



Corporate &  
Investment Banking

# Equity Derivatives Flow Products

July 2024

Pre-trade information

## IMPORTANT INFORMATION

The Products described in this document are classified as complex according to the Markets in Financial Instruments Directive (“MIFID 2”) and the Spanish Securities Market Law.

If you enter into for any of the Products this may result in real and large losses for you:

- (i) during the term of the Product; and
- (ii) in the event of an early termination.

# 1. Introduction

## What is this document?

In this document we describe the nature, operation and risks of different Equity derivative financial instruments that the Bank puts at your disposal (hereinafter, individually, the "Product" and, jointly, the "Products").

This document is NOT a contract, and therefore does not create any obligations or rights for you. The sole purpose of this document is to help you understand what the Products are and how they work

The prices, levels and scenarios of this document are merely indicative and therefore different to the levels, terms or amounts that may be agreed should you decide to enter into a transaction. They are only included as an example to help you understand the characteristics of a possible future transaction.

## For whom are these Products intended?

These Products are intended for professionals, as well as for eligible counterparties. Retail clients will have at their disposal the appropriate pre-contractual documents for this type of Client in relation to the corresponding Products.

We inform you that we will not verify your compatibility with the target market defined as such for these Products, and that we will only do so should you decide to purchase any of the Products as a result of investment advice provided by BBVA.

## Ways of communication

Should you decide to enter into any of the Products, you must do so through one of the means that the Bank enables for that purpose.

In order to communicate with you in an agile and simple way, we, can at any time, make communications by email to your validated email address or to the email address through which we communicate regularly. Additionally, we can send you communications either by post or through our website ([www.bbva.es](http://www.bbva.es)). If in the future we use other electronic addresses we will inform you.

The communications and the sending of information between us will normally be done in the same language in which the contract is signed. If you wish to contact us regarding a particular Product, you may do so in English. In case you need any explanation or additional information regarding the operation and risks of the Products, please consult your BBVA representative.

## 2. Definition and Common Features

The terms defined here will have the following meaning throughout this document.

The data and scenarios included in this document are merely indicative, and bear no relation to the levels, maturities or amounts that can be agreed in the Product.

They are only included as an example so the Client gain a better understanding of the characteristics of the Product

**Underlying (Index, Share, ETF, Fund, Dividend Index):** It is the asset or assets from which the value of the derivative instrument is derived.

Below are the possible underlying common to the Product described in this document. The settlement level or price of the Underlying will, in all cases, be publicly observable.

- **Share:** Title issued by a company that represent the value of one of the equal fractions in which its share capital is divided.
- **Index:** It corresponds to a level, which tries to reflect the return's variations of the underlying assets that compose it.
- **ETF:** An exchange traded fund, is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund. Unlike mutual funds, an ETF trades like a common stock on a stock exchange. The Underlying must be approved by BBVA Risk Department, by the Trading desk and Quality Funds.
- **Fund:** On a case by case basis, the Underlying must be approved by BBVA Risk Department by the Trading desk and by Quality Funds.
- **Dividends Index:** index and stock dividends approved by BBVA Risk Department and by the Trading desk.

**Premium:** It is the price paid/received for acquiring/selling the right/obligation to receive/pay the return of the option, if the conditions agreed in the Product contract were met.

**Initial Date:** It is the date on which rights and obligations begin.

**Exercise Date:** It is the date (or dates) on which the right acquired can be exercised.

**Life time:** The lifetime is the period of time during which the holder has the right to exercise the option against the seller.

- **American – Style:** An option is called "American-style" if the holder is able to exercise the right at any time during the option's lifetime (designated the Exercise Date).
- **European – Style:** An option is called "European-style" if the holder is able to exercise the right only at the end of the lifetime (there is a fixed Exercise Date).

**Settlement Date:** It is the date on which the cash and/or the Underlying is delivered. Usually two business days after the Exercise Date.

**Periodic Valuation Date:** these are a set of defined dates (previous to Exercise Date) in which will be done a valuation of the amount to pay/receive by the Client as is defined in the contract.

**Periodic Settlement Date:** usually two business days after each Periodic Valuation Date as is defines in the contract.

**Notional Amount:** It is equal to the number of options/shares multiplied by the Initial Reference Price/Level.

**Settlement Amount:** the quantity to be received or paid by the Client, or equal to zero, derived from the valuation of the Transaction and the costs from an early termination in the case that it took place.

**Reference Market:** It is the market that, at each moment, is the main official market for the negotiation of the Underlying or of the futures and options on the Underlying.

**Initial Reference Price/Level:** Price/Level on Initial Date

**Exercise Price/Level:** It will be the price/level that determines if the acquired right can be exercised or not in the terms of the contract.

**Final Reference Level/Price:** It is the Price/Level that is compared with the Exercise Price/Level to determine if the acquired right can be exercised or not in the terms of the contract

**Settlement at maturity:** There are two possible ways to settle on the Settlement Date:

- **Physical delivery:** In case of a put option: the Client delivers a quantity of the Underlying, calculated as a result of rounding down the Notional Amount divided by the Exercise Price and multiplied by the Final Reference Price (the excess amount from rounding down will be paid by cash)

In case of a call option: the Client receives a quantity of the Underlying, calculated as a result of rounding down the Notional Amount divided by the Strike and multiplied by the Final Reference Price (the excess amount from rounding down will be paid by cash)

- **Cash settlement by difference:** the delivery versus payment described in paragraph 1 above will be substituted by the payment of an amount in cash which is equivalent to the difference of those obligations

Bank or BBVA: Banco Bilbao Vizcaya Argentaria, S.A. We are registered in the Mercantile Registry of Vizcaya with NIF A-48265169 and our registered office is in Bilbao in Plaza de San Nicolás nº4, Spain.

We appear in the Registry of Entities of the Bank of Spain (Registro de Entidades del Banco de España) with number 0182 and we are authorised to provide investment services under the supervision of the Bank of Spain (Banco de España) (calle Alcalá, 48 Madrid, Spain - [www.bde.es](http://www.bde.es)) and the National Securities Market Commission (CNMV). (calle Edison, 4 Madrid, Spain - [www.cnmv.es](http://www.cnmv.es)).

