

## FINAL TERMS

19 May 2008

**BBVA Senior Finance, S.A. Unipersonal**

**Issue of EUR 20,000,000 Dynamic Amount Linked Notes due May 2023**

**Guaranteed by Banco Bilbao Vizcaya Argentaria, S.A.**

**under the €40,000,000,000**

**Global Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 11<sup>th</sup> June, 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**), as supplemented by the Supplement dated 1<sup>st</sup> August, 2007, the supplement dated 14<sup>th</sup> November, 2007 and the supplement dated 25<sup>th</sup> January, 2008 and the supplement dated 1<sup>st</sup> May, 2008 constituting supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular, as supplemented by the Supplements. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular, as supplemented by the Supplements. The Offering Circular and the supplementals are available for viewing at the office of the Issuer at Gran Vía, 1, Bilbao, Spain and Paseo de la Castellana, 81, 28046, Madrid, Spain and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

*Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Underlying Fund Basket based upon such investigations and not in reliance upon any information given in this document.*

*No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.*

*By investing in the Notes each investor represents that:*

- (a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer, the Guarantor or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer, the Guarantor or any*

*Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.*

- (b) *Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.*
- (c) *Status of Parties. None of the Issuer, the Guarantor and any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes. The investor of the Notes will not hold any direct or indirect proprietary interest in the Underlying Fund.*

*The Issuer shall be under no obligation to make or hold, directly or indirectly, investments in the Underlying Fund in connection with the issuance of the Notes. The Issuer may – at its own discretion and its own risk – hedge itself by investing in the Underlying Fund but is not required to do so. Under these Final Terms of the Notes the Issuer is required to pay the Investor a sum corresponding to the performance of the Underlying Fund, irrespective whether the Issuer has received the performance results or not. The Issuer is not obligated to forward the earnings and distributions of the Underlying Fund to the Investor. Particularly, to the extent that the Issuer invests in the Underlying Fund and to the extent that the Issuer receives retrocession fees, such fees will be passed on to the Investor; however, this does not imply that the Issuer is under a legal obligation to invest in the Underlying Fund.*

1.	(a)	Issuer:	BBVA Senior Finance, S.A. Unipersonal
	(b)	Guarantor:	Banco Bilbao Vizcaya Argentaria, S.A.
2.	(a)	Series Number:	64
	(b)	Tranche Number:	1
3.		Specified Currency or Currencies:	EUR
4.		Aggregate Nominal Amount:	
	(a)	Series:	EUR 20,000,000
	(b)	Tranche:	EUR 20,000,000
5.		Issue Price of Tranche:	100.00 per cent. of the Aggregate Nominal Amount
6.	(a)	Specified Denominations:	EUR 50,000
	(b)	Calculation Amount	Not Applicable
7.	(a)	Issue Date:	29 May 2008
	(b)	Coupon Commencement Date:	29 May 2008
8.		Maturity Date:	31 May 2023, subject to adjustment in accordance with the Modified Following Business Day

		Convention
9.	Coupon Basis:	Fixed Rate (Further particulars specified in provisions 15 below and in Annex 1)
10.	Redemption/Payment Basis:	Formula Linked Redemption (see Annex 1)
11.	Change of Coupon Basis or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(a) Status of the Notes:	Senior
	(b) Status of the Guarantee:	Senior
	(c) Date Board approval for issuance of Notes and Guarantee obtained:	Not Applicable
14.	Method of distribution:	Non-syndicated

#### **PROVISIONS RELATING TO COUPON (IF ANY) PAYABLE**

15.	Fixed Rate Note Provisions	Applicable
	(a) Fixed Rate(s):	0.005% per cent., amounting to EUR 2.5 per Specified Denomination
	(b) Fixed Rate Payment Date(s):	24 May 2023, subject to adjustment, for payment purposes only, to the Modified Following Business Day Convention
	(c) Fixed Coupon Amount(s):	EUR 2.5 per Specified Denomination
	(d) Broken Amount(s):	Not Applicable
	(e) Day Count Fraction:	1/1, as defined in the Annex to the 2006 ISDA Definitions
	(f) Determination Date(s):	Not Applicable
	(g) Other terms relating to the method of calculating the Fixed Coupon Amount for Fixed Rate Notes:	None
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable

- |     |  |                |
|-----|--|----------------|
| 18. | Index Linked Coupon Provisions         | Not Applicable |
| 19. | Dual Currency Interest Note Provisions | Not Applicable |
| 20. | Other structured Notes                 | Not Applicable |

**PROVISIONS RELATING TO REDEMPTION**

- |     |   |                      |
|-----|---|----------------------|
| 21. | Issuer Call   | Not Applicable       |
| 22. | Investor Put  | Not Applicable       |
| 23. | Final Redemption Amount of each Note:   | See Annex 1          |
| 24. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): | As in Condition 7(e) |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |  |  |
|-----|--|--|
| 25. | Form of Notes:   | Bearer Notes:<br><br>Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 26. | New Global Note (NGN):   | No   |
| 27. | Additional Financial Centre(s) or other special provisions relating to Payment Dates:  | TARGET   |
| 28. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):   | No   |
| 29. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and coupon due on late payment: | Not Applicable   |
| 30. | Details relating to Instalment Notes:  | Not Applicable   |

31. Redenomination applicable: Not Applicable
32. Other terms or special conditions: For avoidance of any doubt, the calculations will be made per Specified Denomination.

#### **DISTRIBUTION**

33. (a) If syndicated, names of Managers: Not Applicable
- (b) Stabilising Manager (if any): Not Applicable
34. If non-syndicated, name of relevant Dealer: Banco Bilbao Vizcaya Argentaria, S.A.
35. Total commission and concession: Not Applicable
36. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
37. Additional selling restrictions: Not Applicable
38. Condition 17 applies: Yes

#### **SYNDICATE REGULATIONS**

The regulations of the syndicate of the holders of the Notes are scheduled to the Amended and Restated Agency Agreement dated 13<sup>th</sup> June, 2006 and relating to the Issuer's €40,000,000,000 Global Medium Term Note Programme of the Issuer.

The form of the regulations of the syndicate of the holders of the Notes is scheduled to the Amended and Restated Agency Agreement dated 13<sup>th</sup> June, 2006 and the applicable regulations are attached in the relevant public deed of issuance of each issue.

**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the €40,000,000,000 Global Medium Term Note Programme of the Issuer.

**RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....

*Duly authorised*

Signed on behalf of the Guarantor:

By: .....

*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING**

- (i) Listing: London
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on Gilt Edged and Fixed Interest Market with effect from 29 May 2008.
- (iii) Estimate of total expenses related to admission to trading: £ 900

### **2. RATINGS**

- Ratings: The Notes to be issued have been rated:
- S & P: AA
  - Moody's: Aa1
  - Fitch: AA-

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

### **4. PERFORMANCE OF UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

The past and future prices in respect of the funds in the Underlying Fund Basket and background information can be obtained from their corresponding Bloomberg Screen Page and the websites as specified in Annex 3.

The Issuer does not intend to provide post-issuance information in respect of the funds in the Underlying Fund Basket, except if required to do so by applicable laws and regulations.

The attention of potential purchasers of the Notes is drawn to the Risk Factors set out in the Base Prospectus and they should note that the return of principal in respect of the Notes described herein is linked to the performance of the funds in the Underlying Fund Basket. Movements in the value of any of the funds may adversely affect the value of the Notes and could result in the Noteholders receiving, upon final redemption, an amount that may be less than the principal amount of the Notes (the minimum amount to be received will be 0% of the principal amount of the Notes).

The reference to Issue Price is not an expression of market value and does not imply that transactions in the market will not be executed at prices above or below such Issue Price to reflect prevailing market conditions

**5. OPERATIONAL INFORMATION**

- (i) Intended to be held in a manner which would allow Eurosystem eligibility: No
- (ii) ISIN Code: XS0365159887
- (iii) Common Code: 036515988
- (iv) CUSIP: Not Applicable
- (v) Clearing systems: Euroclear and Clearstream, Luxembourg
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

**6. ADDITIONAL SPANISH TAX PROVISIONS**

Based on the new Royal Decree-Law 2/2008 of April 21<sup>st</sup> on measures to promote the economy, income obtained by note holders through countries or territories considered as Tax Havens pursuant to Royal Decree 1080/1991 of 5th July, 1991 is exempt from Non-Resident Income Tax.

