail (Deposit offerings are based on Retail Banking offerings and included in those totals)	
Deposits	Deposit solutions including interest- and noninterest-bearing DDAs, money market deposits, savings, and certificates of deposits	\$8.5 billion		

In connection with providing the above products, BBVA USA Wealth Management also provides:

¹⁶ Refinitiv™ Loan Connector, League Table – US: 2020 Overall Bookrunner (Jan. 5, 2021).

¹⁷ *Id.*

¹⁸ As of 12/31/2020; AUM represents spot balances while Lending/Deposits represent average balances. Lending/Deposit balances are also included in Tables 7 and 8.

¹⁹ According to the Capgemini Research Institute, total assets held by High Net Worth Individuals (defined as individuals with assets over \$1mm) in North America was \$21.7 trillion as of the end of 2019. Given that the United States is the domicile of the majority of High Net Worth Individuals in North America (per Capgemini report referenced above), this number is used as a proxy for the total size of the market that BBVA USA’s Personal Wealth business competes in as it relates to investment management and asset servicing and custody services.

<https://worldwealthreport.com/resources/world-wealth-report-2020/>.

- Wealth Strategy Services: Provide advice on wealth and retirement planning, gift and transition planning, business succession, and insurance; and
- Trust and Estate Advice: Provide advice on trust and estate planning, trust administration, and estate settlement.

Separate market share information is not available on these services. The principal competitors identified above also generally provide these services.

2. **List any significant anticipated changes in services or products offered by the depository subsidiary(ies) of PNC or BBVA following consummation of the transaction (including whether any services or products will be discontinued). Please indicate whether there will be any changes in the terms or provision of the products and services currently provided, including fees. To the extent that any products or services of the depository subsidiary(ies) of PNC or BBVA would be offered in replacement of any products or services to be discontinued, indicate what these replacement products are and how they would assist in meeting the convenience and needs of the communities affected by the transaction.**

Please see the Confidential Appendix for a response to this item.

3. **Public Exhibits 10 and 11 to the BHC Act application includes a brief overview of PNC’s and BBVA’s compliance risk management programs. Provide a more detailed overview of the anticipated compliance risk management program at the combined bank holding company reflecting key integration decisions. Include details regarding:**
 - a. **the structure of the compliance function, including key positions, committees, and reporting lines;**
 - b. **the responsibilities of the first and second lines of defense with respect to compliance; and**
 - c. **other significant aspects of the compliance risk management framework, including compliance monitoring, compliance testing, training, risk assessments, regulatory change processes, reporting compliance results, and staffing.**

PNC Compliance Risk Management Program

Organizational Structure

Upon the integration of BBVA USA with and into PNC Bank, the consolidated entity will become subject to PNC’s Enterprise Risk Management Framework, Enterprise Compliance Policy and related policies and procedures. PNC Enterprise Compliance and Bank Secrecy Act and Anti-Money Laundering Compliance (collectively “PNC Compliance”) are divisions of PNC’s Independent Risk Management (“IRM”), within the second line of defense. PNC

Enterprise Compliance is led by PNC's Chief Compliance Officer, and the BSA/AML Compliance function is led by PNC's Chief BSA/AML Officer. The Chief Compliance Officer and Chief BSA/AML Officer are both direct reports of PNC's Chief Risk Officer, Joe Rockey. PNC Compliance is organized into both "vertical" and "horizontal" disciplines in order to effectively execute on the Compliance Framework and to support Front Line Units and support areas (collectively "FLUs") in the management of compliance risk.

Vertical compliance disciplines within PNC Compliance provide compliance support to specific FLUs including:

- Asset Management Group;
- Asset and Liability Management;
- Broker-Dealer and Bank Capital Markets;
- PNC Capital Advisors and PNC Realty Investors (SEC-registered investment advisor subsidiaries of PNC);
- Corporate and Institutional Banking;
- Retail Banking and Lending; and
- Shared Services (*e.g.*, Finance, Human Resources).

Horizontal disciplines within PNC Compliance are specialized areas that provide compliance support to the enterprise based on an underlying set of regulatory requirements. These disciplines include:

- BSA/AML and Sanctions;
- Centers of Excellence (*e.g.*, Fair Credit Reporting Act, Servicemember Civil Relief Act and Flood Disaster Protection Act);
- Fair Banking (*e.g.*, Equal Credit Opportunity Act, Fair Housing Act, UDAP/UDAAP standards, Home Mortgage Disclosure Act and Community Reinvestment Act);
- Privacy; and
- Enterprise Compliance Programs (*e.g.*, Regulation O, Regulation R, Regulation W and Regulation Y).

Additionally, IRM Enterprise Testing is a segment of IRM that includes a function that executes testing activities at the direction of PNC Compliance.

Staffing level information and current organizational charts for PNC Compliance and IRM Compliance Testing are provided in Confidential Exhibit A to this letter.

Through the application of this compliance coverage model to the consolidated entity, PNC Compliance will continue to provide the necessary oversight of compliance risk management activities to PNC's FLUs, including those businesses integrated through the acquisition of BBVA USA. PNC Compliance will continue to be accountable for providing appropriate advice, support, and oversight of compliance procedures, emerging risks and training programs. PNC Compliance is, and will continue to be, responsible for conducting independent compliance risk assessments, performing monitoring activities and providing reporting to PNC's senior management and Board of Directors through several risk committees including

management's Compliance, Fiduciary and AML Risk Committee ("CFAMLRC") and Enterprise Risk Management Committee ("ERMC"), as well as the Risk Committee and Compliance Subcommittee of the Board of Directors. The following provides a brief description of these committees.

CFAMLRC. The CFAMLRC oversees Compliance, Fiduciary, and Anti-money Laundering Risk Management frameworks and strategies across PNC. The CFAMLRC helps ensure the risk management of these Frameworks is appropriate and in alignment with the risk exposure and PNC's Enterprise Risk Management Framework. The CFAMLRC is also responsible for oversight of risk management processes related to fiduciary and investment risk and approves fiduciary and investment risk policies. The CFAMLRC is co-chaired by the Chief Compliance Officer and the Chief BSA/AML Officer. Committee membership includes several first and second line risk executives, including the Chief Operational Risk Officer (2nd line of defense), the Chief Compliance Officer for PNC's Retail businesses (1st line of defense) and PNC's Chief Fiduciary Officer (1st line of defense), among others.

ERMC. ERMC, as PNC's most senior management-level risk management committee, is responsible for the oversight of enterprise-wide risk management activities (including compliance risk management activities) at PNC, including the reporting of key enterprise risk metrics, issues and initiatives to the Board of Directors and its Risk Committee and Compliance Subcommittee. The ERMC is responsible for the oversight of the ERM Framework, including Compliance Risk. The CFAMLRC reports to the ERMC.

Risk Committee of the Board of Directors. The Risk Committee is responsible for the oversight of PNC's risk governance framework, including related policies, procedures, activities and the processes to identify, measure, monitor and manage risk, including compliance risk. The Risk Committee determines the strategic approach to risk via the review and approval of PNC's risk management structure and the establishment of its Risk Appetite.

Compliance Subcommittee. The Compliance Subcommittee of the Risk Committee was established to assist the Risk Committee in fulfilling its oversight responsibilities with respect to compliance risk, significant compliance-related initiatives and programs, and the maintenance of a strong compliance risk management culture. The Compliance Subcommittee facilitates Board-level oversight of compliance risk and compliance risk management and serves as the primary point of contact between the Risk Committee and the members of management responsible for compliance risk and significant compliance-related initiatives and programs.

Roles and Responsibilities

First Line of Defense ("1LoD") Units and 1LoD Compliance. FLUs are the first line of defense against potential compliance violations and are responsible for integrating PNC's compliance risk management framework into their daily work activities. Each FLU is responsible for ensuring that their employees are aware of relevant regulatory requirements related to its business activities; implementing the appropriate controls to effectively manage compliance risk; and creating applicable supporting policies and/or procedures designed to enable employees to comply with the elements of the compliance framework.

Second Line of Defense (“2LoD”) – PNC Compliance. PNC Compliance maintains expertise on regulatory Compliance topics; advises senior management on regulatory requirements; identifies, documents and assesses the compliance risks associated with the bank’s business activities; monitors regulatory change; provides guidance to front line and functional areas on regulatory compliance requirements that have business specific or enterprise-wide impact; monitors business activities related to compliance risk; provides critical challenge to FLU compliance practices; and provides periodic reporting on compliance risks and issues to senior management and the Board of Directors.

Other Elements of PNC’s Compliance Management System

Monitoring / Testing. PNC Compliance completes monitoring activities on a routine basis or through targeted reviews. Monitoring activities may include; control performance monitoring; policy or procedure review; complaints review and analysis; and targeted compliance risk reviews. PNC Compliance creates the annual compliance testing and monitoring plan to prioritize testing and monitoring activities directed towards the areas of highest risk. IRM Compliance Testing, at the direction of PNC Compliance, assists in the effective management and evaluation of compliance risk through the execution of independent risk-based testing designed to assess the effectiveness of PNC’s policies, procedures and controls. The universe of regulatory requirements considered for the IRM compliance testing and monitoring plan is based on the regulatory requirements identified in the Independent Compliance Risk Assessments. The annual testing plan is coordinated by PNC Compliance and is approved by the CFAMLRC. Periodic updates on the status of the compliance testing and monitoring plan and material scope changes are provided to the CFAMLRC on a quarterly basis. Significant risk outcomes related to testing and monitoring activities are communicated to the impacted FLU. Issues identified through monitoring are reported to the FLU at the time of identification and documented as IRM-identified compliance issues in the Archer Governance, Risk and Compliance System where they are tracked through remediation and closure.

Training. On an annual basis, PNC Compliance partners with PNC University²⁰ to review and distribute enterprise-wide risk management training related to (i) Bank Secrecy Act and Anti-Money Laundering, and (ii) Privacy. These online courses are assigned to all employees each year as risk management refresher training. FLUs and Risk Areas determine their respective annual compliance training needs based on, among other things, new regulatory requirements, new products or procedures, and any identified skill or knowledge areas of focus. The resulting training calendar, created and implemented by PNC University, may be modified during the course of the year to address emerging risks, new requirements or other needs. FLUs and Risk Areas are responsible for executing and monitoring completion of the Compliance training calendar for identified audiences. PNC Compliance evaluates the adequacy of training content, attendance and completion rates as part of its Independent Compliance Risk Assessments. Compliance professionals may participate in external training presented by industry forums and professional organizations to develop and maintain expertise in their field or

²⁰ PNC University is PNC’s enterprise training and development liaison. Through the MyLearning portal, it provides career and professional development training for PNC employees.

earn job-specific professional certificates and/or licenses. Training priorities for PNC Compliance employees are included in the Enterprise Compliance Annual Plan.

Regulatory Change. The Regulatory Change Program (the “Program”) is co-owned by Legal and Enterprise Compliance. The Program sets the framework and governance for how PNC responds to and implements new and changed regulations, statutes, and guidance (collectively “regulatory change”). The Program is governed by a Regulatory Change Leadership Group comprised of PNC’s General Counsel & Chief Administrative Officer, PNC’s Senior Deputy General Counsel for Government, Regulatory Affairs & Enterprise Risk, the Chief Compliance Officer, the Chief BSA/AML Officer, the Director of Regulatory Policy and the Director of Regulatory Change, or their designated representative(s). The Program monitors the relevant regulatory landscape to identify regulatory change and works with subject matter experts in Legal, PNC Compliance, Risk Areas, and relevant ILOD areas to determine applicability of the new or changed regulation to PNC. For regulatory change that requires action, impacted FLUs and/or Risk Areas revise existing or establish new policies, procedures, business or operational processes and controls, or take other appropriate actions to respond to the requirements of regulatory change. FLUs and/or Risk Areas impacted by regulatory change are responsible for implementing regulatory change and providing monthly updates to the Program on the status of implementation initiatives. FLUs must provide monthly status updates to their respective risk committees. Legal and Enterprise Compliance also monitor enforcement actions from regulators and other government entities and, where appropriate, the Program assists in providing a consistent, enterprise-wide process for tracking and evaluating enforcement actions for the financial services industry.

Independent Compliance Risk Assessment. At least annually, PNC Compliance identifies, documents and assesses the compliance risks applicable to PNC and evaluates the effectiveness of compliance risk management across the organization. The Independent Compliance Risk Assessment is used to evaluate inherent risk, rate the quality of risk management (“QRM”), and calculate the residual risk after QRM is applied. The Independent Compliance Risk Assessment is also used to consider emerging risks and evaluate the Risk Outlook based on the evolving industry and regulatory landscape. The outcomes of the Independent Compliance Risk Assessment may result in recommendations made to a FLU to address or enhance risk management practices. In aggregate, Independent Compliance Risk Assessments reflect the total compliance risk exposure for PNC. The results of the Independent Compliance Risk Assessment are reported at least annually to the CFAMLRC, ERMC and the Compliance Subcommittee of the Board of Directors.

Reporting. PNC Compliance produces a quarterly Compliance Risk Report consistent with the Enterprise Risk Management Framework Policy and Quarterly Risk Reporting Procedure for distribution to the CFAMLRC and ERMC. A quarterly summary report also is reviewed by the Executive Committee and shared with the Compliance Subcommittee of the Board of Directors. The report includes findings, concerns, and issues identified through various means and includes a Risk Appetite Metrics section, which reviews PNC’s compliance with its defined compliance risk appetite metrics. The quarterly Compliance Risk Report also provides an assessment of PNC’s Fiduciary Risk Profile. PNC Compliance also reviews and evidences the challenge of FLU compliance risk conclusions and ensures they are accurately reflected in

FLU quarterly risk reports and provides input to Operational Risk Management on Compliance Risk to be reported in the quarterly Enterprise Operational Risk Report.

Please also see the response to Item 5 regarding PNC's complaint monitoring program, which is an integral part of PNC's overall approach to compliance risk management.

4. Indicate to what extent PNC's or BBVA's Community Reinvestment Act ("CRA") and consumer compliance (including fair lending and unfair or deceptive acts or practices) programs would be implemented at the combined bank. In addition, indicate the key individuals who would be responsible for these programs, as well as their qualifications and experience.

PNC Bank received an "Outstanding" CRA rating at its most recent performance evaluation and, in fact, has received an "Outstanding" rating in *every* performance evaluation since the CRA was enacted in 1977. PNC plans to apply the same lending, services, investment and community engagement strategies that have served it, and its communities, well at the combined organization, with the goal of maintaining an "Outstanding" level of CRA performance in the future. BBVA USA also has an "Outstanding" CRA rating and we expect to draw from BBVA USA's understanding of, and relationships with, its local communities to help ensure the combined organization can assist in meeting the credit and banking needs of its entire communities, including the communities that will be "new" to PNC Bank and low- to- moderate-income communities ("LMI") throughout PNC Bank's footprint. Any enhancements to PNC Bank's CRA approach will be evaluated through its continuous improvement process.

PNC anticipates applying its existing CRA, fair lending, UDAP/UDAAP and other consumer compliance programs to the combined entity. From a staffing perspective, PNC anticipates some enhancements to existing staffing levels, both within the 1LOD Defense Compliance and the Enterprise Compliance teams, in order to address and mitigate any incremental, increased consumer compliance risk that may arise as a result of the size and product set of the combined entity's consumer businesses. By way of example, PNC anticipates that, with the acquisition of BBVA USA, the extent to which PNC markets and offers consumer products to customers in Spanish will increase. Accordingly, with regard to those activities in particular, PNC anticipates enhancing its existing compliance teams by adding bilingual compliance officers who can assist in providing oversight for those activities.

PNC also anticipates applying its fair lending program to the combined entity and will carefully evaluate incremental enhancements to ensure effective fair lending risk management after consummation. PNC's Enterprise Compliance/Fair Banking department ("Fair Banking") executes an enterprise-wide fair lending compliance program focused on fair lending risk assessment; providing advice, guidance, independent review and challenge; and fair lending monitoring and analytics. The program is designed to be adaptable and scalable as PNC's business expands, grows and evolves. Fair Banking will use a risk-based approach to assess potential fair lending risks at BBVA USA in the interim period between consummation and

systems conversion and will complete additional ad hoc monitoring of areas as deemed appropriate.