## 3. Call option

### 3.1 Long Call Option

#### What is and how does the Product work?

It is that Product for which the Client, by paying a Premium to BBVA, acquires the right, but not the obligation, to buy the underlying at the Exercise Price/Level at a future date. This option could be settled by difference or by delivery (please check definitions: Product Settlement)

The Client acquires the following right during the LifeTime (European or American Style – please check Definitions):

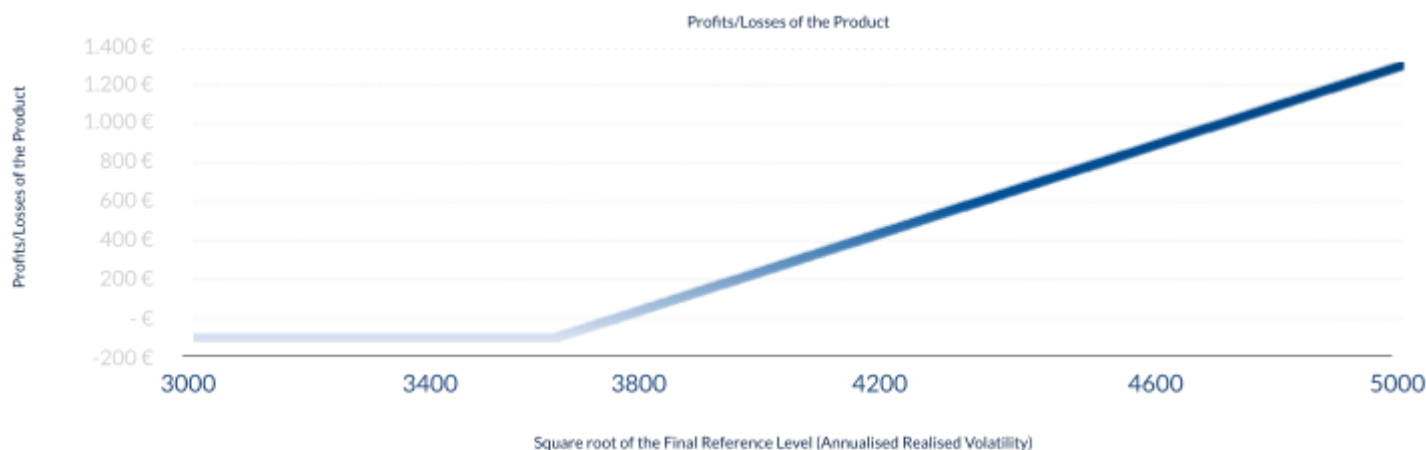
- If the Final Reference Price/Level is higher than the Exercise Price/Level, the Client will receive from BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount received may potentially be unlimited in case Final Reference Price/Level is infinite.
- If the Final Reference Price/Level is lower or equal to the the Exercise Price/Level, the Client doesn't receive any payment.

#### Product Example - Scenarios<sup>1</sup>

<b>Exercise date</b>	12 months
<b>Exercise Price/Level</b>	3,600.00
<b>Premium</b>	100.00
<b>Style</b>	European Style
<b>Redemption Amount</b>	Cash settlement by difference
<b>Option Number</b>	1

<sup>1</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

## Profits/Losses of the Product



### Scenarios at the end of the 12 month period according to example

- If Final Reference Price/Level > 3.600,00**  
 If the Final Reference Price/Level is higher (eg, 3900) than the Exercise Price/Level (3.600) the Client will receive the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client receives (300), being able to be unlimited in the case that the difference was infinite.
- If Final Reference Price/Level ≤ 3.600,00**  
 If the Final Reference Price/Level is lower or equal (eg.3000) to the Exercise Price/Level (3,600), the Client doesn't receive any payment.

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be equal to the Premium paid, but never higher.

### 1. Null settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be less than the Premium paid or even that there was no Liquidation at the Date of Settlement, causing in both cases a real net patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a long Call option, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to valuation under current "Market

Value" which can be equal to zero or positive for the Client. Product's value, also known as "Early Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement equal to zero or positive for the Client and may cause the Client a real net patrimonial loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be received in case of early termination becomes zero

## 3.2 Short Call Option

### What is and how does the Product work?

It is that Product for which the Client, by receiving a Premium from BBVA, acquires the obligation, but not the right, to sell the underlying at the Exercise Price/Level at a future date. This option could be settled by difference or by delivery (please check definitions: Product Settlement)

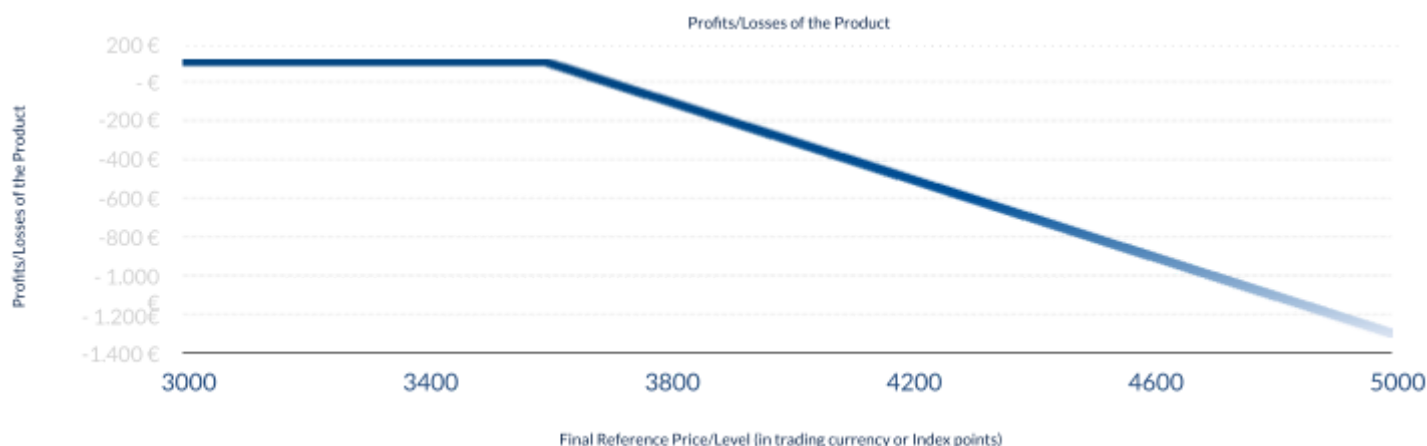
The Client acquires the following obligation during the LifeTime (European or American Style – please check Definitions):

- If the Final Reference Price/Level is higher than the Exercise Price/Level, the Client will pay to BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount payed may potentially be unlimited in case Final Reference Price/Level is infinite.
- If the Final Reference Price/Level is lower or equal to the the Exercise Price/Level, the Client doesn't make any payment.

### Product Example - Scenarios<sup>2</sup>

<b>Exercise date</b>	12 months
<b>Exercise Price/Level</b>	3,600.00
<b>Premium</b>	100.00
<b>Style</b>	European Style
<b>Redemption Amount</b>	Cash settlement by difference
<b>Option Number</b>	1

### Profits/Losses of the Product



<sup>2</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.



## Scenarios at the end of the 12 month period according to example

- **If Final Reference Price/Level > 3.600,00**

If the Final Reference Price/Level is higher (eg, 3900) than the Exercise Price/Level (3.600) the Client will pay the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client pay (300), being able to be unlimited in the case that the difference was infinite.

- **If Final Reference Price/Level ≤ 3.600,00**

If the Final Reference Price/Level is lower or equal (eg.3000) to the Exercise Price/Level (3,600), the Client doesn't make any payment.

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be able to be unlimited.

