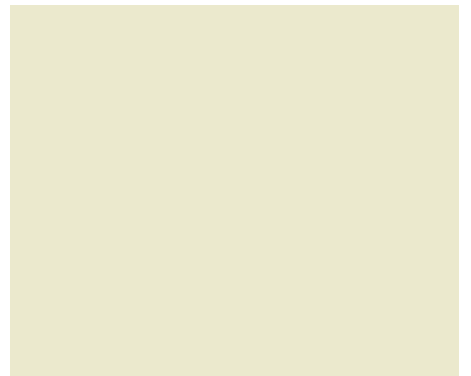




BBVA



**BBVA GROUP POLICY ON CONDUCT
IN THE SECURITIES MARKETS**

CONTENTS

PART I

INTRODUCTION

1. INTRODUCTION.....	3
2. SCOPE OF APPLICATION.....	5

PART II

PREVENTION OF MARKET ABUSE

3. PRIVILEGED INFORMATION

I. Definition of Privileged Information	7
II. Restrictions on the use of Privileged Information	8
III. Obligations	9
IV. Special activities.....	9

4. PRICE MANIPULATION

I. Generic Obligation	10
II. Restricted practice	10
III. Special activities.....	11

PART III

CONFLICT OF INTERESTS

5. CONFLICT OF INTERESTS

I. Definition of Conflicts of Interest	12
II. Obligations	13
III. Prevention and management of Conflict of Interests.....	13
IV. Disclosure of Conflict of Interests	13



BBVA Group Policy on Conduct in the Securities Markets - (September - 2008)

WARNING: *The English version is only a translation of the original in Spanish for information purposes. In case of a discrepancy, the Spanish original prevails.*

PART IV

RULES GOVERNING OWN ACCOUNT TRADING

6.	DEFINITION OF OWN ACCOUNT TRADING	14
7.	OWN ACCOUNT TRADING OF INVOLVED PERSONS AND THEIR EQUIVALENT PERSONS	15
8.	OWN ACCOUNT TRADING FOR CERTAIN INVOLVED PERSONS SPECIFICALLY SUBJECT TO INTERNAL STANDARDS OF CONDUCT ON THE SECURITIES MARKETS	16

PART V

CONTROL OF INFORMATION: OBJECTIVES AND INFORMATION BARRIERS

9.	CONTROL OF INFORMATION	
I.	Objectives for control of information and Information Barriers	18
II.	Separate Areas and other areas of the Group.....	18
III.	General measures for the protection of information	19
IV.	Additional measures to control the information.....	20



1. INTRODUCTION

- 1.1 The BBVA Group is an international bank operating in several countries and encompassing a broad spectrum of cultures and regulations.
- 1.2 A range of objectives and values must be accommodated within this spectrum that are common to the entire economic society. The BBVA Group has adopted these as its own, deeming them to comprise a minimum base on which to maintain the professional ethics of a financial institution.
- 1.3 Integrity in business is one of the values that inform the BBVA Group's corporate culture. The practical expression of its commitment to integrity is found in the BBVA Group Code of Conduct, which contains the principles and guidelines that every employee and manager of the Group must apply in their activity for BBVA. Among those principles are general guidelines to ensure behaviour preserves Integrity in the Markets. They include standards for preventing market abuse and for ensuring transparency and competition in Markets.
- 1.4 This Policy develops the principles of Conduct in Securities Markets more specifically as they apply to every BBVA Group employee and manager, setting minimum standards in respect of Privileged Information, Price Manipulation, Conflict of Interests and Own Account Trading. Its scope is, therefore, comprehensive and independent from the specific jurisdiction where the institution is operating on Markets.
- 1.5 In each jurisdiction where BBVA has a presence and engages in activities related to the Securities Markets, this Policy should be supplemented with Internal Standards of Conduct, drawing on its principles, which are set forth as minimums. The Standards shall ramify their details, adapting them to the legal requirements in each jurisdiction as necessary. Under no circumstances may the content of the Policy ensue in any breach of applicable legal provisions.
- 1.6 Chapters 3 to 7 and chapter 9 in the Policy contain general guidelines applicable to the conduct of all persons professionally linked to BBVA. Chapter 8 also includes more specific principles and criteria that will only apply under the terms and conditions specified in the local Internal Standards of Conduct and exclusively to those persons whose role or position in the BBVA Group makes them formally subject to said principles and conditions.