In order to apply this exemption information obligations of Section 44 of Spanish Royal Decree 1065/2007 of 27 July 2007 need to be fulfilled.



**ANNEX 1: Annex to Paragraphs 10 and 23 of Final Terms**

(This Annex forms part of the Final Terms to which it is attached)

**1. Paragraph 10 and 23: “Redemption/Payment Basis” and “Final Redemption Amount of each Note”:**

The Final Redemption Amount of each Note shall be an amount in EUR calculated by the Calculation Agent as:

**EUR 50,000 \* (BBVAD<sub>x<sub>N</sub></sub> / 100) per Note of EUR 50,000 Specified Denomination**

Where: BBVA Delta Index (“BBVADx”) is calculated by the Calculation Agent on any Calculation Date between the Initial Calculation Date and the Final Calculation Date, both dates included, and linked to the performance of the Underlying Fund Basket (as specified below):

Initial Calculation Date,  $t_0 = 29$  May 2008

Final Calculation Date,  $t_N = 31$  May 2023

Calculation Date,  $t_i = 29$  May 2008, and thereafter, last calendar day of each month, from 31 May 2008 to 31 May 2023, both dates included

**On the Initial Calculation Date:**

$$N_0 = 0$$

$$F_0 = -100$$

$$NAV_0 = 100$$

$$LF_0 = 1$$

**On any Calculation Date between the Initial Calculation Date and the Final Calculation Date:**

The BBVADx will be calculated by the Calculation Agent for any Calculation Date following the formula:

$$BBVADx_i = \begin{cases} MAX(0, N_i \times NAV_i - F_i) & \text{if } BBVADx_{i-1} \neq 0 \\ 0 & \text{if } BBVADx_{i-1} = 0 \end{cases}$$

$$N_i = N_{i-1} + \begin{cases} \frac{P/S_{i-1}}{BuyNAV_i} & \text{if } P/S_{i-1} \geq 0 \\ \frac{P/S_{i-1}}{SaleNAV_i} & \text{if } P/S_{i-1} < 0 \end{cases} + Equalization$$

$$F_i = F_{i-1} \times \left(1 + (1monthEuribor_{i-1} + \begin{cases} 0.5\% & \text{if } F_{i-1} \geq 0 \\ 0 & \text{if } F_{i-1} < 0 \end{cases}) \times \frac{t_i - t_{i-1}}{360}\right) + \begin{cases} P/S_{i-1} & \text{if } P/S_{i-1} \geq 0 \\ P/S_{i-1} / (1 + \frac{1monthEuribor_i}{12}) & \text{if } P/S_{i-1} < 0 \end{cases}$$

$$+ 0.25\% \times BBVADx_{i-1} \times \frac{t_i - t_{i-1}}{360} - 0.30\% \times N_{i-1} \times NAV_{i-1} \times \frac{t_i - t_{i-1}}{360} + C_i$$

$$C_i = \begin{cases} 0.005 & \text{if } t_i = t_N \\ 0 & \text{otherwise} \end{cases}$$

$$P/S_i = \begin{cases} LF_0 \times 100 & \text{for } t_i = t_0 \\ 0 & \text{for } t_i = t_1 \\ LF_i \times BBVADx_i - N_i \times NAV_i & \text{otherwise} \\ -N_i \times NAV_{i+1} & \text{for } t_i = 28Feb2023 \end{cases}$$

If any of the underlying funds within the Underlying Fund Basket were denominated in USD, the following formula would apply to calculate its NAV in EUR:

$$NAV_i = NAV_{i-1} \times \frac{NAV_i^{USD}}{NAV_{i-1}^{USD}} \times \frac{(1 + 1monthEuribor_{i-1} \times \frac{t_i - t_{i-1}}{360})}{(1 + 1monthLiborUSD_{i-1} \times \frac{t_i - t_{i-1}}{360})} \times 0.9998$$

$NAV_i^{USD}$  = NAV of the relevant fund in USD on  $t_i$

## **2. Definitions**

“**BBVADx**” means the BBVA Delta Index, which is calculated taking into account the value of the Shares of the Underlying Fund Basket (as defined hereinafter). It reflects the value of the investment in the Underlying Fund Basket, net of financing.

