

Pre-contractual Information

Order placement, transmission and execution services, and securities custody and administration services.

This document is not a contract and thus does not create any obligation or rights. The sole purpose of this document is to help you understand what order placement, transmission and execution services, and securities custody and administration services (hereinafter, the Service) are and how they work.

Please read it carefully and sign it to indicate that the Bank has provided it to you and has informed you of the service before you apply for it.



If, after reading this document, you do not understand its terms, please do not hesitate to ask at your branch, where you will receive additional explanations or information, but do not apply without making sure that you understand its content.

ENTITY THAT PROVIDES THE INVESTMENT AND AUXILIARY SERVICES

You need to know certain information about BBVA, since we are the entity that is going to provide the services.

- **Information about BBVA:** We are registered in the Vizcaya Business Register with Tax ID Number A-48265169. Our registered office is in Bilbao in Plaza de San Nicolás, number 4 (www.bbva.es).
- **Supervisory entities:** We are listed in the Bank of Spain's Register of Entities under No. 0182, and we are authorized to provide investment services under the oversight of the Bank of Spain (www.bde.es) and the Spanish National Securities Market Commission (www.cnmv.es).
- **How we are going to communicate:** Communications and any information sent between us will be in the same language in which the contract is signed, and by any means with proven security and confidentiality safeguards and that allows the information to be reproduced on paper. We can provide communications by email to the email address we have on record for you, to mobile devices or via the www.bbva.es website, or by post.
- **Conflicts of interest:** At BBVA, we are transparent with our conflicts of interest and we have a policy to:
 - identify them and
 - address them using prevention and management measures and procedures to resolve them.

As a last resort, if the measures adopted to manage a specific conflict of interest are not enough to guarantee, with reasonable certainty, that the risks will be prevented, we will reveal the nature or source of the conflict before acting on your behalf, so that you can make the best decision involving the service that is being provided or offered.

You can find the details of this policy on our website, www.bbva.es

- **Custody of Assets:** BBVA's policy on safeguarding its customers' financial instruments and funds is available for its customers to read. This Policy contains accurate and up-to-date information on the measures taken by BBVA to ensure the protection of your financial instruments and funds. You can find the details of this Policy on our website, www.bbva.es.



BBVA is registered with Spain's Deposit Guarantee Fund for Credit Institutions, located at C/ José Ortega y Gasset, 22, 28006 Madrid, email: fogade@fgd.es, website: www.fgd.es, telephone: + 34 91 431 66 45.

Guaranteed cash deposits have a limit of 100,000 euros per depositor and, independently of the above limit, up to a maximum of 100,000 euros for deposits in guaranteed securities and financial instruments entrusted to the institution. If you have an account with several account holders, this limit applies to each depositor separately.

WHAT ARE THESE SERVICES?

- **Description of the services:**
 - **Placement and transmission of orders:** investment service that allows you to place orders relating to securities through the channels made available for this purpose for the Bank to execute them directly or through a broker. This service also includes the activity of placing two or more investors in contact with one another, thus allowing them to carry out operations between them.
 - **Execution of orders:** Investment service that involves finalizing agreements to purchase or sell one or more securities on behalf of customers, including the conclusion of agreements to sell securities issued by a credit institution or an investment firm at the time they are issued.
 - **Custody and/or administration of securities:** auxiliary service that consists of maintaining a securities account, keeping your positions up to date, facilitating the exercise of rights associated with the holdings in the portfolio, etc.
 - **Currency exchange:** auxiliary service that consists of purchasing or selling currencies when these are related to the provision of an investment service.

- **Information on the execution policy:**

BBVA has given you a summary of its Execution Policy, which contains information on, among others:

- the process for selecting the trading venue,
- the execution strategies employed,
- the procedures and processes used to analyze the quality of the resulting trade,
- the way in which BBVA checks and verifies that the best possible results were obtained for its customers,
- the total expenses you may incur,
- updated data on the quality of the trade at each venue included in the policy.