Additionally, in the period post-close but before systems conversion, PNC will work to align BBVA USA's products to PNC's Enterprise Product Delivery Risk Management framework. PNC has implemented a proactive risk management framework designed to help ensure that PNC delivers consistently on the commitments made to its customers in its account agreements and fee schedules, thus reducing risk under UDAP/UDAAP standards, the Truth in Savings Act, the Truth and Lending Act, and their implementing regulations. PNC anticipates focusing post-close on the conversion of BBVA USA customers to comparable PNC products, where possible, as part of the Bank Merger. As a result of that conversion, the extensive work that PNC has performed in implementing its product delivery risk management framework will benefit converting BBVA USA customers and new customers to the combined organization by helping to ensure that they receive products and services per the terms promised to them in their account agreements and fee schedules. PNC's existing fair lending program activities will also apply to the newly acquired customer relationships, immediately upon conversion.

PNC has a robust compliance management system across three lines of defense that is led by highly qualified and experienced compliance professionals. CRA, Fair Lending, HMDA and UDAP/UDAAP compliance risk management functions in the second line of defense are within the Fair Banking Compliance Department.

A description of the key individuals responsible for PNC's Fair Banking compliance programs and a description of their qualifications is provided in the Confidential Appendix.

5. Provide an overview of the anticipated approach of the combined bank to consumer complaint management, including with respect to its policy framework, staffing, and oversight.

In connection with the Bank Merger and related system conversions, it is anticipated that the combined bank will adopt and function utilizing the PNC's robust Enterprise Consumer Complaint program ("Complaint Program"). The PNC Complaint Program is guided by the Enterprise Consumer Complaint Policy and PNC's core value of Customer Focus. The PNC Complaint Program applies to all PNC LOBs that originate or service consumer financial products and services.²¹

PNC recognizes that an effective complaint management program is necessary to assist PNC meet both customer experience and risk management objectives. In an attempt to fully understand the experience that consumers have in interacting with PNC, PNC has adopted a broad definition of a "complaint" for purposes of the Complaint Program. Specifically, PNC defines a "complaint" as:

²¹ Complaints related to the retail broker-dealer services provided by PNC Investments, LLC, a subsidiary of PNC Bank, are managed under a separate program in order to ensure compliance with applicable requirements of the Financial Industry Regulatory Authority.

“An occurrence when a customer, individual, or group expresses dissatisfaction with PNC’s products, services and/or business practices verbally, in writing, or through PNC-sponsored social media outlets.”

The Complaint Program requires that any complaints meeting PNC’s definition be logged into a centralized capture system, EDGE Complaints, which sits within PNC’s Salesforce platform.

Complaint Handling

PNC’s LOBs are required to follow the complaint management process by recording complaints when they are made. Complaints are captured from all points of interaction with a consumer, including in person, phone, email, mail, chat, and PNC-sponsored social media sites. PNC’s goal is to resolve the complaint at the first point of contact, whenever possible, while ensuring that complaints warranting escalation (such as complaints alleging unethical employee behavior) are properly escalated.

As provided in the Enterprise Consumer Complaint Policy, PNC assigns complaints to three tiers in order to help ensure complaints that require additional resources to investigate, that raise significant issues, or that are received from PNC’s regulatory bodies receive appropriate attention and that all complaints are resolved in a timely manner. Comments and supporting documentation related to the resolution of a complaint are contained within the system when appropriate.

- *Tier 1* complaints are those received by, and resolved through, the initial point of contact. If the employee logging the complaint is unable to resolve the complaint at the Tier 1 level, the employee can escalate the complaint via the system and the complaint is then routed to a dedicated group of specially trained employees to resolve the issue at the Tier 2 level.
- *Tier 2* complaints are those escalated to the appropriate business segment escalation group or resources for further research and resolution. PNC’s two primary Tier 2 complaint resolution teams sit within the Retail Customer Care Center. This dedicated group can also escalate a complaint to the Tier 3 group if appropriate.
- *Tier 3* complaints are those that (i) are escalated to PNC’s Executive Client Relations (“ECR”) team for resolution (*e.g.*, because they involve complex issues); (ii) are received from regulatory agencies or elected officials, or were received by PNC’s Corporate Communication or executive offices; or (iii), involve allegations of a violation of law or regulations, discrimination, or other serious concerns, such as unethical conduct by a PNC employee. ECR handles all Tier 3 complaints. ECR is a dedicated group that sits within PNC’s Office of the Customer, ultimately reporting to Karen Larrimer, PNC’s Chief Customer Officer and Executive Leader of Retail Banking.

When entering a complaint into PNC’s centralized complaint tracking system, employees are asked if the complaint contains any potential high-risk characteristics, such as allegations of discrimination, a violation of laws or regulations, or employee wrongdoing. If the answer is

“yes,” the complaint is automatically categorized as a Tier 3 complaint and directed to the ECR for investigation and resolution.²² The ECR is authorized to engage all parties necessary to investigate and resolve a complaint, including Legal, PNC Compliance, Human Resources, the LOBs and other business partners.

Enterprise Third Party Complaints

PNC also has established complaint handling expectations for its vendors (as well as the vendors of PNC’s vendors)²³ that interact with PNC customers, prospective customers, or other users of PNC or the third party’s (or fourth party’s) products or services. These expectations include the expectation that the third party (or fourth party):

- Will utilize PNC’s definition of a “complaint” when interacting with PNC customers or prospective customers;
- Will establish and maintain a process for identifying, tracking, resolving and maintaining records about PNC-related complaints;
- Will establish and maintain protocols for escalating complaints to PNC when appropriate;
- Will provide PNC regular reports regarding any complaints received; and
- Will conduct training and monitoring around their complaint management program.

Third party (and fourth party) complaint management programs are reviewed by the Office of the Customer, as well as PNC’s Enterprise Third-Party Management program. If any gaps in the third party’s (or fourth party’s) complaint management program are identified, action plans are created by the Office of the Customer and assigned to the relevant engagement owner(s), who are then responsible for working with the third party (or fourth party) to address the gap.

Governance and Oversight

Pursuant to the Enterprise Complaint Management Policy, PNC’s LOBs are responsible for reviewing and analyzing complaint data. Such review and analysis can assist PNC in identifying ways of improving the customer experience and instances of potential improper or unethical behavior by PNC employees. For example, various data elements, including complaints, are analyzed to identify areas of opportunity to improve customer experience and address risk. Results of the analysis, including initiatives that are undertaken as a result of the findings, are compiled at least quarterly by the teams within the LOBs and communicated to appropriate business governance committees and management.

Within the first line of defense, Retail Compliance serves as embedded compliance subject matter experts, advisors and support for the Retail businesses. On a daily basis, first line compliance reviews Tier 3 complaints for potential regulatory impacts/concerns, unfair/deceptive practices and/or system processes or breakdowns. These reviews occur prior to the submission of written responses to the client or regulatory agencies. On a quarterly basis, they also conduct

²² Complaints that threaten legal action against PNC are initially categorized as Tier 2 for investigation by the appropriate LOB, but subsequently may be escalated to a Tier 3 complaint if appropriate.

²³ A vendor of PNC is frequently referred to as a “third party” and a vendor of a PNC vendor is often referred to as a “fourth party.”

sample-based reviews of complaints, looking for the same above listed concerns. Any key findings or observations are escalated, as appropriate, to LOB leadership. In addition, Retail Compliance subject matter experts attend the LOB root cause analysis meetings to ensure business partners recognize regulatory risks that may surface from their complaint analysis.

Within the second line of defense, Enterprise Compliance analyzes complaints to identify potential issues with business practices and focuses on root causes, trends and themes. Enterprise Compliance also reviews and challenges the 1LOD complaint management program and data analytics.

The Compliance Subcommittee of PNC's Board of Directors also receives periodic reports on the status of PNC's Complaint Program, including information on complaint trends.

6. Describe PNC's plans with respect to policies, procedures, staffing and oversight of the combined organization's technology, and efforts underway to ensure a smooth technological transition for existing customers.

Please see the response provided in the Confidential Appendix.

7. The applications note that PNC expects to honor the community pledges previously made by both PNC and BBVA USA, and to engage with community partners in PNC's and BBVA's markets to determine how the combined organization can best meet community needs. Provide a description of the community pledges referenced, as well as applicants' efforts to engage with community partners in connection with the proposed transactions.

As indicated in PNC's Federal Reserve Application, PNC expects to honor the community pledges previously made by PNC and BBVA. These pledges include:

- PNC's pledge of more than \$1 billion to help end systemic racism and support economic empowerment of Black and LMI communities.²⁴ The majority of this funding will be implemented through PNC Bank's Community Development Banking team's lending and investing activities and its financial education and other community development service activities. Although PNC has long demonstrated a firm commitment to help LMI communities in its CRA assessment areas, its work implementing this new \$1 billion pledge will focus more deliberately on Black communities in its existing and post-transaction expanded CRA assessment areas. This pledge will be supplemented with \$50 million in additional charitable support for national and local actions that will help

²⁴ <https://pnc.mediaroom.com/2020-06-18-PNC-Commits-More-Than-1-Billion-To-Help-End-Systemic-Racism-And-Support-Economic-Empowerment-Of-African-Americans-And-Low-And-Moderate-Income-Communities>.

eliminate systemic racism and promote social justice. Areas of focus for the \$1 billion allocation include:

- Economic Empowerment of LMI individuals, including leveraging PNC Bank’s community development products and services and a focus on financial management behaviors – from basic money management skills to more sophisticated behaviors like homebuying – using home equity and diversifying investments.
- Education across every age range in LMI communities – from birth to age five through the PNC Grow Up Great® early childhood education initiative, to secondary and collegiate tracks focused on skill building, job readiness and achievement in higher education.
- Entrepreneurship support, including everything from teaching entrepreneurial basics to ensuring access to capital necessary to spur Black-owned economic growth, to creating opportunities for Black-owned firms to capitalize on professional services and other revenue opportunities.
- Policy, Philanthropy and Cultural Investment via strategic application of PNC’s core competencies across multiple departments and leveraging the financial resources of both the company and the PNC Foundation.

PNC’s pledge also includes enhancing its existing employee matching gift program to include support for qualifying nonprofit organizations that support economic empowerment and social justice educational efforts, and extending the 40 hours of paid time off that employees receive annually to volunteer through PNC Grow Up Great® to include volunteering for qualifying social justice and economic empowerment nonprofits.

- PNC’s pledges in support of PNC Grow Up Great®. PNC has pledged \$500 million to this multi-year, bilingual initiative that began in 2004 to help prepare children—particularly underserved children—from birth to age 5 for success in school and life.²⁵ Through the program, PNC emphasizes the importance of the first five years of life, which research has shown is critical to long-term achievement, and provides innovative opportunities that assist families, educators and community partners to enhance children’s learning and development. An investment in pre-K students makes good economic sense and plants the seeds for the dynamic workforce of tomorrow. To date, more than \$180 million in grants have been awarded by the PNC Foundation as part of the Grow Up Great initiative to organizations that support high quality early childhood education.
- PNC’s pledge of more than \$50 million to eight community development financial institutions (“CDFIs”) across the country to support their own origination of Payroll Protection Program loans in potentially underserved geographies and sectors (March 2020).
- PNC’s pledge of \$30 million in charitable support of coronavirus relief efforts, primarily directed toward basic needs and hardship relief programs across the markets in which PNC operates (April 2020).

²⁵ <https://www.pnc.com/en/about-pnc/corporate-responsibility/grow-up-great.html>.

As indicated in the Federal Reserve Application, PNC Bank maintains Regional Presidents in major local markets throughout its footprint who are responsible for, among other things, ensuring that PNC's full suite of available products, services and community support activities (*e.g.*, community development investments, charitable sponsorships and philanthropic giving) are brought to the market in ways that resonate most effectively in those communities. The pledges discussed above are in addition to the numerous pledges that PNC makes in its local communities to promote community development or otherwise enrich local communities. For example:

- In August 2020, PNC pledged \$10 million to assist underserved Pittsburgh neighborhoods and struggling small business owners.²⁶ This pledge included:
 - \$6.5 million for the Emergency and Recovery Loan Fund, which was established to assist in mitigating the COVID-19 economic impact and to help small businesses stabilize in the face of current financial challenges.
 - \$2.5 million for a new CDFI pending certification from the Treasury Department, which will focus on assisting businesses located in LMI communities, businesses located in predominantly minority communities that have historically experienced decades of disinvestment and difficulty accessing capital, and nonprofits that serve minority and LMI communities.
 - \$1 million will be used to expand Catapult: Startup to Storefront, an accelerator and retail business incubator for minority and women entrepreneurs who want to start or grow a business. The program plans to use this funding to bring its successful model to businesses in communities beyond the East Liberty neighborhood.²⁷
- In September 2020, PNC Bank and the PNC Foundation pledged \$250,000 to the Cleveland Metropolitan School District, Boys & Girls Clubs of Northeast Ohio, East Cleveland City Schools and Breakthrough Public Schools to help them furnish students with digital learning resources, such as computer equipment, tutors and internet connectivity that will enable remote learning during the COVID-19 pandemic.²⁸
- In November 2020, the PNC Foundation pledged an additional \$1 million to non-profit cultural institutions in Greater St. Louis, representing an extension and evolution of PNC Arts Alive, through which PNC has granted \$3 million to visual and performing arts groups throughout Greater St. Louis since 2010.²⁹

BBVA USA also has pledged significant support to assist its local communities and empower disadvantaged individuals and families. For example, BBVA USA in 2019 announced

²⁶ <https://pnc.mediaroom.com/2020-08-13-PNC-Commits-10M-To-Support-Small-Businesses-In-Pittsburgh>.

²⁷ All three of these programs are operated or managed by the Urban Redevelopment Authority (URA) of Pittsburgh.

²⁸ <https://pnc.mediaroom.com/2020-09-21-PNC-Provides-250-000-To-Equip-Students-With-Virtual-Learning-Tools>.

²⁹ <https://pnc.mediaroom.com/2020-11-23-PNC-Arts-Alive-Initiative-Extended-and-Enhanced-in-St-Louis>.

a six-year (2020-2025) pledge to provide up to \$15 billion in lending, investments and services toward supporting LMI individuals and neighborhoods. This pledge included up to \$7.3 billion for small business lending, \$4 billion in community development lending, \$3 billion for LMI mortgage lending and \$1.1 billion in community development investments. This announcement followed BBVA USA's successful completion of a five-year, \$11 billion community pledge that ran through 2019, concluding with over \$13 billion in loans and investments.

Besides honoring the community pledges made by PNC and BBVA USA, including the pledges discussed above, PNC Bank is looking forward to mapping out, in consultation with BBVA USA, new ways the combined bank can support local communities and assist disadvantaged groups across the combined organization's entire footprint. As stated in the Federal Reserve Application, PNC Bank expects to engage with community partners, both in PNC Bank's current footprint and BBVA USA's markets, to identify ways that the combined organization can help serve the banking and credit needs of the organization's entire communities, including LMI, African American and other minority individuals and neighborhoods.

Consistent with this statement and PNC Bank's historical model of community engagement, PNC Bank, with invitations to BBVA USA representatives, is hosting several virtual³⁰ "listening sessions" with various community organizations in order to gain input on community needs throughout the footprint of the combined organization and identify ways that PNC Bank could assist in meeting those needs, consistent with PNC Bank's business model. The listening sessions are coordinated by Richard Bynum, PNC's Chief Corporate Responsibility Officer, and Cathy Niederberger, PNC's Director of Community Development Banking. Depending on the topic and availability, PNC participants in such listening sessions have included, in addition to Mr. Bynum and Ms. Niederberger: Bill Demchak, PNC's Chairman and CEO; Sharon Werner, Chief Operating Officer of the Corporate Responsibility Office; Sally McCrady, President of The PNC Foundation; Marsha Jones, Chief Diversity Officer; PNC Regional Presidents from the region(s) served by the organizations participating in the meeting; representatives from Community Development Banking, Retail Banking, Retail Lending and CRA Compliance; Gregory Jordan, PNC's General Counsel & Chief Administrative Officer; and representatives from the Regulatory & Government Affairs unit of the Legal Department. Representatives from BBVA USA including Rey Ocañas, BBVA USA's Director of Communications & Responsible Business and Chris McGillis, CRA Officer also have participated.