“**BBVADx<sub>i</sub>**” means the BBVADx as calculated applying the formula above, on any Calculation Date  $t_i$ .

“**P/S<sub>i</sub>**” makes reference to the subscription (if positive or equal to zero) or redemption (if negative) in EUR to take place on the following Calculation Date  $t_{i+1}$  at the NAV of the Underlying Fund Basket on such date.

“**NAV (“Net Asset Value”)**” means the price applicable to the subscription or redemption of units or shares, ordered on a relevant month as published on each Calculation Date for the Underlying Fund Basket, expressed in EUR.

“**NAV<sub>i</sub>**” means the NAV for each unit of the Underlying Fund Basket on the Calculation Date  $t_i$ .

“**NAV<sub>i</sub><sup>USD</sup>**” means the NAV of an Underlying Fund in case it is denominated in USD on the Calculation Date  $t_i$ .

“**BuyNAV<sub>i</sub>**”: In relation with an increase of the investment in the Underlying Fund Basket, the Net Asset Value of the Underlying Fund Basket plus any fee chargeable on the purchase of the shares that forms part of the increase in the Underlying Fund Basket.

“**SaleNAV<sub>i</sub>**”: In relation with a decrease of the investment in the Underlying Fund Basket, the Net Asset Value of the Underlying Fund Basket minus any accrued Performance Fee on the shares that form part of the decrease in the Underlying Fund Basket.

“**F<sub>i</sub>**” means the amount financed by Banco Bilbao Vizcaya Argentaria, S.A on the Calculation Date  $t_i$ .

“**Equalization**” is the number of units added/subtracted by the Fund Manager to equalise the Fund Performance Fee. The Fund Performance Fee is defined in the relevant Prospectus.

“**Structuring Fee**” equals to 0.25% per annum on the dynamic index, BBVADx.

“**Financing Fee**” equals to 0.50% per annum on the amount financed by BBVA (on “F”, as stated on the above mentioned formula).

“**Rebate**” equals to 0.30% per annum on the amount invested in the Underlying Fund Basket, which will be reinvested in the Underlying Fund Basket. In case of the substitution of any of the Underlying Funds, the Calculation Agent will determine in good faith and in its sole and absolute discretion the specific Rebate for the substituting fund.

“**Calculation Agent**” means Banco Bilbao Vizcaya Argentaria, S.A. The calculations and determinations of the Calculation Agent shall, in absence of manifest error, wilful default or bath faith, be final, conclusive and binding upon all parties. The Calculation Agent shall have no responsibility for good faith errors or omissions in any calculation made by it.

“**N<sub>i</sub>**” makes reference to the theoretical number of units or notes of the Underlying Fund Basket on any Calculation Date  $t_i$ .

“**1monthEuribor**” means a rate per annum determined by the Calculation Agent on the basis of the offered rates for deposits in Euro for a period of 1 month which appears on Reuters (being currently page EURIBOR01) as of 11:00 a.m. London time.

If for any reason the Calculation Agent cannot determine the rate as set out above, the rate shall be determined by the Calculation Agent in such manner as it deems appropriate, acting in good faith and in a commercially reasonable manner.

“**1monthEuribor<sub>i</sub>**” means the 1monthEuribor published on the Calculation Date  $t_i$ .

“**1monthLiborUSD**” means a rate per annum determined by the Calculation Agent on the basis of the offered rates for deposits in US dollar for a period of 1 month which appears on Reuters (being currently page LIBOR01) as of 11:00 a.m. London time.

If for any reason the Calculation Agent cannot determine the rate as set out above, the rate shall be determined by the Calculation Agent in such manner as it deems appropriate, acting in good faith and in a commercially reasonable manner.

“**1monthLiborUSD<sub>i</sub>**” means the 1monthLiborUSD published on the Calculation Date  $t_i$ .

“**Underlying Fund Basket**”: As of the Issue Date the Underlying Fund Basket shall be composed of the following Underlying Funds:

<b>Fund Name</b>	<b>ISIN Code</b>	<b>Weight</b>
Pinnacle Natural Resources LP in USD	N.A.	25.00%
Liongate Multi-Strategy, class B in EUR	KYG5521W1197	15.00%
Caliburn Strategic Fund in USD	KYG1770M1188	22.50%
Fairfield Sentry Ltd in USD	VGG3299L1004	11.25%
Opus Credit Fund Limited, class “A” in USD	KYG676671087	11.25%
Sail Pacific Explorer, class USD	KYG7774F1164	15.00%

“Fund” or “Underlying Fund” means each of the Funds forming part of the Underlying Fund Basket.

