

FINAL TERMS

15 July 2008

BBVA Senior Finance, S.A. Unipersonal

Issue of EUR 27,000,000 Dynamic Amount Linked Notes due July 2018

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 9th June, 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). 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. 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. The Offering Circular is 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 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.

1.	(a)	Issuer:	BBVA Senior Finance, S.A. Unipersonal
	(b)	Guarantor:	Banco Bilbao Vizcaya Argentaria, S.A.
2.	(a)	Series Number:	73
	(b)	Tranche Number:	1
3.		Specified Currency or Currencies:	Euros (“EUR”)
4.		Aggregate Nominal Amount:	
	(a)	Series:	EUR 27,000,000
	(b)	Tranche:	EUR 27,000,000
5.		Issue Price of Tranche:	100.00 per cent. of the Aggregate Nominal Amount
6.	(a)	Specified Denominations:	EUR 50,000
	(b)	Calculation Amount	EUR 50,000
7.	(a)	Issue Date:	24 July 2008
	(b)	Interest Commencement Date:	Not Applicable
8.		Maturity Date:	31 July 2018, subject to adjustment, for payment purposes only, 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/	Not Applicable

Payment Basis:

- | | | |
|-----|---|----------------|
| 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): | 0.02 per cent., amounting to EUR 10 per Specified Denomination |
| | (b) Fixed Rate Payment Date(s): | 24 July 2018, subject to adjustment, for payment purposes only, to the Modified Following Business Day Convention |
| | (c) Fixed Coupon Amount(s): | EUR 10 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:

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 final terms: | For avoidance of any doubt, the calculations will be made per Specified Denomination. |

DISTRIBUTION

- | | | |
|-----|-----------------------------|----------------|
| 33. | (a) If syndicated, names of | Not Applicable |
|-----|-----------------------------|----------------|

Managers:

- (b) Stabilising Manager (if any): Not Applicable
34. If non-syndicated, name of relevant Dealer: Banco Bilbao Vizcaya Argentaria, S.A.
35. U.S. Selling Restrictions: TEFRA D
36. Additional selling restrictions: Not Applicable
37. Condition 17 applies: Yes

SYNDICATE REGULATIONS

The pro forma regulations of the syndicate of the holders of the Notes are scheduled to the Amended and Restated Agency Agreement dated 9th June, 2008 and relating to the Issuer's €40,000,000,000 Global Medium Term Note Programme.

The applicable regulations are attached in the relevant public deed of issuance of each issue.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue and admission to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the Issuer's €40,000,000,000 Euro Medium Term Note Programme

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 AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and, if relevant, listing on the Official List of the UK Listing Authority with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: EUR 900

2. RATINGS

Ratings:

The Notes to be issued have been rated:

S & P:	AA
Moody's:	Aa1
Fitch:	AA-

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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 INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Structured Notes, including Index Linked Notes*)

Redemption of the Notes:

The Notes are principal protected. The minimum redemption amount is EUR 50,000 per Specified Denomination and the maximum redemption amount is an amount determined by the formula set out in Annex 1 below.

5. **OPERATIONAL INFORMATION**

- (i) Intended to be held in a manner which would allow Eurosystem eligibility: No
- (ii) ISIN Code: XS0378007594
- (iii) Common Code: 037800759
- (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**

Not Applicable

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 * MAX (100; BBVADI_N)/ 100 per Note of EUR 50,000 Specified Denomination

where: BBVA Dynamic CPPI Basket (“BBVADI”) 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 (as specified below):

Initial Calculation Date, t_0 = 24 July 2008

Final Calculation Date, t_N = 31 July 2018

Calculation Date, t_i = Initial Calculation Date, and, thereafter, last calendar day of every month from and including 31 July 2008 to and including 31 July 2018.

On the Initial Calculation Date:

$$N_0 = 0$$

$$F_0 = -100.00$$

$$P/S_0 = 150$$

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

$$P/S_1 = 0$$

The BBVADI_i will be calculated by the Calculation Agent according to the following the formula:

$$BBVADI_i = \begin{cases} MAX(BF_i, N_i \times NAV_i - F_i) & \text{if } BBVADI_{i-1} \neq BF_{i-1} \\ BF_i & \text{if } BBVADI_{i-1} = BF_{i-1} \end{cases}$$