- 1.7 The content of this Policy shall prevail over any internal standards that may contradict it, except when said standards establish more stringent requirements.
- 1.8 Any query about how to interpret the Policy contents or which how to resolve situations not specifically described therein, should be clarified by the relevant Legal Affairs or Compliance department.
- 1.9 This Policy continues along the lines initiated in 2000 when the BANCO BILBAO VIZCAYA ARGENTARIA, S.A. Board of Directors approved the Code of Conduct for Securities Markets, which was subsequently updated and approved by the entities comprising the BBVA Group worldwide. It reinforces the BBVA Group's commitment to ensure its actions and those of its professionals reflect the soundest ethical principles and standards.



2. SCOPE OF APPLICATION

- 2.1 This Policy applies to all employees, managers and directors of the entities of the BBVA Group (hereinafter referred to as *Involved Persons*).
- 2.2 The scope of this Policy may be extended to entities (and consequently, its relevant persons) that do not belong to the BBVA Group but are providing investment services or engaging in activities on Securities Markets for and on behalf of the Group (eg, agents or outsourced-service providers).
- 2.3 The provisions contained in this Policy shall also apply to those securities and financial instruments that at any time fall within the scope of the applicable legislation on Securities Markets (hereinafter referred to as *Securities Affected*). At a minimum, the following securities or financial instruments are covered:
- 2.3.1 Negotiable securities issued by private or public entities or persons, and grouped in issues, eg:
- 2.3.1.1 Company shares and negotiable securities equivalent to shares.
- 2.3.1.2 Bonds, debentures and other similar securities, partially representing debt, including convertible or exchangeable securities.
- 2.3.1.3 Mortgage-backed securities, bonds and warrants.
- 2.3.1.4 Securitised bonds.
- 2.3.1.5 Shares and units of undertakings for collective investment in transferable securities.
- 2.3.1.6 Preferred securities.
- 2.3.1.7 Warrants and other negotiable securities derivatives which confer call or put options over any other negotiable security.
- 2.3.1.8 Money-market instruments, ie, those categories of instruments that are normally traded on the money market such as treasury bonds, certificates of deposit and promissory notes, except in singular issues, excluding payment instruments deriving from previous commercial transactions that do not entail raising repayable finance.



2.3.2 Options, futures, swaps, contracts, forward rate agreements and other derivative financial instrument contracts related to:

2.3.2.1 Securities, currencies and interest rates or yields, and other derivative financial instruments, financial indices or financial measures that may be settled in kind or in cash.

2.3.2.2 Commodities that may be settled in cash, in kind or by physical delivery.

2.3.2.3 Climate variables, transport costs, emission allowances or inflation rates or other official economic statistics that may be settled in cash, as well as any other derivative financial instruments contract related to assets, rights, obligations, indices and measures not mentioned in the preceding paragraphs, which may include features of other derivative financial instruments, taking into account whether they are traded on a regulated market or through a multilateral trading system, which are settled via recognised clearing houses or whose guarantee margins are subject to regular adjustments.

2.3.3 Derivative financial instruments for the transfer of credit risk.

2.3.4 Financial contracts for differences.

3. PRIVILEGED INFORMATION

I. DEFINITION OF PRIVILEGED INFORMATION

- 3.1 For the purposes of this Policy any information that meets the following requirements is considered to be *Privileged Information*, except where the applicable legislation establishes more stringent requirements:
- 3.1.1 Is of a specific nature.
 - 3.1.2 Is directly or indirectly related to:
 - 3.1.2.1 One or more securities or financial instruments admitted for trading on a market or an organised trading system, or becoming so.
 - 3.1.2.2 Derivative financial instruments that have underlying securities or financial instruments as described in paragraph 3.1.2.1.
 - 3.1.2.3 To one or more issuers of the aforementioned securities or instruments.
 - 3.1.3 That has not been made public.
 - 3.1.4 That upon becoming public or made public, could influence or may have influenced in an appreciable fashion its listing in a market or an organised trading system.
- 3.2 Information on financial instruments deriving from commodities is considered *Privileged Information* when it meets the following requirements:
- 3.2.1 Is of a specific nature.
 - 3.2.2 Has not been made public.
 - 3.2.3 Relates directly or indirectly to one or more derivative financial instruments.
 - 3.2.4 Is the type of information that users of the Markets in which these products are traded would expect to receive according to accepted market practices in said markets.



