PART I
Introduction

1. Introduction and Applicable Regulations

I. Introduction

1. Prudence, integrity and transparency in business are the values comprising BBVA Group's corporate culture. Its commitment to these values is put into practice through BBVA Group’s Code of Conduct, which contains the principles and guidelines that all those who are part of the Group must observe when acting for BBVA. These principles include general guidelines to preserve the integrity of the markets. There are standards for preventing market abuse and guaranteeing transparency and competition on the markets.

1.2 These basic principles have been more specifically developed in the Corporate Policy on Conduct in the Securities Markets (the “Policy”), which applies to every member of BBVA Group around the world and establishes the minimum standards in respect of Inside Information, market manipulation, conflicts of interest and own-account trading by persons in BBVA Group.

1.3 In each jurisdiction, the Policy is supplemented with a code or internal standards of conduct (ISC) for securities markets. This is inspired by the principles of the Policy, which establish the minimum standards of conduct, developing them in greater detail, adjusting them where applicable to the legal requirements of the jurisdiction.


II. Regulatory framework

1.5 The ISC has been drafted in accordance with the provisions in the following laws:

- Royal Legislative Decree 4/2015, dated October 23, which approves the revised text of the Securities Market Act.
- Royal Decree 217/2008, 15th February, on the legal regime governing investment services enterprises and other organizations providing investment services.

2. Scope of Application

I. Entities subject

2.1 Entities Subject to these standards are those entities domiciled in any of the European Union Member States, and all branches domiciled within the EU that constitute the BBVA Financial Group (hereinafter “BBVA Group”) whose activities are carried out either directly or indirectly within the scope of the securities market, except for those bound by their own internal standards of conduct on the securities markets.

2.2 The Compliance Department will keep an updated list of the Entities Subject to the current Internal Standards of Conduct.
II. Persons subject

2.3 These internal standards shall be applicable to the following persons:

2.3.1 Members of the boards of directors of Entities Subject to these Standards.

2.3.2 Members of the BBVA Senior Management.

2.3.3 Other members of the the Entities Subject in BBVA Group that must be subject to these standards (1) as Members of the Management Committees of the area or entity; or (2) because they engage in activities related to the securities markets and thus, have access to Inside Information, (as defined in point 4 of this ISC), or other confidential information on securities that could be used illicitly on the markets, relating to customers or transactions with or for customers, or engaging in activities that may give rise to a conflict of interests.

2.4 For the purposes of these standards, the persons listed in the previous section shall be called Persons Subject.

2.5 Should any of the Entities Subject have agents such as those outlined in article 146 of the Securities Market Act, the ISC shall also be applicable to them and, where applicable, their directors, partners, executives and employees, whenever they engage in activities under circumstances analogous to those listed in section 2.3.3 above and always in compliance with the provisions of section 2.6 below.

2.6 The above notwithstanding, the Compliance Department may authorize specific exemptions from compliance with predetermined obligations in the ISC, under the following circumstances.

2.6.1 Should Persons Subject engaging in their main business in other Entities Subject to these Standards of Conduct request exemption from some of the regulations contained herein, on the basis of obligations in the internal standards of conduct of the entities in which they pursue their main business.

2.6.2 Should Persons Subject to these Standards of Conduct whose main business activity takes place in a financial institution which is not part of the BBVA Group and has its own internal standards of conduct, request exemption from the duty to operate through or report to BBVA Group under the terms established in sections 9.17 and 9.18 of these ISC.

2.6.3 Should some other circumstance arise that may justify a specific exemption, provided it complies with applicable regulations.

2.7 The Compliance Department is responsible for determining the persons belonging to BBVA Group to whom the ISC are applicable, as well as the period of time for which they will be subject to it. The Compliance Department will keep an updated and dated record of the Persons Subject and those others exempt, in accordance with the authorizations granted according to paragraph 2.6 above.

2.8 Without prejudice to the contractual measures established, these ISC may be extended in whole or in part when considered necessary to entities that provide services under an outsourcing or delegation agreement, or any individual whose services are made available and under control of the Entities Subject or of their agent that participates in providing services to them under an agreement to delegate the provision of investment services or the exercise of essential functions for this provision, provided that they carry out their services under cases similar to those included in paragraph 2.3.3 above.

III. Securities affected

2.9 The following will be Securities Affected:

2.10 Securities and financial instruments admitted to trading on a regulated market, or for which admission has been applied for to trade on a regulated market, that are included within the scope of applicable legislation on securities markets. At a minimum, the following securities or financial instruments are covered:

2.10.1 Transferable securities issued by public- or private-sector persons or entities, and grouped as issues. Negotiable securities shall mean any right in equity, whatever it may be called, whose own legal status and rules governing its transmission, make it eligible for general, arms-length trading on a financial market. The following shall at all times be considered negotiable securities:

2.10.1.1 Shares in companies and negotiable securities equivalent to shares, and any other kind of negotiable securities that grant rights to purchase shares or equivalent securities through conversion or exercise of the rights conferred.
2.10.1.2 Internationalization covered bonds and bonds.

2.10.1.3 The bonds, debentures and other analogous securities representing participation in debt issues, including convertible or swappable securities.