The first listening session was held on Friday, January 8, 2021, with the National Diversity Coalition and several of its constituent organizations. PNC is also has hosted seven (7) listening sessions with the National Community Reinvestment Coalition and its constituent organizations to learn about ways that the combined organization can meet the needs of local communities within the combined organization's retail footprint. Each session was focused on a particular region and includes representatives from community organizations within these regions. The dates of these listening sessions and the particular area(s) of focus have been: (i) Pennsylvania, Delaware and New Jersey (January 20); (ii) Ohio and Michigan (January 22); (iii) Arizona, New Mexico, Colorado, and California (January 25); (iv) Florida, Georgia and

³⁰ Due to the ongoing COVID-19 pandemic, all listening sessions are scheduled to occur via video conference.

Alabama (January 27); (v) Illinois, Indiana and Wisconsin (January 29); (vi) Kentucky, Maryland, North Carolina, Virginia and the District of Columbia (February 1); and (vii) Texas (February 3). Representatives from more than 190 community organizations have participated in these listening sessions. These listening sessions are in addition to PNC Bank's regular communications with a wide range of community organizations, such as the National Minority Community Reinvestment Cooperative and its member organizations.

PNC Bank expects to take the information and insights gained through these listening sessions into account as it considers how PNC Bank can address community needs in both its existing and new communities.

8. Describe what, if any, financial stability risks and vulnerabilities would increase as a result of the proposed transaction, and steps that PNC is planning to take to mitigate these risks and vulnerabilities.

PNC and BBVA are both Main Street banks that are focused on traditional banking activities, such as deposit taking, lending and asset management for consumers, businesses and municipalities in the United States. As a result, the Proposed Transaction would cause little, if any, increase in financial stability risks to the U.S. financial system and the combined organization would remain subject to a robust set of prudential requirements that is tailored to its risk profile and that is designed to mitigate risk to the financial system.

As discussed in the Federal Reserve Application, neither PNC nor BBVA provides core clearing or settlement services or is a significant participant in the corporate trust, repurchase, securities lending, custody, or debt or equity underwriting or trading markets. In addition, the derivatives activities of both PNC and BBVA are relatively limited. Thus, the intra-financial system assets and liabilities of both organizations are quite limited. For example, the combined organization would have a pro forma total notional amount of OTC derivatives of only \$516.95 billion and aggregate intra-financial system assets and liabilities of only \$54.8 billion.³¹ To put this in perspective, the aggregate notional amount of OTC derivatives at the six (6) non-custodial U.S. globally systemically important banks ("GSIBs") is \$202.6 *trillion*, and the aggregate amount of intra-financial system assets and liabilities of such firms is \$2.6 *trillion*.

The limited current and pro forma systemic footprint of PNC is evidenced by the current and pro forma GSIB score for PNC. Under the Federal Reserve's Method 1 GSIB score methodology, which is used to identify U.S. bank holding companies that are GSIBs, a firm's score is based on a wide range of factors that potentially affect the firm's financial stability risks, including size, complexity, interconnectedness, substitutability, and cross-border activities. PNC's current GSIB score is only 37 and, even after giving effect to the Proposed Transaction, would be only 42, an increase of only 5 points. Importantly, PNC's pro forma GSIB score would remain fully 88 points below the 130 point threshold necessary to be considered a GSIB.

³¹ Unless otherwise indicated, all data in response to this item 8 are as of September 30, 2020, and pro forma data consider the BBVA businesses that PNC would acquire as part of the Proposed Transaction.

Moreover, PNC would remain subject to the robust and tailored prudential framework that the Federal Reserve and the other Federal banking agencies have established to ensure that U.S. banking organizations do not present undue risk to financial stability. Specifically, PNC is considered a Category III institution for purposes of the Federal Reserve’s prudential standards because it (i) has total consolidated assets of more than \$250 billion, but less than \$700 billion, (ii) is not designated as a GSIB, and (iii) has cross-jurisdictional activity of less than \$75 billion. Importantly, PNC would remain a Category III institution even after giving effect to the Proposed Transaction,³² which again confirms that the Proposed Transaction would not materially increase PNC’s systemic footprint.

Nevertheless, following the Proposed Transaction, PNC would remain subject to an extensive set of prudential standards designed to limit any potential for a failure of the organization to pose a systemic risk to the U.S. financial system. Moreover, as a result of the Proposed Transaction, the assets, liabilities and operations of BBVA would become subject to the prudential standards applicable to a Category III institution, thereby strengthening the U.S. prudential standards applicable to the legacy BBVA organization. The following summarizes the most important of these prudential standards, each of which will help mitigate any potential increase in risks and vulnerabilities of the combined organization.

- **Capital Standards.** As a Category III institution, PNC is subject to the Supplementary Leverage Ratio, which requires covered banking organizations to hold specified amounts of Tier 1 capital in relation to the firm’s on-balance sheet assets and off-balance sheet exposures. The Supplementary Leverage Ratio is designed to serve as a backstop to the risk-based capital standards and ensure that large banking organizations maintain a minimum level of capital in relation to their total leverage exposures. As a result of the Proposed Transaction, the assets and off-balance sheet exposures of BBVA will become subject to the Supplementary Leverage Ratio.
- **Capital Stress Testing.** As a Category III institution, PNC is required to conduct a company-run stress test using the scenarios provided by the Federal Reserve at least biennially. PNC also is subject to the Federal Reserve’s comprehensive supervisory expectations related to capital planning and stress testing as set forth in Supervision & Regulation SR 15-19, *Federal Reserve Supervisory Assessment of Capital Planning and Positions for Firms Subject to Category II or III Standards*.³³ As a result of the Proposed Transaction, the assets, liabilities and operations of BBVA would become subject to PNC’s capital planning and stress testing processes and would become, or remain, subject to these standards.
- **Liquidity Coverage Ratio.** As a Category III institution, PNC is (i) subject to the Liquidity Coverage Ratio (“LCR”), which is designed to ensure that large banking organizations maintain adequate levels of high quality liquid assets sufficient to meet short-term liquidity needs even in stressed environments, and (ii) required to calculate the LCR on a daily basis. As a result of the Proposed Transaction, the operations of BBVA would become subject to the LCR standards that apply to PNC.

³² The combined organization would have consolidated total assets of \$552.4 billion, and based on PNC’s and BBVA’s respective Form FR Y-15 reports, would have total cross-jurisdictional claims of only \$11.1 billion and total cross-jurisdictional liabilities of only \$6.35 billion.

³³ This letter is available at <https://www.federalreserve.gov/supervisionreg/srletters/sr1519.htm>.

- **Net Stable Funding Ratio.** As a Category III institution, PNC will be subject to the Net Stable Funding Ratio (“NSFR”), which is designed to ensure that large banking organizations maintain adequate levels of stable funding to meet potential liquidity needs over a longer term (1 year) time horizon. PNC will be subject to the NSFR when it becomes effective on July 1, 2021. As a result of the Proposed Transaction, the operations of BBVA would become subject to the NSFR standards that apply to PNC.
- **Liquidity Stress Testing.** As a Category III institution, PNC is required to conduct liquidity stress tests on at least a monthly basis. As a result of the Proposed Transaction, the operations of BBVA would become subject to these monthly liquidity stress testing requirements that apply to PNC.
- **Resolution Planning.** As a Category III institution, PNC is required to file a resolution plan with the Federal Reserve and the Federal Deposit Insurance Corporation triennially, with submissions alternating between a full plan and a targeted plan. As a result of the Proposed Transaction, the operations of BBVA will be incorporated into the resolution plans filed by PNC and will become subject to the resolution plan requirements that apply to PNC.
- **Recovery Planning.** The Office of the Comptroller of the Currency has adopted enforceable guidelines under Section 39 of the Federal Deposit Insurance Act (12 U.S.C. § 1831p-1) that require large national banks to annually prepare a recovery plan. *See* 12 C.F.R. Part 30, Appendix E. As a result of the Bank Merger, the operations of BBVA USA will be incorporated into the recovery plans filed by PNC Bank and will become subject to the recovery plan requirements that apply to PNC Bank.

Together, these enhanced prudential standards mitigate any potential increase in financial stability risk or vulnerabilities that might result from the Proposed Transaction. Moreover, the combined organization would remain subject to PNC’s comprehensive Enterprise Risk Management framework, which is designed to identify, monitor, assess and mitigate material risks. For a discussion of PNC’s Enterprise Risk Management framework, please see Part II.B.5, Exhibit 10 and Confidential Exhibit G to the Federal Reserve Application.

9. Identify whether PNC or BBVA are involved in each of the following activities, discuss the nature of this involvement, and provide a brief listing of other firms that engage in the same activity in the United States. For both PNC and BBVA, provide measures of the scale of each activity specified, for both the most recent quarter and the most recently completed year. Measures should be stated both in U.S. dollars and as a share of overall U.S. activity; derivatives should be stated as notional dollar amounts. Responses may be confined to information maintained in the regular course of business.

a. Short-term lending

- i. Reverse bilateral repurchase agreements (volume)**
- ii. Reverse tri-party repurchase agreements (volume)**
- iii. Fed funds (volume)**
- iv. Tri-party repo dealing (volume)**

The requested information for PNC and BBVA (on a consolidated basis and excluding the Excluded Subsidiaries) for the 2019 calendar year, and for the first nine (9) months of 2020 (*i.e.*, through September 30, 2020) is available in Confidential Exhibit L to the Federal Reserve Application. Information for full year 2020 and the fourth quarter of 2020 for both PNC and BBVA is not yet available. PNC expects to be able to provide the requested information by March 15, 2021.

b. Commercial lending

- i. Syndicated lending (volume)**
- ii. Syndicated pipeline commitments (volume)**
- iii. Lending to small and medium-sized enterprises (volume)**
- iv. Unfunded commitments (volume)**

The requested information for PNC and BBVA (on a consolidated basis and excluding the Excluded Subsidiaries) for the 2019 calendar year, and for the first nine (9) months of 2021 (*i.e.*, through September 30, 2020) is available in Confidential Exhibit L to the Federal Reserve Application. Information for full year 2020 and the fourth quarter of 2020 for both PNC and BBVA is not yet available. PNC expects to be able to provide the requested information by March 15, 2021.

c. Underwriting services

As indicated in the Federal Reserve Application, PNC will not acquire BBVA Securities, Inc. (“BSI”), the broker-dealer subsidiary of BBVA, as part of the Proposed Transaction. Accordingly, information is provided below only for PNC.³⁴

i. Issuance of new equities (volume)

PNC’s volume of initial public offerings (“IPOs”) was \$0 for the year 2020, including for the quarter ended December 31, 2020. PNC’s full year and 4Q 2020 total equity volume (IPO

³⁴ While PNC will be acquiring the non-institutional customers of BSI as part of the Proposed Transaction, those customer relationships are unrelated to the underwriting activities covered by Item 9.c.

plus secondary offerings) was \$1.0 billion and \$196 million, respectively. PNC’s market share of all equity volume (IPO plus secondary offerings) was 0.30% for the full year 2020 and only 0.19% in 4Q 2020, based on Bloomberg league tables. Leading competitors of all equity issuance and their estimated market share for the full year 2020 (per Bloomberg league tables) include Goldman Sachs (12.1%), Morgan Stanley (10.2%), JPMorgan (10.1%), Bank of America Securities (9.2%) and Citigroup (7.7%).

Table 13—Total US Equity Volume and Market Share
(in \$ millions)

2020 US Volume (\$)	2020 PNC Volume (\$)	PNC Share (%)
\$349,739.3	\$1,039.0	0.30%
4Q2020 US Volume (\$)	4Q2020 PNC Volume (\$)	PNC Share (%)
\$104,188.9	\$196.0	0.19%

ii. Corporate bonds (volume)

PNC tracks volume for investment grade issuance and high yield bonds separately. PNC’s full year and 4Q 2020 volumes for investment grade bonds was \$20.8 billion and \$2.2 billion, respectively, and for high yield bonds was \$5.2 billion and \$770 million, respectively. PNC’s full year and 4Q 2020 estimated market share (based on Bloomberg league tables) for investment grade bonds was 1.0% and 0.9%, respectively, and for high yield bonds was 1.2% and 0.7%, respectively.

Total U.S. volume is gathered from Bloomberg’s investment grade and high yield league table reporting statistics. Leading competitors of investment grade transactions and estimated market share for full year 2020 (per Bloomberg league tables) include JPMorgan (12.4%), Bank of America Securities (12.1%), Citigroup (9.3%), Morgan Stanley (7.9%) and Goldman Sachs (7.6%). Leading competitors of high yield issuance and estimated market share for full year 2020 (per Bloomberg league tables) include JPMorgan (10.6%), Bank of America Securities (7.9%), Citigroup (6.9%), Wells Fargo (6.9%) and Barclays (6.8%).

Table 14—Investment Grade and High Yield Volume and Market Share

Investment Grade (\$ in millions)		
2020 US Volume (\$)	2020 PNC Volume (\$)	PNC Share (%)
\$1,911,949.6	\$20,830.0	1.09%
4Q2020 US Volume (\$)	4Q2020 PNC Volume (\$)	PNC Share (%)
\$241,310.5	\$2,243.0	0.93%
High Yield (\$ in millions)		
2020 US Volume (\$)	2020 PNC Volume (\$)	PNC Share (%)
\$441,388.5	\$5,235.0	1.19%
4Q2020 US Volume (\$)	4Q2020 PNC Volume (\$)	PNC Share (%)
\$104,757.3	\$770.0	0.74%

Notes:

- PNC volume represents only PNC’s underwriting share of each transaction.
- Included in the above amounts for PNC are a small number of foreign currency denominated issuances by U.S. domestic entities, which represents a *de minimis* percentage of total PNC deal volume.
- Corporate asset-backed securities (“ABS”) volume (not government agency or commercial mortgage-backed ABS) is also part of PNC’s investment grade tally because it is such a small portion of PNC’s business that reporting it separately is inconsequential. For PNC’s corporate ABS issuance, we include auto ABS and specialty equipment ABS. PNC’s corporate ABS volume in 2020 was \$0.4 billion or less than 2% of PNC’s total investment grade volume noted in the table above. Corporate ABS issuance was limited to transactions occurring in the 2Q and 3Q 2020 time periods and such issuance was \$0 in the 4Q2020.

iii. Commercial paper (volume)

PNC is not a significant dealer in the commercial paper market and did not underwrite any commercial paper in 2020.

iv. Asset backed securities (volume)

As noted in the response to Item 9.c.ii above, PNC reports corporate (auto/equipment) ABS issuance as part of its investment grade totals.

PNC acts as an originator of Agency commercial mortgage-backed securities (“CMBS”). As a bookrunner for Agency CMBS in 2020, PNC issuance volume was \$4.6 billion, making PNC the 13th largest issuer with a market share of 3.6% (based on Green Street data). Major competitors in this space and their respective market share (based on Green Sheet data) would include Credit Suisse (15.6%), J.P. Morgan (15.2%), Wells Fargo (8.9%), Citigroup (8.6%), and Morgan Stanley (7.3%).

