



Pre-contractual Information

CONTRACTS FOR DIFFERENCES (CFDs) TRADING SERVICE OFFERED BY BBVA TRADER

This document is not a contract and thus does not create any obligation or rights. The sole purpose of the document is to help you understand what the BBVA TRADER Contracts for Differences (**CFDs**, and individually, **CFD**) service is and how it works (hereinafter, the "Service").

You should read it carefully before contracting the service and, if you decide to contract it, you must do so through www.bbvatrader.com.

BBVA informs the Investor that this Service is not suitable for investors with moderate risk policies and non-speculative profiles, and the investor must decide whether or not this is their case. CFDs are complex instruments that entail a high risk of quickly losing money due to leverage. In accordance with the applicable regulations, the percentage of retail investors who lose money when trading CFDs will be shown on the website bbva.es/personas/productos/bolsa/cfd-trading.html. Before contracting this Service, make sure you understand how CFDs work and if you can afford the high risk of losing your money.

If after reading this document you do not understand its terms, please do not hesitate to contact us through the channels we make available (which are listed at the end of this document) so that we can give you additional explanations or information. You must not sign up for this Service without being sure that you understand the contents herein.

Company providing the investment service

Information about BBVA	Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") is listed in the Vizcaya Companies Register with CIF A-48265169 and registered office in Bilbao, Plaza de San Nicolás, no. 4.
Supervisory bodies	We are listed in the Companies Register of the Bank of Spain as no. 0182 and are authorized to provide investment services under the supervision of the Bank of Spain (Calle Alcalá, 48 Madrid – www.bde.es) and of the Spanish National Stock Market Commission (Calle Edison, 4 Madrid – www.cnmv.es).

How we will communicate with you

Any communications and the information exchanged between us will generally be in the same language as this document and will be made through the means defined in the BBVA TRADER contract.

Conflicts of interest

At BBVA we are transparent with respect to our conflicts of interest and have a policy in which:

- we identify and
- address them using prevention and management measures and procedures to resolve them.

As a last resort, if the measures taken to manage a specific conflict are not sufficient to guarantee, with reasonable certainty, that the risks will be avoided, we will disclose the nature or origin of the conflict, so that you can make the decision you consider most appropriate with respect to the service that you are being provided or offered.

Details on this Policy are available at <https://www.bbva.es/general/informes-legales.html#legislacion-mifid>

BBVA provides you with a summary of its Trade Policy (when you sign up for the BBVA Trader Service, or any other product/service related to investment services), which contains information on, among others:

- The process of selecting the trading centers, the trading strategies used,
- the processes and procedures used to analyze the quality of the trade obtained,
- the way BBVA controls and verifies that the best possible results have been obtained for its customers,
- the total expenses that the investor may incur,
- updated figures on the quality of the trade in each center covered by the policy.

Information on the best trade policy

An updated summary of the Trade Policy is available on our website <https://www.bbva.es/general/informes-legales.html#legislacion-mifid>

What does this service involve?

Description of the service

Execution of CFD orders using matched principal trading

Through this Service, BBVA offers:

- The execution of CFD orders using matched principal trading, such that every time BBVA executes a customer's order, it interposes itself between the Market Maker and the customer. Accordingly, BBVA closes a CFD with a customer and simultaneously another CFD with an entity in the interbank market (the Market Maker) which BBVA uses to hedge its risk.
- This Service is implemented mainly through: A contracting tool that allows customers to enter orders for certain CFDs through the channels provided for this purpose. If it accepts an order from the Investor, BBVA will simultaneously execute two CFDs under the same terms (one with the Investor and the other with the Market Maker), such that BBVA can provide the Service without being exposed to risk due to market movements. In exchange for the Service, the Investor must pay BBVA the commissions, fees or expenses for the trade, as communicated to the investor beforehand and which can take the form of explicit fees or costs included in the price of the product.

Instruments for which the service is provided

Investors can find and consult CFDs at any time at [bbva.es/personas/productos/bolsa/cfd-trading.html](https://www.bbva.es/personas/productos/bolsa/cfd-trading.html). The CFDs offered include CFDs on stocks in the main markets, CFDs on the leading general and sector indexes, CFDs on commodities and precious metals, CFDs on the main currency pairs and CFDs on interest rate futures.

Risks associated with the instruments for which the service is provided

Price risk of the underlying asset. The investor assumes the risk of an unfavorable move in the underlying asset, which could result in losing even more than the amount invested (margin paid). The loss could be as high as the totality of the investor's funds in their BBVA TRADER CFD account.

Valuation risk. Since CFDs are not standardized products, the investor must consider the particularities that influence the valuation of each type of CFD.