### 1. Negative settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be negative, causing a net real patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a short Call option, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to valuation under current "Market Value" which can be equal to zero or negative for the Client. Product's value, also known as "Early Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement equal to zero or negative for the Client may cause the Client a real net patrimonial loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be paid in case of early termination could be unlimited

## 4. Put Option

### 4.1 Long Put Option

#### What is and how does the Product work?

It is that Product for which the Client, by paying a Premium to BBVA, acquires the right, but not the obligation, to sell the underlying at the Exercise Price/Level at a future date. This option could be settled by difference or by delivery (please check definitions: Product Settlement)

The Client acquires the following right during the LifeTime (European or American Style – please check Definitions):

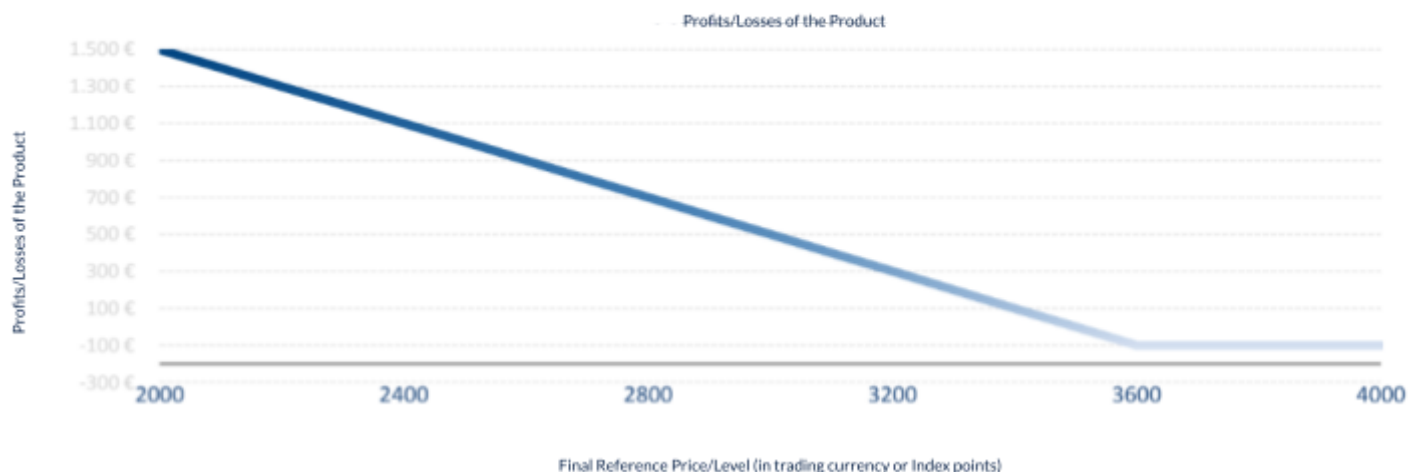
- If the Final Reference Price/Level is lower than the Exercise Price/Level, the Client will receive from BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount received may be equal to the Notional Amount in case Final Reference Price/Level is zero.
- If the Final Reference Price/Level is higher or equal to the the Exercise Price/Level, the Client does'nt receive any payment.

#### Product Example - Scenarios<sup>3</sup>

<b>Exercise date</b>	12 months
<b>Exercise Price/Level</b>	3,600.00
<b>Premium</b>	100.00
<b>Style</b>	European Style
<b>Redemption Amount</b>	Cash settlement by difference
<b>Option Number</b>	1

<sup>3</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

## Profits/Losses of the Product



### Scenarios at the end of the 12 month period according to example

- **If Final Reference Price/Level < 3.600,00**

If the Final Reference Price/Level is lower (eg, 3300) than the Exercise Price/Level (3.600) the Client will receive the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client receives (300), being able to be equal to the Notional Amount in the case that the Final Reference Price/Level was zero.

- **If Final Reference Price/Level ≥ 3.600,00**

If the Final Reference Price/Level is higher or equal (eg.3900) to the Exercise Price/Level (3,600), the Client doesn't receive any payment

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be equal to the Premium paid, but never higher.

### 1. Null settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be less than the Premium paid or even that there was no Liquidation at the Date of Settlement, causing in both cases a real net patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a long Put option, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to valuation under current "Market

Value" which can be equal to zero or positive for the Client. Product's value, also known as "Early

Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement equal to zero or positive for the Client may cause the Client a real net patrimonial loss. For these

purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be received in case of early termination becomes zero

## 4.2 Short Put Option

### What is and how does the Product work?

It is that Product for which the Client, by receiving a Premium from BBVA, acquires the obligation, but not the right, to buy the underlying at the Exercise Price/Level at a future date. This option could be settled by difference or by delivery (please check definitions: Product Settlement)

The Client acquires the following obligation during the LifeTime (European or American Style - please check Definitions):

- If the Final Reference Price/Level is lower than the Exercise Price/Level, the Client will pay to BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount payed may be equal to the Notional Amount in case Final Reference Price/Level is zero
- If the Final Reference Price/Level is higher or equal to the the Exercise Price/Level, the Client doesn't make any payment.

### Product Example - Scenarios<sup>4</sup>

<b>Exercise date</b>	12 months
<b>Exercise Price/Level</b>	3,600.00
<b>Premium</b>	100.00
<b>Style</b>	European Style
<b>Redemption Amount</b>	Cash settlement by difference
<b>Option Number</b>	1

<sup>4</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

## Profits/Losses of the Product



### Scenarios at the end of the 12 month period according to example

- **If Final Reference Price/Level < 3.600,00**

If the Final Reference Price/Level is lower (eg, 3300) than the Exercise Price/Level (3.600) the Client will pay the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client pay (300), being able to be the Notional Amount (3.600) in the case that the Final Reference Price/Level was zero.

- **If Final Reference Price/Level ≥ 3.600,00**

If the Final Reference Price/Level is higher or equal (eg.3900) to the Exercise Price/Level (3,600), the Client doesn't make any payment.

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be able to be equal to the Notional Amount.

### 1. Negative settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be negative, causing a net real patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a short Put option, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to valuation under current "Market Value" which can be equal to zero or negative for the Client. Product's value, also known as "Early Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and

Expenses Associated”) which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement equal to zero or negative for the Client and may cause the Client a real net patrimonial loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be paid in case of early termination could be equal to the Notional Amount

## 5. Forward

### 5.1 Long Forward

#### What is and how does the Product work?

It is that Product for which the Client acquires the right and the obligation to buy the underlying at the Exercise Price/Level at a future date. The Client doesn't pay or receive any Premium. This product could be settled by difference or by delivery (please check definitions: Product Settlement)

The Client acquires the following right/obligation during the LifeTime (European or American Style – please check Definitions):

- If the Final Reference Price/Level is higher than the Exercise Price/Level, the Client will receive from BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount received may potentially be unlimited in case Final Reference Price/Level is infinite.
- If the Final Reference Price/Level is equal or lower than the Exercise Price/Level, the Client will pay to BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount payed may be equal to the Notional Amount in case Final Reference Price/Level is zero

#### Product Example - Scenarios<sup>5</sup>

<b>Exercise date</b>	12 meses
<b>Exercise Price/Level</b>	3.600,00
<b>Premium</b>	100,00
<b>Style</b>	Style europeo
<b>Redemption Amount</b>	Liquidación en efectivo por diferencia
<b>Option Number</b>	1

<sup>5</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

## Profits/Losses of the Product



### Scenarios at the end of the 12 month period according to example

- **If Final Reference Price/Level > 3.600,00**

If the Final Reference Price/Level is higher (eg, 3900) than the Exercise Price/Level (3.600) the Client will receive the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client receives (300), being able to be unlimited in the case that the difference was infinite.

