PART II
General Standards of Conduct

4. Inside Information

I. Definition of inside information

4.1 In accordance with the provisions of article 7 of Regulation 596/2014 of the European Parliament and of the Council on market abuse (the “Market Abuse Regulation”), Inside Information is considered to be information of any of the following types:

4.1.1 Information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;

4.1.2 In relation to commodity derivatives, information of a precise nature, which has not been made public, relating, directly or indirectly to one or more such derivatives or relating directly to the related spot commodity contract, and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the Union or national level, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets.

4.1.3 In relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more such instruments, and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments;

4.1.4 For persons charged with the execution of orders concerning financial instruments, it also means information conveyed by a client and relating to the client’s pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or the price of related derivative financial instruments.

4.2 Information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances.

4.3 In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

4.4 Information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts, or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of Inside Information.

4.5 Without prejudice to the foregoing sections, and by way of clarification but not limitation, Inside Information often affects the following:

4.5.1 A company’s profit and loss account.

4.5.2 Extraordinary changes to the company’s profit and loss account or changes to earnings guidance which has been made public.
4.5.3 Transactions conducted by the company such as capital increases or the issuing of securities which have special relevance.

4.5.4 Significant mergers or acquisitions.

4.5.5 Circumstances which could lead to litigation, disputes or sanctions which may have a significant effect on the expected results.

4.5.6 Decisions made by authorities before they are known publicly that have a material impact on the company’s results.

4.5.7 Information covering large put and call orders on specific securities.

4.5.8 Other facts or similar situations.

II. Insider dealing

4.6 The following transactions are considered Insider Dealing:

4.6.1 Transactions where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates.

4.6.2 The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information.

4.6.3 In relation to auctions of emission allowances or other auctioned products based thereon, the use of inside information shall also comprise submitting, modifying or withdrawing a bid by a person for its own account or for the account of a third party.

III. Obligations

4.7 Anyone who, because of their position or responsibilities within the BBVA Group, is in possession of Inside Information will be subject to the following obligations:

4.7.1 Obligation to safeguard information: Anyone in possession of Inside Information must safeguard it, without prejudice to their duty of disclosure and cooperation with the judicial and administrative authorities under the terms established in the Securities Market Act and other applicable legislation.

4.7.1.1 Pursuant to the above obligation, anyone in possession of Inside Information must adopt suitable measures to avoid it being abusively or unfairly used.

4.7.1.2 Likewise, should Inside Information be used abusively or unfairly, anyone aware of this must immediately report it to their superior and to the Compliance Department.

4.7.2 Obligation to notify the Compliance Department of Inside Information: Anyone in possession of any Inside Information must notify the Compliance Department immediately. Such disclosure must be by the persons and in accordance with the rules detailed in Chapter 14 (I) (General Measures for Protecting the Information). Furthermore, any transfer of this type of information must take place following the terms outlined in Chapter 16 (Controlling the Flow of Information) of these standards.

IV. Prohibitions

4.8 Carry out or attempt to carry out Insider Dealing for one’s own account or that of a third party: Whoever has Inside information available may not prepare or execute, directly or indirectly, any kind of transaction on his own behalf with securities or financial instruments to which the information refers, or on any other kind of share, financial instrument or contract of any type, whether or not it is traded in a secondary market, whose underlying is the marketable securities or financial instruments to which the information refers.

4.9 Recommend that another person carries out transactions with Inside information or induce a person to do so: Persons in possession of Inside Information cannot recommend induce a third party to purchase or assign securities or make another acquire or assign them based on Inside Information.
4.10 **Illegally communicate** Inside information, except when such disclosure occurs in the normal course of the person’s employment, profession or post:

4.10.1 No-one in possession of Inside Information may pass it on to third parties, except in the normal course of their employment, profession or post, in which case, they must apply Chapter 16 of these Internal Standards of Conduct Controlling the Flow of Information.

4.10.2 Should the Person Subject, acting on behalf of and to the account of the BBVA Group entity in which they work or to which they provide services, unintentionally reveal Inside Information on said entity in the normal course of their employment, profession or post to persons who are not bound to confidentiality by law, regulations, bylaws or contract, they must immediately report this circumstance so that due proceedings may be initiated to disclose the information to the market. These proceedings are contained in Chapter VI below, Public Disclosure of Inside Information.