Leverage risk. CFDs are a leveraged product, meaning that the return on investment, calculated on the effective investment made, is multiplied (both positively and negatively), and so is the risk and/or the speed at which the potential loss or gain occurs. As a result, positions must be monitored constantly, since if the trend is going against expectations, the losses could exceed the amount of the original investment.

Credit risk, due to the possibility that the financial entity that is the counterparty in the CFD, in this case BBVA, does not make its payments.

Liquidity risk. Since these are non-standard products, the investor must consider the characteristics of each market and the risk of not finding a counterparty for their trade. Since BBVA is not required to execute orders received from the investor, the investor must also be aware that there are exceptional circumstances that may result in BBVA being unable to provide prices or close positions in certain CFDs.

Exchange rate risk. The value for the investor of the investment in a CFD denominated in a currency other than the investor's base currency (e.g. Euro), or whose underlying asset is denominated in a currency other than the investor's base currency, will be affected by changes in exchange rates, and may cause losses for the investor even if there have been no negative changes in the price of the underlying asset.

Risk of holding positions longer than one day The Investor must be aware that during certain hours (from the end of the Trading Hours of the Service, and until the opening of the Trading Hours of the Service or the Trading Hours of the Underlying Asset, as appropriate), it is not possible to open or close a CFD position, so holding a position for more than one day may require increasing the margin. The Investor will also have to pay a Financing Cost for each day the Position is held until it is closed. It is important to realize that this Financing Cost may include the Repo Cost that may be applicable.

Risk of closing positions: in those cases where the margin is insufficient to meet the required obligations, an open CFD position will be closed automatically, which may result in a loss for the investor.

For more information about the risks inherent to the financial instruments for which the service is provided, please visit www.bbvatrader.com | **My Broker** | **Relevant information**, where the risks are specified in detail, as is the operation of the different financial instruments for which the service is provided.

What are the annual costs?

Total costs of the Service

You can sign up for the Service for free, although depending on the trades you make, you may incur costs, which you can consult in detail at bbva.es/personas/productos/bolsa/cfd-trading.html. You can also view and download the fee schedule of BBVA Trader CFDs.

For illustrative purposes, the costs involved in trading CFDs are detailed below, with examples of costs for the different types of underlying asset, for a notional investment of €10,000 (for ease of comparison) in each example:

				Example of costs for each type of contract and trade												
				BBVA Costs		Transaction cost		Financing cost (overnight) for 1 day (3)				Total costs				
Sample CFD contract	No. of contracts	Transaction price	Notional amount	Fee / Spread (*)	Minimum	Implicit cost (1)	Fee (2)	Differential	Benchmark interest rate 1 (3)	Benchmark interest rate 2 (3)	Total financing cost (4)	Euros	% of notional value			
Figures for a Purchase transaction																
Shares	10,000	€10.00	€10,000	0.06%	€6	€1.00	€6	2.50%	+	-0.484%	=	2.02%	€0.55	€7.55 0.08%		
Index (Spain 35)	1	10,000	€10,000	5	-	€2.50	-	2.50%	+	-0.484%	=	2.02%	€0.55	€3.05 0.03%		
FX EUR/USD	10,000	1.2157	€10,000	0.0001	-	€0.41	-	1.00%	-	-0.484%	+	0.150%	=	1.63%	€0.45	€0.86 0.01%
Figures for a Sell transaction																
Shares	1,000	€10.00	€10,000	0.06%	€6	€1.00	€6	2.50%	-	-0.484%	=	2.98%	€0.82	€7.82 0.08%		
Index (Spain 35)	1	10,000	€10,000	5	-	€2.50	-	2.50%	-	-0.484%	=	2.98%	€0.82	€3.32 0.03%		
FX EUR/USD	10,000	1.2157	€10,000	0.0001	-	€0.41	-	1.00%	+	-0.484%	-	0.150%	=	0.37%	€0.10	€0.51 0.01%

Notes:

(*) In the case of CFDs on stocks, a fee is applied that is a % of the notional amount, with the specified minimum. For all other underlying assets, the cost is the spread applied. The spread is the difference between the bid and ask prices (price ranges). For the purpose of the implicit cost, it will be half of the spread multiplied by the number of contracts. The spread indicated represents units of the price of the index or currency.