- **If Final Reference Price/Level ≤ 3.600,00**

If the Final Reference Price/Level is lower (eg, 3300) than the Exercise Price/Level (3.600) the Client will pay the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client pay (300), being able to be the Notional Amount (3.600) in the case that the Final Reference Price/Level was zero.

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be able to be equal to the Notional Amount.

### 1. Negative settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be negative, causing a net real patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a long Forward, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to valuation under current "Market Value" which can be equal to zero or negative for the Client. Product's value, also known as "Early

Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement



equal to zero or negative for the Client and may cause the Client a real net patrimonial loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be paid in case of early termination could be equal to the Notional Amount

## 5.2 Short Forward

### What is and how does the Product work?

It is that Product for which the Client acquires the right and the obligation to sell the underlying at the Exercise Price/Level at a future date. The Client doesn't pay or receive any Premium. This product could be settled by difference or by delivery (please check definitions: Product Settlement)

The Client acquires the following right/obligation during the LifeTime (European or American Style – please check Definitions):

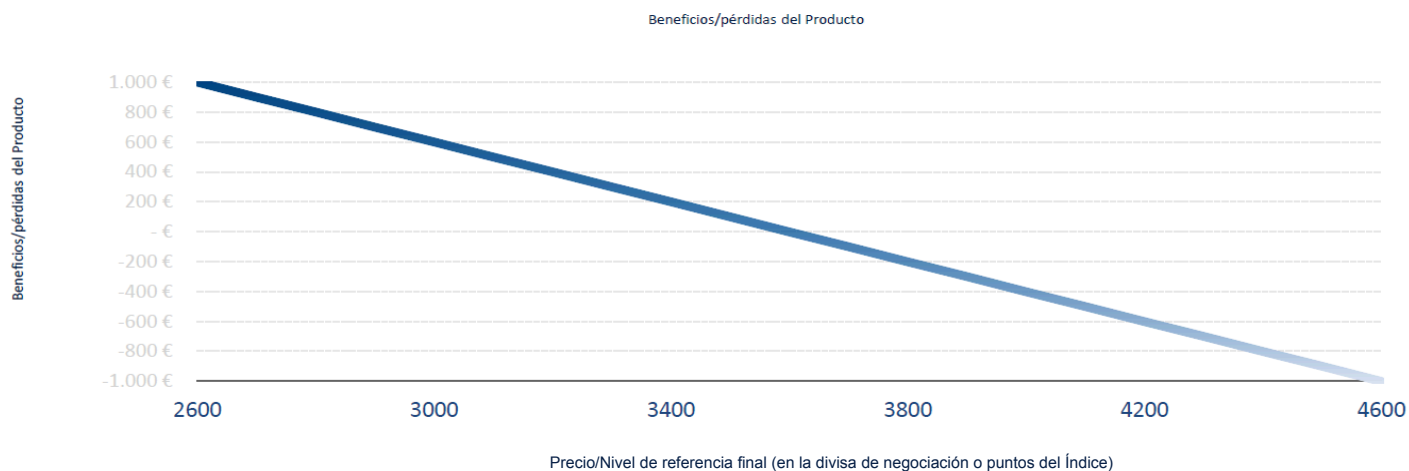
- If the Final Reference Price/Level is higher than the Exercise Price/Level, the Client will pay to BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount payed may potentially be unlimited in case Final Reference Price/Level is infinite.
- If If the Final Reference Price/Level is equal or lower than the Exercise Price/Level, the Client will receive from BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Options. The amount received may be equal to the Notional Amount in case Final Reference Price/Level is zero

### Product Example - Scenarios<sup>6</sup>

<b>Exercise date</b>	12 months
<b>Exercise Price/Level</b>	3,600.00
<b>Premium</b>	100.00
<b>Style</b>	European Style
<b>Redemption Amount</b>	Cash settlement by difference
<b>Option Number</b>	1

<sup>6</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

## Profits/Losses of the Product



### Scenarios at the end of the 12 month period according to example

- **If Final Reference Price/Level > 3.600,00**

If the Final Reference Price/Level is higher (eg, 3900) than the Exercise Price/Level (3.600) the Client will pay the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client pay (300), being able to be unlimited in the case that the difference was infinite.

- **If Final Reference Price/Level ≤ 3.600,00**

If the Final Reference Price/Level is lower (eg, 3300) than the Exercise Price/Level (3.600) the Client will receive the difference between the Final Reference Price/Level and the Exercise Price/Level divided by the Exercise Price/Level and multiplied by the Notional and 100%, being this the amount that the Client receives (300), being able to be the Notional Amount (3.600) in the case that the Final Reference Price/Level was zero.

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be able to be unlimited.

### 1. Negative settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be negative, causing a net real patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a short Forward, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to valuation under current "Market Value" which can be equal to zero or negative for the Client. Product's value, also known as "Early

Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by

the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement equal to zero or negative for the Client and may cause the Client a real net patrimonial loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be paid in case of early termination could be unlimited

## 6. Equity Swap

### 6.1 Long Equity Swap

#### What is and how does the Product work?

It is that Product for which the Client receives from BBVA the positive performance of the Underlying and pays to BBVA the negative performance of the Underlying on the Periodic Settlement Dates and on the Settlement Date.

During the LifeTime of the Product and periodically, the Client will pay to BBVA a set rate (fixed or variable) on the Notional Amount of the Product corresponding to each rate calculation period. In turn, the Client will receive from BBVA (or will pay to BBVA) on the Periodic Settlement Dates and in the Settlement Date an amount equal to the performance of the Underlying from the Initial Date or from the last Periodic Valuation Date.

On each Periodic Valuation Date, the Exercise Price, for purposes of the immediately following Periodic Valuation Date, will be modified by a price equal to the Reference Price of the underlying that has been considered for the calculation of the corresponding periodic settlement.

Additionally, the Client will receive from BBVA a certain percentage of the gross dividend paid by the Underlying.