**V. Exceptions**

4.11 **Legitimate behaviour:**

4.11.1 It shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal where that person:

4.11.2 For the financial instrument to which that information relates, is a market maker or a person authorized to act as a counterparty, and the acquisition or disposal of financial instruments to which that information relates is made legitimately in the normal course of the exercise of its function as a market maker or as a counterparty for that financial instrument.

4.11.3 The person is authorized to execute orders on behalf of third parties, and the acquisition or disposal of financial instruments to which the order relates, is made to carry out such an order legitimately in the normal course of the exercise of that person’s employment, profession or duties.

4.11.4 The person conducts a transaction to acquire or dispose of financial instruments and that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against insider dealing and that obligation results from an order placed or an agreement concluded before the person concerned possessed inside information.

4.11.5 The person has used that information and has thus engaged in insider dealing, where such person has obtained that inside information in the conduct of a public takeover or merger with a company and uses that inside information solely for the purpose of proceeding with that merger or public takeover, provided that at the point of approval of the merger or acceptance of the offer by the shareholders of that company, any inside information has been made public or has otherwise ceased to constitute inside information.

4.12 **Market soundings:**

4.12.1 Market sounding comprises the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors by:

a) an issuer;

b) secondary offeror of a financial instrument, in such quantity or value that the transaction is distinct from ordinary trading and involves a selling method based on the prior assessment of potential interest from potential investors.

c) an emission allowance market participant; or

d) a third party acting on behalf or on the account of a person referred to in points a), b) or c) above.

4.12.2 BBVA Group has specific procedures in place to regulate market soundings.

4.12.3 Market soundings may require disclosure of Inside information to potential investors. Before carrying out a market sounding a specific assessment must be made of whether this implies disclosure of Inside information. The Inside information shall be deemed to have been legitimately disclosed if it is disclosed in the normal exercise of a person’s employment, profession or post.
4.12.4 The market participant who discloses Inside Information in the course of a market sounding must do the following before disclosing information:

4.12.4.1 Obtain the consent of the person receiving the market sounding to receive Inside Information.

4.12.4.2 Inform the person receiving the market sounding that he is prohibited from using that information, by acquiring or disposing of, for his own account or for the account of a third party, directly or indirectly, financial instruments relating to that information, or by cancelling or amending an order which has already been placed concerning a financial instrument to which the information relates; and that by agreeing to receive the information he undertakes to maintain confidentiality.

4.12.4.3 Carry out, maintain and keep a record of all the information provided to the person receiving the market sounding.

4.12.5 The recipient of the market sounding must decide whether he is interested in receiving the market sounding information, in which case he must give his consent to receive the information, determine himself whether he is in possession of Inside Information and when he is no longer in possession of it. To this end must activate a process of communication with the Compliance Department of registration of Inside Information and maintain a record of his actions.

4.13 Exemption for buy-back programmes and stabilisation

4.13.1 Finally, the prohibitions mentioned in part IV above shall not apply to trading in own shares in buy-back programmes, or to trading in securities or associated instruments for the stabilisation of securities in the circumstances provided for by the Regulation on market abuse. These activities are regulated by specific rules.

VI. Public disclosure of inside information

4.14 The issuer shall make public as soon as possible the Inside information that concerns it directly. It will do so in a way that allows rapid access and a complete, correct and appropriate evaluation of the information by the public.

4.15 However, the public disclosure of the Inside information may be delayed, provided that all the following conditions are met:

4.15.1 The immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;

4.15.2 The delay of disclosure is not likely to mislead the public;

4.15.3 The issuer or emission allowance market participant is able to ensure the confidentiality of that information.

4.16 If the issuer or participant in the emission rights market delays the Disclosure of the Inside information, it must report this to the competent authority immediately after making public the information, and present an explanation in writing if required.

4.17 This procedure is regulated with respect to BBVA as issuer in the Manual for Public Disclosure of Relevant Information.

VII. Special activities

4.18 Persons engaging in or in any way involved in activities such as the stabilisation of prices in public offerings, execution of liquidity contracts on issuers’ own shares, financial analysis, treasury stock or trading of own shares and lending securities, must take into account the existence of specific rules of conduct applicable to them.

4.19 In such cases, the Compliance Department, or another appointed to do so, shall inform the persons affected of the specific rules applicable to them.
5. Conflicts Of Interest

5.1 A conflict of interest will be deemed to exist when at least two counterpoised interests that may constrain the impartiality or objective nature of a service or transaction coincide in one and the same person or decision-making scope.

