

# BBVA Senior Finance, S.A. Unipersonal

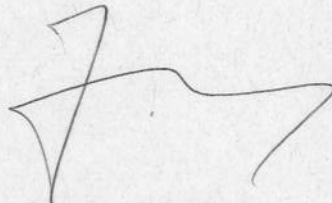
D. Juan Isusi Garteiz-Gogearcoa en su calidad de Apoderado de BBVA Senior Finance, S.A. Unipersonal, a los efectos del procedimiento de inscripción por la Comisión Nacional de Mercado de Valores del Folleto de Base de Structured Medium Term Note Programme (Programa de Emisión de Renta Fija y Notas Estructuradas) de BBVA Senior Finance, S.A. Unipersonal,

## MANIFIESTA

Que el contenido del CD adjunto se corresponde con el citado Folleto de Base presentado a la Comisión Nacional del Mercado de Valores e inscrito en sus Registros Oficiales el día 2 de junio de 2009.

Que se autoriza a la Comisión Nacional del Mercado de Valores a la difusión del CD en su web.

Y para que así conste y surta los efectos oportunos se expide la presente certificación en Madrid a 3 de junio de 2009.



Juan Isusi Garteiz Gogearcoa  
Apoderado de BBVA Senior Finance, S.A. Unipersonal

## BASE PROSPECTUS (*FOLLETO DE BASE*)



# BBVA Senior Finance, S.A. Unipersonal

*(Incorporated with limited liability in Spain)*

## **€2,000,000,000 Structured Medium Term Note Programme** ***(Programa de Emisión de Renta Fija y Notas Estructuradas)***

*unconditionally and irrevocably guaranteed by*

# Banco Bilbao Vizcaya Argentaria, S.A.

*(Incorporated with limited liability in Spain)*

Under this €2,000,000,000 Structured Medium Term Note Programme (the **Programme**), BBVA Senior Finance, S.A. Unipersonal (**BSF** or the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed with the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Banco Bilbao Vizcaya Argentaria, S.A. (**BBVA** or the **Guarantor**). Notes may be issued in bearer, registered or in dematerialised book-entry form (respectively **Bearer Notes**, **Registered Notes** and **Book-Entry Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000 (or its equivalent in other currencies). The Notes may be issued on a continuing basis to one or more Dealers appointed from time to time by the Issuer. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one **Dealers**, be to all Dealers agreeing to subscribe for such Notes as designated in each specific issue of Notes. **An investment in Notes issued under the Programme involves certain risks.** For a discussion of these risks see “*Risk Factors*”.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or any U.S. state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See “*Form of the Notes*” for a description of the manner and form in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

**Potential investors should note the statements on page 132-142 (inclusive) regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 19/2003 of 4<sup>th</sup> July, 2003.**

The Issuer and the Guarantor may agree with the relevant Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to this Base Prospectus or a new Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

### **Arranger**

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

### **Dealer**

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

The date of this Base Prospectus is 2<sup>nd</sup> June, 2009.

This base prospectus (the **Base Prospectus**) has been approved by the *Comisión Nacional del Mercado de Valores* (the **CNMV**), in its capacity as competent authority under Law 24/1988 on the Securities Market Act (*Ley del Mercado de Valores*) (the **CNMV**) and relevant implementing measures in Spain, as a base prospectus. References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been listed and admitted to trading on the AIAF Fixed Income Securities Market (**AIAF**). AIAF is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms supplement (the **Final Terms** or **Condiciones Finales**) which, with respect to Notes to be listed will be delivered to the relevant authority on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantor and the relevant Dealer. Notes may not be issued under the Programme on an unlisted basis.

The applicable Final Terms will (if applicable) contain information relating to any underlying equity security, index, currency, debt security or other item(s) (each a **Reference Item**) to which the relevant Notes relate and which is contained in such Final Terms. However, unless otherwise expressly stated in a Final Terms, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item. Each of the Issuer and the Guarantor will, unless otherwise expressly stated in the applicable Final Terms, confirm that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item, no facts have been omitted that would render the reproduced extracts or summaries inaccurate or misleading.

This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

The Issuer and the Guarantor (the **Responsible Persons**) accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with the relevant Final Terms and all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”) and any amendments or supplements hereto.

The Dealers (other than BBVA in its capacity as the Guarantor) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers (other than BBVA as aforesaid) as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No Dealer (other than BBVA in its capacity as the Guarantor) accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the Dealer(s) or the Managers, as the case may be.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or 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 of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer, the Guarantor or the relevant Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or the relevant Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The relevant Dealer expressly does not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the relevant Dealer do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the relevant Dealer which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Italy, France and Spain) and Japan; see “*Subscription and Sale and Transfer and Selling Restrictions*”.

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantor and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

None of the Issuer, the Guarantor nor the relevant Dealer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

## SPANISH TAX RULES

Under Spanish law, interest payments in respect of the Notes will be subject to withholding tax in Spain, currently at the rate of 18 per cent., in the case of individual holders (as defined herein) who are resident for tax purposes in Spain.

Law 4/2008, of 23 December, abolishing the Wealth Tax Levy, generalising the Value Added Tax monthly refund system and introducing other amendment to the tax legal system (**Law 4/2008**) was published in the Spanish Official Gazette on 25 December 2008. Law 4/2008 removes the obligation on Spanish issuers or their parent companies to provide to the Spanish tax authorities the relevant information concerning holders of securities who are not resident in Spain. However, the implementation of the changes contemplated by Law 4/2008 is subject to the adoption of relevant secondary legislation. At the date of this Base Prospectus, such secondary legislation had not yet been adopted.

Until secondary Legislation is enacted to implement Law 4/2008, the Issuer or Guarantor, as the case may be, is required to continue to submit to the Spanish tax authorities certain details relating to holders of the Notes. Holders in respect of whom such information is not provided to the Issuer or the Guarantor, as the case may be, in accordance with procedures described herein will receive payments subject to Spanish withholding tax, currently at the rate of 18 per cent. In such case, neither the Issuer nor the Guarantor will gross up payments in respect of any such withholding tax (see Condition 9 of the Notes and “*Taxation – Disclosure of Noteholder Information in connection with Interest Payments*”).

### *Clearing Systems*

Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and, together with Euroclear, the **European Clearing Systems**) and, in the case of Notes admitted to trading on AIAF or other Spanish regulated markets, the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (**Iberclear**) have arranged certain procedures to facilitate the Issuer, the Guarantor and the Principal Paying Agent (as defined on page 75) in the collection of the details referred to above from holders of the Notes. If any European Clearing System or Iberclear is, in the future, unable to facilitate the collection of such information, it may decline to allow any or all Series of the Notes to be cleared through such European Clearing System or Iberclear (as the case may be) and this may affect the liquidity of such Notes. Provisions have been made for the Notes, in such a case, to be represented by definitive Notes (see “*Form of the Notes*”). The procedures agreed and described in the Agency Agreement (as defined on page 62) may, in the future, be amended to comply with Spanish law and regulations and operational procedures of the European Clearing Systems and Iberclear. The Guarantor and the Issuer may from time to time, at their discretion, appoint an agent to intermediate with the European Clearing Systems and/or Iberclear in the provision of such information. Details of any such appointment will be set out in the applicable Final Terms.

### *General*

The procedures described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and is subject to review and amendment by the European Clearing Systems and Iberclear as well as to further clarification from the Spanish tax authorities regarding such laws and regulations. Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes. None of the Issuer, the Guarantor, the relevant Dealer, the Paying Agents, the European Clearing Systems or Iberclear assumes any responsibility therefor.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

The Issuer and the Guarantor maintain their financial books and records and prepare their financial statements in euro in accordance with generally accepted accounting principles in Spain (in the case of the Issuer) or the International Financial Reporting Standards previously adopted by the European Union (**EU-IFRS**) (in the case of the Guarantor).

All references in this document to “*U.S. dollars*”, “*U.S.\$*” and “*\$*” refer to United States dollars. In addition, all references to “*Sterling*” and “*£*” refer to pounds sterling and to “*euro*” and “*€*” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**



## SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the relevant Final Terms and documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.*

The Issuer under the Programme is BBVA Senior Finance, S.A. Unipersonal (**BSF** or the **Issuer**), which issues Senior Notes only. All Notes are guaranteed by Banco Bilbao Vizcaya Argentaria, S.A. (**BBVA** or the **Guarantor**).

### **BSF**

BSF was incorporated on 29<sup>th</sup> October, 2004 for an unlimited duration with limited liability under Spanish law. BSF was registered at the Vizcaya Mercantile Registry (*Registro Mercantil de Vizcaya*) on 3<sup>rd</sup> November, 2004. The exclusive objects for which BSF was established are, pursuant to Article 2 of its Bylaws, “the issue of preference securities and/or other financial instruments including any type of debt instrument, for placement in domestic or international markets”. BSF has an authorised and issued share capital of EUR 60,102 divided into 10,017 ordinary shares of par value EUR 6.00 each. BSF is a direct wholly-owned subsidiary of BBVA and does not have any subsidiaries of its own.

### **BBVA**

BBVA is a highly diversified international financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. It also has a portfolio of investments in some of Spain’s leading companies.

BBVA was incorporated for an unlimited term on 28<sup>th</sup> January, 2000. BBVA was formed as the result of a merger by absorption of Argentaria into BBV, which was registered on 28<sup>th</sup> January, 2000 (see “*History and Development of the Company*”).

BBVA’s organisational structure is actually divided into the following business areas:

- Spain and Portugal
  - Spanish retail network
  - Corporate and business banking
  - Other units: Consumer finance, European insurance, BBVA Portugal and Dinero Express
- Global Businesses (Wholesale Banking and Asset Management)
  - Corporate and investment banking
  - Global markets
  - Asset management

- Industrial and real estate holdings
- Asia
- Mexico
  - Banking businesses
  - Pensions and insurance
- The United States
  - BBVA Compass banking group
  - Other units: BBVA Puerto Rico, BTS and BBVA Bancomer USA
- South America
  - Banking businesses
  - Pensions and insurance
- Corporate Activities

The foregoing description of BBVA areas is consistent with our current internal organisation. The financial information for BBVA areas for 2008, 2007 and 2006 presented below has been prepared on a uniform basis, consistent with our organisational structure in 2008. Unless otherwise indicated, the financial information provided below for each business area does not reflect the elimination of transactions between companies within one business area or between different business areas, since we consider these transactions to be an integral part of each business area's activities.

The following table sets forth information relating to net income attributed to parent company for each of our business areas for the years ended 31<sup>st</sup> December , 2008, 2007 and 2006:

	Income/(loss) attributed to the parent company			% of Income/(loss) attributed to parent company		
	(in millions of euros)					
	Year ended December 31,					
	2008	2007	2006	2008	2007	2006
Spain and Portugal	2,625	2,381	1,884	52%	39%	40%
Global Businesses (Wholesale Banking and Asset Management)	754	896	859	15%	15%	18%
Mexico	1,938	1,880	1,711	39%	31%	36%
The United States	211	203	64	4%	3%	1%
South America	727	623	509	14%	10%	11%
<b>Subtotal</b>	<b>6,255</b>	<b>5,983</b>	<b>5,027</b>	<b>125%</b>	<b>98%</b>	<b>106%</b>
Corporate Activities	(1,235)	143	(291)	(25)%	2%	(6)%
<b>Net income attributed to parent company</b>	<b>5,020</b>	<b>6,126</b>	<b>4,736</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The following table sets forth information relating to net interest income for each of our business areas for the years ended 31<sup>st</sup> December, 2008, 2007 and 2006:

	Net interest income		
	(in millions of euros)		
	Year ended December 31,		
	2008	2007	2006
Spain and Portugal	4,828	4,391	3,800
Global Businesses (Wholesale Banking and Asset Management)	745	(7)	18
Mexico	3,716	3,505	3,220
The United States	1,332	763	280

<b>Net interest income</b>			
(in millions of euros)			
Year ended December 31,			
	<b>2008</b>	<b>2007</b>	<b>2006</b>
South America	2,199	1,746	1,376
<b>Subtotal</b>	<b>12,820</b>	<b>10,398</b>	<b>8,694</b>
Corporate Activities	(1,134)	(770)	(556)
<b>Net interest income</b>	<b>11,686</b>	<b>9,628</b>	<b>8,138</b>

## Summary Financial Information

As at 31st December, 2008 BBVA's consolidated total assets were €542.650 million and its consolidated net operating income for the year then ended was €6.151 million. Selected consolidated financial information relating to BBVA is included under "*Selected Financial Data*" and BBVA's audited consolidated financial statements for each of the years ended 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 are incorporated by reference into this document but not this summary, see "*Documents Incorporated by Reference*".

The following table sets audited financial information for the years ended 31<sup>st</sup> December, 2008, 2007, as well as financial information related to the 1<sup>st</sup> quarter 2009. These quarterly statements have not been audited. They have been drawn up according to Bank of Spain Circular 4/2004 together with the changes introduced therein by Bank of Spain Circular 6/2008.