At the Exercise Date this Product could be settled by difference or by delivery (please check definitions: Product Settlement):

- If the Final Reference Price/Level is higher than the Exercise Price/Level, the Client will receive from BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Shares. The amount received may potentially be unlimited in case Final Reference Price/Level is infinite.
- If the Final Reference Price/Level is equal or lower than the Exercise Price/Level, the Client will pay to BBVA the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Shares. The amount payed may be equal to the Notional Amount in case Final Reference Price/Level is zero

## Product Example - Scenarios<sup>7</sup>

<b>Exercise date</b>	12 months
<b>Underlying Shares Nb</b>	1
<b>Exercise Price/Level</b>	1,400.00
<b>Set Reference Rate</b>	Euribor 3 month + 20bps
<b>Redemption Amount</b>	Cash settlement by difference
<b>Dividends</b>	The Client will receive 100% of Gross Dividend paid by the Underlying Asset

## Profits/Losses of the Product



## Scenarios at the end of the 12 month period according to example

- **If Final Reference Price/Level > 1.400**

If the Final Reference Price/Level is higher (eg, 1.500) than the Exercise Price/Level (1.400) the Client will receive the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Shares (1 in the example), being this the amount that the Client receives (100 in the example), being able to be unlimited in the case that the difference was infinite.

- **If Final Reference Price/Level ≤ 1.400**

If the Final Reference Price/Level is lower (eg, 1.000) than the Exercise Price/Level (1.400) the Client will pay the difference between the Final Reference Price/Level and the Exercise Price/Level multiplied by the Number of Shares, being this the amount that the Client pay (400), being able to be the Notional Amount (3.600) in the case that the Final Reference Price/Level was zero.

- In addition, during the Life time the Client will pay an annual rate of Euribor3m + 20bps over the nominal, reset every 3 months. And the Client will receive 100% of Gross Dividend paid by the Underlying Asset

<sup>7</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

On each Periodic Valuation Date, the Exercise Price/Level, for purposes of the immediately following Periodic Valuation Date (or, as the case, of the Expiration Date), will be equal to the Reference Price/Level considered on the last Periodic Valuation Date (or equal to the Initial Price/Level)

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be able to be equal to the Notional Amount.

### 1. Negative settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be negative, causing a net real patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a long Equity Swap, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to valuation under current "Market Value" which can be equal to zero or negative for the Client. Product's value, also known as "Early Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement equal to zero or negative for the Client and may cause the Client a real net patrimonial loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be paid in case of early termination could be equal to the Notional Amount

## 7. Variance Swap

### 7.1 Long Variance Swap

#### What is and how does the Product work?

It is that Product for which the Client acquires the right and the obligation to buy the Realised Variance ( Realised Volatility<sup>2</sup> ) of an underlying at the Variance Strike or *Volatility Strike<sup>2</sup>* (Exercise Level). The Client doesn't pay or receive any Premium. This product would be cash settled by difference (please check definitions: Product Settlement)

The Client acquires the following right/obligation at Exercise Date:

- If the Final Reference Level (Realised Variance at Exercise Date) is higher than the Exercise Level (Variance Strike or *Volatility Strike<sup>2</sup>* ), the Client will receive from BBVA the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Units.
- If the Final Reference Level is equal or lower than the Exercise Level, the Client will pay to BBVA the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Units.

To clarify:

$$\text{Final Payment} = \text{Variance Units} * (\text{Realised Variance} - \text{Variance Strike})$$

Where:

$$\text{Realised Variance} = A * \frac{1}{n-1} * \sigma_{t=0}^{n-1} (r_t)^2 = \text{Realised Volatility}^2$$

where:

- A = faA= annualization factor
- n= number of business date from Initial Date to Exercise Date.
- $r_t$ = daily return at date t
- Variance units= size of the Swap, calculates as follows:

$$\text{Variance Units} = \frac{\text{Vega Notional}}{2 * \text{Volatility Strike}}$$

- Vega Notional: amount of Vega (volatility units) the Client wants to trade. Normally used to quote variance swaps.
- Volatility Strike: Strike of the Swap in terms of the Volatility. Normally used to quote variance swaps.

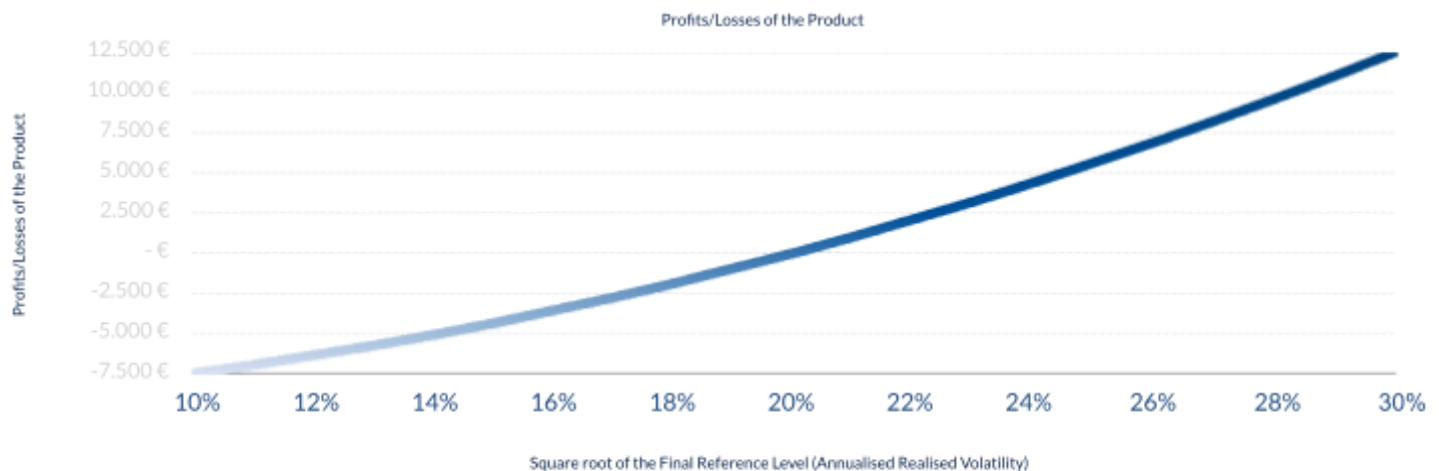
#### Product Example - Scenarios<sup>8</sup>

<sup>8</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or



Exercise date	12 months
Annualization Factor (A)	252
Exercise Level	400 variance units ( $20\%^2$ )
Vega Notional	1000€

## Profits/Losses of the Product



Note: the payoff of a variance swap is convex

## Scenarios at the end of the 12 month period according to example

- **If Final Reference Level > 400 ( $20\%^2$ )**

If Final Reference Level is higher [eg, 625 ( $25\%^2$ )] than the Exercise Level (400) the Client will receive the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Notional (25), being this the amount that the Client receives (5.625). This amount is able to be unlimited in the case that the difference was infinite.

- **If Final Reference Price/Level  $\leq$  400 ( $20\%^2$ )**

If the Final Reference Level is equal or lower [eg, 225 ( $15\%^2$ )] than the Exercise Level (400) the Client will pay the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Notional (25), being this the amount that the Client pays (4.375), being able to be equal to Variance Units \* Variance Strike (10.000) in the case that the Final Reference Price/Level was zero.

amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be able to be equal to  $\text{Variance Units} * \text{Variance Strike}$ .