- 3.3 Notwithstanding the above paragraphs, the aspects below are indicative of but not limited to the kind of information that may be *Privileged Information*:
- 3.3.1 A company's income statement.
 - 3.3.2 Extraordinary changes in a company's income statement or changes to public earnings guidance.
 - 3.3.3 Potential transactions in the company, eg, capital enlargement or securities issues.
 - 3.3.4 Significant mergers or acquisitions.
 - 3.3.5 Events that may give rise to litigation, disputes or sanctions that may significantly affect foreseeable earnings.
 - 3.3.6 Decisions by authorities prior to their public disclosure.
 - 3.3.7 Information on significant orders to purchase or sell specific securities.
 - 3.3.8 Other similar situations or events.
- 3.4 With respect to persons in charge of the execution of orders related to negotiable securities or financial instruments, *Privileged Information* shall also be considered as any information supplied by customers in connection with their own pending orders in compliance with the requirements of paragraph 3.1.
- 3.5 Information shall cease to be considered as *Privileged Information* once it is made public or when it loses relevance and, therefore, the possibility of influencing the listed price of *Securities Affected*.

II. RESTRICTIONS ON THE USE OF PRIVILEGED INFORMATION

- 3.6 In order to foster integrity and transparency on Markets, any person who has *Privileged Information* and knows, or should know, that it was *Privileged*, may not engage in the following:
- 3.6.1 ***Prepare or perform own-account or third-party trades*** on those securities or financial instruments to which the *Privileged Information* directly or indirectly refers or any other security, financial instrument or contract of any kind, whether or not negotiable on any secondary market, underlying negotiable securities or financial instruments, to which the information is related.



- 3.6.2 ***Disclose Privileged Information to third parties***, except in the normal course of their work, profession or position.
- 3.6.3 ***Recommend to a third party that they acquire or assign securities or make others purchase such securities*** on the basis of the *Privileged Information*.

III. OBLIGATIONS

- 3.7 Any person becoming aware of any *Privileged Information* due to their functions in the Group shall be subject to the following duties to prevent it being used abusively or unfairly:
 - 3.7.1 ***Duty to communicate the knowledge of Privileged Information*** to the Compliance Department as soon as possible.
 - 3.7.2 ***Duty to use Privileged Information*** only ***under the framework of the transaction or functions*** for whose operation or development it has been transmitted.
 - 3.7.3 ***Duty to safeguard Privileged Information*** adopting the appropriate measures to prevent its abusive or unfair use, without detriment to the duty to communicate and collaborate with the administrative or judicial authorities envisaged in the applicable regulations.

IV. SPECIAL ACTIVITIES

- 3.8 *Involved Persons* who engage in or are in any way involved in activities such as the stabilization of securities in public bids, the execution of liquidity contracts on the issuer's own shares, financial analysis, buyback or trading of own shares and securities lending, must take into account that additional regulations may apply to them.
- 3.9 In these cases, the Compliance Department, or another appointed to do so, shall directly notify said persons of the specific rules that are applicable.



4. PRICE MANIPULATION

I. GENERIC OBLIGATION

- 4.1 Price manipulation undermines the confidence of participants in the Markets and its smooth functioning.
- 4.2 Avoiding price manipulation is an indispensable requirement in the 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.

II. RESTRICTED PRACTICES

- 4.3 Although the definition of Price Manipulation differs in each jurisdiction, all *Involved Persons* should refrain from, at a minimum, the following practices:
- 4.3.1 With respect to price manipulation based on *actions* (issuing orders and executing transactions) that change the current perceived value of the securities, the following are unacceptable practices:
- 4.3.1.1 The issue of orders or execution of transaction that provide or are likely to give false or misleading information about the supply, demand or price of the securities or financial instruments or that are carried out using fictitious mechanisms or any other form of deceit.
- 4.3.1.2 Concerted action on the market to ensure the price of one or more financial instruments hits an abnormal or artificial level.
- 4.3.1.3 The issue of orders or execution of transactions that are performed by the use of fictitious mechanisms or any other form of deceit or scheming.
- 4.3.1.4 Acting individually or in concert to ensure a dominant position in the supply or demand of a security resulting in fixing of purchase or sale prices or fixing of other inequitable trading conditions.
- 4.3.1.5 Selling or buying a financial instrument or security at the close of the session in order to mislead investors who acted on the basis of the closing prices.
- 4.3.1.6 Any other practices established by applicable legislation.