I. Possible conflicts of interest

5.2 The varied activities and functions pursued in the securities markets by BBVA Group make it possible that the following conflicts of interest may arise at certain times:

5.2.1 Between different areas within BBVA Group.

5.2.2 Between BBVA Group customers and BBVA Group, including its managers, employees, agents or persons directly or indirectly affiliated to it in a controlling position.

5.2.3 Between different BBVA Group customers.

5.3 For such purposes, however, the sole fact that BBVA Group may obtain a profit shall not be deemed sufficient, unless there is also possible harm done to a customer; nor shall it be sufficient that a customer may gain or avoid a loss, if there is no concomitant loss for another customer.

II. Identifying conflicts of interest

5.4 Identifying Conflicts of Interest entails at least awareness as to whether BBVA Group and/or the Persons Subject or a person directly or indirectly affiliated in a controlling position, are in any of the following situations:

5.4.1 The entity or person in question may obtain a financial gain or avoid a financial loss at the cost of the customer.

5.4.2 Has an interest in the outcome of the service provided or transaction carried out to the customer’s account other than the interest the customer has in said outcome.

5.4.3 Has financial or any other kind of incentives to favour the interests of customers other than those of the customer in question.

5.4.4 Professional activity is identical with that of the customer.

5.4.5 Receives, or will receive, an incentive from a third party with respect to the service provided to the customer, in money, goods or services, other than the habitual payment or fee on the service in question.

5.5 The conflicts affecting Persons Subject may arise as a consequence of their family, professional, economic or any other kind of affiliations, or from situations known on the basis of holding a specific post or having specific duties in BBVA Group.

5.6 When determining the possibility of Conflicts of Interest due to the relations of the Persons Subject, all situations should be taken into account that may generate a potential conflict which would be assessed as such by an impartial observer with knowledge of the set of circumstances surrounding the person in question and the specific case in point. Assessment of these situations should not be limited to the group that these Internal Standards of Conduct define as Equivalent Persons in section 7.2.

III. Preventing conflicts of interest

5.7 The BBVA Group’s Internal Standards of Conduct are intended to control possible Conflicts of Interest. They establish that all Persons Subject must notify the head of their area or the Compliance Department of situations that could potentially and under specific circumstances may entail Conflicts of Interest that could compromise their impartiality, before they engage in any transaction or conclude any business in which they could arise.

5.8 The following situations shall be considered as affiliations to be included amongst the situations indicated in the section above. The list is not exhaustive:

5.8.1 Economic Affiliations.

5.8.1.1 Direct or indirect ownership of more than 5% of the capital in companies which are BBVA Group customers for services related to the securities markets or in companies which are listed on the Stock Exchange.

5.8.1.2 Holding directorships or senior management posts in listed companies or Investment Service Companies.
5.8.2 Family Affiliations:

For such purposes, related parties will be:

a) The spouse or person with analogous relationship of affect, pursuant to the domestic legislation.

b) Ascendants, descendants and siblings of the Person Subject, and their respective spouses or persons with analogous relationship of affect, pursuant to domestic legislation.

c) Ascendants, descendants and siblings of the spouse or person with analogous relationship of affect, pursuant to domestic legislation.

When any of the above-mentioned persons are in the following situations, this must be duly reported:

a) Customers or persons holding directorship or management posts in client companies, who regularly trade in the securities markets through Entities Subject to these Standards of Conduct.

b) Directors or senior management of listed companies or Investment Services Companies.

IV. Resolving conflicts of interest

5.9 BBVA Group has a Conflicts of Interest Policy, aimed at preventing any Conflicts of Interest from being detrimental to the interests of its customers. In addition, with the aim of resolving potential Conflicts of Interest of any type, the procedures of each of the areas in BBVA Group whose activities may give rise to potential conflicts of interest, must in line with the provisions of the Standards for Prevention of Conflicts of Interest in BBVA and the Code of Conduct of BBVA Group, guarantee sufficient prevention and management of such Conflicts of Interest.

V. Disclosing conflicts of interest

5.10 When the organizational and/or administrative measures adopted to manage the Conflict of Interest are not sufficient to guarantee with a reasonable degree of certainty that the risks of damaging customer interests be avoided, the nature and origin of the conflict must be disclosed to the customer in advance, before acting on their behalf.