$$N_i = N_{i-1} + \frac{P/S_{i-1}}{NAV_i}$$

$$F_i = F_{i-1} \times \left(1 + (EuriborM_{i-1} + \begin{cases} 0.5\% & \text{if } F_{i-1} \geq 0 \\ 0\% & \text{if } F_{i-1} < 0 \end{cases}) \times \frac{(t_i - t_{i-1})}{360}\right) + \begin{cases} P/S_{i-1} \times \left(1 + 5 \times \frac{EuriborM_i}{360}\right) & \text{if } P/S_{i-1} \geq 0 \\ P/S_{i-1} / \left(1 + \frac{EuriborM_i}{12}\right) & \text{if } P/S_{i-1} < 0 \end{cases}$$

$$+ PPF_i + C_i$$

$$C_i = \begin{cases} 0.02 & \text{if } t_i = t_N \\ 0 & \text{otherwise} \end{cases}$$

The “PPF_i” will be calculated as follows:

$$PPF_i = 0.72 \times \frac{(t_i - t_{i-1})}{360}$$

The Bond Floor, “BF_i”, which represents the value of the capital guaranteed on the Maturity Date as of Calculation Date t_i will be calculated as follows:

$$BF_i = \frac{100}{(1 + r_i)^{((t_N - t_i)/365)}}$$

The “P/S_i”, which makes reference to the investment amount (if positive or equal to zero) or reduction amount (if negative) of money on the Underlying Fund on the Calculation Date t_i, will be calculated as follows:

$$P/S_i = \begin{cases} 0 & \text{if } -6 < \text{MAX}[0, \text{MIN}(150 \times NAV_i / NAV_1; 4.45 \times V_i)] - N_i \times NAV_i < +6 \\ \text{MAX}[0, \text{MIN}(150 \times NAV_i / NAV_1; 4.45 \times V_i)] - N_i \times NAV_i & \text{otherwise} \end{cases}$$

Where:

$$V_i = BBVADI_i - BF_i$$

For t_i = 30 May 2018, the P/S_i will equal to:

$$P/S_i = -N_i \times NAV_{i+1}$$

2. Definitions

“BBVADI” Means the BBVA Dynamic CPPI Basket, which is calculated taking into account the value of the Fund Shares of the Underlying Fund (as defined hereinafter).

The BBVA Dynamic CPPI Basket is constituted on the Issue Date with an initial value of 100.00 and it represents the value of the Notes (EUR 50,000 per EUR 50,000 Denomination on the Issue Date), and it provides exposure to the Noteholder to the Underlying Fund.

The exposure to the Underlying Fund, set at 150% of the Aggregate Nominal Amount on the Issue Date (the “Initial Exposure”), is rebalanced monthly according to the rebalancing rules set out in the formulas above to calculate its value.

On each observation date, the figure “ $\text{MAX}[0, \text{MIN}(150 \times \text{NAV}_i / \text{NAV}_0; 4.45 \times V_i)]$ ” is calculated; this figure gives the target exposure to the Underlying Fund, which is obtained from multiplying the available cushion (V_i) by 4.45. This figure is capped at 150% the NAV_i of the Underlying Fund and can be observed in the parameter P/S_i stated in Annex 1.

The available cushion (V_i) is obtained from the difference between the value of the BBVA Dynamic CPPI Basket and the value of the Bond Floor, which is the net present value of 100.

“**BBVADI_i**” Means the BBVADI as calculated applying the formula above, on any Calculation Date t_i .

“**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 bad 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.

“**Principal Protection Fee**” (“**PPF_i/100**”) means 0.72% per annum on the Aggregate Nominal Amount from and including the Issue Date up to and including Maturity Date

“**F_i**” means the amount financed by Banco Bilbao Vizcaya Argentaria, S.A on the Calculation Date t_i .

“**Euribor1M**” means a rate per annum determined by the Calculation Agent on the basis of the offered rates for deposits in EUR for a period of 1 month which appears on Reuters (being currently page EURIBOR01) as of 11:00 a.m. Frankfurt 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.

“**Euribor 1M_i**” means the Euribor 1M published on the Calculation Date t_i .

“**Initial Exposure**” means the exposure of the Notes to the Underlying Fund on the Issue Date, and it equals to 150% of the Aggregate Nominal Amount.

“**Maximum Exposure**” means the exposure of the Notes to the Underlying Fund on any Calculation Date, and it equals to $150\% \times (\text{NAV}_i / \text{NAV}_1)$ of the Aggregate Nominal Amount.

“**N_i**” makes reference to the theoretical number of units or notes of the Underlying Fund on any Calculation Date t_i .