4.3.2 With respect to price manipulation based on *disclosure of the information or false or misleading rumours*, the following practices cannot be allowed:

4.3.2.1 The disclosure of information providing or likely to provide false or misleading indications regarding financial instruments, including spreading rumours and false or misleading news.

4.3.2.2 The dissemination of opinions about a security in relation to which the issuer of the opinion is pre-positioned, without simultaneously disclosing the conflict of interests that arises from this pre-positioning to public opinion.

4.3.2.3 Any other practices established by the applicable legislation.

III. SPECIAL ACTIVITIES

4.4 As defined in section 3.8 above, persons who engage in or are in any way involved in activities such as the stabilization of securities in public offers, the execution of liquidity contracts on an issuer's own shares, financial analysis, buyback or trading of own shares and lending securities, must take into account that additional rules may thereby come into effect.

4.5 In such cases, the Compliance Department, or another appointed to do so, shall directly communicate the specific rules that are applicable to the *Involved Persons*.

5. CONFLICT OF INTERESTS

I. DEFINITION OF CONFLICTS OF INTEREST

- 5.1 There is a *Conflict of Interest* when a minimum two contradictory interests coincide with respect to a person or a scope of decision that influence the impartial or objective rendering of a service or operation.
- 5.2 **Possible Conflicts of Interests:** BBVA's wide range of simultaneous activities in the field of Securities Markets, as well as the different family, economic and professional or other connections of *Involved Persons* make it possible that, at certain times, the following *Conflict of Interests* may occur:
- 5.2.1 Between customers of the BBVA Group.
 - 5.2.2 Between customers and the BBVA Group.
 - 5.2.3 Between different areas of the BBVA Group.
- 5.3 **Specific cases of Conflict of Interests:** Identifying a *Conflict of Interests* entails at a minimum, determining whether the BBVA Group or its *Involved Persons* fall within one of the following situations:
- 5.3.1 The entity or the person in question may obtain a financial benefit, or avoid a financial loss, at the expense of the customer.
 - 5.3.2 Has a 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.
 - 5.3.3 Has financial or any other type of incentives that favour the interests of customers other than those of the customer in question.
 - 5.3.4 The professional activity is identical to that of the customer.
 - 5.3.5 Receives or will receive, from a third person an incentive in connection with the serviced rendered to the customer, in cash, goods or services, other than the usual commission or fee for the service in question.



II. OBLIGATIONS

- 5.4 ***Duty to identify Conflict of Interests:*** All *Involved Persons* must disclose to their immediate superior any situation or circumstance that would or could involve the occurrence of a potential *Conflict of Interests* that may compromise their professional objectivity, as soon as it is known and prior to the performance of the transaction or completion of the business.

III. PREVENTION AND MANAGEMENT OF CONFLICT OF INTERESTS

- 5.5 ***Prevention of Conflict of Interests:*** Whenever necessary, to ensure that decisions are adopted autonomously within each Area and to prevent the occurrence of potential *Conflict of Interests*, specific measures called *Information Barriers* shall be adopted. These barriers are aimed at preventing improper exchange of information between persons/areas engaging in activities that could involve a significant risk of *Conflict of Interests*.
- 5.6 ***Managing Conflicts of Interests:*** Should it be impossible to prevent a Conflict in accordance with the foregoing measures, the Conflict must be resolved by taking into account the following principles:
- 5.6.1 In the event of a **Conflict of Interests between customers**, equal treatment must be guaranteed to avoid favouring some over others.
- 5.6.2 In the event of a **Conflict of Interests between customers and the BBVA Group**, diligence and transparency must be displayed at all times in the interest of the customer, looking out for such interests as if they were their own and always giving priority to customers' interests.