5.11 Any disclosure must be made on a durable medium and must include sufficient data, depending on the nature of the customer, to enable the customer to be come to an informed decision regarding the service affected by the Conflict of Interests.

6. Market Integrity: Market Manipulation

I. Restricted activities and conduct

6.1 Market manipulation undermines the confidence of participants in the markets and their proper operation.

6.2 Avoiding price manipulation is an indispensable requirement in BBVA Group, as part of its commitment to foster integrity and transparency on the Markets in which it operates. All Involved Persons are bound to refrain from engaging in such practices.

6.3 Market manipulation shall comprise the following activities and behaviours:

6.3.1 Market manipulation includes the following activities:

a) Entering into a transaction, placing an order to trade or any other behaviour which:

   i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances; or

   ii) secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with an accepted market practice;

b) Entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances, which employs a fictitious device or any other form of deception or contrivance;
c) Disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances or secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;

d) Transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

6.3.2 Market manipulation includes the following behaviours:

a) The conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;

b) The buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;

c) The placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading strategies, by disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so; making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilisation of the order book; or creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend;

d) Taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;

e) The buying or selling on the secondary market of emission allowances or related derivatives prior to the auction held with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

II. Exceptions and accepted market practices

6.4 Market manipulation is a prohibited practice. However, there is a number of exceptions to this prohibition, as well as accepted practices.

6.5 Accepted market practices are those admitted by the Competent Authorities, taking into account the level of transparency and protection in market operations offered by market practice, its impact on market liquidity and efficiency and the risks it generates. In Spain liquidity agreements are an accepted market practice (see Annex II).

6.6 Finally, the prohibitions mentioned in part IV above shall not apply to trading in own shares in buy-back programmes, or to trading in securities or associated instruments for the stabilisation of securities in the circumstances provided for by the Regulation on market abuse. These activities are regulated by specific rules.
III. Indicators

6.7 In order to determine whether or not a conduct constitutes a market manipulation practice, the indications described in Annex 1 must be taken into account. The list is not exhaustive and the practices cannot, of themselves, be considered to constitute market manipulation.

IV. Enforcement

6.8 Officers in charge of the areas affected by the preceding prohibitions must take due measures to guarantee compliance. They must also ensure proper dissemination of forbidden practices amongst members of their area.

6.9 Officers in charge of the areas receiving, transmitting and/or executing third-party orders must take measures to promote knowledge of the indicators contained in point III above. Likewise, they must define and implement procedures and controls to detect and analyze such indications. The areas shall establish absolute and relative parameters and values to determine whether a specific transaction should be considered an indication. These parameters must always be validated by the Compliance Department.

V. Communication to the regulator

6.10 When it is deemed that there are reasonable indicators to suspect that a transaction is using Inside Information or constitutes a practice of market manipulation, this must be reported to the Compliance Department, so it may assess the need to inform the stock-exchange authority (CNMV) or whatever authority may be applicable at that time, as soon as possible, on the basis of applicable regulations and procedures defined at any time.

VI. Special activities

6.11 Persons engaging in or in any way involved in activities such as the stabilisation of prices in public offerings, execution of liquidity contracts on issuers’ own shares, financial analysis, treasury stock or trading of own shares and lending securities, must take into account the existence of specific rules of conduct applicable to them.

6.12 In such cases, the Compliance Department, or another appointed to do so, shall inform the persons affected of the specific rules applicable to them.

VII. Restricted securities

6.13 BBVA’s participation in certain project involves some times, particularly in the area of investment banking services (public offerings, fusions and acquisitions, financing projects and so on), the imposition of certain restrictions in addition to those explained above, that may limit the activity of different areas or units in the Group in relation to particular negotiable securities or financial instruments. These restrictions derive from the commitments assumed by the Group of a legal, contractual or similar nature. Their purpose is none other than to prevent market abuse.

6.14 BBVA has an internal procedure in place for restricted securities whose aim is to strengthen the information barriers of BBVA Group, mitigate real or perceived conflicts of interest, prevent transactions that may represent a risk for BBVA Group’s reputation and comply with current law. This procedures lays down that the supervisor of the area or unit that assumes contractual commitments constrained by restrictions of the type described above should inform to the Compliance Department.

6.15 These restrictions therefore represent limitations to own-account trading for certain groups among the persons subject to the ISC in each of the affected jurisdictions, and it is the responsibility of the Compliance Department to determine it in each case.