Information about the Funds is set out in their relevant Prospectus. Each Fund within the Underlying Fund Basket is subject to Provision for Substitution of Funds as specified in Annex 2.

The weights of the Underlying Funds and the Underlying Funds may be changed at the request of the Substituting Agent, following the procedure specified in paragraph 4, “Rebalancing”, included below.

BBVA, as Calculation Agent, will be allowed to substitute an Underlying Fund in accordance with Annex 2 (“Provision Relating Substitution of any Underlying Fund within the Underlying Fund Basket”). In case of a substitution of an Underlying Fund, following provisions of Annex 2, the Calculation Agent will proceed immediately to reflect the same substitution, mutatis mutandis, in the Underlying Fund Basket of the Notes.

“**Business Days for Payment**”: means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the “TARGET System”) is open.

“**Business Day Convention**”: Modified Following Business Day Convention.

“**Market Disruption Event**”: A Market Disruption Event shall exist in respect of the Underlying Fund Basket if on any Calculation Date  $t_i$  there is an extraordinary event which prevents (i) the publication of the NAV<sub>i</sub> of the relevant Underlying Fund for such Calculation Date  $t_i$ , and/or (ii) the subscription or redemption of shares in that Underlying Fund at the NAV<sub>i</sub> for such date  $t_i$  on or before the Calculation Date  $t_i$ ; provided that, the subscription/redemption orders have been submitted in accordance with the Underlying Fund procedures.

If a Market Disruption Event occurs the Calculation Agent shall determine, in its sole and absolute discretion, either (i) to maintain the relevant Underlying Fund by calculating the fair market value representing its good faith estimation of the NAV of such Underlying on the relevant Dealing Date or

(ii) to design a Substitution Event, as defined in Annex 2. The Calculation Agent shall promptly notify its calculation/decision to the Agent of the Issue and to the Issuer.

“**Leverage Agent**” means Stadtwerke Muenchen GmbH.

“**Substituting Agent**” means Stadtwerke Muenchen GmbH.

### **3. Change of the Leverage Factor**

The Leverage Factor (“LF” as stated in the formulas above) has an initial value of 1, as of the Issue Date. Thereafter, its value can be changed at the request of the Leverage Agent, to any value between 1 and 1.25, both included.

The Leverage Agent will hold the right to propose a change of the Leverage Factor with a 45 calendar days notice period before the end of each month (the “Leverage Factor Change”).

BBVA, in its capacity as Calculation Agent, may reject such Leverage Factor Change to take place because BBVA’s Risk Department does not approve such change to take place, or because of any other reasonable motive (in case of rejection, BBVA will duly motivate the same and provide the Leverage Agent with the grounds which BBVA considers to prohibit the proposed change). The Leverage Agent must communicate to the Calculation Agent any proposal to change the Leverage Factor 45 business days before the Leverage Factor Change Date. The Calculation Agent will have 10 business days to communicate whether it accepts the change proposed by the Leverage Agent. If the Calculation Agent accepts it, BBVA, as Calculation Agent of the Notes will then promptly send a notification informing of such event via FAX to the Issuer of the Notes and to the Dealer of the Notes, 20 business days before the Leverage Factor Change Date.

BBVA, in its capacity as Calculation Agent, accepts no responsibility from any change resulting from any Leverage Factor Change proposed by the Leverage Agent.

The Change of the Leverage Factor will also be subject to the approval of all the noteholders.

### **4. Rebalancing: Substitution of Funds and Change of Weight of Funds**

The Substituting Agent will hold the right to propose a change of any of the Underlying Funds of the Underlying Fund Basket and/or their weights in the Basket, on a monthly basis (the “Rebalancing”).