### 1. Negative settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be negative, causing a net real patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a long Variance Swap, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), the Product will be subject to settlement for the volatility realized for the period between the Initial Date and the early termination date. Product's value, also known as "Early Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be paid in case of early termination could be equal to  $\text{Variance Units} * \text{Variance Strike}$

## 7.2 Short Variance Swap

### What is and how does the Product work?

It is that Product for which the Client acquires the right and the obligation to buy the Realised Variance ( Realised Volatility<sup>2</sup> ) of an underlying at the Variance Strike or **Volatility Strike<sup>2</sup>** (Exercise Level). The Client doesn't pay or receive any Premium. This product would be cash settled by difference (please check definitions: Product Settlement)

The Client acquires the following right/obligation at Exercise Date:

- If the Final Reference Level (Realised Variance at Exercise Date) is lower than the Exercise Level (Variance Strike or **Volatility Strike<sup>2</sup>** ), the Client will receive from BBVA the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Units.
- 
- If the Final Reference Level is equal or higher than the Exercise Level, the Client will pay to BBVA the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Units.

To clarify:

$$\text{Final Payment} = \text{Variance Units} * (\text{Variance Strike} - \text{Realised Variance} )$$

Where:

$$\text{Realised Variance} = A * \frac{1}{n-1} * \sigma_{t=0}^{n-1} (r_t)^2 = \text{Realised Volatility}^2$$

where:

- A = factor de A= annualization factor
- n= number of business date from Initial Date to Exercise Date.
- $r_t$ = daily return at date t
- Variance units: size of the Swap, calculates as follows:

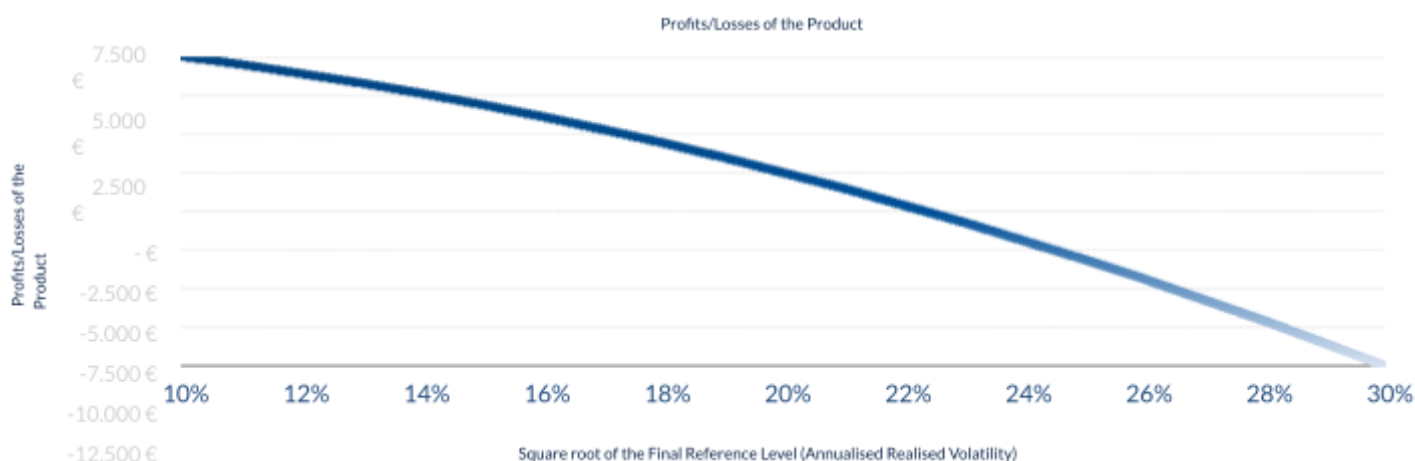
$$\text{Variance Units} = \frac{\text{Vega Notional}}{2 * \text{Volatility Strike}}$$

- Vega Notional: amount of Vega (volatility units) the Client wants to trade. Normally used to quote variance swaps.
- Volatility Strike: Strike of the Swap in terms of the Volatility. Normally used to quote variance swaps.

## Product Example - Scenarios<sup>9</sup>

<b>Exercise Date</b>	12 months
<b>Annualization Factor (A)</b>	252
<b>Exercise Level</b>	400 variance units (20%^2)
<b>Vega Notional</b>	1000€

### Profits/Losses of the Product



### Scenarios at the end of the 12 month period according to example

- **If Final Reference Level > 400 (20%^2)**

If Final Reference Level is higher [eg, 625 (25%^2)] than the Exercise Level (400) the Client will pay the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Notional (25), being this the amount that the Client receives (5625). This amount is able to be unlimited in the case that the difference was infinite.

- **If Final Reference Price/Level ≤ 400 (20%^2)**

If the Final Reference Level is equal or lower [eg, 225 (15%^2)] than the Exercise Level (400) the Client will receive the difference between the Final Reference Level and the Exercise Level multiplied by the Variance Notional (25), being this the amount that the Client pays (4375), being able to be equal to Variance Units \* Variance Strike (10.000) in the case that the Final Reference Price/Level was zero.

<sup>9</sup> These data and scenarios are merely indicative, without having any relation with the levels, terms or amounts that may be agreed in the Product. They are only included as an example so that the Client can more easily know the characteristics of the Product.

## Risk

The Product presents the following risks for the Client, which could cause a real net loss that, in the worst case, will be able to be unlimited.

### 1. Negative settlement risk on the Settlement Date

The Client assumes the risk that the Liquidation at the Settlement Date that could be obtained could be negative, causing a net real patrimonial loss for the Client.

### 2. Loss Risk in case of Early Termination

Since the Client enters into a short Variance Swap, Client is assuming the risk that, in case of early termination (either because of Client's initiative or, due to specific conditions described in the product's contract, from the Bank), Product will be subject to settlement for the volatility realized for the period between the Initial Date and the early termination date.

Product will be subject to valuation under current "Market Value" which can be positive, equal to zero or negative for the Client. Product's value, also known as "Early Termination Settlement Amount", could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. This may result in a settlement equal to zero or negative for the Client and may cause the Client a real net patrimonial loss. For these purposes, Market Value of the Product is understood as the amount that BBVA would receive upon contracting on the cancellation date an operation with a third entity that would have the effect of maintaining the economic value that the Product would have for the Client.

The Early Termination Settlement Amount fluctuates according to several factors (See "Common Risks"); The worst case scenario for the Client is one in which, as a result of the combination of these factors, the Early Termination Settlement Amount to be received in case of early termination could be unlimited

## 8. Common Risks

### Loss Risk in case of Early Termination

Once the Client has entered into one of the Products described in this Catalogue the Client will be obliged by its terms until the agreed termination date and will not have any withdrawal right nor will be able to early terminate it without the consent of the Bank

Notwithstanding the foregoing, if (i) one of the parties has been non-compliant or (ii) the Client and the Bank have expressly agreed on the possibility of unilaterally bringing forward the maturity of the Product, the early termination of the Product requires the express prior consent of the parties in relation to, among others, the date and amount that one of the parties must pay the other, with the risks outlined in this section.