Table 15—Agency CMBS Volume and Market Share

Agency CMBS (\$ in millions)		
2020 US Volume (\$)	2020 PNC Volume (\$)	PNC Share (%)
126,702.4	4,567.0	3.60%

Note: Source is Green Street, a known industry source for rankings and market share. Separate 4Q 2020 data is not available.

v. Other debt securities (volume)

Municipal Debt

PNC volume for municipal debt issuance (both negotiated and competitive) for 2020 was \$4.6 billion, making PNC the 21st largest issuer with a 0.9% market share for the full year (based on Refinitiv/SDC Platinum data). Volume and market share include both taxable and tax-exempt debt. Leading competitors and associated market share for 2020 include Bank of America Securities (16.4%), JPMorgan (16.0%), Citigroup (15.0%), Morgan Stanley (11.8%), and Wells Fargo (8.7%).

Table 16—Municipal Debt Volume and Market Share

Municipal Debt (\$ in millions)		
2020 US Volume (\$)	2020 PNC Volume (\$)	PNC Share (%)
493,861.0	4,621.2	0.94%
4Q2020 US Volume (\$)	4Q2020 PNC Volume (\$)	PNC Share (%)
127,140.3	1,060.3	0.83%

Note: Source is Refinitiv/SDC Platinum, which is a widely used tool in the industry and reflects PNC’s share of transactions for which it was a Lead or Sole Manager.

Placement Agent

PNC serves as a placement agent for private debt securities issued pursuant to Securities and Exchange Commission Regulation D/Rule 4(a)(2). Estimated 2020 USD volume in the private placement market is approximately \$90.0 billion, not including investor-direct transactions (those executed without use of a private placement agent). PNC served as agent on issuance totaling \$6.23 billion in 2020, and totaling \$1.58 billion during 4Q 2020. Quarterly statistics of issuance volume is difficult to verify. In addition, dollar volume reporting in the U.S. is delayed and imprecise. Based on the services PNC subscribes to for market data, volume reports are only done on a half-year basis and are delayed by several months in order to gather estimates of investor-direct transactions. PNC competes with domestic banks such as JPMorgan, Bank of America, US Bank, KeyBank and Wells Fargo and non-domestic banks such as Barclays, MUFG and Mizuho in the private placement market.

- d. **Total provisions of services in the following sectors:**
 - i. **Prime brokerage (number of funds and fund sponsors, and total assets under management)**
 - ii. **Securities lending (report value of securities lent as a custodian and securities lent from trading book)**
 - iii. **Corporate trust**
 - iv. **Correspondent banking**
 - v. **Wealth management (total assets under management)**
 - vi. **Insurance (by segment, including reinsurance)**

The requested information for PNC and BBVA (on a consolidated basis and excluding the Excluded Subsidiaries) for the 2019 calendar year, and for the first nine (9) months of 2020 (*i.e.*, through September 30, 2020) is available in Confidential Exhibit L to the Federal Reserve Application. Information for full year 2020 and the fourth quarter of 2020 for both PNC and BBVA is not yet available. PNC expects to be able to provide the requested information by March 15, 2021.

10. Provide the dollar amounts for the ten largest types of Trading Securities and AFS Securities, for both PNC and BBVA.

Please see Confidential Exhibit L to the Federal Reserve Application (pdf page 140).

11. Provide the dollar amounts for the five largest categories of held-to-maturity securities for both PNC and BBVA.

Please see Confidential Exhibit L to the Federal Reserve Application (pdf page 141).

12. Provide the five largest counterparties, rolled up to the parent company, and the corresponding amount of the following indicators:

- a. **Total exposure (as defined by Schedules A and H Line item 5 in FR Y-15)**
- b. **Total intra-financial system assets (as defined by Schedules B and I Line item 6 in FR Y-15)**
- c. **Total intra-financial system liabilities (as defined by Schedules B and I Line item 12 in FR Y-15)**
- d. **Total securities outstanding (as defined by Schedules B and I Line item 20 in FR Y-15)**
- e. **Payments activity (as defined by Schedules C and J Line item 2 in FR Y-15)**
- f. **Assets held as a custodian on behalf of customers (as defined by Schedules C and J Line item 3 in FR Y-15)**
- g. **Total underwriting activity (as defined by Schedules C and J Line item 6 in FR Y- 15)**

- h. Total notional amount of OTC derivatives (as defined by Schedules D and K Line item 3 in FR Y-15)**
- i. Total adjusted trading and AFS securities (as defined by Schedules D and K Line item 10 in FR Y-15)**
- j. Assets valued using Level 3 measurement inputs (as defined by Schedules D and K Line item 11 in FR Y-15)**
- k. Foreign claims on an ultimate-risk basis (as defined by Schedules E and L Line item 1 in FR Y-15)**
- l. Adjusted foreign claims on an ultimate-risk basis (as defined by Schedule L Line item 1.a in FR Y-15)**
- m. Total cross-jurisdictional liabilities (as defined by Schedules E and L Line item 4 in FR Y-15)**
- n. Total short-term wholesale funding (as defined by Schedules G and N Line item 6 in FR Y-15)**
- o. Average risk-weighted assets (as defined by Schedule G and N Line item 7 in FR Y-15)**

Provide separate information for:

- p. PNC**
- q. BBVA's U.S. intermediate holding company including BBVA Securities and Propel Venture Partners US Fund I**
- r. BBVA's combined U.S. operations including BBVA Securities and Propel Venture Partners US Fund I**
- s. BBVA's U.S. intermediate holding company excluding BBVA Securities and Propel Venture Partners US Fund I**
- t. BBVA's combined U.S. operations excluding BBVA Securities and Propel Venture Partners US Fund I.**

Please see Confidential Exhibit L to the Federal Reserve Application (pdf pages 142 & 143) for responses for PNC and BBVA (exclusive of the Excluded Subsidiaries) as of September 30, 2020 (which is the date of the most current FR Y-15 reports), other than items *l.* and *o.* As of September 30, 2020, the adjusted foreign claims on an ultimate-risk basis and average risk-weighted assets for PNC were \$0 and \$334.6 billion, respectively, and for BBVA were \$1.87 billion and \$70.1 billion, respectively.

If information is requested for full year and/or 4Q 2020, such information is not yet available. PNC expects to be able to provide such information by March 15, 2021, and such information will be provided separately by BBVA Parent as specified in items q. through t.

13. Provide the five largest counterparties, rolled up to the parent company, and the corresponding amounts of each component of intra-financial system assets and liabilities for PNC and BBVA, reported in the most recent FR Y-15. For BBVA, provide information for both the U.S. intermediate holding company and the combined U.S. operations, separately.

a. For intra-financial system assets:

- i. Funds deposited with or lent to other financial institution (M351)**
- ii. Unused portion of committed lines extended to other financial institution (J458)**
- iii. Holdings of securities issued by other financial institution (M352 + M353 + M354 + M345 + M356 – M357)**
- iv. Net positive current exposure of securities financing transactions (SFTs) with other financial institution (M358)**
- v. Over-the-counter (OTC) derivative contracts with other financial institutions that have a net positive fair value (M359 + M360)**

b. For intra-financial system liabilities:

- i. Deposits due to other financial institutions (M363 + M364)**
- ii. Borrowings obtained from other financial institutions (Y833)**
- iii. Unused portion of committed lines obtained from other financial institutions (M365)**
- iv. Net negative current exposure of SFTs with other financial institution (M366)**
- v. OTC derivative contracts with other financial institutions that have a net negative fair value (M367 + M368)**

Please see Confidential Exhibit L to the Federal Reserve Application (pdf page 144) for responses for PNC and BBVA (exclusive of the Excluded Subsidiaries) as of September 30, 2020 (which is the date of the most current FR Y-15).

If information is requested for full year and/or 4Q 2020, such information is not yet available. PNC expects to be able to provide such information by March 15, 2021, and such information will be provided separately by BBVA Parent for both its U.S. intermediate holding company (BBVA) and combined U.S. operations.

- 14. Provide the current market exposure – gross, and net of collateral and other risk mitigants – for the five largest counterparties, rolled up to the parent company, of OTC derivatives of both PNC’s and BBVA’s U.S. operations, as measured by:**
- a. Positive current exposure after netting arrangements.**
 - b. Negative current exposure after netting arrangements.**

Please see Confidential Exhibit L to the Federal Reserve Application (pdf page 145) for responses for PNC and BBVA (exclusive of the Excluded Subsidiaries) as of September 30, 2020.

If information is requested for full year and/or 4Q 2020, such information is not yet available. PNC expects to be able to provide such information by March 15, 2021, and such information will be provided by BBVA for BBVA Parent’s U.S. operations.

- 15. Provide a list of activities and products in which PNC plans to initiate new operations, or expand existing operations, subsequent to the closing of the proposed transaction.**

Please see the Confidential Appendix for a response to this item.

- 16. Provide updated versions of the Transitional Services Agreement and Reverse Transitional Services Agreement (“Transitional Services Agreements”), including a list of specific services to be performed by PNC and BBVA. To the extent an updated version is not yet available, provide a detailed summary of the anticipated services that will be provided pursuant to the Transitional Services Agreements.**

The forms of the Transitional Services Agreement (“TSA”) and Reverse Transitional Services Agreement (“RTSA”) were provided as exhibits to the Stock Purchase Agreement, which was provided as Exhibit 1 to the Federal Reserve Application. The body of the TSA and RTSA are not expected to change in any material way. The parties currently are working to finalize these schedules. In particular, each PNC integration workstream head has been tasked with coordinating with his or her counterpart at BBVA USA to confirm that the list of services to be provided by BBVA, S.A. (or its affiliates) to BBVA USA, or by BBVA USA to BBVA Parent (or its affiliates), is complete. PNC expects this work to be completed by early March 2021. Additionally, five working subteams have been formed to address the five primary categories of services to be provided or received pursuant to the TSA or RTSA – IT, Finance, HR, Tax and BBVA Securities, Inc. – with each subteam consisting of representatives from PNC, BBVA USA and BBVA Parent. Additional subteams will be added if and to the extent necessary. We expect to be able to provide the Federal Reserve an additional update on the negotiation of the TSA and RTSA by February 12, 2021.

17. Section 5.12 of the Share Purchase Agreement between Banco Bilbao Vizcaya Argentaria, S.A., and The PNC Financial Services Group, Inc., dated November 15, 2020 (“Share Purchase Agreement”), states that “Seller shall cause Grupo Financiero BBVA Bancomer, S.A. de C.V., as well as Seller’s other non-U.S. banks that act as receiving banks and paying agents for money transmissions with BBVA Transfer Services, Inc., to enter into amendments to the current agreements or arrangements in respect of the distribution agreements between BBVA Transfer Services, Inc. and such Persons . . .” Provide a detailed summary of the content of the agreements and arrangements referenced in this section.

Please see the Confidential Appendix for a response to this item.

18. Provide a written commitment that PNC will not use or attempt to use its rights under the restrictive covenants in sections 5.2(b)(vi), (viii), (ix), and (xix) of the Share Purchase Agreement to exercise control (as defined in section 2(a)(2) of the BHC Act, 12 U.S.C. § 1841(a)(2)) over the management or policies of BBVA prior to consummation of the transaction.

Please see the Confidential Appendix for a response to this item.

19. Provide the Seller’s Disclosure Schedule and Purchaser’s Disclosure Schedule to the Share Purchase Agreement (as defined in Articles III and IV of the Share Purchase Agreement, respectively).

Please see Exhibit 2 and Confidential Exhibit B to this letter for the Seller’s Disclosure Schedule, and Exhibit 3 to this letter for the Purchaser’s Disclosure Schedule to the Share Purchase Agreement.

PUBLIC EXHIBITS VOLUME

**RESPONSE TO
FEDERAL RESERVE ADDITIONAL INFORMATION REQUEST
LETTER DATED JANUARY 22, 2021**

on the

APPLICATION

to the

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

for Prior Approval for

THE PNC FINANCIAL SERVICES GROUP, INC.

to Acquire

BBVA USA BANCSHARES, INC.

and

BBVA USA

and for

PNC Bancorp, Inc.

to Acquire

BBVA USA

**Pursuant to
Section 3 of the Bank Holding Company Act and
Section 225.15 of Regulation Y**

FEBRUARY 3, 2021

PUBLIC EXHIBITS VOLUME
THE PNC FINANCIAL SERVICES GROUP, INC.
FEBRUARY 3, 2021

<u>DOCUMENT INDEX</u>	<u>TAB</u>
<u>Revised Form of Merger Agreement Between PNC and BBVA Bancshares</u>	1
<u>Seller’s Disclosure Schedule to Share Purchase Agreement (redacted)</u>	2
<u>Purchaser’s Disclosure Schedule to Share Purchase Agreement</u>	3

Public Exhibit 1

Revised Form of Merger Agreement Between PNC and BBVA Bancshares

**AGREEMENT OF MERGER
OF
BBVA USA BANCSHARES, INC.
WITH AND INTO
THE PNC FINANCIAL SERVICES GROUP, INC.**

THIS AGREEMENT OF MERGER, dated as of [●] (this “Agreement”), is made and entered into between The PNC Financial Services Group, Inc., a corporation organized under the laws of Pennsylvania (“HoldCo”), and BBVA USA Bancshares, Inc., a corporation organized under the laws of the state of Texas (“BBVA HoldCo”).

WITNESSETH:

WHEREAS, BBVA HoldCo, is a financial holding company conducting its business operations primarily through its commercial banking subsidiary, BBVA USA, an Alabama state-chartered bank (“BBVA Bank”), and a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A., a *sociedad anónima* organized under the laws of the Kingdom of Spain (“Seller”);

WHEREAS, HoldCo, the ultimate parent company of PNC Bank, National Association (“PNC Bank”), and Seller are parties to that certain Share Purchase Agreement, dated as of November 15, 2020 (the “Purchase Agreement”), pursuant to which, subject to the terms and conditions of the Purchase Agreement, HoldCo is acquiring 100% (the “Parent Acquisition”) of the issued and outstanding shares of Capital Stock (as defined in the Purchase Agreement) of BBVA HoldCo (the “BBVA HoldCo Shares”), following which BBVA HoldCo shall be merged with and into HoldCo, such that BBVA HoldCo’s corporate existence shall cease, and BBVA Bank will be a direct wholly-owned subsidiary of HoldCo (the “BBVA HoldCo Merger”). Following the effectiveness of the Parent Acquisition and the BBVA HoldCo Merger, HoldCo will effectuate a contribution and transfer of all of its right, title and interest (the “Contribution”) in BBVA Bank to PNC Bancorp, Inc., a corporation organized under the laws of Delaware (“PNC Bancorp”) and the parent of PNC Bank, and following the effectiveness of the Contribution, and concurrent with the completion of the conversion (and related de-conversion) of BBVA Bank’s systems platform to those of PNC Bank (the “Conversion”), upon the terms and subject to the conditions of this Agreement and the Purchase Agreement, HoldCo will effectuate the merger of BBVA Bank with and into PNC Bank whereby the corporate existence of BBVA Bank shall cease and PNC Bank shall continue its corporate existence as the surviving bank.

WHEREAS, the respective boards of directors of HoldCo and BBVA HoldCo, acting pursuant to resolutions duly adopted pursuant to the authority given by, and in accordance with, applicable law, have approved this Agreement and authorized the execution hereof.

NOW, THEREFORE, in consideration of the promises and of the mutual agreements herein contained, the parties hereto do hereby agree as follows:

[Signature page to Agreement of Merger]

1 - THE MERGER

1.1 Merger; Surviving Entity

Subject to the terms and conditions of this Agreement, at the Effective Time (as hereinafter defined), BBVA HoldCo shall be merged with and into HoldCo, pursuant to the provisions of, and with the effect provided in, applicable law (said transaction, the “Merger”) and the corporate existence of BBVA HoldCo shall cease. HoldCo shall continue its corporate existence under the laws of the United States and shall be the entity surviving the Merger (the “Surviving Entity”). The parties hereto intend that the Merger qualify either (i) as a “reorganization” within the meaning of Section 368(a) of the Code and this Agreement shall be, and is hereby adopted as, a “plan of reorganization” for purposes of Sections 354 and 361 of the Code, and/or (ii) as a complete liquidation of BBVA HoldCo within the meaning of Sections 332(a) and 337(a) of the Code and this Agreement shall be, and is hereby adopted as, a “plan of liquidation.”