BBVA, in its capacity as Calculation Agent, may reject such Rebalancing to take place because the new Underlying Funds may be considered an “Affected Fund” as defined in Annex 2, or due to any other reason related to the characteristics of the substituting Fund or the Underlying Fund Basket that would result in case of accepting the proposed change (in its weights and/or in its Underlying Funds). The Substituting Agent must communicate to the Calculation Agent any proposal to change any of the Underlying Funds and/or their weights 15 business days before the Substitution Date. The Calculation Agent will have 5 business days to communicate whether it accepts the change proposed by the Substituting Agent. If the Calculation Agent accepts it, BBVA, as Calculation Agent of the Notes will then promptly send a notification informing of such event via FAX to the Issuer of the Notes and to the Dealer of the Notes, 10 business days before the Substitution Date.

The Rebalancing will also be subject to the approval of all the noteholders.

BBVA, in its capacity as Calculation Agent, accepts no responsibility from any change resulting from any Rebalancing proposed by the Substituting Agent.

Without prejudice to the Rebalancing, BBVA, as Calculation Agent, will be allowed to substitute an Underlying Fund in accordance with Annex 2 (“Provision Relating Substitution of any Underlying Fund within the Underlying Fund Basket”). In case of a substitution of an Underlying Fund, following provisions of Annex 2, the Calculation Agent will proceed immediately to reflect the same substitution, mutatis mutandis, in the Underlying Fund Basket of the Notes.

## ANNEX 2

### PROVISION RELATING SUBSTITUTION OF ANY UNDERLYING FUND WITHIN THE UNDERLYING FUND BASKET

#### Substitution Events:

Upon the non fulfillment of the conditions or requirements (A) and/or occurrence of any of the events (B) listed below in respect of the Underlying Fund («Affected Fund»), then the Affected Fund may be substituted by the Calculation Agent, in its sole and absolute discretion, on the relevant Substitution Date by a new Fund (“The new Fund”):

The Substitution Event has to be notified by the Calculation Agent to the Dealer and the Issuer at least 15 calendar days before the Substitution Date.

#### A) Non fulfillment of any of the following conditions or requirements:

- (i) Supervision by the relevant authority: the Fund shall be duly registered in the relevant Registry in accordance with its applicable law in force from time to time. The relevant Company shall also be registered in the relevant Registry in accordance with its applicable law in force from time to time.
- (ii) The relevant Fund or its Company as the case may be, shall publish as stated in its relevant Prospectus the NAV of the Fund.
- (iii) Compliance with applicable law: the Fund and/or its Company shall comply at any moment with all legal requirements from time to time in force.
- (iv) Maximum Investment: neither the subscription nor the redemption orders of the Shares of the Fund given on a same day shall be restricted in any way by the Fund or its Company.
- (v) Liquidity: Notwithstanding the Market Disruption Event Provision, possibility to subscribe or to redeem Shares of the Fund.

#### B) Occurrence of any of the following events:

- (i). Amendment of the Investment Policy of the Fund, or amendment of the valuation method of the Fund. A change on the Investment Policy means any change that results in a risk in the Fund’s investment portfolio. There will be an increase of the risk in the Fund’s investment portfolio when there is an accumulation in assets forming part of such investment portfolio whose historic volatility is higher than in the assets initially specified in the relevant Prospectus.
- (ii). Change in the currency denomination of the Fund.
- (iii). The NAV is not calculated and/or published on the relevant Calculation Date. This event will be applicable 15 calendar days after the failure to publish the NAV, if the publication as stated in its relevant Prospectus has not been restored.
- (iv). Existence of an event that allows the relevant regulator or supervisory body to institute a proceeding against the Fund, the Company or against the Investment Manager (in this latter case, in relation to the Underlying Fund).
- (v). Institution of a proceeding against the Fund or against the Company (in this latter case, in relation to the Fund).
- (vi). Amendment of the tax regime applicable to the Fund and to the Calculation Agent, in relation to the holding of Shares of the Fund.

