

Guidelines for Action on Discretionary Treasury Share Trading Activity in BBVA Group

May 2020

1. Introduction

- 1.1. The Discretionary Treasury Share Trading Activity in Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA" or the "Bank") shall at all times adhere to the prevailing legislation, in particular Regulation EU 596/2014 on market abuse (the "MAR") and its implementing legislation; together with the applicable internal regulation.
- 1.2. BBVA has appointed the ALM-Equity & FX Markets Desk unit (the "Appointed Unit"), integrated in Finance and belonging to the Global ALM unit, as the unit responsible for the execution of the Discretionary Treasury Share Trading Activity, while strictly observing the current law and this Policy. The Appointed Unit is designed as a separate area with the aim of promoting independence in decision-making and preventing the uncontrolled flow of privileged information.

2. General Principles

- 2.1. The general principles that govern the discretionary treasury share trading activity carried out by the Appointed Unit are:
 - i. Prohibition on the use of privileged information. At all times purchase or sale decisions that could be affected by privileged information must be avoided. The rules on privileged information established in the MAR and its implementing legislation must be observed at all times.
 - ii. Decision-making autonomy. Discretionary treasury share trading must be carried out following the principles and guidelines established in this Policy and prevailing legislation. It must be carried out autonomously, setting up the corresponding information barriers with respect to the rest of the organization.
 - iii. Conduct that respects free market price formation. Market activities must not involve abuse of a dominant position in trading, or provide false or misleading indications or signs of supply and demand; nor may they keep the share price at an abnormal or artificial level.
 - iv. Systematic record or file of all transactions carried out. The operating process is designed in such a way as to allow, if necessary, the traceability and review of all stages of the operational procedure from the start to its execution and the recording of the transactions. Records must be kept of the orders and executions for 5 years.
 - v. External transparency. through compliance with the applicable legal requirements at all times, as well as the disclosure of information to the market or to the supervisor described in section 4 of this document.
 - vi. Suitable prevention and management of potential conflicts of interest, avoiding, inter alia:
 - a) any execution of transactions by the Appointed Unit and/or its members which, due to their different purposes, may entail a conflict of interest at the expense of the integrity of the market or investors; and/or

- b) incentives inconsistent with the objectives that must guide this kind of procedure.

3. Guidelines for action

In order to align the above General Principles described in section 2 of this Policy with the purpose for which they were implemented, and to prevent market abuse and avoid or correctly manage conflicts of interest, the following action guidelines have been established which must be adhered to when carrying out Discretionary Treasury Share Trading Activity.

3.1. Volume

3.1.1. Daily volume

Discretionary Treasury Share Trading Activity (including purchasing and selling) shall not exceed 15% of the daily volume of the Bank shares traded in regulated markets and multilateral trading systems in Spain, individually considered if they are traded in the previous 30 sessions.

Block transactions whose aim is the delivery of shares previously acquired for the purpose of meeting the delivery commitments derived from employee remuneration policies as well as with shareholders included the dividend reinvestment programs are not to be taken into account when applying the limit to the daily volume.

3.1.2. Annual volume

The maximum cash volume associated with the Discretionary Treasury Share Trading Activity will be calculated annually. This volume will be defined by the result of (i) applying 15% of the daily average trading volume of the Bank's shares in regulated markets and multilateral trading systems in Spain over the last 30 sessions of the year, multiplied by 13 sessions; and multiplying it by (ii) the weighted average closing price of BBVA shares in the last 30 sessions of the year (the "weighted average price").

This maximum cash volume will serve as a reference when making the annual request to the European Central Bank ("ECB") for share buy-back, and once approved, it will be the limit of the volume applicable to the Discretionary Treasury Share Trading Activity at any time during the corresponding year.

This limit will be revised at the end of each quarter, taking into account the last 30 days of the corresponding period. If there is a deviation of more than 26.5% over the weighted average price, whether in a specific quarter or as an aggregate in two or more quarters, Global ALM may propose a review of the defined limit at the start of the year and issue a new ECB request, which will become the volume limit applicable to Discretionary Treasury Share Trading Activity for the rest of the corresponding year, if it is approved by the ECB.

This mechanism may be applied within the same year one or more times, provided that the deviation explained above occurs with respect to a limit that has already been modified.

3.2. Price

- 3.2.1. Purchase orders shall be drawn up at a price that does not exceed the highest of the following prices:
- a) The price of the last market transaction carried out by independent investors.
 - b) The highest price in a purchase order from the order book.
- 3.2.2. Sale orders shall be drawn up at a price that is not less than the lowest of the following prices:
- a) The price of the last market transaction carried out by independent investors.
 - b) The lowest price in a sales order from the order book.
- 3.2.3. Purchase or sales prices shall not establish a trend in the price of the security.