	31-03-09	31-12-08	□%	31-12-07
<b>BALANCE SHEET (million euros)</b>				
Total assets	543.350	542.650	8,2	501.726
Total lending (gross)	332.647	335.260	7,1	313.178
Customer funds on balance sheet	370.045	376.380	11,5	337.518
Total equity	28.367	26.705	(4,4)	27.943
Shareholders' funds	27.742	26.586	7,2	24.811
<b>INCOME STATEMENT (million euros)</b>				
Net interest income	3.272	11.686	21,4	9.628
Gross income	4.889	18.978	9,9	17.271
Income before tax	1.834	6.926	(18,5)	8.495
Net attributable profit	1.238	5.020	(18,1)	6.126
<b>DATA PER SHARE AND SHARE PERFORMANCE RATIOS</b>				
Share price (euros)	6,11	8,66	(48,3)	16,76
Market capitalisation (million euros)	22.900	32.457	(48,3)	62.816
Net attributable profit per share (euros)	0,34	1,35	(20,5)	1,70
Book value per share (euros)	7,40	7,09	7,2	6,62
P/BV (Price/book value; times)	0,8	1,2		2,5
<b>SIGNIFICANT RATIOS (%)</b>				
ROE (Net attributable profit/Average equity)	19,4	21,5		34,2
ROA (Net income/Average total assets)	1,00	1,04		1,39
Efficiency ratio	42,3	40,9		42,0
NPA ratio	2,80	2,12		0,89
NPA coverage ratio	76	91		225
<b>CAPITAL ADEQUACY RATIOS (BIS II Regulation) (%)</b>				
Total	11,5	12,2		13,0
Core capital	6,4	6,2		5,8
Tier I	7,7	7,9		7,3
<b>OTHER INFORMATION</b>				
Number of shares (millions)	3.748	3.748		3.748
Number of shareholders	919.195	903.897		889.734
Number of employees	105.154	108.972		111.913
Number of branches	7.648	7.787		8.028

Memorandum item: These quarterly statements have not been audited. They have been drawn up according to Bank of Spain Circular 4/2004 together with the changes introduced therein by Bank of Spain Circular 6/2008. They may not therefore coincide with some of those published in previous quarterly earnings reports

## Risk Factors

The Issuer is a finance vehicle established to issue Notes and to on-lend the proceeds to the Guarantor, and will be used for the Group's general corporate purposes. The Issuer's ability to fulfil its obligations under Notes issued by it under the Programme is therefore dependent upon the Guarantor and other Group companies performing their obligations under the on-loans made to them. The Issuer is further indirectly affected by the other risks faced by the Guarantor and other Group companies, which are described in detail under "Risk Factors".

There are a number of factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. These are also set out under "Risk Factors" below and include the Issuer's exposure to adverse

changes in the Spanish economy and real estate market and risks relating to the lack of availability of funding, volatility in interest rates and increased competition. There are also risks faced by the Guarantor in its Latin American businesses. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme which are described in detail under “*Risk Factors*”.

The applicable Final Terms may also contain specific risk factors relating to the relevant issue of Notes, such as:

- *Notes subject to optional redemption by the Issuer*
- *Partly-paid Notes*
- *Fixed Rate Notes*
- *Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.*
- *Zero coupon notes are subject to higher price fluctuations than non-discounted notes.*
- *Variable rate Notes with a multiplier or other leverage factor*
- *Inverse Floating Rate Notes*
- *Fixed/Floating Rate Notes*
- *Notes issued at a substantial discount or premium*
- *Claims of Holders under the Notes are effectively junior to those of certain other creditors*
- *Legal investment considerations may restrict certain investments*
- *The secondary market generally*
- *Credit ratings may not reflect all risks*
- *A credit rating reduction may result in a reduction in the trading value of Notes*
- *Exchange rate risks and exchange controls*
- *The trading market for debt securities may be volatile and may be adversely impacted by many events*
- *A Noteholder’s actual yield on the Notes may be reduced from the stated yield by transaction costs*
- *A Noteholder’s effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes*
- *Foreign currency Notes expose investors to foreign-exchange risk as well as to issuer risk*
- *Post-issuance Information*
- *Potential Conflicts of Interest*
- *General risks relating to Notes linked to underlying assets or derivatives*

- *Risks to market price of Notes linked to underlying assets or derivatives*
- *Regulatory risk for Notes linked to underlying assets or derivatives*
- *Market Disruption Events or Failure to Open of an Exchange*
- *Limited Exposure to Referenced Items(s)*
- *The Amount Payable on Redemption May Be Significantly Less than the Value of an Investment in the Notes*
- *Claims against Referenced Item(s)*
- *Additional Factors relating to Equity Linked Notes*
- *Additional Factors relating to Physical Delivery Notes*
- *Additional Factors relating to Foreign Exchange (FX) Rate Linked Notes*
- *Additional Factors relating to Fund Linked Notes*
- *Risks associated with Funds in General*
- *Risks associated with Fund Managers in General*

### **Notes issued under the Programme**

The Issuer may issue fully paid or partly paid Notes denominated in any currency agreed between the Issuer and the relevant Dealer, at an issue price which is at par or at a discount to, or premium over, par and up to a maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme of €2,000,000,000 (or its equivalent in other currencies), subject to increase as described in this Base Prospectus, provided that any required authorisations have been duly obtained. The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by BBVA.

BSF may issue Notes in bearer, registered or dematerialised book-entry form. The terms and conditions applicable to such Notes will be set out in the applicable Final Terms.

Notes may not: (a) have a minimum denomination (face value amount) of less than €1,000 (or its equivalent in other currencies); or (b) carry the right to acquire new shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. So long as any Bearer Notes are represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note, or so long as a Registered Note is represented by a Registered Global Note, such Notes will be tradeable only in the minimum authorised denomination of €1,000 and higher integral multiples of €1,000. Book-Entry Notes may only be issued in one denomination.

The Notes may be issued on a continuing basis to one or more of the Dealer or Dealers appointed from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

Notes may be distributed by way of private or public placement, subject to the restrictions set out under “*Subscription and Sale and Transfer and Selling Restrictions*” below, and in each case on a syndicated or non-syndicated basis.

Notes may be issued as Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Inverse Floating Rate or Structured Notes (a description of the most common of their features are set out below).

Notes may be issued for any maturity greater than one month, as indicated in the applicable Final Terms, or such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes may be issued which cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or which are redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

## **RISK FACTORS**

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by either the Issuer or the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Prospective purchasers of the Notes should consider carefully, among other things in the light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below (which each of the Issuer and the Guarantor, in its reasonable opinion, believes represent or may represent the risk factors known to it which may affect the Issuer's and/or the Guarantor's ability to fulfil its obligations under the Notes) in making an investment decision. Noteholders may lose the value of their entire investment in certain circumstances.*

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.



Some Notes, particularly Structured Notes, are complex financial instruments. Investments in Structured Notes entail significant risks and may not be appropriate for investors lacking financial expertise. Prospective investors should consult their own financial, tax and legal advisers as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances, and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. The Issuer believes that such Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves, in particular relating to options and derivatives and related transactions, and should be prepared to sustain a total loss of the purchase price of their Notes.

## **Risk Factors relating to the Issuer**

### ***Dependence on other Group members***

The Issuer is a finance vehicle established by the Guarantor for the purpose of issuing Notes and on-lending the proceeds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any Group member fail to pay interest on or repay any loan in a timely fashion this could have a material adverse effect on the ability of the Issuer to fulfil its obligations under Notes issued under the Programme.

By virtue of its dependence on other Group members, each of the risks described below that affect the Guarantor will also indirectly affect the Issuer.

## **Risk Factors relating to the Guarantee**

### ***Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee***

*Since the Guarantor's loan portfolio is highly concentrated in Spain, adverse changes affecting the Spanish economy could have a material adverse effect on its financial condition.*

The Guarantor has historically developed its lending business in Spain, which continues to be its main place of business. As of 31<sup>st</sup> December, 2008, business activity in Spain accounted for 61.4% of its loan portfolio. Any adverse changes affecting the Spanish economy are likely to have a significant adverse impact on its loan portfolio and, as a result, on its financial condition and results of operations.

A substantial percentage of the Guarantor's customer base is particularly sensitive to adverse developments in the economy, which renders its lending activities relatively riskier than if it lent primarily to higher-income customer segments.

Medium- and small-size companies and middle- and lower-middle income individuals typically have less financial strength than large companies and high-income individuals and accordingly can be expected to be more negatively affected by adverse developments in the economy. As a result, it is generally accepted that lending to these segments of its existing and targeted customer base represents a relatively higher degree of risk than lending to other groups.

A substantial portion of the Guarantor's loan portfolio consists of residential mortgages and consumer loans to middle- and lower-middle-income customers and commercial loans to medium- and small-size companies. Consequently, during periods of slowdown in economic activity the Guarantor may experience higher levels of past due amounts which could result in higher levels of allowance for loan losses. The Guarantor cannot give any assurance that it will not suffer substantial adverse effects on its base loan portfolio to these customer segments in the event of additional adverse developments in the economy.

*Increased exposure to the real estate market in Spain makes the Guarantor more vulnerable to developments in this market.*

As residential mortgages are one of the Guarantor's main assets, comprising 25%, 26% and 26% of the Guarantor's loan portfolio at 31<sup>st</sup> December, 2008, 31<sup>st</sup> December, 2007 and 31<sup>st</sup> December, 2006, respectively, the Guarantor is currently highly exposed to developments in real estate markets. The Guarantor expects the worsening financial conditions and the deterioration of the economic activity already underway in Spain to cause a gradual adjustment process in the Spanish real estate sector. As a result, housing prices could continue to slow down or they could decline. Adverse changes in the Spanish real estate sector could have a significant impact on the Guarantor's loan portfolio and, as a result, on its financial condition and results of operations.

In addition, a strong increase in interest rates or unemployment in Spain might have a significant negative impact on the mortgage payment delinquency rate, which is already increasing, albeit at a modest pace. An increase in such delinquency rates could have an adverse effect on the Guarantor's business, financial condition and results of operations.

*Highly-indebted households and corporations could endanger the quality of the Guarantor's assets and future revenues.*

Spanish households and firms have reached, in recent years, a high level of indebtedness, which represents increased risk for the Spanish banking system. The increase of loans referenced to variable interest rates makes debt service on such loans more vulnerable to changes in interest rates than in the past. In fact, the debt burden of the Spanish households on disposable income has increased substantially from 12.4% in 2003 to 16.3% in 2008. This increase could affect the Guarantor's asset quality. The increase in households' and firms' indebtedness also limits their ability to incur additional debt, decreasing the number of new products the Guarantor may otherwise be able to sell them.

*A sudden shortage of funds could cause an increase in the Guarantor's costs of funding and an adverse effect on its operating revenues.*

Historically, one of the Guarantor's principal sources of funds has been savings and demand deposits. Time deposits represented 35.8%, 26.7% and 23.3% of the Guarantor's total funding at 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 and 2006, respectively. Large-denomination time deposits may, under some circumstances, such as during periods of significant changes in market interest rates for these types of deposit products and resulting increased competition for such funds, be a less stable source of deposits than savings and demand deposits. In addition, the liquidity crisis triggered by the United States subprime market has turned out to be deeper and more persistent than expected. Central banks' interventions have had a limited effect so far. New issuances in wholesale markets have been scarce, expensive and restricted to a few countries, and the interbank markets have dried up. In this context, the Guarantor cannot give any assurance that it will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets.

*The Guarantor faces increasing competition in its business lines.*

The markets in which the Guarantor operates are highly competitive. Financial sector reforms in the markets in which the Guarantor operates have increased competition among both local and foreign financial institutions, and the Guarantor believes that this trend will continue. In addition, the trend towards consolidation in the banking industry has created larger and stronger banks with which the Guarantor must now compete. This is particularly the case of the consumer credit market, where foreign entrants are operating in the segment that provides small credits to subprime households.

The Guarantor also faces competition from non-bank competitors, such as:

- department stores (for some credit products);
- leasing companies;
- factoring companies;
- mutual funds;
- pension funds; and
- insurance companies.

The Guarantor cannot give an assurance that this competition will not adversely affect its business, financial condition and results of operations.

*The Guarantor's business is particularly vulnerable to volatility in interest rates.*

The Guarantor's results of operations are substantially dependent upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expenditure on interest-bearing liabilities. Interest rates are highly sensitive to many factors beyond the Guarantor's control, including deregulation of the financial sectors in the markets in which the Guarantor operates, monetary policies pursued by the EU and national governments, domestic and international economic and political conditions and other factors.

Changes in market interest rates could affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities and thereby could negatively affect the Guarantor's results of operations. For example, an increase in interest rates could cause the Guarantor's interest expenditure on deposits to increase more significantly and quickly than its interest income from loans, resulting in a reduction in its net interest income.

In addition, income from treasury operations is particularly vulnerable to interest rate volatility. Since approximately 74% (as of 31<sup>st</sup> December, 2008) of the Guarantor's loan portfolio consists of variable interest rate loans maturing in more than one year, rising interest rates may also bring about an increase in the non-performing loan portfolio.