- (vii). Merger or De-merger (means a spin-off, a scission or any operation of a similar nature) of a Company that causes a fall in the credit worthiness of the resulting Company and/or a change in the group of companies to which the Company belongs.
- (viii). Merger or De-merger (means a spin-off, a scission or any operation of a similar nature) of the Fund.
- (ix). Imposition or increase of the Company's fees and/or the relevant depository's fees and/or the management fees.
- (x). Inclusion, amendment or suppression of services or rights associated to the Fund (for instance the grant or amendment of guarantees in favor of the unitholders in the Fund).
- (xi). Replacement of the Company or the relevant custodian of the Fund.
- (xii). Winding-up or liquidation of the Fund.
- (xiii). If the NAV applied to an instruction for redemption or subscription of Shares was not the relevant NAV applicable to the subscriptions and redemption of Shares on the date on which such instruction was given.
- (xiv). Amendment to the subscription and redemption procedures applicable to the Shares of a Fund.
- (xv). The reduction of the number of Shares held or likely to be held by the Calculation Agent for any reason beyond its control, or the compulsory redemption of the Shares held by the Calculation Agent as shareholder of any of the Funds.
- (xvi). The Investment Manager/Company ceases to be the investment manager of the assets attributable to the Fund.
- (xvii). If at any time the assets managed by the Fund are less than 50 per cent of the assets managed by the Fund at the Issue Date.
- (xviii). An event that, in the Calculation Agent sole opinion, would go against Investors' interests.

**Event Calculation Date:**

For this purposes, Event Calculation mean the date on which the Calculation Agent will determine in good faith and in its sole and absolute discretion if any of the events listed above has occurred.

In such case, the Calculation Agent will promptly send a notification informing of such event via FAX

The reception date of such communication shall be considered the Event Calculation Date.

**Substitution Date:**

For this purposes Substitution Date means the first Business Day after the date on which the New Fund has been selected on which the Calculation Agent determines in good faith and in its sole and absolute discretion that there is liquidity to unwind its hedge.

**Category:**

For the purposes of this Confirmation, Category means the kind of investments on which the Fund is focused.

**New Fund:**

A Fund replacing an “Affected Fund” on the appropriate “Substitution Date”.

To be elected as a New Fund, any Fund must satisfy the following conditions:

- (i). The New Fund must form part of the same Category as of the Affected Fund, as defined above.
- (ii). The New Fund must have a similar Investment Policy, as defined above.
- (iii). The New Fund must be denominated in either EUR or USD.
- (iv). The New Fund should have had an inter-annual performance similar to the inter-annual performance of the Affected Fund.
- (v). The New Fund must publish the NAV on a monthly or daily basis.

**New Underlying Adjustment:**

For the purposes of calculating the Coupon Amount the NAV of the New Fund shall be adjusted on all relevant Calculation Dates on or from the Substitution Date, by dividing it by the Adjustment Factor.

The Adjustment Factor shall be the result of dividing: (i) the NAV of the New Fund by (ii) the NAV of the Affected Fund (and for such purpose, if there is a Market Disruption Event in relation to the Affected Fund, the NAV of the Affected Fund shall be calculated by the Calculation Agent at its sole and absolute discretion), both of them as of the Substitution Date. Should the fifth decimal be less than five, the result shall be rounded without modifying the fourth decimal. Should the fifth decimal be equal to or superior than five, the result shall be rounded by increasing in a unit the fourth decimal.

**Prospectus:** means, in respect of any Fund, the Prospectus or explanatory memorandum, as the case may be, relating to such Fund, as may be supplemented and amended from time to time.

**Company:** If relevant and in connection with a New Fund, means the Fund itself, its Investment Management Company, its Administrator, its Manager or any other relevant company that may represent the Fund in each case.

### ANNEX 3

The information below has been extracted from publicly available information for the information of investors and the Issuer has not independently verified any such information. The Issuer shall not have any responsibility for any errors, omissions or subsequent corrections in the information, other than accepting responsibility for accurately extracting and/or summarizing such information. Investors should make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment), based upon their own judgment and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer or the Dealer.

#### Information on the “UNDERLYING FUND BASKET”

##### 1.- PINNACLE NATURAL RESOURCES LP in USD as quoted on Bloomberg Code “PINNRES US”:

**Fund: PINNACLE NATURAL RESOURCES LP**  
**Investment Management Company: Pinnacle Asset Management LP/USA**  
**Bloomberg Code: PINNRES US <INDEX>**  
**ISIN Code: N.A.**  
**Weight: 25.00%**

Pinnacle Natural Resources LP is a Delaware limited partnership. The Fund's objective is to preserve capital and exhibit low correlation to passive commodity indices and traditional investments. The Fund allocates capital to independent asset managers that pursue fundamental discretionary active investment strategies in the global commodity markets.