IV. DISCLOSURE OF CONFLICT OF INTERESTS

- 5.7 When *Conflict of Interests* cannot be avoided or managed, the customer must be informed in an impartial, clear and non-misleading fashion, of the general nature or origin of the conflict before acting on their behalf. In this manner, the customer can make an informed decision about the investment or transaction.



6. DEFINITION OF OWN-ACCOUNT TRADING

- 6.1 *Own-Account Trading* refers to transactions over *Securities Affected* undertaken by or on behalf of *Involved Persons* or by *Equivalent Persons*, outside the scope of their activities by virtue of their tasks within the BBVA Group.
- 6.2 The transactions of *Equivalent Persons* will have the same consideration and are subject to the same limitations as if they had been performed by the *Involved Person* himself. *Equivalent Persons* are:
- 6.2.1 Persons within and outside the family circle, over whose assets the *Involved Person* has powers of management, either by virtue of a legal regulation or a contract.
- 6.2.2 Legal entities controlled by the person themselves or their *Equivalent Persons*.
- 6.3 Consequently, without detriment to local legislation, *Equivalent Persons* shall be considered, at a minimum as: spouse, children or adults who are dependents of the *Involved Person*, companies that are effectively controlled by the *Involved Person* and/or any *Equivalent Persons* and any other person or entity for whom the *Involved Person* undertakes operations involving the *Securities Affected*.



7. OWN-ACCOUNT TRADING BY *INVOLVED PERSONS* AND THEIR *EQUIVALENT PERSONS*

- 7.1 To ensure the personal actions of BBVA Group professionals are in accordance with applicable legal regulations and to promote transparency in the Markets and to preserve, at all times, the interests of investors, the following performance principles are set out which must be followed by all *Involved Persons* when *purchasing and/or selling securities to their own account*.
- 7.2 *Involved Persons* and their *Equivalent Persons* must refrain from engaging in operations:
- 7.2.1 That involve improper use of *Privileged Information* under the provisions stipulated in 3.6.1 of this Policy.
 - 7.2.2 That involve preparation or execution of practices that distort free formation of prices (Price Manipulation)
 - 7.2.3 That involve improper use or disclosure of confidential information.
 - 7.2.4 That enter or may enter into conflict with an obligation of the entity under prevailing Securities Market legislation.
- 7.3 They must also refrain from advising or assisting another person, outside the normal course of their job, to carry out a transaction that would be prohibited under the provisions in the paragraph 7.2 above were it traded to their own account.
- 7.4 Except in the normal course of their work, they must refrain from reporting any information or opinion to third persons where it is suspected that, as a result of such information, the third person in question could perform or advise or assist another person to perform any of the actions described in the foregoing paragraph.



8. OWN-ACCOUNT TRADING FOR CERTAIN INVOLVED PERSONS SPECIFICALLY SUBJECT TO INTERNAL STANDARDS OF CONDUCT ON THE SECURITIES MARKETS

- 8.1 Within the Group's entities, the group of *Involved Persons* who, because of their position or role, carry out activities related to the Securities Market shall be specifically subject to Internal Standards of Conduct approved by each jurisdiction (hereinafter *Persons Subject*).
- 8.2 Said group of *Persons Subject* and their corresponding *Equivalent Persons*, shall be subject, at a minimum, to the additional restrictions that are listed below, as well as any other restrictions contained in the Internal Standards of Conduct on the Securities Markets that are applicable or manuals and/or rules for their implementation.
- 8.3 The following are general restrictions that all Internal Standards of Conduct on the Securities Markets in the BBVA Group should contain:
- 8.3.1 Continuously maintain their respective Compliance Department informed of any *Own-account Trading* made on those *Securities Affected* that have been identified.
- 8.3.2 Maintain in their portfolio, prior to disposal or cancellation, the BBVA securities or derivative instruments whose underlying security is BBVA for a minimum period of twenty stock-exchange trading sessions.
- 8.3.3 In the rest of *Securities Affected*, no long-short or short-long trades may be performed during the same trading session, without detriment to any longer holding period that may be established as a special restriction under the provisions of paragraph 8.4 below.
- 8.3.4 Refrain from performing any *Own-Account Trading* on BBVA securities, or financial instruments that have BBVA as underlying security, as from fifteen working days before the close of each quarter until the second working day following the publication date of the quarterly, half-yearly or annual financial statements of BBVA or, where applicable, from the moment that they became aware of such information, should this be before said deadline.