*The Guarantor may fail to realise all of the anticipated benefits of the acquisition of Compass*

The success of the Compass acquisition will depend, in part, on the Guarantor's ability to realise the anticipated benefits from combining the businesses of the Guarantor and Compass. However, to realise these anticipated benefits, the Guarantor and Compass must successfully combine their businesses, which are currently principally conducted in different countries by management and employees coming from different cultural backgrounds. If the Guarantor is not able to achieve these objectives, the anticipated benefits of the transaction may not be realised fully or at all or may take longer to realise than expected.

It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of the Guarantor and Compass to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the transaction. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Compass and the Guarantor during the transition period and on the combined company.

## **Risks Relating to Latin America**

### *Events in Mexico could adversely affect the Guarantor*

Approximately 39% of the Guarantor's consolidated income attributed to the group in 2008 was generated in Mexico. The Group faces several types of risks in Mexico which could adversely affect its banking operations in Mexico.

Firstly, the mortgage and especially the consumer loan portfolio could start showing higher delinquency rates if there is a persistent increase in unemployment rates, which could arise if there is a more pronounced slowdown in the United States.

Secondly, price regulation and competition could squeeze the profitability of the Guarantor's Mexican subsidiary. For example, in order to enforce more competition and to deepen credit, Mexican financial regulators could elect to introduce price distortions not linked to the true risk premium. If this occurred, the market share of the Guarantor's subsidiary could decrease given its risk selection standards.

Finally, political instability or social unrest could weigh on the economic outlook, which could increase economic uncertainty and capital outflows.

Any of these risks or other adverse developments in laws, regulations, public policies or otherwise in Mexico may adversely affect the business, financial condition and operating results of the Guarantor's Mexican subsidiary.

*The Guarantor's Latin American subsidiaries' growth, asset quality and profitability may be affected by volatile macroeconomic conditions, including government default on public debt, in the Latin American countries where they operate.*

The Latin American countries in which the Guarantor operates have experienced significant economic volatility in recent decades, characterised by slow growth, declining investment and significant inflation. In particular, the high inflation rates registered in the area during the last few months have become a serious concern. This volatility has resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which the Guarantor lends. Negative and fluctuating economic conditions, such as a changing interest rate environment, also affect the Guarantor's profitability by causing lending margins to decrease and leading to decreased demand for higher-margin products and services. The results of several recent electoral processes entail an increased risk of greater state intervention in the domestic economy, especially in Bolivia and Venezuela.

Negative and fluctuating economic conditions in some Latin American countries could result in government defaults on public debt. This could affect the Guarantor in two ways: directly, through portfolio losses, and indirectly, through instabilities that a default in public debt could cause to the banking system as a whole, particularly since commercial banks' exposure to government debt is generally high in several Latin American countries in which the Guarantor operates.

While the Guarantor seeks to mitigate these risks through what it believes to be conservative risk policies and the area is proving to be resilient to current market turbulences, no assurance can be given that the Guarantor's Latin American subsidiaries' growth, asset quality and profitability will not be affected by volatile macroeconomic conditions in the Latin American countries in which the Guarantor operates.

*Latin American economies can be directly and negatively affected by adverse developments in other countries.*

Financial and securities markets in Latin American countries in which the Guarantor operates are to varying degrees influenced by economic and market conditions in other countries in Latin America and beyond. Negative developments in the economy or securities markets in one country, particularly in an emerging market, may have a negative impact on other emerging market economies. These developments may adversely affect the business, financial condition and operating results of the Guarantor's subsidiaries in Latin America. In particular, the current international financial crisis could negatively affect Latin American markets, particularly if the United States deceleration continues.

*The Guarantor is exposed to foreign exchange and, in some instances, political risks as well as other risks in the Latin American countries in which the Guarantor operates, which could cause an adverse impact on its business, financial condition and results of operations.*

The Guarantor operates commercial banks in 9 Latin American countries and its overall success as a global business depends, in part, upon its ability to succeed in differing economic, social and political conditions. The Guarantor is confronted with different legal and regulatory requirements in many of the jurisdictions in which it operates. These include, but are not limited to, different tax regimes and laws relating to the repatriation of funds or nationalization of assets. The Guarantor's international operations may also expose it to risks and challenges which its local competitors may not be required to face, such as exchange rate risk, difficulty in managing a local entity from abroad, and political risk which may be particular to foreign investors. The Guarantor's expansion in these markets requires it to respond to rapid changes in market conditions in these countries. The Guarantor cannot give an assurance that it will continue to succeed in developing and implementing policies and strategies that are effective in each country in which it operates, or that any of the foregoing factors will not have a material adverse effect on its business, financial condition and results of operations. The liquidity squeeze of the last quarter of 2008, has affected our businesses, despite the fact that banks and the authorities have acted to prevent this episode an escalation into a financial crisis.

*Regulatory changes in Latin America that are beyond the Guarantor's control may have a material effect on its business, financial condition and results of operations.*

A number of banking regulations designed to maintain the safety and soundness of banks and limit their exposure to risk are applicable in certain Latin American countries in which the Guarantor operates. Local regulations differ in a number of material respects from equivalent regulations in Spain and the United States.

Changes in regulations that are beyond the Guarantor's control may have a material effect on its business and operations, particularly in Venezuela. In addition, since some of the banking laws and regulations have been recently adopted, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. No assurance can be given that laws or regulations will be enforced or interpreted in a manner that will not have a material adverse effect on the Guarantor's business, financial condition and results of operations and cash flows.

### **Risks Relating to Other Countries**

*The Guarantor's strategic growth in Asia exposes it to increased regulatory, economic and geopolitical risks relating to emerging markets in the region, particularly in China.*

In 2008, we further increased our ownership interest in members of the CITIC Group, a Chinese banking group, by increasing our stake in CITIC International Financial Holdings Ltd ("CIFH") up to 29.7% and China CITIC Bank ("CNCB") up to 10.07%. CIFH is a banking entity headquartered in Hong Kong and previously listed on the Hong Kong stock exchange.

As a result of the Guarantor's expansion into Asia, it is exposed to increased risks relating to emerging markets in the region, particularly in China. The Chinese government has exercised, and continues to exercise, significant influence over the Chinese economy. Chinese governmental actions concerning the economy and state-owned enterprises could have a significant effect on Chinese private sector entities in general, and on CNCB or CIFH in particular.

The Guarantor also is exposed to regulatory uncertainty and geopolitical risks as a result of its investments in Asia. Changes in laws or regulations or in the interpretation of existing laws or regulations, whether caused by a change in government or otherwise, could adversely affect its investments. Moreover, Asian economies can be directly and negatively affected by adverse developments in other countries in the region and beyond.

Any of these developments could have a material adverse effect on the Guarantor's investments in Asia or on the business, financial condition and operating results of the Group.

*The Guarantor's continued expansion in the United States increases its exposure to the U.S. market.*

*The Guarantor's expansion in the United States increases the Guarantor's exposure to the U.S. market.*

The Guarantor's expansion in the United States makes us more vulnerable to developments in this market, particularly the real estate market. In the years prior to 2008, the sound economic growth, the strength of the labor market and a decrease in interest rates in the United States caused an increase in the demand for mortgage loans. This had repercussions in housing prices, which also rose significantly. During the summer of 2007, the difficulties experienced by the subprime mortgage market triggered a real estate and financial crisis, which has significantly affected the real economy and which has resulted in significantly volatility and uncertainty in markets and economies around the world. As we have acquired entities in the United States, particularly Compass, our exposure to the U.S. market has increased. In addition, adverse changes to the U.S. economy in general, or the U.S. real estate market in particular, has had and could continue to have a material adverse effect on the business, financial condition, results of operations and cash flows of our subsidiary Compass, which could negatively affect to our expected returns on our acquisition of Compass or require as to inject additional capital.

## **Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

### ***Spanish Tax Rules***

Under Spanish law, interest payments in respect of the Notes will be subject to withholding tax in Spain, currently at the rate of 18 per cent., in the case of individual holders (as defined herein) who are resident for tax purposes in Spain.

Law 4/2008 removes the obligation on Spanish issuers or their parent companies to provide to the Spanish tax authorities the relevant information concerning holders of securities who are not resident in Spain. However, the implementation of the changes contemplated by Law 4/2008 is subject to the adoption of relevant secondary legislation. At the date of this Base Prospectus, such secondary legislation had not yet been adopted. Until such secondary legislation is enacted, the Issuer or the Guarantor, as the case may be, is required to continue to submit to the Spanish tax authorities certain details relating to holders of the Notes. Holders in respect of whom such information is not provided to the Issuer or the Guarantor, as the case may be, in accordance with procedures described herein will receive payments subject to Spanish withholding tax, currently at the rate of 18 per cent. In such case, neither the relevant Issuer nor the Guarantor will gross up payments in respect of any such withholding tax (see Condition 9 of the Notes and "Taxation").

Offers into Spain are not permitted except in certain limited circumstances, as indicated under "Subscription and Sale and Transfer and Selling restrictions", below. However, in the case of notes which are admitted to listing and trading on a listing authority, stock exchange and/or quotation system of an OECD country other than Spain, the Spanish tax authorities may determine that the exemption from withholding tax on payments to holders who are tax payers of Spanish Corporation Tax (as described in Taxation - Individual or Entities with tax residency In Spain) does not apply to such Notes. If such a determination was made, the Issuer and, as the case may be, the Guarantor would be required to make a withholding at the applicable rate (at the date of the Offering Circular 18%) on payments of interest under the Notes and no additional amounts would be payable by the issuer or the Guarantor in such circumstances pursuant to Condition 9 (*Taxation – Disclosure of Noteholder Information in connection with Interest Payments*”).

Euroclear and Clearstream, Luxembourg (each a **European Clearing System**) and Iberclear have arranged certain procedures to facilitate the relevant Issuer, the Guarantor and the Principal Paying Agent (as defined on page 75) in the collection of the details referred to above from holders of the Notes. If any European Clearing System and/or Iberclear is/are, in the future, unable to facilitate the collection of such information, it may decline to allow any or all Series of the Notes to be cleared through such European Clearing System or Iberclear (as the case may be) and this may affect the liquidity of such Notes. Provisions have been made for the Certificated Notes, in such a case, to be represented by definitive Notes (see “*Form of the Notes*”). The procedures agreed and described in the Agency Agreement may, in the future, be amended to comply with Spanish law and regulations and operational procedures of the European Clearing Systems and Iberclear. The Guarantor and the relevant Issuer may from time to time, at their discretion, appoint an agent to intermediate with the European Clearing System and/or Iberclear in the provision of such information. Details of any such appointment will be set out in the applicable Final Terms.

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and is subject to review and amendment by the European Clearing Systems and/or Iberclear as well as to further clarification from the Spanish tax authorities regarding such laws and regulations. Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes. None of the Issuer, the Guarantor, the Dealers, the Paying Agents, the European Clearing Systems or Iberclear assume any responsibility therefore.

### ***Meetings of Noteholders, Modification and Waiver***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15<sup>th</sup> September, 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the

Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

### ***Change of law***

The conditions of the Notes (except Condition 3 and Condition 16) are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Spanish and English law or administrative practice after the date of this Base Prospectus.

### ***Additional Risks Factors related to the structure of a particular issue of Notes***

#### ***Notes subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when their cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### ***Partly-paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of their investment.

#### ***Fixed Rate Notes***

Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes.

#### ***Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.***

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and vice versa).



*Zero coupon notes are subject to higher price fluctuations than non-discounted notes.*

Changes in market interest rates generally have a substantially stronger impact on the prices of zero coupon notes than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon notes can suffer higher price losses than other notes having the same maturity and credit rating.

*Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

*Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

*Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Additional risk factors relating to the Notes generally***

*Claims of Holders under the Notes are effectively junior to those of certain other creditors*

The Notes and the guarantee in respect of them (the **Guarantee**) are unsecured and unsubordinated obligations of the Issuer and the Guarantor, respectively. Subject to statutory preferences, the Notes and the Guarantee will rank equally with any of the Issuer and the Guarantor's other unsecured and unsubordinated indebtedness. However, the Notes and the Guarantee will be effectively subordinated to all of, respectively, the Issuer and the Guarantor's secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other preferential obligations under Spanish law. The Guarantee is also structurally subordinated to all indebtedness of subsidiaries of BBVA insofar as any right of BBVA to receive any assets

of such companies upon their winding up will be effectively subordinated to the claims of the creditors of those companies in the winding-up.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors may be subject to law or review or regulation by certain authorities. Each potential investor should determine for itself, on the basis of professional advice where appropriate, whether and to what extent (1) Notes are lawful investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

*The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and greater price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

*A credit rating reduction may result in a reduction in the trading value of Notes*

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding Notes of the Issuer by standard statistical rating services, such as Moody's Investors Service Limited (**Moody's**), Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. (**Standard & Poor's**) and Fitch Ratings Ltd. (**Fitch**). A reduction in, or a placing on credit watch of the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or by other rating agencies could result in a reduction in the trading value of the Notes.

*Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The trading market for debt securities may be volatile and may be adversely impacted by many events*

The market for debt securities is influenced by the economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialised countries and areas. There can be no assurance that events in Spain, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

*A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on an individual Noteholder in respect of any Notes may differ also in respect of Referenced Item(s) Linked Notes. BBVA advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

*Foreign currency Notes expose investors to foreign-exchange risk as well as to issuer risk*

Holders of Notes denominated in any currency other than their domestic currency are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the Issuer or the type of Note being issued.

*Post-issuance Information*

Applicable Final Terms may specify that the Issuer will not provide post-issuance information if not otherwise required by all applicable laws and regulations. In such an event, investors will not be entitled to obtain such information from the Issuer.

*Potential Conflicts of Interest*

BBVA and its affiliates may also engage in trading activities (including hedging activities) related to any Referenced Item(s) and other instruments or derivative products based on or related to the Referenced

Item(s) of any such Notes for their proprietary accounts or for other accounts under their management and may pursue actions thereto without regard to the consequences for Noteholders. BBVA and its affiliates may also issue other derivative instruments in respect of the Referenced Item(s) of such Notes. BBVA and its affiliates may also act as an underwriter in connection with future offerings of a Referenced Item(s) or may act as financial adviser to the issuer, sponsor, manager or other connected person in respect of a Referenced Item(s) or a constituent of a Referenced Item(s) or in a commercial banking capacity for such entity. BBVA or its affiliates may acquire non-public information in respect of a Referenced Item(s) which will not be provided to Noteholders. Such activities could present certain conflicts of interest or, could influence the prices of such Referenced Item(s) and could adversely affect the value of such Notes.

Because the Calculation Agent (as defined on page 67) may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make, including whether a Market Disruption Event, or a Settlement Disruption-Event has occurred. The Calculation Agent is obliged to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgement.

#### ***Additional risk factors relating to Structured Notes***

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated.

#### ***General risks relating to Notes linked to underlying assets or derivatives***

An investment in Notes linked to one or more underlying assets or derivatives (a **Referenced Item** and **Referenced Item-Linked Notes**, which expression shall include Equity Linked Notes and Fund Linked Notes, respectively) may entail significant risks not associated with investments in a conventional debt security.

Referenced Item(s) Linked Notes are securities which do not provide for predetermined redemption amounts and/or interest payments but amounts payable (whether in respect of principal and/or interest) or deliverable will be dependent upon the performance of the Referenced Item(s) which themselves may contain substantial credit, interest rate, foreign exchange, time value, political and/or other risks.

An investment in Referenced Item(s) Linked Notes therefore entails significant risks that are not associated with similar investments in a conventional fixed rate or floating rate debt security. These risks include, among other things, the possibility that:

- the Referenced Item(s) may be subject to significant changes, whether due to the composition of any such Referenced Item(s) itself, or because of fluctuations in the value of the Referenced Item;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time, or they may receive no interest;
- the holder of a Referenced Item(s) Linked Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on such Note;
- any Note that is indexed to more than one type of Referenced Item, or on formulae that encompass the risks associated with more than one type of Referenced Item, may carry levels of risk that are greater than those for Notes that are indexed to one type of Referenced Item only;

- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Referenced Item, the greater the effect on yield;
- it may not be possible for investors to hedge their exposure to these various risks relating to Referenced Item(s) Linked Notes;
- the historical experience of a Referenced Item should not be viewed as an indication of the future performance of such Referenced Item during the term of any Referenced Item(s) Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances, and
- a significant market disruption could mean that any Referenced Item(s) cease to exist.

*Risks to market price of Notes linked to underlying assets or derivatives*

In addition, the value of Referenced Item(s) Linked Notes on the secondary market is subject to greater levels of risk than is the value of other Notes and the market price of such Notes may be very volatile or there may even be no (or very limited) secondary market at all. The secondary market, if any, for Referenced Item(s) Linked Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer, the creditworthiness of any reference entity, the value of the applicable Referenced Item(s) (including the volatility of the Referenced Item(s)), the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable Referenced Item depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Referenced Item(s) Linked Notes contains a Weight or leverage factor, the effect of any change in the Referenced Item(s) will be increased.

The risks reflect the nature of such a Note as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires or is redeemed. The risk of the loss of some or all of the purchase price of a Referenced Item(s) Linked Note upon redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of such Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Referenced Item(s). Assuming all other factors are held constant, the lower the value of an Referenced Item(s) Linked Note and the shorter the remaining term of any such Note to redemption, the greater the risk that holders of such Notes will lose all or part of their investment.

*Regulatory risk for Notes linked to underlying assets or derivatives*

Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Referenced Item(s) Linked Notes.

The Bank and its affiliates do not provide any advice with respect to any Referenced Item(s) nor make any representation as to its quality, credit or otherwise, and investors in the Notes must rely on their own sources of analysis or credit analysis with respect to any Referenced Item.

*Market Disruption Events or Failure to Open of an Exchange*

If an issue of Referenced Item(s) Linked Notes includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a Valuation Date and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such

date, any consequential postponement of the Valuation Date or any alternative provisions for valuation provided in any such Notes may have an adverse effect on the value and liquidity of such Notes. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes such that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes than otherwise would have been the case. The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Referenced Item(s) comprising a basket may also have such an adverse effect on Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the date of redemption of the Notes.

#### *Limited Exposure to Referenced Items(s)*

If the applicable Final Terms provide that the exposure of any Referenced Item(s) Linked Notes to one or more Referenced Items(s) is limited or capped to a certain level or amount, such Notes will not benefit from any upside in the value of any such Referenced Item(s) beyond such limit or cap.

#### *The Amount Payable on Redemption May Be Significantly Less than the Value of an Investment in the Notes*

Each Noteholder may receive an amount on redemption and/or physical delivery of securities together with cash for roundings in respect of any Referenced Item(s) Linked Notes. The amount payable on redemption and/or the aggregate value of securities physically delivered and cash may be significantly less than the value of the Noteholder's investment in such Notes. In particular, in the case of any such Notes exposed to the performance of a basket of Referenced Items(s), the securities so delivered may relate to, or the cash redemption amount may be calculated by reference to, the worst performing Referenced Items(s) or any other formula specified in the applicable Final Terms.

#### *Claims against Referenced Item(s)*

Referenced Item(s) Linked Notes do not represent a claim against or an investment in any Referenced Item(s) (or any issuer, sponsor, manager or other connected person in respect of a Referenced Item) and Noteholders will not have any right of recourse under the Notes to any such Referenced Item(s) (or any issuer, sponsor, manager or other connected person in respect of a Referenced Item). The Notes are not in any way sponsored, endorsed or promoted by any Referenced Item(s) (or any issuer, sponsor, manager or other connected person in respect of a Referenced Item) and such entities have no obligation to take into account the consequences of their actions for any Noteholders.

#### *Additional Factors relating to Equity Linked Notes*

In the case of Equity Linked Notes following the declaration by the Issuer of the relevant Underlying Securities of the terms of any adjustment event, the Calculation Agent will, in its sole and absolute discretion, determine whether such adjustment event has a dilutive or concentrative effect on the theoretical value of the Underlying Securities and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Referenced Item and/or the Weight and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that dilutive or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying Security) and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Notes.

In addition, in the case of Equity Linked Notes, if a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to any Underlying Security, the Issuer in its sole and absolute discretion may take the following action:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Referenced Item and/or the Weight and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Notes; and
- (b) redeem part (in the case of Equity Linked Notes relating to a basket of Underlying Securities) or all (in any other case) of the Notes. Following such redemption, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the relevant Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

*Additional Factors relating to Physical Delivery Notes*

In the case of Physical Delivery Notes (other than Credit Linked Notes), if a Settlement Disruption Event occurs or exists on the due date for redemption of the Notes, settlement will be postponed until the next Business Day in respect of which there is no Settlement Disruption Event. The Issuer in these circumstances may have the right to pay a cash amount in lieu of delivering a portion of the underlying assets, which may be less than the fair market value of the underlying assets.

*Additional Factors relating to Foreign Exchange (FX) Rate Linked Notes*

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in exchange rates will affect the value of the Notes.

*Additional Factors relating to Fund Linked Notes*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of units, shares or interests in a fund or funds or where, depending on the price or changes in the price of units, shares or interests in such fund or funds, on redemption the Issuer's obligation is to deliver specified assets.

Prospective investors in any such Notes should be aware that depending on the terms of the Fund Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of units, shares or interests in the fund or funds may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the units or shares in the fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the units, shares or interests in the fund or funds, the greater the effect on yield. Prospective investors should also be aware that in the event of the occurrence of one or more Extraordinary Fund Events the Issuer may take the action specified in the applicable Final Terms which may include adjusting or redeeming the Notes or substituting the affected share, unit or interest in the relevant fund.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of units, shares or interests in the fund or funds. The price of units, shares or interests in a fund may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units, shares or interests in the fund or funds may be traded.

#### *Risks associated with Funds in General*

The risks below are common to all kinds of funds and are not specific to the Underlying Fund. These risks include:

- (a) the risk that the share price of one or more of the assets in the Underlying Fund's portfolio will fall, or will fail to rise. Many factors can adversely affect an asset's performance, including both general financial market conditions and factors related to a specific asset or asset class;
- (b) general macro-economic or asset class specific factors, including interest rates, rates of inflation, financial instability, lack of timely or reliable financial information or unfavourable political or legal developments;
- (c) asset allocation policies of the Fund Manager;
- (d) credit quality and the risk of default of one of the hedge funds or of assets generally held in the Underlying Fund;
- (e) the risk that the Underlying Fund's investment objectives and/or investment restrictions as set out in its constitutive documents are materially changed, or not complied with, or that the method of calculating the Net Asset Value is materially changed;
- (f) the risk that the Underlying Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Manager is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law; or
- (g) the risk that the Underlying Fund is subject to a fraudulent event.

#### *Risks associated with Fund Managers in General*

Prospective investors in the Notes should be aware that the Fund Manager will manage the Underlying Fund in accordance with the investment objectives of, and guidelines applicable to, the Underlying Fund. Furthermore, the arrangements between the Fund Manager and the Underlying Fund have, in most cases, not been negotiated at arm's length and it is unlikely that the Fund Manager will be replaced or that additional fund managers will be retained.

Prospective investors should review carefully the prospectus, information memorandum and/or offering circular (if any) issued by any relevant fund before purchasing any Notes. None of the Issuer, any Affiliate of the Issuer or the Calculation Agent make any representation as to the creditworthiness of any relevant fund or any such fund's administrative, custodian, investment manager or adviser.

Neither the Issuer nor any of its affiliates have the ability to control or predict the actions of the Fund Manager. The Fund Manager is not involved in the offer of the Notes in any way and has no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes.



The Issuer has no role in the Underlying Fund. The Fund Manager is responsible for making strategic, investment and other trading decisions with respect to the management of the Underlying Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The manner in which an Underlying Fund is managed and the timing of such decisions will have a significant impact on the performance of the Underlying Fund. Hence, the price which is used to calculate the performance of the Underlying Fund is also subject to these risks.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CNMV, shall be incorporated in, and form part of, this Base Prospectus:

- (a) The audited annual financial statements of BSF for the financial years ended 31<sup>st</sup> December, 2007 and 31<sup>st</sup> December, 2008 (including the unqualified audit reports issued in respect thereof) prepared in accordance with Spanish generally accepted accounting principles and its English translation filed with the CNMV and made available on their website [www.cnmv.es](http://www.cnmv.es).
- (b) The audited consolidated annual financial statements of the Guarantor for the financial years ended 31<sup>st</sup> December, 2007 and 31<sup>st</sup> December 2008 (including the unqualified audit reports issued in respect thereof) prepared in accordance with EU-IFRS filed with the CNMV and the English translation of these audited consolidated annual financial statements of the Guarantor available on its website [www.bbva.com](http://www.bbva.com).
- (c) The *Documento de Registro* filed by the Guarantor before the CNMV on 2<sup>nd</sup> June, 2009.
- (d) The published interim financial statements of the Guarantor (on a consolidated basis) for the three month period ending 31<sup>st</sup> March, 2009 and the English translation of these financial statements of the Guarantor available on its website [www.bbva.com](http://www.bbva.com).

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and/or the Guarantor and approved by the CNMV in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Issuer and the Guarantor at Paseo de la Castellana, 81, 28046 Madrid and on its website [www.bbva.com](http://www.bbva.com).

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## OVERVIEW OF THE PROGRAMME

*This overview must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.*

<b>Description:</b>	Structured Medium Term Note Programme
<b>Arranger:</b>	Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)
<b>Dealers:</b>	BBVA and any other Dealers appointed, from time to time, by the Issuer.
<b>Certain Restrictions:</b>	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “<i>Subscription and Sale and Transfer and Selling Restrictions</i>”) and including the following restrictions applicable at the date of this Base Prospectus:</p> <p>Notes may not (a) have a minimum denomination (face value amount) of less than €1,000 (or its equivalent in other currencies) or (b) carry the right to acquire new shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs.</p>
<b>Issuing and Principal Paying Agent:</b>	BBVA
<b>Programme Size:</b>	Up to €2,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme, provided that any required authorisations have been duly obtained.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement, subject to the restrictions set out under “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ” below and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
<b>Maturities:</b>	Any maturity greater than one month or such other minimum or maximum maturity as indicated in the applicable Final Terms as may be

allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. No perpetual notes shall be issued under this Programme.