Since the Client enters into any Product of the Catalogue, Client is assuming the risk that, in case of early termination the Product is the object of valuation to quantify its value for the Client, in accordance with the "Market Value" criteria, which could lead to a settlement that is negative, zero or positive for the Client. This settlement is what is known as the Early Termination Settlement Amount and could include a quantity in concept of costs (as per indicated in the section "Costs and Expenses Associated") which will increase the amount to be paid by the Client or reduce the amount to be received by the Client, and thus, can lead the Client to see a net equity loss. Accordingly, Market Value is understood to be the amount that BBVA would receive upon contracting on the early termination date a product with a third entity, which would have the effect of maintaining the economic value that the Product would have for the Client.

**The Early Termination Settlement Amount fluctuates according to the following factors:** the worst scenario for the Client is the one where, due to the combination of these factors, the Early Termination Settlement Amount in the event of early termination turns out to be negative:

- **Levels that market participants assign to the price/level of the Underlying: At any given time, the market assigns levels to the Final Reference Price /Level designated in the Contract ("Future Price/Level of the Underlying").**

In turn, the future prices/levels of the Underlying depend on the following variables:

- Price/Level of the Underlying: if the current price/level of the Underlying falls, so do the Future Prices/Levels of this Underlying, and vice-versa.
  - Expected dividends: if the dividends estimated by the market for the Underlying from the early termination date to the Settlement date increase, the Future Price/Level of the Underlying goes down, and vice-versa.
  - Interest rates of the currency: if the interest rate of the currency in which the Underlying is denominated goes up from the early termination date to the Settlement Date, the Future Price/Level of the Underlying rises too, and vice-versa.
- 
- **Volatility of the Underlying:** this is a measure whereby market participants can see the Future Price/Level of the Underlying vary in time up to the Settlement Date. The volatility can affect the Early Termination Settlement Amount, and according to the situation of the other variables, variations in Volatility can harm the Client.

- **Interest rates of the currency**

Notwithstanding the above, if at the same time there are variations in more than one of these variables, the effects can offset each other, and the Early Termination Settlement Amount can be affected in a different way to what is described above. Moreover, variables that the market currently does not deem relevant in the valuation of the derivative could be relevant at the time of early termination, and affect the valuation.

In case of cancellation of the Product due to events such as Takeover, nationalization or negotiation exclusion of the Underlying of the secondary markets, the determination of the amount that the Client must receive from BBVA will be carried out in accordance with is stipulated in the confirmation for these assumptions

### Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying instruments, present additional risks to investors

Combination transactions, such as option spreads, are more complex than buying or writing a single option. As such, a complexity not well understood is, in itself, a risk factor.

While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

There are risk-related considerations specific to combination transactions:

- It may at times be impossible to simultaneously execute transactions in all of the options involved in the combination;
- The difficulty that may be involved in attempting to execute simultaneously two or more buy or sell orders at the desired prices;
- The possibility that a loss could be incurred on all sides of a combination transaction, and the increased risk exposure that would result from the exercise or closing out of one side of the trade while the other sides of the trade remain outstanding;
- The transaction costs of combination transactions can be especially significant, since separate costs may be incurred on each component of the combination.

### Liquidity Risk

The Product is not a transferrable security, and therefore it is not transmissible. Neither does it trade on any secondary market. Notwithstanding, BBVA offers the Client the possibility to agree the early termination of the Product in accordance with the Market Value criteria, with the risks for the Client already explained in the previous sections.

## Credit risk

The Client assumes credit risk with BBVA, which consists of the possibility that the entity may not comply with its contractual obligations, not making the payment or paying less than agreed and/ or, carrying out these obligations with a delay.

## Leverage risk

These Products are leveraged financial instruments, which means that by a small initial monetary contribution (or even without making any initial contribution), the Client may have benefits or losses much greater in magnitude.

## Risk of Internal recapitalisation of the Bank

Spanish Law 11/2015, of June 18, on the Recovery and Resolution of Credit Institutions and Investment Services Companies (Ley de recuperación y resolución de entidades de crédito y empresas de servicios de inversión) establishes a "bail-in" mechanism to avoid, in the event that a Spanish Financial Institution is having serious economic or solvency troubles, that the State spend tax-payer's money in order to rescue these institutions.

As an alternative, in the event of serious economic difficulty of BBVA, the competent authorities could, among other actions, modify the terms of the Products (Expiration Date, Notional Amount, etc.) including the cancellation of all payment obligations in your favour assumed by BBVA. They could also convert the Products into ordinary BBVA shares or other equity instruments and / or arrange the transfer of assets to a bridge entity and / or the sale of assets or business areas of the Bank, thus limiting the Bank's ability to comply with its future obligations (including those relating to the Products).

The impact on the Products would depend on the Client's hierarchical position as creditor of the Bank according to applicable regulations.

Additional information can be found at: [www.bbva.es](http://www.bbva.es)

## Inflation risks

The terms and conditions of this Product are those indicated in this document, and there is no adjustment for inflation. This means that the purchasing capacity of the amounts paid to you by the Bank for this Product may be affected by the effect of inflation between the date of contracting and the date on which they are received.

## Other risks

Notwithstanding the specific risks mentioned above, the Client must be aware that unforeseen scenarios can arise in the future which could lead to financial risks not outlined in this document, which the Client expressly accepts.



## 9. Costs and associated expenses

Through this section you will obtain information regarding the costs which may arise during the tenor of the Product and, therefore, that the Client will have to assume.

### i. Costs and Expenses:

Example Notional Amount: 10.000€		Tenor	Percentage	Example Amount	Impact of the costs and expenses on the product's return
<b>Costs of the product</b>	<b>Retail Client</b>	As disclosed in "What are the cost?" Section near "Total costs" reference of the Key Information Document ("KID").			If you maintain the Product until maturity the annualized figure is disclosed in "What are the cost?" Section near "Annual cost impact" reference of the Key Information Document ("KID").
	<b>Professional Client</b>	< 1 year	0,70%	70€	0,70%
		1 – 3 years	2,10%	210€	2,10%
		3 – 5 years	3,50%	350€	3,50%
		> 5 years	*	*	*
<b>Service Costs</b>			0,00%	0€	0,00%
<b>Incentives received by BBVA from third parties</b>			0,00%	0€	0,00%
<b>Total Costs</b>			Given that the service costs are 0 and there are not any inducement received by BBVA from third parties, Total Costs and the impact of the costs and expenses on product's return will correspond to the Costs of the Product		

\* All operations with a maturity of more than 5 years will have a maximum threshold established on the basis of the following calculation:

Maturity x cost < 1 year Ex: Opt 6 years (0.7% x 6 years = 4.20%).

Previous table does not cover the whole Products offered by BBVA. For instance, determined taylor made Products are not covered.

If a Product is not included in the table, you will receive a separately notification by your BBVA sales representative prior to entering into the Product.

The impact of the costs and expenses on Product's return shows how total costs and expenses of the service and the product have diminished gross return of the investment during the holding period.