3.3. Time

- 3.3.1. No purchase or sale orders for BBVA shares may be introduced in the regulated market or Spanish multilateral trading system during the opening or closing auctions, except in the case of applications (without an impact on the price) associated with the strategies referred to the point 3.1.1.
- 3.3.2. Orders shall not be entered during the auction period before the suspension of trading in the Bank's shares is lifted, if applicable, until the transaction involving BBVA shares have been cross-checked. Orders not executed if trading is suspended shall be withdrawn.
- 3.3.3. Discretionary Treasury Share Trading Activity may not take place in the 15 calendar days prior to the publication of the Bank's financial information, except in the case of applications (without an impact on the price) associated with the deliveries referred to the point 3.1.1.
- 3.3.4. However, in the above situation, the Appointed Unit may execute orders that derive directly and exclusively from compliance with a transaction that has already expired to acquire or sell securities, or maintain an invariable net share position (rollover transactions or transaction matching), when this obligation is included in a contract entered into at least 15 calendar days prior to publication of the Bank's financial information.
- 3.3.5. All transactions involving BBVA shares shall be carried out during normal trading hours, apart from one-off transactions caused by any of the reasons for which special transactions are permitted.

3.4. Brokers

- 3.4.1. With respect to BBVA share transactions:
- a) The Appointed Unit must carry out the cash transactions on the Bank's shares through BBVA as sole broker.
 - b) Only if the broker is not operational, another financial broker may be chosen to carry out this activity. This case must be notified to the Compliance Unit in advance.

- 3.4.2. With respect to derivatives transactions on BBVA shares:
- a) The Appointed Unit may enter into derivatives transactions on BBVA shares using a financial broker(s) acting on instructions issued by the Appointed Unit.
 - b) Should various financial brokers be used, Discretionary Treasury Share Trading Activity may not be carried out by more than one broker at the same time. Moreover, it is not possible to trade with more than two brokers on a single day. This will exclusively be applicable to new discretionary treasury share activity transactions. Excluded are transactions with the aim of managing the pre-existing positions where there has been no net variation of shares (rollover transactions or transaction matching).
- 3.4.3. The financial intermediary must agree to comply with the conditions of volume, price and time established in sections 3.1, 3.2 and 3.3 of this document.

4. Disclosure of information to the market and to the supervisor.

- 4.1. BBVA must make public through its corporate web page (www.bbva.com) or through the same means and with the same criteria as those used to disclose privileged information or other relevant information, as appropriate, the following:
- i. The identity of the financial broker through which the cash operations on Bank shares will be carried out, which will be the Bank. Any one-off replacements under section 3.4.1, above will not be published; as well as the brokers with which it may operate to carry out derivatives transactions on BBVA shares.
 - ii. To strengthen the transparency of the activity, every year the maximum volume of cash associated with the Discretionary Treasury Share Trading Activity will be published, calculated in accordance with point 3.1.2 at any time, together with the statistics of the annual volumes traded in the year for the purpose of delivering shares in executing the purposes stipulated in section 3.1.1.
 - iii. Any modification of the information referred to in paragraphs i and ii of this section must be notified within the 5 following stock-market trading days, or any other shorter period applicable under the corresponding law.
 - iv. The information corresponding to the Discretionary Treasury Share Trading Activity will be reported every quarter, following the applicable models, including the aggregate figures for activity and any related matter that is considered appropriate for notification.
- 4.2. Any transaction that is suspected of market abuse that it may become aware of as a result of its Discretionary Treasury Share Trading Activity must be reported to the CNMV.

5. Supervision

- 5.1. The supervision of the discretionary Treasury stock activity will be under the Group's Internal Control Model, which is structured in three lines of defense. The Bank's Corporate Bodies will be informed about its application.
- 5.2. This activity has a supervisory framework, which includes layer 1 daily controls executed by the Designated Unit and its support units, and periodic layer 2 controls executed by Compliance and Finance Internal Control Units.

ANNEX 1: Annual communication of relevant information related to discretionary treasury stock operations

BBVA communicates the following information regarding its discretionary trading activity over treasury shares:

- Financial intermediary through which the cash trading activity will be carried out: BBVA
- Financial intermediaries through which the derivatives trading activity over BBVA shares may be carried out: Barclays Bank Plc, BBVA SA, BNP Paribas, Citigroup Global Market limited , Credit Agricole Corporate & Investment Bank, Credit Suisse International, Goldman Sachs International, HSBC Bank Plc, JP Morgan AG, BofA Securities Europa SA, Morgan Stanley &Co. International Plc, Société Générale C&IB y UBS Europe SE. This list of intermediaries is periodically reviewed in order to ensure that the discretionary trading activity over treasury shares is done in accordance with the conduct guidelines determined by BBVA from time to time.
- Maximum volume of cash associated with the discretionary treasury share trading activity: 151.85 million euros.
- Statistics of the annual volumes traded in 2019 for the purpose of delivering shares: 22.3 million shares.

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