**Notes with a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

**Issue Price:**

Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Form of Notes:**

The Notes may be issued in bearer or registered form. The Issuer may issue Notes in New Global Note (NGN) form as described in “*Form of the Notes*”. Registered Notes will not be exchangeable for Bearer Notes and vice versa. The Notes may also be issued in uncertificated, dematerialised book-entry form as described in “*Form of the Notes*”.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

**Equity Linked Notes**

Equity Linked Notes may be settled at the Maturity Date or otherwise by receipt by the Noteholder(s) of an Equity Linked Redemption Amount or by delivery of the Underlying Securities if and to the extent specified in the applicable Final Terms.

**Index Linked Notes:**

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated

by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

**Fund Linked Notes:**

Fund Linked Notes may be settled at the Maturity Date or otherwise by receipt by the Noteholder(s) of a Fund Linked Redemption Amount or by delivery of the Underlying Securities if and to the extent specified in the applicable Final Terms.

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

**Other provisions in relation to Floating Rate Notes and Index Linked Interest:**

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Other Structured Notes:**

The Issuer and the relevant Dealer may agree to issue any of the forms of Structured Notes, or combinations of them. The terms and conditions of such Structured Notes will be based on the conditions of the Notes set out under “*Terms and Conditions of the Notes*” and the applicable Final Terms.

**Redemption:**

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution; see “*Notes with a maturity of less than one year*” above.

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see “*Notes with a maturity of less than one year*” above), and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

So long as any Bearer Notes are represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note, or so long as a Registered Note is represented by a Registered Global Note, such Notes will be tradeable only in the minimum authorised denomination of €1,000 and higher integral multiples of €1,000. Book-Entry Notes may only be issued in one denomination.

**Taxation:**

Save as set out below, all payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by Spain as provided in Condition 9. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.

Payments in respect of the Notes and under the Guarantee will be subject to Spanish withholding tax in the circumstances described below. In such circumstances, neither the Issuer nor the Guarantor will be required to pay additional amounts in respect of such withholding tax.

Under Spanish law interest payments in respect of the Notes will be subject to withholding tax in Spain, currently at the rate of 18 per cent., in the case of: (a) individual holders who are resident for tax purposes in Spain; and (b) with respect to Bearer and Registered Notes which are admitted to listing and trading on a listing authority, stock exchange and/or quotation system in an OECD country other than Spain when the investor is (i) a Spanish-resident legal entity subject to Spanish corporation tax and (ii) an individual or legal entity non-resident in Spain, subject to Spanish non-resident income tax and operating in Spain through a permanent establishment to which such Notes are assigned, if the Spanish Tax Authorities determine that such Notes do not comply with the exemption requirements specified in Sections 59 q) and s) of the Royal Decree 1777/2004, of 30<sup>th</sup> July (as interpreted in accordance with the reply to a Non Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 20<sup>th</sup> July, 2004) or if there is a change in interpretation by the Spanish tax authorities, payments made by the Issuer or the Guarantor may become subject to Spanish withholding tax.

In addition, holders who fail to provide information regarding their identity and tax residence will also receive payments subject to Spanish withholding tax, see Condition 9 of the Notes.

**Disclosure of Identity of Holders:** Law 4/2008, of 23 December, abolishing the Wealth Tax Levy, generalising the Value Added Tax monthly refund system and introducing other amendment to the tax legal system (**Law 4/2008**) was published in the Spanish Official Gazette on 25 December 2008.

Law 4/2008 removes the obligation on Spanish issuers or their parent companies to provide to the Spanish tax authorities the relevant information concerning Noteholders who are not resident in Spain.. The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of relevant secondary legislation. At the date of this Base Prospectus, such secondary legislation had not yet been adopted. Until such secondary legislation is enacted, the Issuer or the Guarantor, as the case may be, remains obliged to disclose to the Spanish tax and supervisory authorities the identity of holders of the Notes.

The European Clearing Systems and Iberclear have arranged certain procedures to facilitate the Principal Paying Agent in the collection of the information referred to above from Noteholders. If the European Clearing Systems and/or Iberclear are, in the future, unable to follow these procedures, they may refuse to clear all or any Series of the Notes and this will affect the liquidity of the relevant Notes. In such a case, Global Notes will be exchanged for Notes in definitive form, see “*Form of the Notes*”. The Guarantor and the Issuer may from time to time appoint an agent to intermediate with the European Clearing Systems and/or Iberclear.

**Cross Default:** The terms of the Notes will contain a cross default provision as further described in Condition 11.

**Negative Pledge: Status of the Notes:** The terms of the Notes will not contain a Negative Pledge provision.

**Status of the Notes and the Guarantees:** Notes will be direct, unconditional and unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, and will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Guarantee, both as more fully described in Condition 3.

**Rating:** The rating of the Notes to be issued under the Programme will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**Noteholder Representative and Meetings:** Spanish company law requires that a representative (*Comisario*) of the Noteholders is appointed and that a syndicate of Noteholders is established in relation to the Notes issued under the Programme. By

purchasing a Note of any Series, the holder thereof automatically becomes a member of the Syndicate and also will be deemed to have agreed to (i) the appointment of the representative for that Series named in the applicable Final Terms, and (ii) accept the syndicate regulations referred to in the applicable Final Terms.

**Listing and Admission to Trading:**

The Notes may be listed and admitted to trading, as the case may be, on AIAF and/or on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantor and the relevant Dealer. Notes may not be issued under the Programme on an unlisted basis.

The applicable Final Terms will state on which stock exchanges and/or markets the relevant Notes are to be listed and/or admitted to trading.

**Governing Law:**

The issue of the Book-Entry Notes (as defined below), including their legal nature (*obligaciones*), the status of the Book-Entry Notes and the status of the Guarantee in respect of them (Condition 3), the capacity of the Issuer and of the Guarantor, the relevant corporate resolutions, the appointment of the Commissioner (Condition 16) and the constitution of the Syndicate of Holders of the Book-Entry Notes will be governed by Spanish law. Subject as provided above, the terms and conditions of the Book-Entry Notes, all related contractual documentation and any non-contractual obligations arising out of or in connection with the Book-Entry Notes and all related contractual documentation will be governed by, and shall be construed in accordance with, English law.

The issue of the Certificated Notes (as defined below), including their legal nature (*obligaciones*), the status of the Certificated Notes and the status of the Guarantee in respect of them (Condition 3), the capacity of the Issuer and of the Guarantor, the relevant corporate resolutions, the appointment of the Commissioner (Condition 16) and the constitution of the Syndicate of Holders of the Certificated Notes will be governed by Spanish law. Subject as provided above, the terms and conditions of the Certificated Notes, all related contractual documentation and any non-contractual obligations arising out of or in connection with the Certificated Notes and all related contractual documentation will be governed by, and shall be construed in accordance with, English law.

**Selling Restrictions:**

There are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Italy, France and Spain) and Japan; see “*Subscription and Sale and Transfer and Selling Restrictions*”. The applicable Final Terms may also specify additional selling restrictions in connection with the offering and sale of a particular Tranche of Notes.



## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, registered form, without interest coupons attached, or in book-entry form. In this Base Prospectus Bearer Notes and Registered Notes are collectively referred to as **Certificated Notes**. Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

### **Bearer Notes**

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or a permanent global note (a **Permanent Bearer Global Note**) as indicated in the applicable Final Terms, which, in either case, will (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg; or (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification of non-U.S. beneficial ownership or certification to the effect that the holder is a U.S. person who purchased in a transaction that did not require registration under the Securities Act and to the effect that such holder is not a United States person, or is a United States person that purchased by or through certain United States financial institutions or is a financial institution purchasing for resale during the restricted period to persons other than United States persons or persons within the United States or its possessions as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an

Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available, (iii) if so specified in the applicable Final Terms, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form or (iv) the Notes are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Issuer, as the case may be, may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

### **Registered Notes**

Registered Notes will initially be represented by a global note in registered form (a **Registered Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend describing such restrictions on transfer.

Registered Global Notes will either (a) be deposited with a custodian for the accounts of Euroclear and Clearstream, Luxembourg or (b) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Registered Global Notes. None of the Issuer, the Guarantor, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered

Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (a) an Event of Default has occurred and is continuing, (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form, (c) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, no successor clearing system is available, and (d) the Notes are required to be removed from (in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg) both Euroclear and Clearstream, Luxembourg and, in either case, no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) or the Issuer, as the case may be, may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

### **General provisions relating to Certificated Notes**

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or its nominee each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes and voting, giving consents or making requests, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Except in relation to Notes issued in NGN form, any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Principal Paying Agent. A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note within a period of 15 days from the giving of a notice by a holder with Euroclear or Clearstream, Luxembourg of such Notes so represented and credited to its securities account that it wishes to accelerate such Notes, then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg.

## **Book-Entry Notes**

### *Book-Entry Notes admitted to trading on AIAF and other Spanish regulated markets*

Notes may be issued in uncertificated, dematerialised book-entry form (**Book-Entry Notes**). Book-Entry Notes which are admitted to trading on AIAF will be issued as *anotaciones en cuenta* and registered with *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (Iberclear)* as managing entity of the Central Registry. Such Book-Entry Notes will be constituted as such by virtue of their entry in the corresponding accounting book of Iberclear.

In accordance with article 6 of the Spanish Securities Market Act, the Issuer will prepare and deposit the relevant Final Terms in respect of Book-Entry Notes which are to be admitted to trading on AIAF, with the CNMV, Iberclear and the Spanish Paying Agent.

The holders of Book-Entry Notes which are admitted to trading on AIAF will be identified as such (on their own account or for the account of third parties) as appears from the accounting book maintained by Iberclear or the relevant member (*entidad adherida*) of Iberclear (**Iberclear Member**) (as the case may be). The clearing and settlement of the Book-Entry Notes which are admitted to trading on AIAF will be carried out in accordance with the operating rules that are established or in the future may be approved by Iberclear.

Payments to be made in respect of Book Entry Notes which are admitted to trading on AIAF will be made by the Issuer (or on its behalf) to Iberclear or the relevant Iberclear Member (as the case may be), in whose records such Book-Entry Notes are registered, in accordance with Iberclear's current procedures.

One or more certificates evidencing the relevant Noteholder's holding of Book-Entry Notes in the relevant registry will be delivered by Iberclear or the relevant Iberclear Member (as the case may be), in whose records the Book-Entry Notes are registered, or, where the Noteholder is itself an institution participating in Iberclear, by Iberclear (in each case, in accordance with the requirements of Spanish law and the procedures of the relevant Iberclear Member or, as the case may be, Iberclear) to such Noteholder upon such Noteholder's request.

Book-Entry Notes may also be admitted to trading on Spanish regulated markets other than AIAF, in which case references above to AIAF will be deemed to be to such other Spanish regulated market.

### *Book-Entry Notes admitted to trading on a non-Spanish regulated market*

Book-Entry Notes may be admitted to trading on non-Spanish regulated markets. Book-Entry Notes which are admitted to trading on non-Spanish regulated markets will be issued in accordance with the requirements

of such regulated market and registered with the Book-Entry Depositary specified in the applicable Final Terms.

In accordance with article 6 of the Spanish Securities Market Act, the Issuer shall prepare a public deed of issuance in respect of Book-Entry Notes to be admitted to trading on non-Spanish regulated markets which will contain the Final Terms of such Book-Entry Notes. The public deed of issuance will be registered with the appropriate mercantile registry.

The holders of Book-Entry Notes which are admitted to trading on non-Spanish regulated markets will be identified as such (on their own account or for the account of third parties) as appears from the accounting book maintained by the Book-Entry Depositary. The clearing and settlement of the Book-Entry Notes which are admitted to trading on non-Spanish regulated markets will be carried out in accordance with the operating rules that are established or in the future may be approved by the Book-Entry Depositary.

Payments to be made in respect of Book Entry Notes which are admitted to trading on non Spanish regulated markets will be made by the Issuer (or on its behalf) to the Book-Entry Depositary in accordance with the Book Entry Depositary's current procedures and in accordance with applicable Spanish laws.

*Other provisions relating to Book-Entry Notes*

Title to the Book-Entry Notes will be evidenced by book entries and each person shown in the registries maintained by Iberclear Members (or the members of the relevant Book-Entry Depositary) and having an interest in the Book-Entry Notes shall be considered, by the Issuer, the Guarantor and the Agents, as the holder of the principal amount of Book-Entry Notes recorded therein, and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

The creation of limited *in rem* rights or any other encumbrance on a Book-Entry Note must be entered in the corresponding account and effected in accordance with the then current procedures of Iberclear (or the relevant Book-Entry Depositary) and or their respective members.