1.2 Articles of Incorporation and Bylaws

From and after the Effective Time (as defined in Section 1.3 below), the Amended and Restated Articles of Incorporation of HoldCo, attached hereto as Exhibit A, shall be the Articles of Incorporation of the Surviving Entity until thereafter amended in accordance with applicable law. From and after the Effective Time, the Bylaws of HoldCo, attached hereto as Exhibit B, shall be the Bylaws of the Surviving Entity until thereafter amended in accordance with applicable law.

1.3 Effective Time of Merger

The Merger shall become effective at such time and date as are agreed to by HoldCo and BBVA HoldCo, subject to the terms of this Agreement, the Purchase Agreement, and approval of the Office of the Comptroller of the Currency (the “OCC”), or such other time and date as shall be provided by law. The date and time of such effectiveness is herein referred to as the “Effective Time.”

1.4 Effect of Merger

All assets as they exist at the Effective Time shall pass to and vest in the Surviving Entity without any conveyance or other transfer. The Surviving Entity shall be responsible for all of the liabilities of every kind and description, including, but not limited to, liabilities arising from any operation of a trust department, of the merging institutions existing as of the Effective Time of the Merger.

1.5 Business of Surviving Entity

The business of the Surviving Entity after the Merger shall continue to be that of a financial services corporation and shall be conducted at its main office, which shall be located at 300 Fifth Avenue, Pittsburgh, PA 15222, and at all legally established branches.

1.6 Directors

Upon consummation of the Merger, the directors of the Surviving Entity shall be the persons serving as directors of HoldCo immediately prior to the Effective Time. Directors of the Surviving Entity shall serve for such terms in accordance with the Articles of Incorporation and Bylaws of the Surviving Entity.

2 - TREATMENT OF SHARES

2.1 Treatment of Shares

At the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof (a) each share of BBVA HoldCo Capital Stock (as defined in the Purchase Agreement) issued and outstanding immediately prior to the Effective Time shall cease to be outstanding and shall be cancelled and (b) the shares of HoldCo common stock and preferred stock issued and outstanding immediately prior to the Effective Time shall remain outstanding, shall be unchanged after the Merger and shall immediately after the Effective Time constitute all of the issued and outstanding capital stock of the Surviving Entity.

3 - CONDITIONS PRECEDENT

3.1 Conditions

The respective obligations of the parties to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Regulatory Approvals. The parties shall have received all consents, approvals and permissions and the satisfaction of all of the requirements prescribed by law, including, but not limited to, the consents, approvals and permissions of the OCC to the Merger and of all other regulatory authorities which are necessary to the carrying out of the Merger described in this Agreement or in the Purchase Agreement, and all applicable waiting period in respect thereof shall have expired.

(b) No Injunctions or Restraints. There shall not be in effect any temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger.

(c) Parent Acquisition. The Parent Acquisition shall have been consummated in accordance with the terms and conditions of the Purchase Agreement.

4 - TERMINATION AND AMENDMENT

4.1 Termination

Notwithstanding the approval of this Agreement by the respective shareholders of HoldCo and BBVA HoldCo, this Agreement shall terminate forthwith prior to the Effective

Time in the event the Purchase Agreement is terminated as therein provided. This Agreement may also be terminated by mutual written consent of the parties hereto.

4.2 Effect of Termination

In the event of termination of this Agreement as provided in Section 4.1 above, this Agreement shall forthwith become void and have no effect, and none of HoldCo and BBVA HoldCo, any of their respective subsidiaries or any of the officers or directors of any of them shall have any liability of any nature whatsoever hereunder, or in connection with the transactions contemplated hereby.

4.3 Amendment

This Agreement may not be amended, except by an instrument in writing signed on behalf of each of the parties hereto.

5 - MISCELLANEOUS

5.1 Representations and Warranties

Each of the parties hereto represents and warrants that this Agreement has been duly authorized, executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable against it in accordance with the terms hereof.

5.2 Further Assurances

If at any time the Surviving Entity shall consider or be advised that any further assignments, conveyances or assurances are necessary or desirable to vest, perfect or confirm in the Surviving Entity title to any property or rights of BBVA HoldCo or otherwise carry out the provisions hereof, the proper officers and directors of BBVA HoldCo, as of the Effective Date, and thereafter the officers of the Surviving Entity acting on behalf of BBVA HoldCo, shall execute and deliver any and all proper assignments, conveyances and assurances, and do all things necessary or desirable to vest, perfect or confirm title to such property or rights in the Surviving Entity and otherwise carry out the provisions hereof.

5.3 Governing Law; Waiver of Jury Trial

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any applicable conflicts of law, except to the extent federal law may be applicable. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

5.4 Successors and Assigns

This Agreement is binding upon and is for the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, that neither this Agreement nor

any rights or obligations hereunder may be assigned by any party hereto to any other person without the prior consent in writing of the other party hereto.

5.5 Counterparts

This Agreement may be executed in two or more counterparts (including by facsimile, email or other electronic means such as “.pdf” or “.tiff” files), each of which shall be deemed to constitute an original, but all of which together shall be deemed to constitute one and the same instrument.

5.6 Entire Agreement

This Agreement represent the entire understanding of the parties hereto with respect to the subject matter hereof and thereof and supersede any and all other oral or written agreements heretofore made.

5.7 Interpretation

The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event of an ambiguity or a question of intent or interpretation, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

5.8 Specific Performance

The parties hereto agree that if any of the provisions of this Agreement were not to be performed as required by their specific terms or were to be otherwise breached, irreparable damage will occur, no adequate remedy at law would exist and damages would be difficult to determine, and that such parties shall be entitled, without the necessity of posting a bond or other security, to an injunction or injunctions to prevent breaches, and to specific performance of the terms, of this Agreement, in addition to any other remedy at law or equity.

5.9 Severability

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any person or entity or any circumstance, is found by a court or other governmental authority of competent jurisdiction to be invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability, of such provision, or the application thereof, in any other jurisdiction.

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement of Merger to be executed by its duly authorized officers, all as of the date first set forth above.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: _____
Name:
Title:

BBVA USA BANCSHARES, INC.

By: _____
Name:
Title:

Exhibit A

**Amended and Restated Articles of Incorporation of
The PNC Financial Services Group, Inc.**

Exhibit B

Amended and Restated By-Laws of The PNC Financial Services Group, Inc.

1.6 Directors

Upon consummation of the Merger, the directors of the Surviving Entity shall be the persons serving as directors of HoldCo immediately prior to the Effective Time. Directors of the Surviving Entity shall serve for such terms in accordance with the Articles of Incorporation and Bylaws of the Surviving Entity.

2 - TREATMENT OF SHARES

2.1 Treatment of Shares

At the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof (a) each share of BBVA HoldCo ~~common stock~~ Capital Stock (as defined in the Purchase Agreement) issued and outstanding immediately prior to the Effective Time shall cease to be outstanding and shall be cancelled and (b) the shares of HoldCo common stock and preferred stock issued and outstanding immediately prior to the Effective Time shall remain outstanding, shall be unchanged after the Merger and shall immediately after the Effective Time constitute all of the issued and outstanding capital stock of the Surviving Entity.

3 - CONDITIONS PRECEDENT

3.1 Conditions

The respective obligations of the parties to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Regulatory Approvals. The parties shall have received all consents, approvals and permissions and the satisfaction of all of the requirements prescribed by law, including, but not limited to, the consents, approvals and permissions of the OCC to the Merger and of all other regulatory authorities which are necessary to the carrying out of the Merger described in this Agreement or in the Purchase Agreement, and all applicable waiting period in respect thereof shall have expired.

(b) No Injunctions or Restraints. There shall not be in effect any temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger.

(c) Parent Acquisition. The Parent Acquisition shall have been consummated in accordance with the terms and conditions of the Purchase Agreement.

4 - TERMINATION AND AMENDMENT

4.1 Termination

Notwithstanding the approval of this Agreement by the respective shareholders of HoldCo and BBVA HoldCo, this Agreement shall terminate forthwith prior to the Effective Time

Public Exhibit 2

Seller's Disclosure Schedule to Share Purchase Agreement (redacted)

SELLER'S DISCLOSURE SCHEDULE

to

SHARE PURCHASE AGREEMENT

BETWEEN

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

and

THE PNC FINANCIAL SERVICES GROUP, INC.

NOVEMBER 15, 2020

SELLER'S DISCLOSURE SCHEDULE

November 15, 2020

This Disclosure Schedule (this "Disclosure Schedule") is made and given pursuant to Articles I, III and V of the Share Purchase Agreement (the "Agreement"), dated as of November 15, 2020, between Banco Bilbao Vizcaya Argentaria, S.A., a *sociedad anónima* organized under the laws of the Kingdom of Spain ("Seller") and The PNC Financial Services Group, Inc., a corporation organized under the laws of Pennsylvania ("Purchaser"). Capitalized terms not defined in this Disclosure Schedule have the meanings ascribed to such terms in the Agreement.

All disclosures contained in these Schedules are made as of the dates set forth in the Agreement and their accuracy is confirmed only as of such dates.

Any agreement, instrument or statute defined or referred to herein or any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented prior to the date hereof, including (in the case of agreements or instruments) by waiver of consent and (in the case of statutes) by succession or comparable successor statutes and references to all attachments thereto and instruments incorporated therein. Any agreement referred to herein shall include reference to all exhibits, schedules and other documents or agreements attached thereto and made available therewith.

The inclusion of any specific item in any Schedule hereto is not intended to imply that the item so included or other items (i) are or are not material, and no party shall use the inclusion of any such item in any dispute or controversy between the parties as to whether any obligation, item or matter not described herein or included in any Schedule is or is not material for purposes of the Agreement; (ii) are or are not in the ordinary course of business, and no party shall use the fact of the setting forth or the inclusion of any specific item in any dispute or controversy between the parties as to whether any obligation, item not included in any Schedule is or is not in the ordinary course of business for purposes of the Agreement; (iii) does or does not constitute a Material Adverse Effect. In addition, disclosure of any information in any section or subsection of this Disclosure Schedule shall also be deemed to be disclosed with respect to such other section or subsection of the Agreement to which the relevance of such item is reasonably apparent on the face of the disclosure.

In addition, matters reflected in these Schedules are not necessarily limited to matters required by the Agreement to be reflected in these Schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. No general disclosure in any particular Schedule herein shall be limited by any more specific disclosure in either that particular Schedule or any other Schedule. The information contained in these Schedules is disclosed solely for the purposes of the Agreement, and no information contained herein shall be deemed to be an admission by any party thereto to any third party of any matter whatsoever, including of any violation of Law or breach of any Contract, or that such matter is material to the Seller, the Company or any Company Subsidiary.

These Schedules are qualified in their entirety by reference to specific provisions of the Agreement and are not intended to constitute, and shall not be construed as constituting,

representations or warranties of the Seller, except as and to the extent provided in the Agreement. The Seller shall not be prejudiced in any manner whatsoever by, and no presumptions shall be created by virtue of, any disclosure of any matter herein that is not expressly required to be disclosed under the Agreement. The information in these Schedules is disclosed confidentially. The information contained herein was not prepared or disclosed with a view that it would be disclosed to any Person that is not a party to the Agreement and the Seller does not assume any responsibility to any such Person for any inaccuracies contained herein or otherwise. In disclosing the information set forth herein, the Seller expressly does not waive any attorney-client privilege associated with any such information or any protection afforded by the “work product doctrine” with respect to any of the matters disclosed herein.

Headings have been inserted on these Schedules for convenience of reference only and shall not be deemed to affect or alter the express description of the representations and warranties contained in the Agreement or of these Schedules as set forth in the Agreement. The items in these Schedules include brief descriptions or summaries of certain agreements, instruments and other documents, which descriptions do not purport to be comprehensive, and are qualified in their entirety by reference to the text of the agreements, instruments and other documents so described. The attachments and annexes to any particular Schedule of these Schedules form an integral part of these Schedules and are incorporated by reference for all purposes as if set forth fully herein.

The rules of interpretation and construction specified in Section 1.2 of the Agreement shall also apply to these Schedules.

The information contained in this Disclosure Schedule is confidential information of Seller, and the Purchaser and its Affiliates shall be obligated to maintain and protect the confidentiality of such information in accordance with the provisions of the Agreement and the Confidentiality Agreement.

Section 1.1 Definitions

(a) Company Transaction Expenses

1. The Retention Letters (as defined in Section 3.13(b) of this Disclosure Schedule below).
2. Any relocation costs payable to a returning expatriate pursuant to the applicable Expatriate Mobility Agreement.
3. Any costs, amounts or obligations with respect to the employees who cease employment with the Company or its Subsidiaries as contemplated by Item 14 of Section 5.2(b)(viii) of this Disclosure Schedule.
4. Any long-term incentives and other obligations to Carve-Out Employees and Other U.S. Employees.

(b) “Knowledge”

1. Javier Rodríguez Soler, President and Chief Executive Officer
2. Rafael Bustillo, Chief Operating Officer
3. Ignacio J. Carnicero, Chief Risk Officer
4. B. Shane Clanton, General Counsel and Secretary
5. Luis De La Fuente Gil De La Vega, Chief Audit Executive and General Auditor
6. Rosilyn Houston, Chief Talent & Culture Officer
7. Celie Niehaus, Chief Compliance Officer
8. Kirk P. Pressley, Chief Financial Officer
9. [REDACTED]

Section 3.1
Organization, Standing and Authority

(c)

1. The Constituent Documents provided in Dataroom folder 2.6.5.4 are incorporated by reference herein in their entirety.

Section 3.2 Capital Structure

(a)

1. The Company expects to continue paying Preferred Stock dividends to Star in accordance with past practice.

**Section 3.3
The Company's Subsidiaries**

(a)

1. [REDACTED]

(b)

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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Section 3.6

Company SEC Reports; Financial Statements; No Material Adverse Effect

(b)

1. The Financial Statements have been provided at Dataroom files 2.2.14.18.14 (Company's annual report on Form 10-K for the fiscal year ended December 31, 2018) and 2.2.14.18.8 (Company's annual report on Form 10-K for the fiscal year ended December 31, 2019), or are publicly available with the Company's SEC filings (Company's quarterly report on Form 10-Q for the quarter ended September 30, 2020), which files are incorporated herein by reference in their entirety.

(e)

1. [REDACTED]

(g)

1. [REDACTED]
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**Section 3.7
Material Contracts**

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**Section 3.7
Material Contracts**

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**Section 3.8
Property**

(a)

1. Dataroom file 2.2.11.6 is incorporated by reference herein in its entirety.

(b)

1. [REDACTED]
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Section 3.9
Compliance with Law

(a)(ii)

1. Section 3.11 is incorporated by reference herein in its entirety.

(a)(iii)

1. Section 3.11 is incorporated by reference herein in its entirety.

**Section 3.11
Litigation**

1. [REDACTED]
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- [REDACTED]

⁵ [REDACTED]

**Section 3.13
Employee Benefit Plans**

(a)

1. A [REDACTED]
[REDACTED]
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(b)

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**Section 3.14
Labor Matters**

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**Section 3.15
Taxes**

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Section 3.16
Insurance

1. The list of insurance policies provided in Dataroom file 2.16.2.11 is incorporated by reference into this schedule in its entirety.
2. Coverage is provided to the Company under the following Seller insurance plans:
 - a. Excess Bankers Policy issued by [REDACTED]
 - b. D&O Policy/Directors' and Officers' Responsibility Policy issued by [REDACTED]
 - c. Cyber-risk Policy issued by [REDACTED]

**Section 3.17
Intellectual Property**

(a)

Trademarks⁶

Owner	Mark	Registration No. / Application No.	Jurisdiction
BBVA USA Bancshares, Inc.	1-800-COMPASS	2009795	U.S.
BBVA USA Bancshares, Inc.	ACCUTRAK	2408544	U.S.
BBVA USA Bancshares, Inc.	BANCA HECHA A TU MEDIDA	3809575	U.S.
BBVA USA Bancshares, Inc.	BANKING BUILT FOR YOU	3877610	U.S.
BBVA USA Bancshares, Inc.	BANKING ON A BRIGHTER FUTURE	5115558	U.S.
BBVA USA Bancshares, Inc.	BASIC50	2860108	U.S.
BBVA USA Bancshares, Inc.	BASIC50 CHECKING	2869269	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS*	3823550	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS (Stylized)*	3940535	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS ASSET BUILDER ANNUITY*	3979560	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS BANKER LINK*	4668800	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS BANKING ON A BRIGHTER FUTURE*	5196404	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS BLUE STREAK DEPOSIT*	5503741	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS BUILD YOUR OWN REWARDS*	5276582	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARBENEFITS*	4749028	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARBENEFITS*	5089098	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARCHOICE CHECKING*	4573459	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARCHOICE CHECKING FOR EVERYDAY HEROES*	4573462	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARCHOICE CHECKING FOR SENIORS*	4573463	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARCHOICE MONEY MARKET*	4573466	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARCHOICE PREMIUM CHECKING*	4573464	U.S.