The details indicated in this section are estimations based on calculus and hypothesis made by BBVA and, therefore, they could differ from the actual costs and expenses assumed by the Client.

## ii. Early Termination

The Products, unless a cancellation right has been expressly agreed, do not permit the early termination or early repayment unless BBVA and the Client reach an agreement regarding the date and the early termination amount.

In such case, the early termination amount at which BBVA is willing to terminate will be calculated in accordance with the “Market Value” criteria, which is, the result of terminating at present value the future rights and obligations expected for the Client and BBVA in accordance with the factors and valuation methodologies commonly employed in the market.

The previous result may imply a loss or benefit for the Client. Additionally, early termination will imply an implicit cost for the Client as if it were a new Transaction (check table in subsection i to get the cost of the Product), thus, the notional amount ( i ) will increase the amount the Client must pay if said amount is negative or (ii) will reduce the amount the Client must receive if the Market Value is a positive amount (as explained in section “Risk of loss in case of early termination” of each Product).

## iii. Other Costs

The costs of the account(s) of cash in BBVA in which the receipts and payments that derive from the amounts generated by the Product are made. These costs are detailed in the BBVA rate prospectus , available at [www.bbva.es](http://www.bbva.es)

In the case of having contracted another product according with section “Cross Sale”, the commissions and expenses which may be passed on to the Client in relation to that product are included in the contract for that other product.

Additionally, it is possible that the Client has to assume other costs (including taxes) which are not included in this document and whose payment is not carried out through BBVA. Costs, such as the one regarding obtaining the Legal Entity Identifier which is compulsory according to Regulation 648/2012 (“EMIR”) and Regulation 600/2014 (“MIFIR”)

## 10. Disclaimer

The information contained in this document is provided for indicative purposes only and has been produced by Banco Bilbao Vizcaya Argentaria, S.A., an entity authorised and supervised by the Bank of Spain (Banco de España) and by the National Securities Commission (“CNMV”) and does not take into account the particular circumstances and characteristics of any potential recipient.

The recipient of this document must be aware that:

- (i) The content of this document has not been prepared in accordance with the rules aimed at promoting the independence of investment reports and has not been verified on an independent basis. BBVA does not assume any commitment to notify recipients of this document of any possible change or to update the information contained therein.
- (ii) Neither this document nor its contents constitutes an offer or invitation to invest in any Product, subject to the acceptance and/or adherence by the recipient, or the carrying out and/or early termination of any existing transaction.
- (iii) Conflicts of interest: BBVA aims to profit from the sale of the Products described in this document. This is something that has been raised, by certain courts, as a conflict of interest that has to be disclosed to investors so that they can make better investment decisions.

BBVA has adopted a Conflict of Interest Management Policy that is summarised as follows:

- Conflict Identification: The policy specifies certain potential situations where conflicts of interest may arise. A procedure has been defined to cover situations not included in the policy, so that employees may report a conflict prior to rendering such service in order to adopt any necessary measures for its resolution.
- Management and prevention measures: the following measures, among others, are in place: i) general and specific action guidelines that prohibit certain conducts or permit their resolution; ii) measures to avoid or control employees from exerting undue influence over other employees or departments that are providing the relevant services; (iii) measures to avoid or control the simultaneous or consecutive participation of an employee over different investment or ancillary services, when such participation may lead to a conflict; (iv) procedures and measures to avoid or control any exchange of information between people or departments which could be contrary to Clients’ interests; and (v) specific measures to ensure that the employees who produce investment reports are independent and objective.
- Operating procedures for the resolution of conflicts: BBVA has defined a specific operating procedure to resolve conflicts that arise in the context of the ordinary course of the business and that could not have been foreseen.

Finally, if the measures implemented to manage any specific conflict are not sufficient to guarantee, with reasonable certainty, that risks will be prevented, we will disclose to you the general nature or the origin of the conflict before acting on your behalf, so that you may take any decision you consider prudent in respect of the service we are rendering or offering you.

You can find more details about the policy in BBVA’s website: [www.bbva.es](http://www.bbva.es)

In case you need any additional explanation or information in relation to the nature, functioning and risks of the Products detailed in this document, please consult your office or any office of BBVA,

- (iv) You should be aware that if these Products are entered into by telephone, the telephone conversation will be recorded and you may request a copy of the record for a period of 5 years (or 7 years if requested by the competent authority) from the date of the recording. You will

also have available a copy of the recorded conversations in which we intended to enter into sell a Product but it is finally not possible for whatever reason.

- (v) European regulations (MIFIR and EMIR) require that, in order to buy, sell, exchange, etc., financial instruments (such as shares, derivatives, etc.), legal entities must have an identification code denominated “LEI”: Legal Entity Identifier. Therefore, in order to enter into these Products, you must have the LEI code. You can find more information about it on the following links from ESMA and CNMV:

[https://www.esma.europa.eu/sites/default/files/library/esma70-145-238\\_lei\\_briefing\\_note.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-145-238_lei_briefing_note.pdf)

[http://cnmv.es/docportal/MiFIDII\\_MiFIR/CodigoLei.pdf](http://cnmv.es/docportal/MiFIDII_MiFIR/CodigoLei.pdf)

You should be aware that, when entering into derivative product transactions, such as the ones described in this document, you are obliged to comply with the obligations imposed by EMIR and its implementing regulations. Among these obligations, if the Client:

- Is classified as a Financial Counterparty or a Non-Financial Counterparty that exceeds the clearing threshold, you have to report, either directly or through a third party with whom you may have reached an agreement, the details of any derivative contract entered into and any modification or termination of such contracts, to a trade repository duly authorized; otherwise, you may be subject to sanctions for non-compliance. We inform you that BBVA offers its clients the possibility to make such communication in respect of those OTC derivatives entered into with BBVA, provided that the relevant contractual documentation is duly signed. In case you are interested in BBVA providing this service, please contact BBVA on the following address: [emir.delegreporting.corp@bbva.com](mailto:emir.delegreporting.corp@bbva.com).
  - Is classified as Non-Financial Counterparty that does not exceed the clearing threshold, BBVA will notify on your behalf to a trade repository determined by BBVA (as of the date of this document, DTCC Data Repository (Ireland) PLC (“DTCC”)), the details of all the derivative product transactions that you enter into with BBVA and any amendment or termination thereof, and for this purposes, it will require certain information that you should provide to BBVA. In addition, your LEI should be in force. Should your LEI has expired or is not valid for any reason, BBVA will not be able to report the details of the Product.
- (vi) No part of this document may be (a) copied, photocopied or duplicated in any way, form or medium, (b) circulated, published, quoted, communicated, transmitted or used for any personal or third party benefit nor submitted to any other person or entity without BBVA’s previous authorisation, and in any case, in those jurisdictions where it could be forbidden, limited, restricted or subject to authorisation, registration or communication requirements of any kind. BBVA does not assume any liability for any claim, harm or losses, direct or indirect, that may result from the use of this document by the recipient.