*Further tranches of Book-Entry Notes (fungible Book-Entry Notes)*

The Issuer shall arrange (without the requirement to obtain the consent of the Noteholders) that, where a further Tranche of Book-Entry Notes is issued which is intended to form a single Series with an existing Tranche of Book-Entry Notes, the Book-Entry Notes of such further Tranche shall be assigned a common code and ISIN.

## FORM OF THE APPLICABLE FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in any other currency).*

[Date]

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

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

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

**under the €2,000,000,000**

**Structured 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 Base Prospectus dated 2<sup>nd</sup> June 2009 [and the supplemental Base Prospectus dated [●]] which [together] constitute[s] 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 Base Prospectus [as so supplemented]. 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 Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [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.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

- |    |     |                                   |  |
|----|-----|-----------------------------------|--|
| 1. | (a) | Issuer:                           | BBVA Senior Finance, S.A. Unipersonal  |
|    | (b) | Guarantor:                        | Banco Bilbao Vizcaya Argentaria, S.A.  |
| 2. | (a) | Series Number:                    | [●]  |
|    | (b) | Tranche Number:                   | [●]<br><i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3. |     | Specified Currency or Currencies: | [●]  |
| 4. |     | Aggregate Nominal Amount:         |  |

- (a) Series: [●]
- (b) Tranche: [●]
5. Issue Price of Tranche: [●]per cent of the Aggregate Nominal Amount [plus accrued interest from *[insert date]*] (*if applicable*)
6. (a) Specified Denominations: [●]  
*(The minimum denomination of a Note to which these Final Terms applies shall not be less than €50,000 or its equivalent: N.B. Book-Entry Notes may only be issued in one denomination).*
- (b) Calculation Amount: [●]  
 (Applicable to Notes in definitive form; not applicable to Book-Entry Notes)  
*(If there is only one Specified Denomination, insert that Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. N.B. there must be a common factor in the case of two or more Specified Denominations)*
7. [(a)] Issue Date: [●]
- [(b)] Interest Commencement Date: *[[specify/Issue Date/Not Applicable ]]*  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes)*
8. Maturity Date: *[Floating rate - Interest Payment Date falling in or nearest to [specify month and year]]/[Other - specify date]*
9. Interest Basis: *[[●]per cent Fixed Rate]  
 [[LIBOR/EURIBOR] +/- [ ]per cent Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [Equity Linked Interest]  
 [Fund Linked Interest]  
 [specify other]  
 (further particulars specified below)*
10. Redemption/Payment Basis: *[Redemption at par]  
 [Partly Paid]  
 [Equity Linked Redemption]  
 [Index Linked Redemption]  
 [Fund Linked Redemption]  
 [Dual Currency Redemption]  
 [Instalment]  
 [specify other]  
 (N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive)*

*Regulation will apply.)*

11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: *[Investor Put]*  
*[Issuer Call]*  
*[(further particulars specified below)]*
13. (a) Status of the Notes: Senior
- (b) Status of the Guarantee: Senior
- (c) *[Date [Board] approval for issuance of Notes [and Guarantee] obtained:* *[●] [and [●], respectively]*  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee.)*
14. Method of distribution: *[Syndicated/Non-syndicated]*

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

15. **Fixed Rate Note Provisions** *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: *[●] per cent per annum [payable [annually/semi annually/quarterly] in arrear]*  
*(If payable other than annually, consider amending Condition 5)*
- (b) Interest Payment Date(s): *[[●] in each year up to and including the Maturity Date]/[specify other]]*  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (c) *[Fixed Coupon Amount(s):* *[●] per Calculation Amount*  
*(Applicable to Notes in definitive form)]*
- (d) *[Broken Amount(s):* *[●] per Calculation Amount payable on the Interest Payment Date falling in/on [●]*  
*(Applicable to Notes in definitive form)]*  
*[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (e) Day Count Fraction: *[30/360 or Actual/Actual (ICMA) or specify other]*  
*(See Condition 5 for alternatives. Note that if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)*
- (f) Determination Date(s): *[●] in each year*



*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*

*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.*

*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA).]*

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

**16. Floating Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

- (a) Specified Period(s)/Specified Interest Payment Dates:

[●]

- (b) Business Day Convention:

[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

- (c) Additional Business Centre(s):

[●]

*(Note that this item relates to the Interest Period end dates and not the place of payment to which item 31 relates).*

- (d) Manner in which the Rate of Interest and Interest Amount is to be determined:

[Screen Rate Determination/ISDA Determination/specify other]

- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):

[●]

- (f) Screen Rate Determination:

[Applicable/Not Applicable]

- Reference Rate:

[●]

*(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)*

- Interest Determination Date(s): [●]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR.)
- Relevant Screen Page: [●]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)  
[As defined in Condition 4/other (specified if other).]
- Reference Banks: [As defined in Condition 4/other]
- (g) ISDA Determination: [Applicable/Not Applicable]
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (h) Margin(s): [+/-] [●] per cent per annum
- (i) Minimum Rate of Interest: [●] per cent per annum
- (j) Maximum Rate of Interest: [●] per cent per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA) or Actual/Actual Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Other]  
(See Condition 5 for alternatives.)
- (l) Fall-back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph.)
  - (a) Accrual Yield: [●] per cent per annum

- (b) Reference Price: [●]
- (c) Any other formula/basis of determining amount payable: [●]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 8.7(c) apply/specify other]  
(Consider applicable day count fraction if not U.S. dollar denominated.)

## PROVISIONS RELATING TO STRUCTURED NOTES

18. **Equity Linked Note Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (a) Underlying Securities: *(If the Series relates to more than one class of Underlying Securities, the information below will be required in respect of each such class.)*
    - Description: [●]
    - Company: [●]
    - ISIN/Common Code: [●]
    - Exchange: [●]
    - Option Exchange: [●]
    - [Weight: [●]] *(Only relevant where more than one class of Underlying Securities.)*
  - (b) Formula to be used to determine principal, Equity Linked Interest Amount and/or Equity Linked Redemption Amount: [Insert details]
  - (c) Market Disruption Events: [As per Conditions][●]  
  
*[(Include a description of market disruption or settlement disruption events and adjustment provisions; need to check Conditions to ascertain if any additional provisions required to be inserted here)]*
  - (d) Details of any other relevant terms, any stock exchange requirements/tax considerations: [●]
  - (e) Extraordinary Events: [As per Conditions]/[other]

- (f) Conversion Right (Condition 6): [Applicable/Not Applicable, if applicable insert description]
- (g) Reverse Conversion Right (Condition 6): [Applicable/Not Applicable, if applicable insert description]
- (h) Settlement by delivery of Underlying Securities: [Applicable/Not Applicable, if applicable complete remaining sections of this paragraph and any other relevant terms]
- Settlement Date [●]
  - System through which underlying securities to be delivered [●]
  - Parity: [●]
  - Disruption Settlement Price: [●]
- (i) Knock-in/out Price: [Specify and detail consequences]
- (j) Such other additional terms or provisions as may be required: [●]

19. **Index Linked Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Index or Indices: *(If the Series relates to more than one Index, the information below will be required in respect of each such Index)*
- Description: [●]
  - Sponsor: [●]
  - Exchange: [●]
  - Option Exchange: [●]
  - [Weight: [●]] *(Only relevant where more than one class of Underlying Securities)*
- (b) Formula to be used to determine principal, Index Linked Interest Amount and/or Index Linked

Redemption Amount:

- (c) Market Disruption Events: [As per Conditions][●]  
*[Include a description of market disruption or settlement disruption events and adjustment provisions; need to check Conditions to ascertain if any additional provisions required to be inserted here]*
- (d) Specified Periods/Specified Interest Payment Dates: [●]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (f) Additional Business Centre(s): [●]
- (g) Minimum Rate of Interest: [●] per cent per annum
- (h) Maximum Rate of Interest: [●] per cent per annum
- (i) Day Count Fraction: [●]  
*(See Conditions for alternatives)*
- (j) Knock-in/out Level: *[Specify and detail consequences.]*
- (k) Such other additional terms or provisions as may be required: [●]

20. **Fund Linked Note Provisions:** [Applicable/Not Applicable] *[If not applicable, delete the remaining subparagraphs of this paragraph]*

- (a) Index or Indices: *(If the Series relates to more than one Index, the information below will be required in respect of each such Index.)*
- Description: [●]
  - Fund Administrator: [●]
  - Fund Advisor/Manager: [●]
  - Transfer Agent: [●]
- (b) Formula to be used to determine principal, Fund Linked Interest Amount and/or Fund Linked

Redemption Amount:

- (c) Market Disruption Events: [As per Conditions][●]

*[Include a description of market disruption or settlement disruption events and adjustment provisions; need to check Conditions to ascertain if any additional provisions required to be inserted here.]*

21. **Dual Currency Interest Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]

- (b) Calculation Agent, if any, responsible for calculating the interest payable: [●]

- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Include a description of market disruption or settlement disruption events and settlement provisions.]*

- (d) Person at whose option Specified Currency(ies) is/are payable: [●]

22. **Other provisions relating to Structured Notes:**

[●]

- (a) Initial Valuation Date: [●]

- (b) Initial Value: [The [Net Asset Value/Closing Price/Opening Price/Closing Level/Opening Level] on the Initial Valuation Date]/[other]

- (c) Valuation Dates: Each [●] falling in the Observation Period

- (d) Valuation Time: [●] on each Valuation Date

- (e) Final Valuation Date: [●]

- (f) Final Value: [The [Net Asset Value/Closing Price/Opening Price/Index Level] on the Final Valuation Date]/[other]

23. **Market Disruption Event:**

[Applicable/Not Applicable]

*(If applicable please specify details)*

- (a) Fall-back provisions for [●]

determining Rate of Interest:

- (b) Fall-back provisions for determining Redemption Amount: [●]

## PROVISIONS RELATING TO REDEMPTION

### 24. Issuer Call [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- (d) Notice period (if other than as set out in the Conditions): [●]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

### 25. Investor Put [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (c) Notice period (if other than [●])

as set out in the Conditions):

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

26. Final Redemption Amount of each Note: ☐ per Calculation Amount/specify other in the case of Structured Notes  
*(N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
27. 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 8.7): ☐ per Calculation Amount/Early Redemption Amount (Structured)/specify other/see Appendix
28. Protection Amount: [Principal Protected/☐ per cent of the Specified Denomination/Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

29. Form of Notes: [Bearer Notes:
- [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Note]]
- [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Note]]]
- [Registered Notes:
- [Registered Global Note (☐ nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream Luxembourg]/[other]]



[Book-Entry Notes: [Uncertificated, dematerialised book-entry form notes (*anotaciones en cuenta*) registered with Iberclear/[other] as managing entity of the Central Registry/[other registry]]/[other].

[Other]

30. New Global Note (NGN): [Yes][No]
31. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
(Note that this item relates to the place of payment and not Interest Period end dates to which items [16(c) and 19(f)] relate.)
32. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
33. 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 interest due on late payment: [Not Applicable/give details. N.B. new forms of Global Note may be required for Partly Paid issues.]
34. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
35. Redenomination applicable: Redenomination [not] applicable  
  
(If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)
36. Agents: [Banco Bilbao Vizcaya Argentaria, S.A. to act as Agent (and carry out all relevant agency functions) through its specified office at Plaza de San Nicolas, 4 48005 Bilbao, Spain]  
  
(if another entity appointed as one or more agent, specify name, address and function. Document appointing such entity to be entered into on or before the Issue Date and made available, together with other documents, at the specified office of the Principal Paying Agent)  
  
(N.B. Separate entities more likely to be required if Bearer or Registered Notes)

37. Other final terms: [Not Applicable/give details]

*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

*(Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)*

38. Home Member State: [Spain/ please specify]

## **DISTRIBUTION**

39. (a) If syndicated, names of Managers [Not Applicable/give names *(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)*

(b) Date of Subscription Agreement: [●]

(c) Stabilising Manager (if any): [Not Applicable/give name.]

40. If non-syndicated, name of relevant Dealer: [Not Applicable/give name ]

41. U.S. Selling Restrictions [Reg. S Compliance Category: TEFRA D/TEFRA C/TEFRA not applicable]

42. Additional selling restrictions: [The [Dealer/Managers] shall only offer the Notes to investors who acquire the Notes for a total consideration of at least €50,000 (or its equivalent) per investor/Not Applicable/give details]

43. Condition 19 applies: [Yes] [No]

## **SYNDICATE REGULATIONS**

The form of the regulations of the syndicate of the holders of the Notes issued under this Programme are scheduled to the Agency Agreement and are attached [to these Final Terms or are contained in the public deed of issuance of the Notes, as the case maybe].

## **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €2,000,000,000 Medium Term Note and Structured Note Programme of the Issuer.

## **RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: .....

By:.....