⁶ Trademarks marked with an asterisk (*) are to be transferred from the Company or its Subsidiaries to Seller at or prior to closing.

BBVA USA Bancshares, Inc.	BBVA COMPASS CLEARCHOICE SAVINGS*	4573467	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS EASY CHECKING*	4540176	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS EXPRESS*	4013418	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS FOR YOUR CAUSE*	3884186	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS INVESTMENT SOLUTIONS*	3865157	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS MARKETLINK CD*	3881253	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS MOBILE*	5326829	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS MOBILE BANKING*	5333100	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS NET CASH*	5633366	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS OPTIMIZER CREDIT CARD*	3848884	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS PREMIER PERSONAL BANKING*	5087068	U.S.
BBVA USA Bancshares, Inc.	BBVA COMPASS REALTIME POSITIVE PAY*	5638480	U.S.
BBVA USA Bancshares, Inc.	BLENDING THE BEST	4479027	U.S.
BBVA USA Bancshares, Inc.	BLENDING THE BEST WORKPLACE DIVERSITY & INCLUSION and Design	4635720	U.S.
BBVA USA Bancshares, Inc.	BLENDING THE BEST WORKPLACE DIVERSITY and Design	4479029	U.S.
BBVA USA Bancshares, Inc.	BLUE STREAK DEPOSIT	5503740	U.S.
BBVA USA Bancshares, Inc.	BUILD MY FRANCHISE	3971526	U.S.
BBVA USA Bancshares, Inc.	BUILD MY SAVINGS	3865830	U.S.
BBVA USA Bancshares, Inc.	BUILD-TO-ORDER CHECKING	3386133	U.S.
BBVA USA Bancshares, Inc.	CLEARCONNECT	4519352	U.S.
BBVA USA Bancshares, Inc.	CLEARCONNECT CHECKING	4519355	U.S.
BBVA USA Bancshares, Inc.	CLEARCONNECT SAVINGS	4519353	U.S.
BBVA USA Bancshares, Inc.	COMPASS BANK	1604027	U.S.
BBVA USA Bancshares, Inc.	COMPASS BUSINESS LEASING	2447650	U.S.
BBVA USA Bancshares, Inc.	COMPASS CONNECT	3326423	U.S.
BBVA USA Bancshares, Inc.	COMPASS CREDIT ONLINE	3832407	U.S.
BBVA USA Bancshares, Inc.	COMPASS DIRECTIONS	2757105	U.S.
BBVA USA Bancshares, Inc.	COMPASS E-ACCESS	2813060	U.S.
BBVA USA Bancshares, Inc.	COMPASS E-ACCESS	2813087	U.S.
BBVA USA Bancshares, Inc.	COMPASS EQUITY OPTIMIZER	2811250	U.S.

BBVA USA Bancshares, Inc.	COMPASS E-TRANSMIT	3245709	U.S.
BBVA USA Bancshares, Inc.	COMPASS PAYSOURCE CARD	2744612	U.S.
BBVA USA Bancshares, Inc.	COMPASS RETIREMENT SOLUTIONS	3851754	U.S.
BBVA USA Bancshares, Inc.	COMPASS SITE ID	3838214	U.S.
BBVA USA Bancshares, Inc.	COMPASS SITE ID	3395484	U.S.
BBVA USA Bancshares, Inc.	COMPASSCLUB	1873400	U.S.
BBVA USA Bancshares, Inc.	COMPASSCONNECT	3238281	U.S.
BBVA USA Bancshares, Inc.	COMPASSFIRST	3390080	U.S.
BBVA USA Bancshares, Inc.	COMPASSPLUS	2583189	U.S.
BBVA USA Bancshares, Inc.	COMPASSPOINTS	3042547	U.S.
BBVA USA Bancshares, Inc.	COMPASSVIEW	2691409	U.S.
BBVA USA Bancshares, Inc.	COMPASSWORKS	2346029	U.S.
BBVA USA Bancshares, Inc.	COMPASSWORKS FOR BUSINESS	2347611	U.S.
BBVA USA Bancshares, Inc.	DEPOSICASH	3423967	U.S.
BBVA USA Bancshares, Inc.	DEPOSITRACK (stylized)	3791711	U.S.
BBVA USA Bancshares, Inc.	EMPLOYEE BONUS BANKING	2438955	U.S.
BBVA USA Bancshares, Inc.	EQUITY OPTIMIZER	2754009	U.S.
BBVA USA Bancshares, Inc.	EXECUTIVE BONUS BANKING	2438957	U.S.
BBVA USA Bancshares, Inc.	INVESTORS EDGE	2891147	U.S.
BBVA USA Bancshares, Inc.	INVESTORS EDGE BANKING	2915128	U.S.
BBVA USA Bancshares, Inc.	MAKEMYCARD	3463616	U.S.
BBVA USA Bancshares, Inc.	Multicolor Design [blending the best logo]	4479028	U.S.
BBVA USA Bancshares, Inc.	MYCOMPASS	2582753	U.S.
BBVA USA Bancshares, Inc.	NETPROFILE	5270768	U.S.
BBVA USA Bancshares, Inc.	OPTIMIZER CARD	3848881	U.S.
BBVA USA Bancshares, Inc.	OPTIMIZER CREDIT CARD	3848883	U.S.
BBVA USA Bancshares, Inc.	PAYSOURCE	6025458	U.S.
BBVA USA Bancshares, Inc.	PAYSOURCE CARD	6025459	U.S.
BBVA USA Bancshares, Inc.	PROJECT BLUE ELF	4573754	U.S.
BBVA USA Bancshares, Inc.	SAFESPEND	4082693	U.S.
BBVA USA Bancshares, Inc.	SAFESPEND CARD	4082694	U.S.
BBVA USA Bancshares, Inc.	SECURE SEND	3887772	U.S.
BBVA USA Bancshares, Inc.	SEE SHARE SMILE	4117454	U.S.
BBVA USA Bancshares, Inc.	SEE SHARE SMILE Stylized and Design (Color)	4117456	U.S.
BBVA USA Bancshares, Inc.	SIMPLE CASH BACK	4505788	U.S.
BBVA USA Bancshares, Inc.	SIMPLIFIED LINE OF CREDIT	3971693	U.S.
BBVA USA Bancshares, Inc.	SMARTPATH	2986455	U.S.
BBVA USA Bancshares, Inc.	SMARTPATH PORTFOLIO	3085355	U.S.
BBVA USA Bancshares, Inc.	SPEND NET	6025449	U.S.
BBVA USA Bancshares, Inc.	SPEND NET NAVIGATOR	4502440	U.S.
BBVA USA Bancshares, Inc.	SPEND NET PAYABLES	4477509	U.S.
BBVA USA Bancshares, Inc.	WELLTHY FOR LIFE	3865063	U.S.
BBVA USA Bancshares, Inc.	BUDGE-IT	90/257163	U.S.
Azlo Business, Inc.	AZLO & Design	5727655	U.S.

			
Covault, Inc.	COVAULT & Design 	5947956	U.S.
Simple Finance Technology Corp.	SIMPLE	88/185,153	U.S.
Simple Finance Technology Corp.	BANKSIMPLE	87/622,428	U.S.
Simple Finance Technology Corp.		87/319,592	U.S.
Simple Finance Technology Corp.	SIMPLE & design 	86/639,062	U.S.
Simple Finance Technology Corp.		4733355	U.S.
Simple Finance Technology Corp.	INSTANT	4705544	U.S.
Simple Finance Technology Corp.		4536283	U.S.
Simple Finance Technology Corp.	SIMPLE	5003698	U.S.
Simple Finance Technology Corp.		4732203	U.S.
Simple Finance Technology Corp.	SIMPLE	5675453	U.S.
Simple Finance Technology Corp.	SAFE-TO-SPEND	4147291	U.S.
Upturn Inc.	UPTURN & design 	5863708	U.S.
Upturn Inc.	UPTURN	4937946	U.S.

Patents

Owner	Title	Application No.	Jurisdiction
Simple Finance Technology Corp.	Transferring Funds Between Financial Accounts of Two Accountholders	14/481,780	U.S.
Simple Finance Technology Corp.	Transferring Funds Between Financial Accounts of Two Accountholders	15/828,169	U.S.
Covault, Inc.	Self-Authenticating Digital Identity	15/908,554	U.S.
Covault, Inc.	Joint Blind Key Escrow	16/650,301	U.S.
Covault, Inc.	Joint Blind Key Escrow	EP18774054.3	EPO
Covault, Inc.	Digital Identify Escrow Methods and Systems	16/290,848	U.S.
Covault, Inc.	Digital Identity Escrow Methods and Systems	PCT/US19/20775	PCT
Upturn Financial Inc.	Computing Systems, Methods, and User Interfaces for Credit Management	16/003,761	U.S.
BBVA Transfer Services, Inc.	ATM-Based Electronic Payment Conversion Systems, Methods, and User Interfaces	15/995,026	U.S.
BBVA Transfer Services, Inc.	ATM-Based Electronic Payment Funding Systems, Methods, and Interfaces	16/237,343	U.S.
BBVA Transfer Services, Inc.	Systems, Methods, and Interfaces to Facilitate Use of a Retail Point of Sale Machine to Fund an Electronic Payment System	16/237,395	U.S.

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(d)

1. [Redacted text block]

Section 3.18
Privacy and Cybersecurity

(a)

1. [REDACTED]
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(b)

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Section 3.19
Extensions of Credit

(b)

1. Dataroom file 2.8.3.12.37 is incorporated herein by reference in its entirety.

(d)

1. Dataroom file 2.8.1.2 and folder 2.8.3.12 are incorporated herein by reference in their entirety.

Section 3.20
Certain Loan Matters

(a)

1. See Annex 3.20(a) attached hereto and expressly incorporated by reference into this Schedule.

(b)

1. The Company offers employees loans with preferential rates to the market through the Employee Mortgage Loan Program.

Section 3.22
Compliance with Environmental Laws

(a)

1. See the information scheduled in Schedule 3.22(c) and (d) below, which are expressly incorporated into this Schedule 3.22(a).

(c)

1. [REDACTED]

- [REDACTED]

(d)

1. [REDACTED]

- [REDACTED]

(b)(iii)

1. The Company expects to continue paying Preferred Stock dividends to Star in accordance with past practice.

(b)(iv)

1. Schedule 5.2(b)(iii) is incorporated by reference herein in its entirety.

(b)(viii)

1. [REDACTED]
- [REDACTED]
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(b)(ix)

1. [REDACTED]

■ [REDACTED]

(b)(xiii)

1. See Annex 5.2(b)(xiii) attached hereto and expressly incorporated by reference into this Schedule.

(b)(xiv)

1. [REDACTED]
[REDACTED]
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- [REDACTED]
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**Section 5.10
Employee Matters**

(a)

1. [REDACTED]
[REDACTED]
[REDACTED]

■ [REDACTED]
[REDACTED]

(c)

1. [REDACTED]

■ [REDACTED]

■ [REDACTED]

Section 8.1
Survival of Representations and Warranties; Indemnification

(b)

1. [REDACTED]

Annex 3.3(a)

TIN	ENTITY NAME (State of Organization)	% Participati on	CONTROL		ENTITY IN CHARGE OF THE CONTROL	ENTITY		TYPE OF CONTROL			CONTROL ACTIVITIES			COMMENTS
			YES	NO		New	Removed	Tax Dpt.	Other area of the Group	Third party	Tax Forms Review	Tax Form Reviewed	Others	
	ARIZONA FINANCIAL PRODUCTS, INC (AZ)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	AZLO BUSINESS, INC (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA FOREIGN EXCHANGE INC. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA PROCESSING SERVICES INC. (CA)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA TRANSFER SERVICES, INC. (CA)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA USA Bancshares, Inc. (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA FINANCIAL CORPORATION (AL)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA INSURANCE AGENCY, INC (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA TRANSFER HOLDING INC (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA OPEN PLATFORM INC (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA SECURITIES INC. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA WEALTH SOLUTIONS, INC. (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA USA (AL)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	COMPASS CAPITAL MARKETS, INC. (AL)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	COMPASS GP, INC. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	COMPASS INSURANCE TRUST (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1041		
	COMPASS LIMITED PARTNER, INC. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		

TIN	ENTITY NAME (State of Organization)	% Participati on	CONTROL		ENTITY IN CHARGE OF THE CONTROL	ENTITY		TYPE OF CONTROL			CONTROL ACTIVITIES			COMMENTS
			YES	NO		New	Removed	Tax Dpt.	Other area of the Group	Third party	Tax Forms Review	Tax Form Reviewed	Others	
	COMPASS LOAN HOLDINGS TRS, INC. (AL)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA MORTGAGE CORPORATION (AL)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	COMPASS MORTGAGE FINANCING, INC. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x						disregarded entity
	COMPASS SOUTHWEST, LP (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	COMPASS TEXAS MORTGAGE FINANCING, INC (DE)	100,00	x		BBVA USA Bancshares, Inc.			x						disregarded entity
	COVAULT, INC (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	BBVA DALLAS CREATION CENTER, INC (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	DENIZEN FINANCIAL, INC (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	GUARANTY BUSINESS CREDIT CORPORATION (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	GUARANTY PLUS HOLDING COMPANY (NV)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	HUMAN RESOURCES PROVIDER, INC (AL)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	HUMAN RESOURCES SUPPORT, INC (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	LIQUIDITY ADVISORS, L.P (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	MICRO SPINAL LLC (FL)	100,00	x		BBVA USA Bancshares, Inc.			x						disregarded entity
	PHOENIX LOAN HOLDINGS, INC. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120 REIT		
	PI HOLDINGS NO. 3, INC. (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	PROPEL VENTURE PARTNERS US FUND I, L.P. (DE)	100,00			BBVA USA Bancshares, Inc.					x		1120		
	RWHC, INC (NV)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	SAGE OG I, INC (TX)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		

TIN	ENTITY NAME (State of Organization)	% Participati on	CONTROL		ENTITY IN CHARGE OF THE CONTROL	ENTITY		TYPE OF CONTROL			CONTROL ACTIVITIES			COMMENTS
			YES	NO		New	Removed	Tax Dpt.	Other area of the Group	Third party	Tax Forms Review	Tax Form Reviewed	Others	
	SIMPLE FINANCE TECHNOLOGY CORP. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	TEXAS LOAN SERVICES, LP. (DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1065		
	TMF HOLDING INC. DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	TUCSON LOAN HOLDINGS, INC. DE)	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120 REIT		
	UPTURN FINANCIAL INC	100,00	x		BBVA USA Bancshares, Inc.			x			x	1120		
	Texas Mezzanine Fund, Inc. (TX)	100,00	x		BBVA USA Bancshares, Inc.									
	Compass Bank Foundation (AL)*									x				