You can find more details on this Execution Policy on our website, www.bbva.es.

- **Safeguarding the instruments involved in the custody service:**
 - **Possibility of sub-custody with a third party:** BBVA uses Global and/or Local Sub-custodians to perform settlement and custody transactions in the various international markets where its customers carry out trades. BBVA has a procedure that details the criteria used to select, designate and review Sub-custodians.
 - **Use of global accounts:** Unless local laws or practices or the contractual relationship with a Sub-custodian requires otherwise, the securities deposited with Sub-custodians shall be maintained in an account in the name of BBVA, but on behalf of its customers in an omnibus segregation scheme (segregated from the Sub-custodian's own account, but not from the positions of the Sub-custodian's other customers). BBVA identifies those securities and cash in its books and records belonging to customers, whether they are held directly or indirectly through Sub-custodians.
 - **Custody outside the European Union:** BBVA informs the customer that in those cases where the intermediary in which the global account is held is subject to the laws of a State that is not a member of the European Union, the rights involving the securities, in terms of ownership and insolvency, may be different from those that would correspond to them if they were subject to the laws of a Member State.
 - **Guarantee, retention and compensation rights:** The contract for the Custody, Administration and Brokerage of securities is set up as a contractual clearing agreement in accordance with Spanish law, which allows BBVA to be compensated for a customer's default or insolvency. The compensation and guarantee clauses in favor of the Sub-custodians exclude the securities designated by BBVA as owned by its customers.
 - **Use of customer securities:** BBVA will not use the securities belonging to its customers in financing operations, such as securities loans or repurchase agreements, without their express authorization.

- **Need to have other products or services:**

- In order to provide order placement, transmission and execution services, and securities custody and administration services, you must have a checking account with us where the charges and payments associated with the services offered will be recorded, though said account need not be used exclusively for this purpose.
- Additionally, certain information may be available online through digital channels, access to which requires having a multi-channel contract, which has no cost for you.

WHAT ARE THE ANNUAL COSTS?

The most common costs involving the **i) order placement and transmission, II) administration and custody and iii) currency exchange services** are detailed below:

Buying or selling of equities involving an equity		BBVA fee			Bróker		Practical example				
Instrument Type	Fee	Minimum	Swift	Fee	Minimum	Supposed effective value	Total fee	Taxes			
SIBE, MAB/ Spanish Stock Exchange	Stock and ETPs	0,60%	€9	--	--	--	€6.000	€36	€5,37	--	
	Rights	0,60%	€1,8	--	--	--	€6.000	€36	€5,37	--	
	Warrants	0,55%	€9	--	--	--	€6.000	€36	€5,37	--	
Europe (Group1)	Shares, warrants, rights, ETPs	0,85%	€15	€ 2,4	0,04%	€6,00	€6.000	€59,40	--	(2)	
SETS-SEAQ (London)						£7,01	£6.000	€53,4+£7,01	--	(2)	
USA (Group 2)						0,08%	\$10,0	\$6.000	€53,4+\$10	--	
Other stock exchanges						0,25%	€15	€6.000	€68,40	--	(2)

Notes:

Basis for calculating fees: Effective value of the operation (execution price x no of securities)

Group 1 (Europe) = listed securities in euros on the Euronext/Paris Stock Exchanges (2), Amsterdam, Brussels, Milan Stock Exchange (2), XETRA-Frankfurt Stock Exchange, Xontro-Stock Frankfurt Stock Exchange, Vienna Stock Exchange, Helsinki Stock Exchange, Athens Stock Exchange

Group 2 (USA) = NYSE/New York Stock Exchange, AMEX/American Stock Exchange, NASDAQ, USA Pink Sheets

(1) Transactions in the Spanish stock market executed in the SIBE (BME) are subject to a fee charged by the Stock Exchange based on the effective value of the operation, which will be an additional cost for the investor. The practical example details the fee applicable in 2017 for this amount. The Stock Exchange Governing Company may modify them at any time (usually on an annual basis)

(2) Some stock exchanges, such as those indicated with this number, apply a fee or tax on the purchase of certain shares (not all), which will be an additional cost for the investor. As of the writing of this document (January 2018), these fees amount to: London Stock Exchange = 0.50%

(+ £1 cash > £10,000), Paris Stock Exchange = 0.20% and Milan Stock Exchange = 0.10% (in every case, on the effective value).