2.10.1.4 Mortgage-backed securities, bonds and warrants.

2.10.1.5 Securitized bonds.

2.10.1.6 Shares in collective investment undertakings, as well as those in venture capital firms and closed-end collective investment firms.

2.10.1.7 Money-market instruments, i.e. those categories of instruments habitually traded on the money market, such as treasury bonds, deposit certificates and promissory notes, except in singular issues, excluding payment instruments deriving from previous commercial transactions that do not entail raising repayable finance.

2.10.1.8 Preferred securities.

2.10.1.9 Territorial bonds.

2.10.1.10 Warrants and other negotiable derivatives conferring a right to purchase or sell any other negotiable security, or that confer the right to a cash settlement determined with reference to, e.g., negotiable securities, currency, interest rates or distributions, commodities, credit risk or other indices or benchmarks.

2.10.1.11 Others deemed to be negotiable securities by legal and statutory provisions.

2.10.2 Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.

2.10.3 Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event; (for reasons other than breach of contract or any event leading to cancellation of the contract).

2.10.4 Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or through a multilateral trading system.

2.10.5 Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not mentioned in the previous section of this article and not destined for commercial purposes, that show the features of other derivative financial instruments, taking into account whether they are settled through recognized clearing chambers or whether they are subject to regular adjustments in their guarantee margins.

2.10.6 Derivative financial instruments for transfer of credit risk.

2.10.7 Cash-settlement financial contracts.

2.10.8 Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not mentioned in the previous sections of this article, that show the features of other derivative financial instruments, taking into account whether they are settled through recognized clearing chambers or whether they are subject to regular adjustments in their guarantee margins.

2.11 As well as instruments admitted to trading in a regulated market, financial instruments traded in a multilateral trading facility (MTF) or for which admission or negotiation in a MTS has been requested, and the financial instruments traded in Organized Trading Facility (OTF).

2.12 Financial instruments not included in the above paragraphs whose price or value depends on financial instruments that are included in those paragraphs or that have an effect on their price or value, including, but not limited to, derivative financial instruments for the transfer of credit risk and spread contracts.

2.13 However, in compliance with prevailing regulations, the Compliance Department may at any time determine which Securities Affected may be excluded regarding all or some Persons Subject, indefinitely or for a specific period of time, from some of the obligations detailed in these standards.
3. The Compliance Department

I. Powers

3.1 The Compliance Department, always guided by the principle of independence from those areas or units on which its activity is focused, exercises supervision and control over the observance with the principles contained in these standards, and the rules comprising the policies and procedures laid down as these are ramified. To ensure due compliance with its duties, the Compliance Department has been granted full powers to require any persons or bodies in BBVA Group and in any of its entities charged with managing the moveable assets of those subject to these Standards to provide it with such information as it deems advisable.

3.2 *Persons Subject* and other persons in BBVA Group are obliged to attend to such requests for information diligently and precisely and, where applicable, to supply the Compliance Department access to information that may be held by third parties.

II. Functions

3.3 Comply with and promote compliance with the rules contained in the Internal Standards of Conduct and other prevailing legal provisions at any time regarding the conduct in the securities markets.

3.4 Interpret specific applications of the rules contained in these standards and monitor its compliance.

3.5 Coordinate those aspects relating to development of mechanisms that need to be dealt with in or with other entities belonging to the BBVA Group located outside Spain to ensure compliance with these standards.

3.6 Check that the entity has adequate administrative and organizational measures to avoid possible *Conflicts of Interest* damaging customers interests.

3.7 Establish control measures over the transactions carried out by *Persons Subject* to these Internal Standards of Conduct.

3.8 Maintain control over the *Inside Information* in compliance with the standards contained herein, keeping *Insider Lists and Prohibited Securities* available to the supervisor during the legally established period.

3.9 Foster measures of all kinds that it considers advisable to adopt in the light of a possible abusive or unfair use of *Inside Information* (as defined in point 4 below).

3.10 Maintain control over the Global Restricted List in accordance with the standards contained herein, keeping updated list of the securities included, as well as the restrictions applicable at any time.

3.11 Maintain the documentary support required for the legally established periods to comply with the provisions of the Internal Standards of Conduct.

3.12 Deal with any queries forthcoming from *Persons Subject* with respect to these Internal Standards of Conduct.

3.13 Answer enquiries regarding the rules of conduct on the securities market sent to BBVA Group by the regulatory authorities.

3.14 Propose the composition and possible changes in the list of *Separate Areas* of BBVA Group.

3.15 Assess the suitability of measures to be established in each Area of BBVA Group to control access to and transmission of *Inside Information*.

3.16 Promote the establishment and development of internal policies and procedures necessary to comply with the regulations contained herein.

3.17 Advise and make those in the Group aware of the importance of observing the procedures developed to comply with these standards, establishing periodic training programs on conduct in securities markets, geared to ensure that the Subject Persons are aware and have the capacity required with respect to conduct in securities market to carry out their duties.

3.18 Any other duty that may be relevant in order to reduce the risk of possible non-compliance with these standards.

III. Duty of confidentiality

3.19 The Compliance Department will guarantee the confidentiality of the data that, in compliance with the ISC, are provided by the *Persons Subject* and, where appropriate, those persons entrusted by them with the management of their asset management. For this purposes, it shall develop procedures and promote the design of any systems that may be necessary.