



## Extraordinary General Shareholder's Meeting



Bilbao, June 2024

Dear Shareholder:

**On July 5th, we will hold an extraordinary BBVA shareholders' meeting** at the Euskalduna Conference Center in Bilbao. At this meeting, we will submit for your approval a **capital increase** in order to carry out the share exchange transaction with Banco Sabadell.

As you are probably aware, on May 9th, BBVA announced its decision to make an offer to Banco Sabadell shareholders to acquire up to 100 percent of the bank's shares.

**The transaction aims to combine both banks, building a stronger and more profitable bank,** and an example in the market in terms of volume of assets, loans and deposits. This larger scale will allow the bank to face the structural challenges of the financial sector in better conditions, addressing in an efficient manner the rising needs for investments in digital transformation in an increasingly global sector.

Therefore, we have proposed to Banco Sabadell shareholders the exchange of one new BBVA share for every 4.83 shares of Banco Sabadell.

The capital increase will take place by **issuing new ordinary BBVA shares with no preferential subscription rights and with no need for you to make any disbursements**, as these shares will be allocated to Banco Sabadell shareholders who accept the purchase offer. The final amount of the capital increase will therefore be subject to the number of acceptances of the offer by Banco Sabadell shareholders.

This transaction will **create value** for all of you, the **BBVA shareholders**, as it will create a stronger and more competitive bank, as well as an estimated increase in earnings per share of around 3.5 percent (once the savings associated with the integration have been realized), and a limited estimated impact on the CET1 capital ratio of 30 basis points.<sup>1</sup>

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<sup>(1)</sup> For further detail see the 'Presentation of offer to Banco Sabadell shareholders' from May 9th that can be found at our shareholders and investors website.

Furthermore, **BBVA will maintain its current shareholder distribution policy**, which represents a pay out between 40 to 50 percent of profit, with the possibility of combining cash dividends and share buybacks, as well as the commitment to distribute any excess capital over 12 percent.<sup>2</sup>

**This transaction is also positive for the rest of our stakeholders.** Customers will have a unique value proposition at their disposal, thanks to the complementarity of the franchises, a greater product offering and the global scope of the bank. Employees will be able to take advantage of new professional opportunities to grow in a global bank. The combined bank will have greater capacity to offer financing for families and businesses (estimated at €5 billion per year) and higher contributions through taxes. All of this will result in greater **economic and social progress**.

The offer for Banco Sabadell shares is subject to the acceptance by its shareholders representing the majority of its share capital (at least 50.01 percent); obtaining necessary regulatory approvals, and of course, the approval by BBVA shareholders of the previously mentioned capital increase.

As a shareholder, **your involvement in the bank's decision-making is essential**, and I would like to encourage you to participate in this shareholders' meeting. For this purpose, we are offering several ways to exercise your rights in a secure manner: 1) voting in advance or delegating a representative through digital channels or the network of branches prior to the day of the meeting; 2) attending the meeting online through the 'Online Assistance Portal' created for this purpose; or 3) attending in person at the Euskalduna Conference Center in Bilbao (4 Abandoibarra Avenue). All this is explained in the announcement convening the meeting and in greater detail in the 'Extraordinary Shareholders' Meeting' section of the corporate website ([www.bbva.com](http://www.bbva.com)).

Thank you very much for your trust and constant support, which encourage us to continue building the most attractive project in the European banking sector.

Kind regards,



Carlos Torres Vila  
Chair

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(2) CET1 ratio pro-forma Basel IV; subject to necessary approvals.