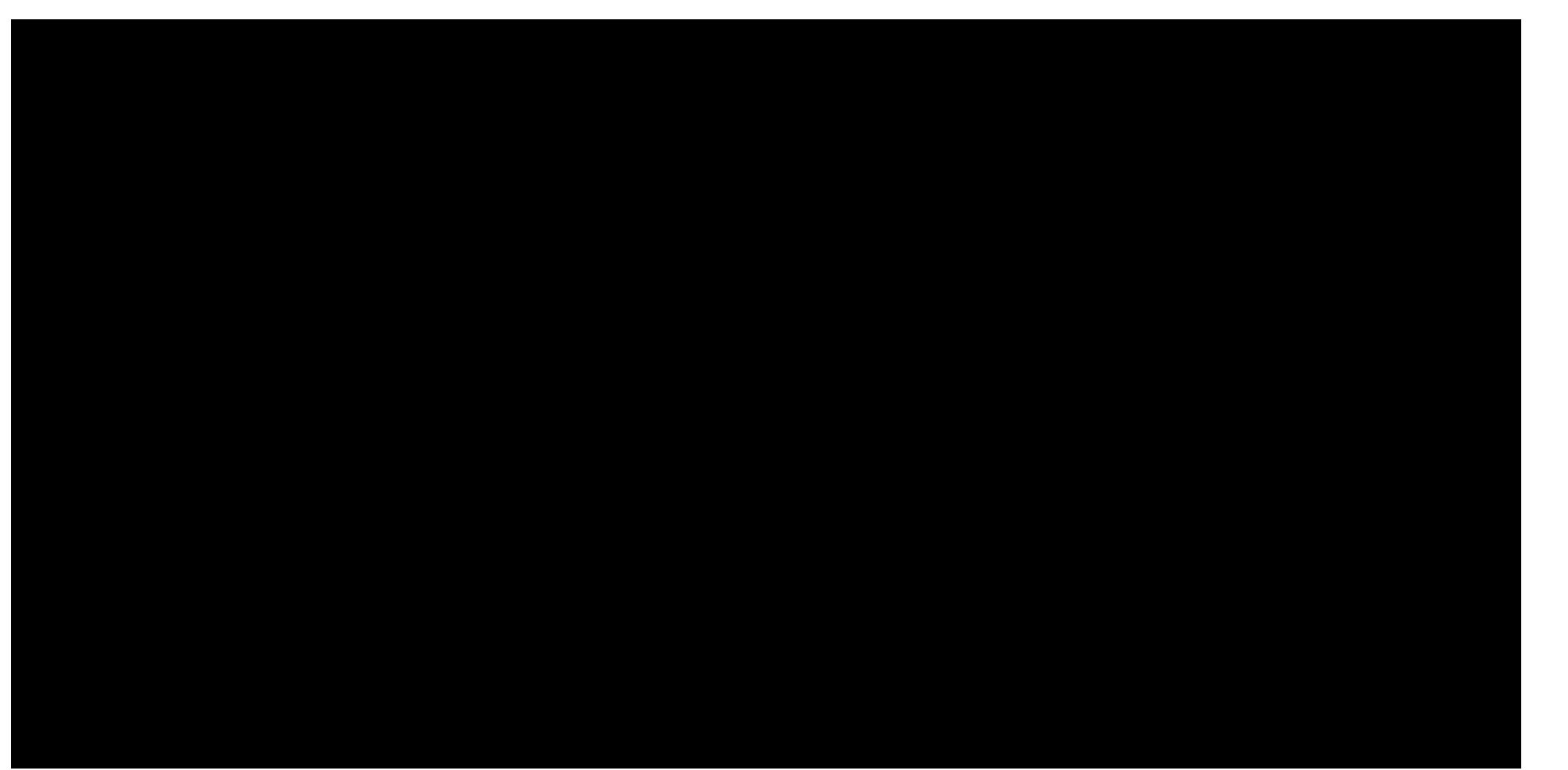
*The Compass Bank Foundation is a private non-profit charitable foundation controlled by BBVA USA.

Annex 3.3(b)(i)

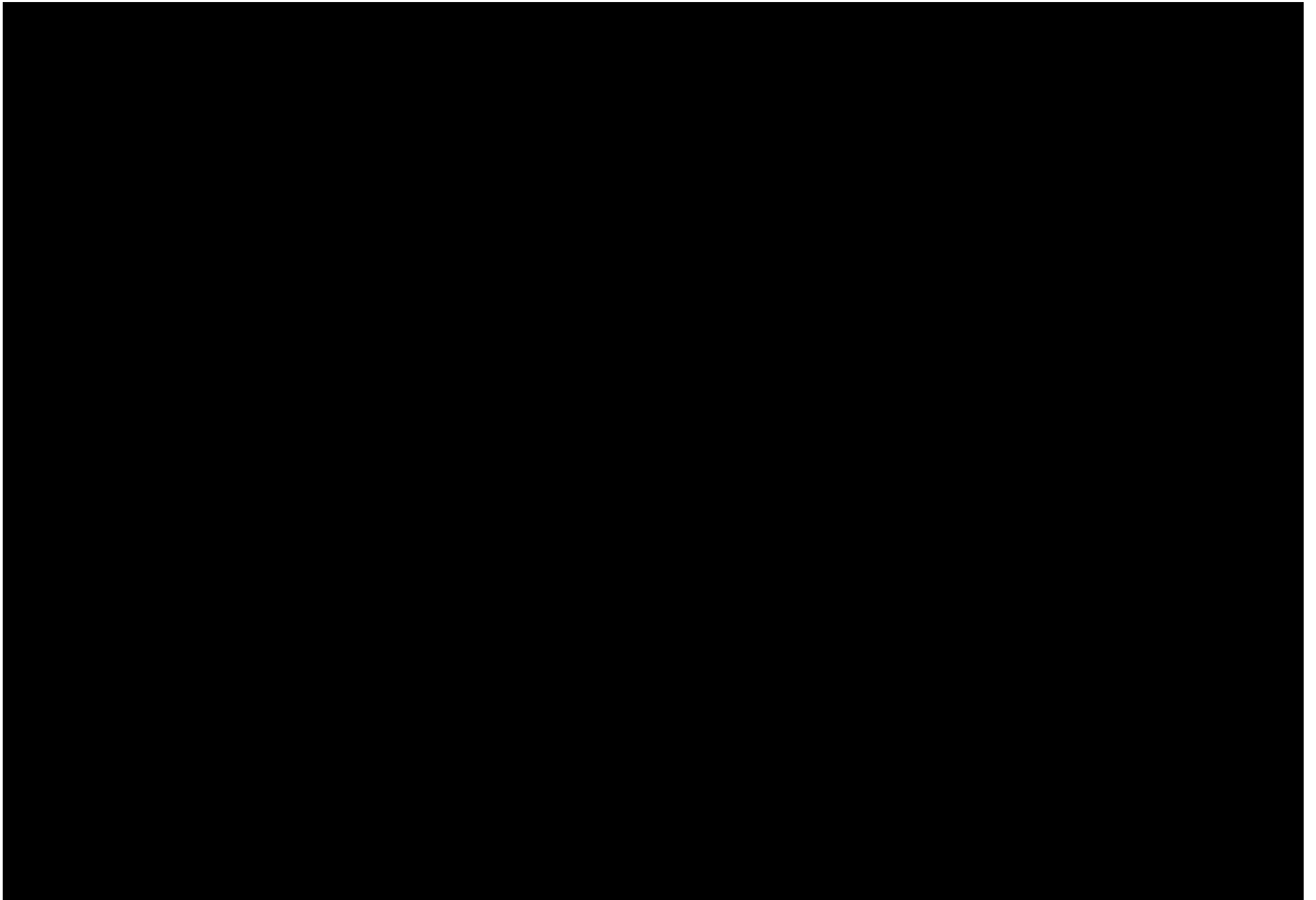
Entity Name	Security Name	# Shares Authorized	# Shares Issued	% Shares Issue	# Outstanding	% Outstanding
Arizona Financial Products, Inc.	Common	1,000,000.0000	10,000.0000	1.0000%	10,000.0000	100.0000%
Azlo Business, Inc.	Common	30,000,000.0000	11,360,000.0000	37.8667%	11,360,000.0000	100.0000%
BBVA Dallas Creation Center, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
BBVA Financial Corporation	Common	1,000.0000	200.0000	20.0000%	200.0000	100.0000%
BBVA Financial Corporation	Preferred	250.0000	0.0000	0.0000%	0.0000	--
BBVA Foreign Exchange, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
BBVA Insurance Agency, Inc.	Common	163,069.0000	163,069.0000	100.0000%	163,069.0000	100.0000%
BBVA Mortgage Corporation	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
BBVA Open Platform, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
BBVA Processing Services, Inc.	Common	5,000.0000	5,000.0000	100.0000%	5,000.0000	100.0000%
BBVA Securities Inc.	Common	10,000.0000	1,000.0000	10.0000%	1,000.0000	100.0000%
BBVA Transfer Holdings, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
BBVA Transfer Services, Inc.	Common	25,000.0000	25,000.0000	100.0000%	25,000.0000	100.0000%
BBVA USA	Common	101,100.0000	101,100.0000	100.0000%	101,100.0000	100.0000%
BBVA Wealth Solutions, Inc.	Common	4,047.0000	4,047.0000	100.0000%	4,047.0000	100.0000%
Compass Capital Markets, Inc.	Common	1,000,000.0000	500.0000	0.0500%	500.0000	100.0000%
Compass Capital Markets, Inc.	Preferred	250,000.0000	0.0000	0.0000%	0.0000	--
Compass GP, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Compass Limited Partner, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Compass Loan Holdings TRS, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Compass Mortgage Financing, Inc.	Common	10,000.0000	10,000.0000	100.0000%	10,000.0000	100.0000%
Compass Texas Mortgage Financing, Inc.	Common	10,000.0000	100.0000	1.0000%	100.0000	100.0000%
CoVault, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Denizen Financial, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Denizen Financial, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Guaranty Business Credit Corporation	Common	10.0000	10.0000	100.0000%	10.0000	100.0000%
Guaranty Plus Holding Company	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Human Resources Provider, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
Human Resources Support, Inc.	Common	1,000.0000	1,000.0000	100.0000%	1,000.0000	100.0000%
P.I. Holdings No. 3, Inc.	Common	15,000.0000	1,000.0000	6.6667%	1,000.0000	100.0000%
P.I. Holdings No. 3, Inc.	Preferred	10,000.0000	0.0000	0.0000%	0.0000	--
Phoenix Loan Holdings, Inc.	Common	5,000.0000	1,000.0000	20.0000%	1,000.0000	100.0000%
Phoenix Loan Holdings, Inc.	Preferred Class A	5,000.0000	992.0000	19.8400%	992.0000	100.0000%
Phoenix Loan Holdings, Inc.	Preferred Class B	35,000.0000	35,000.0000	100.0000%	35,000.0000	100.0000%

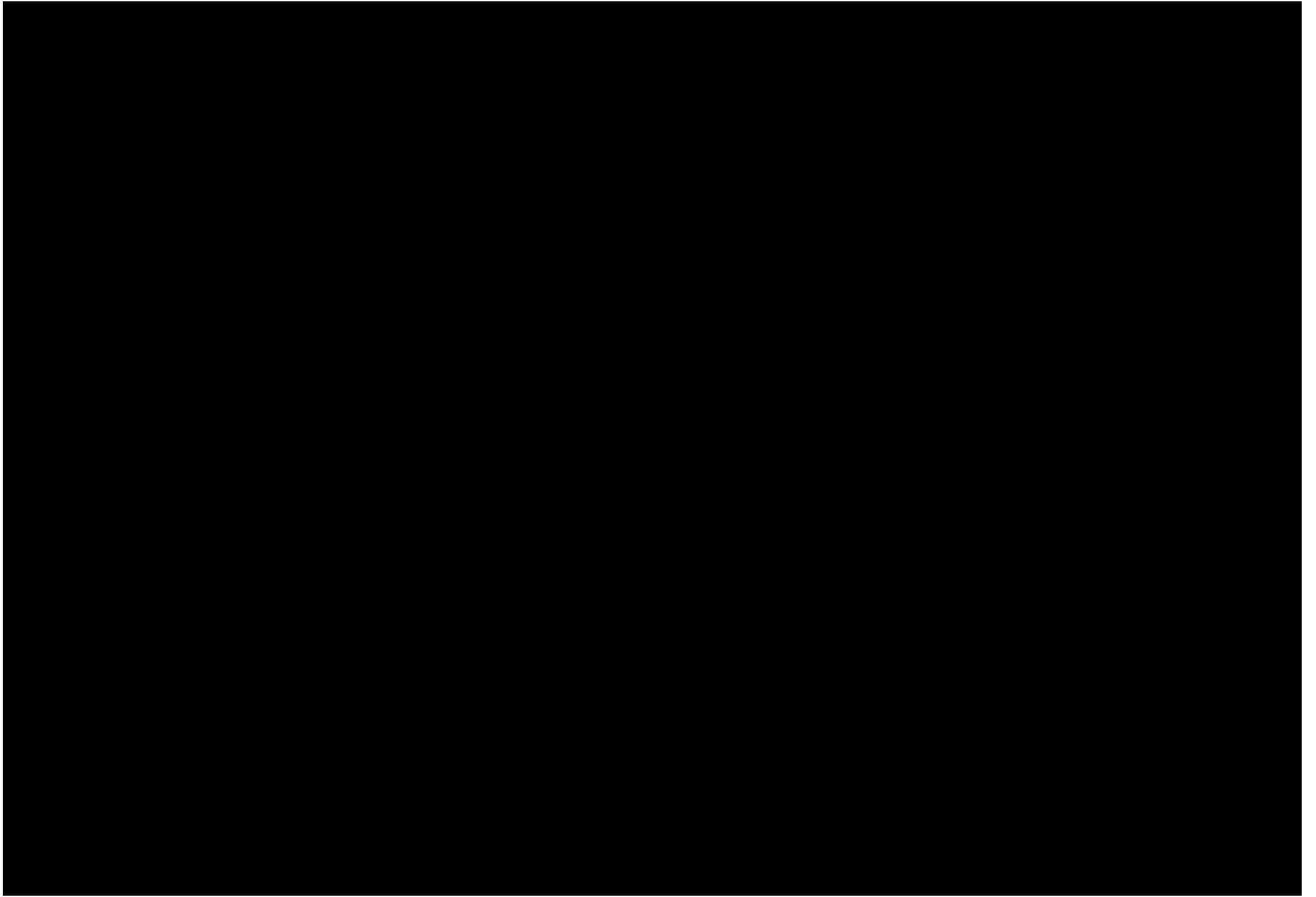
Entity Name	Security Name	# Shares Authorized	# Shares Issued	% Shares Issue	# Outstanding	% Outstanding
Phoenix Loan Holdings, Inc.	Preferred Class C	180,000.0000	169,000.0000	93.8889%	169,000.0000	100.0000%
RWHC, Inc.	Common	10.0000	10.0000	100.0000%	10.0000	100.0000%
Simple Finance Technology Corp.	Common	1,000,000.0000	1,000,000.0000	100.0000%	1,000,000.0000	100.0000%
Texas Mezzanine Fund, Inc.	Common Class A	200,000.0000	18.0000	0.0090%	18.0000	100.0000%
Texas Mezzanine Fund, Inc.	Common Class B	800,000.0000	14,339.0000	1.7924%	14,339.0000	100.0000%
TMF Holding, Inc.	Common	10.0000	10.0000	100.0000%	10.0000	100.0000%
Tucson Loan Holdings, Inc.	Common	5,000.0000	1,000.0000	20.0000%	1,000.0000	100.0000%
Tucson Loan Holdings, Inc.	Preferred	5,000.0000	992.0000	19.8400%	992.0000	100.0000%
Upturn Financial, Inc.	Common	10,000,000.0000	6,500,000.0000	65.0000%	6,500,000.0000	100.0000%

Annex 3.3(b)(ii)



Annex 3.20(a)