*Duly authorised*

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING

- (a) Listing: [Madrid/other (*specify*) ]
- (b) Admission to trading: [Application has been made for the Notes to be admitted to trading on [AIAF/other regulated market ] with effect from [●]]
- (c) Estimate of total expenses related to [ ] admission to trading:

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [●]]  
[Moody's: [●]]  
[[Other]: [●]]

*(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. NOTIFICATION

The Comisión Nacional del Mercado de Valores has been requested to provide/has provided [*include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

*[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive]*

### 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (a) Reasons for the Offer: [●]
- (b) Estimated net proceeds: [●]
- (c) Estimated total expenses: [●]

*(N.B. Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (a), disclosure of net proceeds and total expenses at (b) and (c) above are also required.)*

**6. YIELD (FIXED RATE NOTES ONLY)**

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**7. PERFORMANCE OF UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Structured Notes, including Index Linked Notes, Fund Linked Notes, Equity Linked Notes and Dual Currency Notes)**

*[Need to include details of where past and future performance and volatility of the underlying can be obtained.]*

*[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]*

*[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information].

## 8. OPERATIONAL INFORMATION

- (a) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]  
*[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if "yes" selected in which case the Notes must be issued in NGN form.]*
- (b) ISIN Code: [●]
- (c) Common Code: [●]
- (d) Clearing systems: [Euroclear/Clearstream, Luxembourg/Iberclear/specify other including any relevant security identification numbers]
- (e) Book-Entry Depositary: [None/[Specify]]  
*(Only relevant if Notes listed on a non-Spanish regulated market. The Book-Entry Depositary should not be Iberclear. If a Book-Entry Depositary is selected, consider amendments to conditions to reflect its procedures)*
- (f) Delivery: Delivery [against/free of] payment
- (g) Names and addresses of additional Paying Agent(s) (if any): [●]

## 9. ADDITIONAL SPANISH TAX PROVISIONS [Not Applicable/Describe]

## 10. ADDITIONAL RISK FACTORS

[Not Applicable/ Describe]

The Issuer has made no investigation into the treatment of the Notes by the tax authorities of any country, including the United States of America.

Investors are strongly advised to take their own tax advice.

## TERMS AND CONDITIONS OF THE NOTES

*The Information appearing below and under the heading “Risk Factors” constitutes the Securities Note prepared in accordance with Annex V (Minimum Disclosure Requirements for the Securities Note related to Debt securities (schedule))- (Debt securities with a denomination per unit of less than EUR 50,000) and Annex XII (Minimum disclosure requirements for the securities note for derivative securities (schedule)) of Commission Regulation (EC) No. 809/2004.*

*The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms will be applicable to the Notes.*

The Notes (or, in the case of the Certificated Notes (as defined below), the Notes to which this Note relates) are issued by BBVA Senior Finance S.A. Unipersonal (the **Issuer**) in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is subject to Final Terms (the **Final Terms**) which supplement these terms and conditions (the **Conditions**). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Certificated Notes represented by a global Note (a **Global Note**), units of the lowest Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form and in registered form (**Registered Notes** and, together with Bearer Notes, **Certificated Notes**) (whether or not issued in exchange for a Global Note in registered form);
- (d) in respect of Notes in book-entry form (**Book-Entry Notes**), units of the lowest Specified Denomination in the Specified Currency.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of, and shall be issued in the form established in, the Agency Agreement (the **Agency Agreement**) dated 13<sup>th</sup> May, 2008 made between BBVA Senior Finance, S.A. Unipersonal, Banco Bilbao Vizcaya Argentaria, S.A. (the **Guarantor**) as guarantor and Banco Bilbao Vizcaya Argentaria, S.A. as Principal Paying Agent. Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes, Global Notes and Book-Entry Notes do not have Receipts, Coupons or Talons attached on issue.

The payment of all amounts in respect of the Notes have been guaranteed by the Guarantor pursuant to a Guarantee (the **Guarantee**) dated 13<sup>th</sup> May, 2008 and executed by the Guarantor. The original of the Guarantee is held by the Issuer.

As regards Certificated Notes (a) any reference to **Noteholders** or **holders** in relation to any Certificated Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below; (b) and any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As regards Book-Entry Notes, any reference to **Noteholders** or **holders** in relation to Book-Entry Notes shall mean the persons registered in the central registry (the **Central Registry**) maintained by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (Iberclear)* or in the registry maintained by the relevant member (*entidad adherida*) of Iberclear (**Iberclear Member**). Any reference herein to Receipts, Coupons and Talons and to their respective holders shall not be applicable.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 13<sup>th</sup> May, 2008 and made by the Issuer. The original of the Deed of Covenant is held by the Issuer.

Copies of the Guarantee, the Deed of Covenant, the Agency Agreement are/will be available for inspection during normal business hours at the specified office of each of the Principal Paying Agent and the Issuer. Copies of the applicable Final Terms will be available for viewing at the offices of the Issuer and the Guarantor (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 its specified office. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of and are entitled to the benefit of all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form, in registered form or in book-entry form as specified in the applicable Final Terms. Certificated Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Certificated Notes of one Specified Denomination may not be exchanged for Certificated Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa. Book-Entry Notes may not be exchanged for Certificated Notes and vice versa.

The Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note, an Equity Linked Note, an Index Linked Note or a Fund Linked Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note, an Equity Linked Redemption Note or a Fund Linked



Redemption Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held by or on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes and, voting, giving consents and making requests, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

Except in relation to Notes indicated in the applicable Final Terms as being in NGN form, references to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and Principal Paying Agent.

Book-Entry Notes may be transferred and title to the Book-Entry Notes may pass, in accordance with Spanish law and with all rules, restrictions and requirements of Iberclear (or, as the case may be, the relevant Iberclear Member), upon registration in the Central Registry or, as the case may be, the registry maintained by the relevant Iberclear Member. Each Holder will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Book-Entry Note for all purposes and no person will be liable for so treating the Holder.

The creation of limited *in rem* rights or any other encumbrance on the Book-Entry Note must be entered in the corresponding account and effected in accordance with the then current procedures of Iberclear (or relevant Iberclear Member).

One or more certificates evidencing the relevant Noteholder's holding of Book-Entry Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Noteholder is itself a Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law

and the procedures of the relevant Iberclear Member or, as the case may be, Iberclear) to such Noteholder upon such Noteholder's request.

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Registered Global Note to a transferee in the United States or who is a U.S. person may not be made otherwise than pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

After expiry of the applicable Distribution Compliance Period such requirements will no longer apply to such transfers.

### **2.2 Transfers of Registered Notes in definitive form**

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by, the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being scheduled to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### **2.4 Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **3. STATUS OF THE NOTES AND THE GUARANTEE**

*Law 22/2003 of 9<sup>th</sup> July, 2003 (the **Insolvency Law**) came into force in Spain on 1<sup>st</sup> September, 2004. Certain provisions in the Insolvency Law could affect the ranking of certain Notes on an insolvency of the Issuer or the Guarantor.*

*In particular, from the entry into force of the Insolvency Law, and in accordance with the insolvency procedures regulated therein, creditors whose rights arise from a Spanish public document, including Noteholders, do not have a preference to enforce their rights and do not rank ahead of other creditors whose rights may be recognised by virtue of a document not so witnessed.*

### **3.1 Status of the Notes**

The Notes and any relative Coupons and Receipts will be direct, unconditional and unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

*In the event of insolvency (concurso) of the Issuer, under the Insolvency Law (as defined below), claims relating to Notes (which are not related to the Issuer under article 93 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders.*

### **3.2 Status of the Guarantee**

The payment of principal and interest in respect of the Notes and any relative Coupons and Receipts and all amounts due in respect of the Notes and any relative Coupons and Receipts has been unconditionally and irrevocably guaranteed (*solidariamente*) by the Guarantor pursuant to the Guarantee.

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and rank *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor.

*In the event of insolvency (concurso) of the Guarantor, under the Insolvency Law, claims from Senior Noteholders will fall within the category of ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Ordinary credits will rank below credits against the insolvency state (créditos contra la masa) and privileged credits (créditos privilegiados) which shall be paid in full before*

*ordinary credits. The claims of all creditors considered as ordinary credits against the Guarantor will be satisfied pro rata in insolvency. Ordinary credits will rank above subordinated credits.*

#### **4. DEFINITIONS**

In these Terms and Conditions of the Notes the following terms shall have the following meanings.

*The meaning of some of these terms may depend on whether the Series relates to Equity Linked Notes, Index Linked Notes or Fund Linked Notes.*

**Agent:** Each of the Principal Paying Agent, the Registrar, a Paying Agent, a Transfer Agent, a Calculation Agent, a Delivery Agent, an Index Agent and any other person appointed as an agent under the Agency Agreement.

**Business Day:** A day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the TARGET2 System) is open.

**Calculation Agent:** Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.

**Capital Markets Indebtedness** Any loan or other indebtedness of any person (other than Project Finance Indebtedness) which is in the form of or represented by any bonds, notes, depositary receipts or other securities for the time being quoted or listed, with the agreement of the Issuer and/or the Guarantor, on any stock exchange.

**Closing Level:** The official closing level of the Index as determined by its Sponsor and published on the relevant Screen Page.

**Closing Price:** In relation to each Underlying Security, the price per Underlying Security on the Exchange as of the close of trading on such Exchange as determined by the Calculation Agent,

provided that if such price of the Underlying Security is not so quoted on that day, other than by reason of a Market Disruption Event, the Closing Price shall be equal to an estimate of the closing price of the Underlying Security on such date as determined by the Calculation Agent, in its sole and absolute discretion, by reference to such factors and source(s) as it shall determine to be appropriate.

<b>Company:</b>	The issuer(s) of the Underlying Securities specified as such in the applicable Final Terms.
<b>Conversion Obligation:</b>	In respect of any Series, the obligation of the Issuer, as specified in the applicable Final Terms, to redeem the Notes either by delivery of the Underlying Securities by the Issuer to the Noteholders or by payment of the Equity Linked Redemption Amount, all in accordance with and subject to the provisions of these Terms and Conditions.
<b>Conversion Right:</b>	In respect of any Series, the right of the Noteholders, as specified in the applicable Final Terms, to have any Notes redeemed either by delivery of the Underlying Securities or by payment of the Equity Linked Redemption Amount, all in accordance with and subject to the provisions of these Terms and Conditions.
<b>De-listing</b>	In respect of any relevant Underlying Securities, the relevant Exchange announces that pursuant to the rules of such Exchange, such Underlying Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).
<b>Delivery Agent:</b>	Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.
<b>Determination Period:</b>	Each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).
<b>Disruption Cash Settlement Price:</b>	In respect of each Note an amount calculated in accordance with the applicable Final Terms.
<b>Distribution Period:</b>	<b>Compliance</b> The period that ends 40 days after the completion of the distribution of each Tranche of Notes in realiance upon Regulation S under the American Securities Act of 1933, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated

issue);

<b>Early Redemption Amount:</b>	An amount equal to the market value of the Notes on the date of redemption, adjusted to account for any losses, expenses and costs to the Issuer, or any of its Affiliates, of unwinding any underlying or related hedging and funding arrangements, including, without limitation, equity options, all as determined by the Calculation Agent in its sole and absolute discretion.
<b>Equity Linked Note:</b>	Notes, in respect of which payments will be calculated by reference to the Underlying Security or Securities as specified in the applicable Final Terms.
<b>Equity Linked Redemption Amount:</b>	An amount calculated for each Series in accordance with the applicable Final Terms.
<b>Exchange:</b>	An exchange or quotation system (as specified in the applicable Final Terms or notified from time to time to Noteholders in accordance with Condition 15), if any, on which the Underlying Securities, the Index or Indices, as the case may be, are traded or quoted, and as may be selected from time to time by the Calculation Agent.
<b>Exchange Business Day:</b>	A day that is, or, but for the occurrence of a Market Disruption Event, would have been, a trading day on the Exchange with respect to an Underlying Security other than a day on which trading on any such Exchange is scheduled to close prior to its regular weekday closing time.

**Extraordinary Event:**

The occurrence on or prior to any Valuation Date of any of the following events shall be considered an Extraordinary Event:

- (a) the Underlying Securities are reclassified or changed (other than a change in par value, if any, as a result of a subdivision or combination);
- (b) the Company consolidates, amalgamates or merges with or into another entity (other than a consolidation, amalgamation or merger following which the issuer is the surviving entity);
- (c) the Underlying Securities are the subject of a Takeover;
- (d) Nationalisation;
- (e) by reason of the bankruptcy or insolvency (or other analogous event) of the Company (i) all such Underlying Securities are required to be transferred to any trustee, liquidator or similar official or (ii) holders of such Underlying Securities become legally prohibited from transferring them;
- (f) the Underlying Securities are exchanged in whole for replacement assets, where the Calculation Agent shall, in its sole and absolute discretion, conclude that the consequence of such replacement is not to alter materially the economic equivalent of the rights of the Noteholders pursuant to the Notes immediately prior to such event; or
- (g) the Underlying Securities are redeemed in whole prior to their scheduled Maturity Date (if applicable) or otherwise cease to exist for any reason prior to any such date, unless the Calculation Agent shall, in its sole and absolute discretion, conclude that there is outstanding at such time, an alternative debt security or obligation of the Company (**Alternative Securities**) which, if substituted for the Underlying Securities, would materially preserve the economic equivalent of the rights of the Noteholders pursuant to the Notes immediately prior to such event, in which event references in these Conditions to the Underlying Securities shall be deemed to refer instead to the Alternative Securities.