8 Own-Account Trading for certain Involved Persons Specifically subject to Internal Standards of Conduct on Securities Markets

17

- 8.3.5 Refrain from engaging in any *Own-Account Trading* on any other *Security Affected* from the moment that the *Person Subject* becomes aware of the issuer's unpublished economic results until the second working day following their publication.
- 8.4 The Internal Standards of Conduct on the Securities Market shall describe the special additional restrictions (communication or prior authorisation of operations, extended minimum-holding periods, etc.) that may be imposed.



BBVA Group Policy on Conduct in the Securities Markets - (September - 2008)

WARNING: *The English version is only a translation of the original in Spanish for information purposes. In case of a discrepancy, the Spanish original prevails.*

9. CONTROL OF INFORMATION

I. OBJECTIVES FOR CONTROL OF INFORMATION AND INFORMATION BARRIERS

- 9.1 Every BBVA Group entity must establish the necessary measures in order to:
- 9.1.1 Prevent uncontrolled flow of *Privileged Information* between different Areas of the BBVA Group.
 - 9.1.2 Ensure that decisions related to the Securities Markets are made autonomously within each Area.
 - 9.1.3 Control occurrence and existence of potential *Conflict of Interests*.
- 9.2 In order to achieve the above objectives, where applicable, a series of measures and procedures called *Information Barriers* shall be established and whose description is as follows:

II. SEPARATE AREAS AND OTHER AREAS OF THE GROUP

- 9.3 ***Separate Area:***
- 9.3.1 *Separate Areas* of activity shall be defined as each department or area of the BBVA Group engaged in activities managing their own or third-party portfolios or performing financial analysis, investment banking, brokerage of negotiable instruments and any other area that may have *Privileged Information* from time to time.
 - 9.3.2 The status of a *Separate Area* implies the establishment of stricter *Information Barriers* between each *Separate Area* and the rest of the organisation and between each of the *Separate Areas*, which shall in all cases include measures of physical separation and/or procedural controls specifically designed to ensure the compliance of the objectives indicated in paragraph 9.1 above.



III. GENERAL MEASURES FOR THE PROTECTION OF INFORMATION

- 9.4 In addition to the general duty of confidentiality applicable to non public information that *Involved Persons* access in pursuit of their duties or position, any *Involved Person* who has access to *Privileged Information* must proceed to safeguard it, ensuring its correct protection and avoiding inappropriate accessibility to persons who, although belonging to the same Area, should not access it.
- 9.5 In this regard, at least the following measures shall be established at area or unit level:
- 9.5.1 A location and identification procedure of the *Securities Affected by Privileged Information* and all persons in possession of such information. Corresponding Compliance Department shall use these to maintain Lists of Prohibited Securities and Insiders.
 - 9.5.2 Security measures to ensure that the hardware containing the information (papers, files, diskettes, etc) is not open to uncontrolled access by outsiders.
 - 9.5.3 Measures aimed at limiting the knowledge of projects and operations containing *Privileged Information* strictly to those persons, internal or external to the organisation, which is indispensable for proper implementation of the project, denying access to any person that should not know such information in the pursuit of their duties.
 - 9.5.4 In this area, *Involved Persons* shall take into account the following special measures:
 - 9.5.4.1 No aspect of the projects or transactions that contain *Privileged Information* may be commented upon in public places or in those areas where there is a risk of being overheard by persons who should not know this information.
 - 9.5.4.2 Conference rooms must be checked and any confidential material removed after a meeting finishes and before the space is used again.
 - 9.5.4.3 Caution must be taken when using unprotected media, eg, mobile phones, faxes or e-mail. In particular, information must not be sent to terminals that are unmanned at time of sending or to which outsiders could have access.
 - 9.5.4.4 Insofar as possible, temporary staff should not have access to *Privileged Information*.

IV. ADDITIONAL MEASURES TO CONTROL INFORMATION

- 9.6 The Codes or Internal Standards of Conduct on the Securities Markets in each jurisdiction shall outline specific measures to follow at all times for the purposes of ensuring a controlled flow of *Privileged Information* and independent decision making related to listed securities.