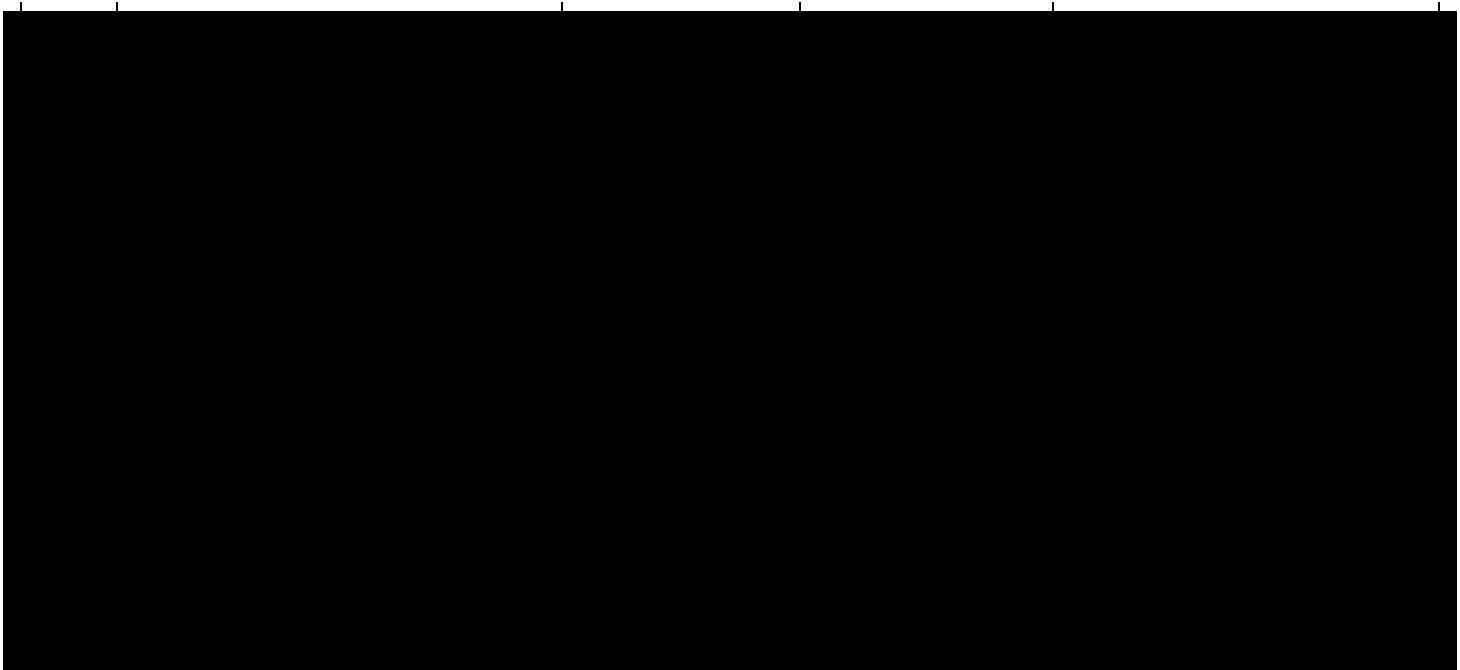
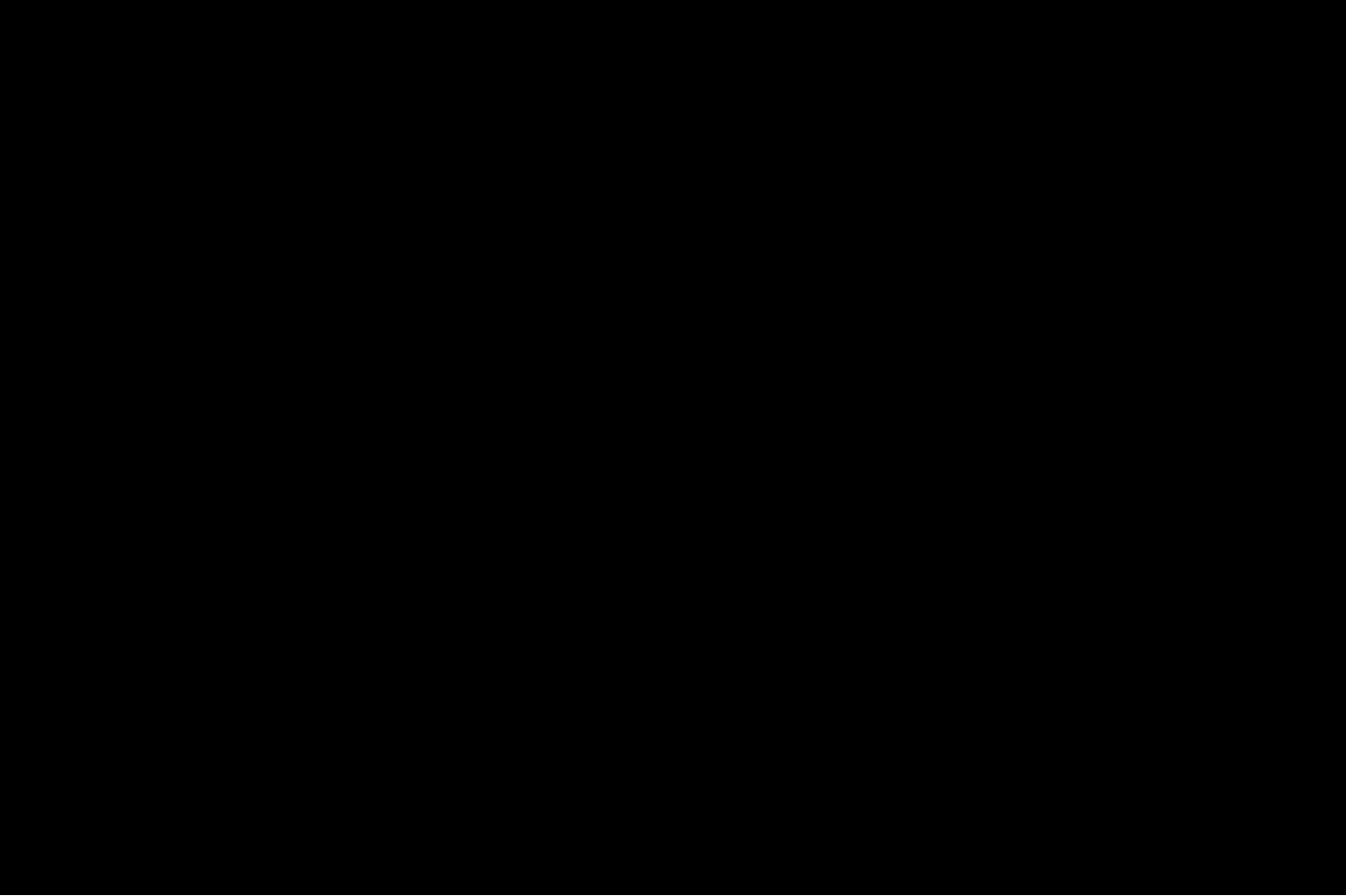
Annex 5.2(b)(xiii)

Disclosure Schedule Section 5(b)(xiii)

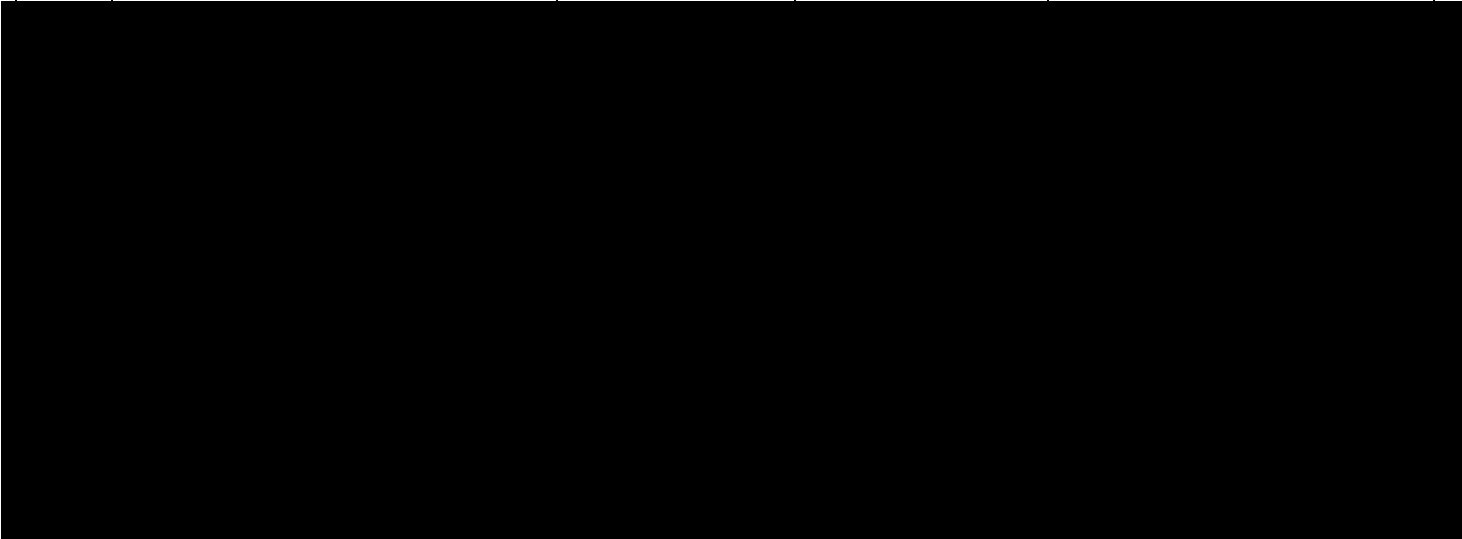
	<u>Location</u>	<u>Description</u>	<u>Regulatory Status</u>	<u>Comments</u>
1.	8900 S Congress Avenue, Austin, TX 78745	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
2.	722 US 79 West, Suite 100, Hutto, TX, 78634	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
3.	7119 Custer Road, McKinney, TX 75070	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
4.	902 West Pioneer Parkway, Grand Prairie, TX 75051	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
5.	9615 Spring Green Boulevard, Katy, TX 77494	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
6.	2892 W. Grand Parkway S. Richmond, TX 77407	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
7.	13105 Louetta Rd, Cypress, TX 77429	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
8.	1010 Katy Fort Bend Road, Katy, TX 77493	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
9.	4600 FM 2181, Corinth, TX 76210	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020.

	<u>Location</u>	<u>Description</u>	<u>Regulatory Status</u>	<u>Comments</u>
				Projected opening date: 2 nd Quarter 2021
10.	7414 S Sam Houston Parkway West, Suite C100, Houston, Texas 77085	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
11.	15701 Wallisville Rd., Houston, TX 77049	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 4 th Quarter 2021
12.	12230 West Lake Houston Parkway, Houston, TX 77044	New Retail Branch	TBD	Regulatory Approval for this address Received on June 5, 2020. Exploring relocation due to lease issues at existing location. New location has been identified and lease negotiations are in process. Regulators to be notified if/when the Bank decides whether or not to move forward with this new branch.
13.	2503 FM 1960, Houston, TX 77073	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021
14.	6626 West Loop 1604 N, San Antonio, TX 78254	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 3 rd Quarter 2021
15.	651 North I-35BL, New Braunfels, TX 78130	New Retail Branch	Approved	Regulatory Approval Received on June 5, 2020. Projected opening date: 2 nd Quarter 2021

	<u>Location</u>	<u>Description</u>	<u>Regulatory Status</u>	<u>Comments</u>
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	<u>Location</u>	<u>Description</u>	<u>Regulatory Status</u>	<u>Comments</u>
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Public Exhibit 3

Purchaser's Disclosure Schedule to Share Purchase Agreement

PURCHASER'S DISCLOSURE SCHEDULE

November 15, 2020

This Disclosure Schedule (this "Disclosure Schedule") is made and given pursuant to Articles I, III and V of the Share Purchase Agreement (the "Agreement"), dated as of November 15, 2020, between Banco Bilbao Vizcaya Argentaria, S.A., a *sociedad anónima* organized under the laws of the Kingdom of Spain ("Seller") and The PNC Financial Services Group, Inc., a corporation organized under the laws of Pennsylvania ("Purchaser"). Capitalized terms not defined in this Disclosure Schedule have the meanings ascribed to such terms in the Agreement.

All disclosures contained in these Schedules are made as of the dates set forth in the Agreement and their accuracy is confirmed only as of such dates.

Any agreement, instrument or statute defined or referred to herein or any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented prior to the date hereof, including (in the case of agreements or instruments) by waiver of consent and (in the case of statutes) by succession or comparable successor statutes and references to all attachments thereto and instruments incorporated therein. Any agreement referred to herein shall include reference to all exhibits, schedules and other documents or agreements attached thereto and made available therewith.

The inclusion of any specific item in any Schedule hereto is not intended to imply that the item so included or other items (i) are or are not material, and no party shall use the inclusion of any such item in any dispute or controversy between the parties as to whether any obligation, item or matter not described herein or included in any Schedule is or is not material for purposes of the Agreement; (ii) are or are not in the ordinary course of business, and no party shall use the fact of the setting forth or the inclusion of any specific item in any dispute or controversy between the parties as to whether any obligation, item not included in any Schedule is or is not in the ordinary course of business for purposes of the Agreement; (iii) does or does not constitute a Material Adverse Effect. In addition, disclosure of any information in any section or subsection of this Disclosure Schedule shall also be deemed to be disclosed with respect to such other section or subsection of the Agreement to which the relevance of such item is reasonably apparent on the face of the disclosure.

In addition, matters reflected in these Schedules are not necessarily limited to matters required by the Agreement to be reflected in these Schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. No general disclosure in any particular Schedule herein shall be limited by any more specific disclosure in either that particular Schedule or any other Schedule. The information contained in these Schedules is disclosed solely for the purposes of the Agreement, and no information contained herein shall be deemed to be an admission by any party thereto to any third party of any matter whatsoever, including of any violation of Law or breach of any Contract, or that such matter is material to the Purchaser.

These Schedules are qualified in their entirety by reference to specific provisions of the Agreement and are not intended to constitute, and shall not be construed as constituting,

representations or warranties of the Purchaser, except as and to the extent provided in the Agreement. The Purchaser shall not be prejudiced in any manner whatsoever by, and no presumptions shall be created by virtue of, any disclosure of any matter herein that is not expressly required to be disclosed under the Agreement. The information in these Schedules is disclosed confidentially. The information contained herein was not prepared or disclosed with a view that it would be disclosed to any Person that is not a party to the Agreement and the Purchaser does not assume any responsibility to any such Person for any inaccuracies contained herein or otherwise. In disclosing the information set forth herein, the Purchaser expressly does not waive any attorney-client privilege associated with any such information or any protection afforded by the “work product doctrine” with respect to any of the matters disclosed herein.

Headings have been inserted on these Schedules for convenience of reference only and shall not be deemed to affect or alter the express description of the representations and warranties contained in the Agreement or of these Schedules as set forth in the Agreement. The items in these Schedules include brief descriptions or summaries of certain agreements, instruments and other documents, which descriptions do not purport to be comprehensive, and are qualified in their entirety by reference to the text of the agreements, instruments and other documents so described. The attachments and annexes to any particular Schedule of these Schedules form an integral part of these Schedules and are incorporated by reference for all purposes as if set forth fully herein.

The rules of interpretation and construction specified in Section 1.2 of the Agreement shall also apply to these Schedules.

The information contained in this Disclosure Schedule is confidential information of Purchaser, and the Seller, the Company, and its Affiliates shall be obligated to maintain and protect the confidentiality of such information in accordance with the provisions of the Agreement and the Confidentiality Agreement.

Section 1.1
Definitions

(b) “Knowledge”

1. Joseph Zwicker, Deputy General Counsel Government & Regulatory Enforcement, Litigation and Investigations
2. Kieran Fallon, Senior Deputy General Counsel, Regulatory Affairs and Enterprise Risk
3. Robert Q. Reilly, Executive Vice President and Chief Financial Officer
4. Gregory B. Jordan, General Counsel & Chief Administrative Officer