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

“NAV_i” means the Net Asset Value for each unit of the Underlying Fund as calculated by the Calculation Agent on the Calculation Date t_i .

“NAV₁” means the Net Asset Value for each unit of the Underlying Fund as calculated by the Calculation Agent on the Calculation Date t_1 , which will be based on the weighted average price obtained from the initial investment made into the Underlying Fund.

“Calculation Date t_i ” the first Calculation Date will be 24 July 2008 and further on the last calendar day of each month from and including 31 July 2008 up to and including 31 July 2018, both dates included.

“Initial Calculation Date, t_0 ” means 24 July 2008.

“Final Calculation Date, t_N ” means 31 July 2018.

“P/S_i” makes reference to the investment amount (if positive or equal to zero) or reduction amount (if negative) of money on the Underlying Fund on the Calculation Date t_i .

“ r_i ” means the rate per annum for a zero coupon bond with maturity equal to the Maturity Date, on Calculation Date “ t_i ”, which is calculated by interpolation with the rates which appear on Reuters Screen “0#EURZ=R” at 11:00 a.m. Brussels time.

“Substituting Agent” means VersAM.

“Underlying Fund” or **“Fund”** means the following fund, and, in the case of a Substitution Event a New Fund, as determined according to the provisions specified in Annex 2.

Fund name: RMF Investment Strategies SPC Share class S8 : RMF - DBAG Diversified EURO investing into RMF Diversified Euro (Master) Limited

Weight: 100%

The Underlying Fund is subject to Provision relating Substitution of the Underlying Fund as specified in Annex 2.

Information about the Underlying Fund is set out in their relevant Prospectus.

“Fund Share” means each investment unit of the Underlying Fund or Fund.

“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.

“Market Disruption Event”: A Market Disruption Event shall exist in respect of the Underlying Fund if on any Calculation Date t_i there is an extraordinary event which prevents (i) the publication of the NAV_i 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_i 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 Calculation 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. On this latter case, the redemption proceeds obtained from the redemption of the Fund Shares in the Underlying Fund will be invested in money market instruments remunerated at Euribor 1 M, until it is re-invested in the New Fund.

3. Substitution of the Underlying Fund

The Substituting Agent will hold the right to propose a substitution of the Underlying Fund, on a monthly basis (the "Substitution"), by a new Fund (the "Proposed Fund").

Any proposal made by the Substituting Agent is to be assessed by Banco Bilbao Vizcaya Argentaria S.A. ("BBVA"), as Calculation Agent of the Notes, on a best effort basis, with the aim of total cooperation between the Substituting Agent and BBVA.

Nevertheless, BBVA, in its capacity as Calculation Agent, may reject such Substitution to take place because the new Underlying Fund may be considered an "Affected Fund" as defined in Annex 2, or because BBVA's Risk Department does not approve such change to take place, or due to any other reasonable motive (in case of rejection, BBVA will duly motivate the same and provide the Substituting Agent with the grounds which BBVA considers to prohibit the purposed change).

The Substituting Agent must communicate to the Calculation Agent any proposal to change the Underlying Fund with 30 business days notice. 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 date of substitution of the Underlying Fund.

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

ANNEX 2

PROVISION RELATING SUBSTITUTION OF THE UNDERLYING FUND

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, on the relevant Substitution Date by a new Fund (“the New Fund”), as previously agreed with the Substituting Agent.

The Substitution Event has to be notified by the Calculation Agent to the Dealer 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). An event that, in the Calculation Agent's sole opinion, would go against Investors' interests. Ie. A fall in one month of the single hedge fund in excess of 10%.
- (xvii). The Investment Manager/Company ceases to be the investment manager of the assets attributable to the Fund.
- (xviii). 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.

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 to the Issuer and to the Substituting Agent.

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.
- (iii). The New Fund should have had an inter-annual performance similar to the inter-annual performance of the Affected Fund.
- (iv). 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”

1.- RMF Diversified Share, Class S8 EUR

Fund: RMF Investment Strategies SPC Share class S8: RMF - DBAG Diversified EURO investing into RMF Diversified Euro (Master) Limited

Management Company: RMF Investment Management

Weight: 100.00%

Man RMF Diversified SICAV - Man RMF Diversified is an open-end fund incorporated in Luxembourg. The Fund's objective is to achieve attractive risk-adjusted capital appreciation. The fund invests its assets in units or shares of hedge funds.

More information about the Underlying Fund can be found in the web site: www.rmfc.ch