(1) In the case of CFDs on stocks, the implicit cost is a theoretical cost (which is not applied by BBVA) similar to that of purchasing/selling stocks directly, due to the difference between the purchase orders (bid) and sell orders (ask) prices in the market. In other words, if you buy at the ask price and immediately sell it at bid price, the prices will necessarily be different (this is the implicit cost that is included for information purposes). The example assumes a supposed price range of 9.998 (bid) and 10.000 (ask), with the cost being $9.998 - 10.000 \times 1000 \text{ contracts} / 2 = €1$. For all other CFDs (not on stocks), the cost is expressed in points of the price of the underlying asset. This cost is borne by the investor and is implicit in the difference between the bid and ask price of the product.

(2) The Fee is charged to the investor's account (only applicable to CFDs on stocks).

(3) Applicable to those positions that are held after the trading hours of the underlying asset or, in any case, after the trading hours of the CFD Trading Service. Assume, for example, an interest rate of -0.484% (benchmark interest rate 1) and 0.15% (benchmark interest rate 2). Benchmark Interest Rate 1 and benchmark Interest Rate 2 (as it is a market interest rate) will be published in the description of each product. This cost is charged daily for as many days as the position remains open.

The detailed costs for each of the products are provided in the Product Description on the BBVA Trader CFDs platform, so that the investor can view the costs (whether implicit or via fees) associated with the trade beforehand. In any case, when you place an order, you will be informed of its specific costs, adjusted to the conditions of the order.

The client may be liable for other costs, including the payment of taxes not included in this document. Such payments are not made through BBVA.

Other important information

Incentives	BBVA will not receive incentives for rendering this service.
What we need to provide the service	In order to be able to use the Service, the Investor must have signed up for the BBVA TRADER Service, which requires keeping open a cash account where the charges and credits will be made, and signing up for the multichannel service.
Notice about the recording of telephone conversations	If contracted by phone, the conversation will be recorded and the customer can request a copy of the recording during a period of 5 years (or 7 if so required by the competent authority) from the time it is made. A copy of recordings of any conversations in which the customer tries to sign up for a product but for some reason it is not possible will also be available to the customer. BBVA reserves the right to charge a fee for making said recordings available to the customer.
Routine information	<p>The Bank will promptly inform you of the essential information regarding the execution of any CFD trades that you have placed with us.</p> <p>We will communicate the following information to you on a quarterly basis, among other things:</p> <ul style="list-style-type: none"> a) details on all the instruments at the end of the period. b) the amount of any profit accrued in your favor resulting from your involvement in financial transactions, such as dividend payments in cash or coupons, and the accrual basis of this profit. c) market valuation of instruments, or another valuation if the market valuation is not available. <p>On an annual basis, we will provide information on the total costs, both of the service and of the instruments, and on the returns of the latter. We will also provide you with the details for your tax return.</p> <p>We will also notify you when the initial value of each leveraged financial instrument or of operations involving contingent liabilities depreciates by 10%, and subsequently in multiples of 10%, as specified in the applicable regulations.</p> <p>In addition to the above, you can access information on your positions at any time in your private area of www.bbvatrader.es by going into BBVA Trader CFDs.</p>
Withdrawal	If the contract associated with this document is executed online, then, pursuant to the regulation governing the distance marketing of financial services, you will not be able to withdraw from this contract since you will be able to buy or sell instruments covered under the securities contract during the withdrawal period.

Legal notice

This document has been prepared by BBVA, an entity authorized and supervised by the Bank of Spain and the Spanish National Securities Market Commission, to provide information on the nature, characteristics and operation of trading CFDs with the BBVA TRADER service and is not adapted to the specific circumstances of each customer.

When you receive and read this document, you must be aware that:

1. This Document does not constitute an offer or invitation from BBVA to accept or participate in, or make or cancel, investments.
2. No part of this Document may be (a) copied, photocopied, or duplicated in any way, form, or medium, (b) redistributed, (c) disseminated, quoted, communicated, or (d) sent to any person or entity subject to the laws or jurisdiction of those countries or territories where it is prohibited, limited or subject to requirements for authorization, registration or communication of any kind.

If signed remotely (with a password), the date and time of signing will appear in the electronic signature to be displayed at the end of this document, regardless of the date of generation of the document indicated previously.

Other relevant information

Although there are no restrictions on the type of customer that can sign up for this product (retail customers, professionals and eligible counterparts), this product is not considered suitable for retail customers in general. In any case, given its complexity, it is only considered **suitable for retail investors with financial knowledge and/or experience in financial products of this nature**, who must also be **prepared to incur losses** in excess of the amount invested.

We inform you that we are not going to verify your compatibility with the target market defined for this product.

Contact



bbvatrader.com



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The website bbva.es/personas/productos/bolsa/cfd-trading.html contains information on Contracts for Differences (CFDs), margins and costs, educational materials on these instruments, information on the transactions available, and other content that may be of interest to you before you sign up for this service and/or start trading CFDs.