##### 2.- LIONGATE MULTI-STRATEGY, CLASS B EUR as quoted on Bloomberg Code “LIONEUR KY”:

**Fund: Liongate Multi-Strategy, class B in EUR**  
**Investment Management Company: Liongate Capital Management Cayman LLP**  
**Bloomberg Code: LIONEUR KY <INDEX>**  
**ISIN Code: KYG5521W1197**  
**Weight: 15.00%**

Liongate SPC - Liongate Multi-Strategy Fund Segregated Portfolio is an open-end fund Incorporated in the Cayman Islands. The Fund's objective is long-term appreciation with reduced volatility. The Fund invests in both listed and unlisted portfolio funds.

More information about the Underlying Fund can be found in [www.liongatecapital.com](http://www.liongatecapital.com)

##### 3.- CALIBURN STRATEGIC FUND IN USD as quoted on Bloomberg Code “CCPSFUS KY”:

**Fund: CALIBURN STRATEGIC FUND IN USD**  
**Investment Management Company: Caliburn Capital Partners LLP**  
**Bloomberg Code: CCPSFUS KY <INDEX>**  
**ISIN Code: KYG1770M1188**  
**Weight: 22.50%**

Caliburn Absolute Strategies SPC - Caliburn Strategic Fund Segregated Portfolio is an open-ended fund incorporated in the Cayman Islands. The Fund's objective is long term capital appreciation with limited volatility by investing in Underlying Funds pursuing a number of investment strategies. The Fund will seek diversification primarily through investment in alternative strategies.



More information about the Underlying Fund can be found in [www.caliburncapital.com](http://www.caliburncapital.com)

**4.- FAIRFIELD SENTRY LTD in USD (ISIN: VGG3299L1004) as quoted on Bloomberg Code FAISENI VI**

**Fund: Fairfield Sentry Ltd in USD**  
**Investment Management Company: Fairfield Greenwich Bermuda Ltd**  
**Bloomberg Code: FAISENI VI <INDEX>**  
**ISIN Code: VGG3299L1004**  
**Weight: 11.25%**

Fairfield Sentry Ltd is a hedge fund incorporated in the British Virgin Islands. The Fund's objective is to achieve capital appreciation. The Fund employs an options trading strategy described as a 'split strike conversion' strategy. The strategy has defined risk and profit parameters which may be ascertained when the positions are established.

More information about the Underlying Fund can be found in [www.fggbm.com](http://www.fggbm.com).

**5.- OPUS CREDIT FUND LIMITED, CLASS "A" in USD (ISIN: KYG676671087), as quoted on Bloomberg Code OCREFNA KY:**

**Fund: OPUS CREDIT FUND LIMITED, CLASS "A" in USD**  
**Investment Management Company: NewFinance Ltd**  
**Bloomberg Code: OCREFNA KY <INDEX>**  
**ISIN Code: KYG676671087**  
**Weight: 11.25%**

Opus Credit Fund Ltd is an open-end fund incorporated in the Cayman Islands. The Fund's objective is long-term, risk-adjusted capital appreciation. The Fund invests in open or closed-end, professionally managed investment vehicles that invests predominantly in a broad range of credit and credit related strategies.

More information about the Underlying Fund can be found in [www.newfinancepartners.com](http://www.newfinancepartners.com)

**6.- SAIL PACIFIC EXPLORER, CLASS USD, FUND (ISIN: KYG7774F1164): as quoted on Bloomberg Code SAILPEX KY:**

**Fund: Sail Pacific Explorer, class USD**  
**Management Company: Sail Pacific Explorer Management Ltd**  
**Bloomberg Code: SAILPEX KY <INDEX>**  
**ISIN Code: KYG7774F1164**  
**Weight: 15.00%**

SAIL Pacific Explorer Fund is an exempted company established in the Cayman Islands. The Fund's objective is to seek superior consistent absolute return with moderate volatility and low correlation with traditional assets. The Fund invests in a diversified portfolio of Asia Pacific hedge funds which include Equity Long/Short, Relative Value, Event Driven and Macro strategies.

More information about the Underlying Fund can be found in [www.sailfunds.com](http://www.sailfunds.com)