Buying or selling of equities		BBVA fee			Practical example	
Execution center/market	Calculation base	Fee	Minimum	Swift	Supposed effective value	Total fee
Send, AIAF/Spanish market	Effective value	0,60%	€9,0	--	€6.000	€21
Spanish government debt securities	Nominal value	0,50%	€6,0	--	€6.000	€30
International markets	Effective value	0,40%	€12	€2,4	€6.000	€24

Most common fees for the administration or custody of securities service				BBVA fee		Practical example	
Item	Instrument Type	Type of market	Calculation base	Fee	Minimum	Supposed effective value	Fee
Custody	Equities	National	Effective value	0,20%	€12	€6.000	€12
		International	Effective value	1,00%	€60	€6.000	€60
	Fixed income	National	Effective value	0,80%	€12	€6.000	€48
		International	Effective value	1,00%	€60	€6.000	€60
Takeover Bid	Equities	National	Effective value	0,35%	€6	€6.000	€21
		International	Effective value	0,40%	€12	€6.000€	€24
Subscription	Public debt	National	Effective value	0,50%	€6	€6.000	€30
	Equities	National	Effective value	0,375%	€5	€6.000	€23
	Fixed income	International	Effective value	0,375%	€5	€6.000	€23
Repayment	Public debt	National	Effective value	0,50%	€6	€6.000	€30
	Equities	National	Effective value	0,35%	€3	€6.000	€21
	Fixed income	International	Effective value	0,35%	€3	€6.000	€21

There are other fees involving the Securities Administration and Custody Service, which are listed in the BBVA Fees brochure (available at www.bbva.es/ Customer information), and which are contained in the BBVA Securities Administration and Custody Contract.

Exchange rate in currency transactions: the current exchange rate at BBVA will be applied.

These costs are listed in the BBVA rates brochure in force at any given time, available at www.bbva.es. In addition, other costs may be applicable to you, including the payment of taxes not included in this document and whose payment is not made through BBVA.

OTHER IMPORTANT INFORMATION

- **Notice involving recordings:**

In the contract, you will authorize us to record all the conversations you have with us, whether by telephone or electronic communications, involving the services of placing, transmitting and executing orders, as well as to keep the corresponding records. These recordings will be kept for a period of 5 years, and a copy will be available upon request.

- **How we are going to inform you about the instruments administered or held:**

The Bank will promptly inform you of the essential information regarding the execution of any orders that you have placed with us.

Every quarter, we will also provide you with the following and other information:

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 vouchers, and the accrual basis of this profit.

c) market valuation of instruments, or another valuation if the market valuation is not available.

If your securities portfolio includes positions in leveraged financial instruments or transactions involving contingent liabilities, we will notify you when the initial value of each of these financial instruments depreciates by 10%, and subsequently in multiples of 10%, as specified in the applicable regulations.

- **Incentives:**

BBVA may receive from the management company or the main fund distributors or investment companies contracted with, as a distributor or sub-distributor for them, a percentage of the management fee earned that can be up to 85% of said fee, and 100% of the distribution fee (if one exists). Due to their nature, if BBVA receives such fees, this does not in any case entail an increased cost for the customer.

These incentives are intended to improve the quality of the service provided and do not compromise our obligation to act honestly, impartially and professionally, in your best interest.

The delivery of this document indicates that you have received this information on the service for placing and transmitting and executing orders, and on the custody and administration of securities, and which we have prepared to help you decide whether to invest before you apply for this service.

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BBVA ATM network

BBVA apps

BBVA Contigo

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