**Final Value:**

The value of the Underlying Securities, the Index, the Indices, the Underlying Fund or the basket of Underlying Securities, Indices or Underlying Funds, as the case may be, on the Final Valuation Date.

**Final Valuation Date:**

The date specified as such in the applicable Final Terms in

	respect of Equity Linked Notes, Index Linked Notes or Fund Linked Notes.
<b>Fund Administrator:</b>	The administrator of the Underlying Fund responsible for calculating and publishing the Net Asset Value of the Fund units as specified in the applicable Final Terms
<b>Fund Adviser or Fund Manager:</b>	The investment adviser or investment manager of the Underlying Fund as specified in the applicable Final Terms.
<b>Fund Linked Note:</b>	Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) will be calculated by reference to a particular fund or funds including but not limited to hedge funds or exchange traded funds.
<b>Fund Linked Redemption Amount:</b>	An amount calculated for each Series in accordance with the applicable Final Terms.
<b>Fund Units:</b>	A share(s) or unit(s) of the Underlying Fund.
<b>Index or Indices:</b>	The index or indices specified as such in the applicable Final Terms.
<b>Index Agent:</b>	Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.
<b>Index Business Day:</b>	A day that is, or, but for the occurrence of a Market Disruption Event, would have been, a trading day on each of the Exchanges with respect to the Index or the Indices, other than a day on which trading on any such Exchange is scheduled to close prior to its regular weekday closing time.
<b>Index Level:</b>	The intra-day level of the Index or Indices as specified by the relevant Sponsor(s).
<b>Index Linked Interest Note:</b>	A Note in respect of which the amount in respect of interest payable is calculated by reference to an Index and/or Indices and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the applicable Final Terms.
<b>Index Linked Note:</b>	An Index Linked Interest Note and/or an Index Linked Redemption Note.
<b>Index Linked Redemption Amount:</b>	An amount calculated for each Series in accordance with the applicable Final Terms.
<b>Index Linked Redemption Note:</b>	A Note in respect of which the amount in respect of principal payable is calculated by reference to an Index and/or Indices and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the applicable Final Terms.
<b>Initial Valuation Date:</b>	The date or dates specified as such in the applicable Final



Terms or the schedule thereto in respect of Equity Linked Notes, Index Linked Notes or Fund Linked Notes.

<b>Initial Value:</b>	The value of the Underlying Securities, the Index, the Indices, the Underlying Fund or the basket of Underlying Securities, Indices or Underlying Funds, as the case may be, on the Initial Valuation Date as specified in the applicable Final Terms or the schedule thereto.
<b>Insolvency:</b>	In respect of any Series relating to one or more classes of Underlying Securities of any Company or Companies, the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting any such Company.
<b>Insolvency Law:</b>	Law 22/2003 of 9 <sup>th</sup> July, 2004 of the Kingdom of Spain, as amended from time to time.
<b>Issue Date:</b>	The date of issue of the Notes as specified in the applicable Final Terms.
<b>Issue Price:</b>	The issue price of the Notes as specified in the applicable Final Terms.
<b>Knock-in Level or Knock-out Level:</b>	A percentage of the value of the Index, Indices or the basket of Indices on the Initial Valuation Date as specified in the applicable Final Terms or the schedule thereto.
<b>Knock-in Price or Knock-out Price:</b>	A percentage of the value of the Underlying Securities or the basket of Underlying Securities on the Initial Valuation Date as specified in the applicable Final Terms or the schedule thereto.
<b>Market Disruption Event (for Equity Linked Notes):</b>	<p>The occurrence or existence on the Valuation Date during the two hour period prior to the close of trading (or such other time as may be specified in the applicable Final Terms) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by such Exchange(s) or otherwise) on: (a) the Exchange(s) for securities generally, or for the Underlying Securities; or (b) the Option Exchange for the Underlying Securities or options or futures on securities generally, if, in the determination of the Calculation Agent, such suspension or limitation is material.</p> <p>For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any Exchange or any Option Exchange.</p>

**Market Disruption Event (for Index Linked Notes):**

The occurrence or existence on any Index Business Day during the two hour period prior to the close of trading (or such other time as may be specified in the applicable Final Terms) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchange(s) or otherwise) on: (a) the Exchange(s) of securities/commodities that comprise 20% or more of the level of the Index or one of the Indices; or (b) any Option Exchange of options contracts or future contracts on the Index or one of the Indices, if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from a published change in the regular business hours of any Exchange or any Option Exchange.

For the purpose of determining whether a Market Disruption Event exists at any time, if trading in a security/commodity included in the Index or one of the Indices is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of the Index or one of the Indices shall be based on a comparison of (a) the portion of the level of the (relevant) Index attributable to that security/commodity relative to (b) the overall level of the (relevant) Index, in each case immediately before that suspension or limitation.

**Market Disruption Event (for Fund Linked Notes):**

The occurrence or existence on the Valuation Date during the two hour period prior to the close of trading (or such other time as may be specified in the applicable Final Terms) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by such Exchange(s) or otherwise) on the Exchange(s) for securities generally, or for the Underlying Fund if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any Exchange.

**Maturity Date:**

The date of maturity of the Notes as specified in the applicable Final Terms.

**Merger Event:**

In respect of any relevant Underlying Securities, any (i) reclassification or change of such Underlying Securities that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding

share exchange of the issuer of the Underlying Securities with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such issuer of the Underlying Securities is the continuing entity and which does not result in a reclassification or change of all of such Underlying Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Securities of the issuer of the Underlying Securities that results in a transfer of or an irrevocable commitment to transfer all such Underlying Securities (other than such Underlying Securities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Issuer of the Underlying Securities or its subsidiaries, as the case may be, with or into another entity in which the issuer of the Underlying Securities is the continuing entity and which does not result in a reclassification or change of all such Underlying Securities outstanding but results in the outstanding Underlying Securities (other than Underlying Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Securities immediately following such event, in each case if the Merger Date is on or before, the relevant Maturity Date in the case of Physical Delivery Notes.

<b>Nationalisation:</b>	In respect of any Series the event in which all assets or substantially all assets of a Company or the Underlying Securities of such a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.
<b>NAV or Net Asset Value:</b>	The value of the Fund Units as calculated by the Fund Administrator in accordance with the Offering Memorandum.
<b>Observation Period:</b>	The period from and including the Initial Valuation Date until and including the Final Valuation Date.
<b>Offering Memorandum:</b>	The offering document of the Underlying Fund, as amended and updated from time to time.
<b>Opening Level:</b>	The official opening level of the Index as specified by its Sponsor.
<b>Opening Price:</b>	The official opening price of the Underlying Securities on the Exchange.
<b>Option Exchange:</b>	An exchange or quotation system, as specified in the applicable Final Terms or notified from time to time to Noteholders in accordance with Condition 15, if any, on which option contracts or future contracts on the Underlying Securities or the Index in case of Index Linked Notes, are traded or quoted and as may be

selected from time to time by the Calculation Agent.

<b>Optional Redemption Amount:</b>	An amount calculated in accordance with the applicable Final Terms.
<b>Optional Redemption Date:</b>	If declared applicable in the applicable Final Terms, the date designated and notified by the Issuer to the Noteholders (in the event Call Option is applicable) or by the Noteholders to the Issuer (in the event Put Option is declared applicable), or in the event Redemption Obligation is applicable, the date as specified in the applicable Final Terms, as being the Optional Redemption Date.
<b>Parity:</b>	The number of Underlying Securities per Specified Denomination calculated by dividing the Specified Denomination by the Initial Value.
<b>Paying Agent:</b>	The Principal Paying Agent and Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.
<b>Principal Paying Agent:</b>	Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.
<b>Principal Protected:</b>	In respect of a Series to which Principal Protected has been declared applicable in the applicable Final Terms that the Final Redemption Amount for a Note will never be less than the nominal amount of such Note.
<b>Project Finance Indebtedness:</b>	Any present or future indebtedness incurred to finance the ownership, acquisition, development and/or operation of an asset, whether or not an asset of the Issuer or the Guarantor, in respect of which the person or persons to whom any such indebtedness is or may be owed by the relevant borrower (whether or not the Issuer or the Guarantor) is entitled to have recourse solely to such asset and revenues generated by the operation of, or loss or damage to, such asset.
<b>Protection Amount:</b>	In respect of a Series to which a Protection Amount has been declared applicable in the applicable Final Terms that the Final Redemption Amount will never be less than the specified percentage of the nominal amount of such Note.
<b>Reference Banks:</b>	In the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Principal Paying Agent or as specified in the applicable Final Terms.
<b>Registrar:</b>	Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.

<b>Reverse Conversion Right:</b>	The right of the Issuer, as specified in the applicable Final Terms, to redeem any Notes either by delivery of Underlying Securities or by payment of the Equity Linked Redemption Amount, all in accordance with and subject to the provisions of these Terms and Conditions.
<b>Reverse Exchangeable Notes:</b>	Those Equity Linked Notes in respect of which the applicable Final Terms has specified that a Reverse Conversion Right is applicable.
<b>Screen Page:</b>	In respect of an Initial Value, when used in connection with any page designated in the applicable Final Terms, the display page so designated on Bloomberg and/or Reuters, the provider of financial information (or such other Bloomberg and/or Reuters page as may replace that page for the purpose of displaying rates or prices comparable to such Initial Value).
<b>Settlement Date:</b>	In the event of redemption of the Notes of a Series by delivery of the Underlying Securities, such Business Day as agreed by the Calculation Agent, being on or as soon as practicable after the earlier of the Optional Redemption Date or the Maturity Date subject to amendment in the manner provided in Condition 6.3.
<b>Settlement Disruption Event:</b>	In respect of any Series: (a) an event beyond the control of the Issuer as a result of which, in the opinion of the Calculation Agent, delivery of (one of) the Underlying Securities by or on behalf of the Issuer, in accordance with these Conditions is not reasonably practicable; or (b) the existence of any prohibition or material restriction imposed by applicable law (or by order, decree or regulation of any governmental entity, stock exchange or self-regulating body having jurisdiction), including prohibitions or restrictions resulting from action taken or not taken by the Issuer and/or any of its Affiliates on the ability of the Issuer or any of its Affiliates engaged in hedging transactions relating to the Underlying Securities to transfer the Underlying Securities or of a particular class of Underlying Securities.
<b>Spanish Paying Agent:</b>	Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.
<b>Specified Denomination or SD:</b>	The denomination of the Notes as specified in the applicable Final Terms.
<b>Specified Currency:</b>	The currency of the Notes as specified in the applicable Final Terms.
<b>Sponsor:</b>	The party specified as such in the applicable Final Terms.
<b>Sub-unit:</b>	With respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country

of such currency and, with respect to euro, means one cent.

<b>Takeover:</b>	In relation to any Underlying Securities means any acquisition or offer as a result of which a person acquires or offers to acquire, whether by a series of transactions over a period of time or not, shares or interests, of any size, in shares which (either alone or taken together with shares or interests in shares held or acquired by persons acting in concert with such person) amount to 50% or more of the nominal value of the outstanding share capital of the issuer of the relevant Underlying Securities.
<b>Tender Offer:</b>	A takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Issuer of the Underlying Securities as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.
<b>Transfer Agent:</b>	The Registrar and Banco Bilbao Vizcaya Argentaria, S.A. or, if different, as specified in the applicable Final Terms.
<b>Treaty:</b>	The Treaty establishing the European Community, as amended.
<b>Underlying Securities:</b>	The securities or different classes of securities specified as such in the applicable Final Terms.
<b>Underlying Fund:</b>	The investment fund, mutual fund or hedge fund specified as such in the applicable Final Terms.
<b>Valuation Date:</b>	Each valuation date in respect of Equity Linked Notes, Index Linked Notes or Fund Linked Notes as specified in the applicable Final Terms or the schedule thereto.
<b>Weight:</b>	The weight of each Underlying Security or Index in the basket as specified in the applicable Final Terms or the schedule thereto.

## **5. INTEREST**

### **5.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest

Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note or which are Book-Entry Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or Book-Entry Notes (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amounts (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

- (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (i) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
  - (ii) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

## 5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

### (a) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.



(b) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (A), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) (the **Specified Time**) on the Interest Determination Date in question, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) (above), no offered quotation appears or, in the case of (B) (above), fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with

the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) *Determination of Rate of Interest and calculation of Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent and the Issuer of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. If Market Disruption Event is specified as applicable in the Final Terms, the Final Terms shall specify the relevant fall-back provisions for the calculation of the Rate of Interest applying on the occurrence of a Market Disruption Event with respect to the Index Linked Interest Notes.

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Notes, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes (as the case may be) for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note or which are Book-Entry Notes, the aggregate outstanding nominal amount of the Notes represented by such Global Note or Book-Entry Notes (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amounts (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (a) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (c) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (d) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (e) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (f) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (g) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent or, if applicable the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth Madrid Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **Madrid Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Madrid.

(f) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receipholders

and Couponholders and (in the absence) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **5.3 Interest on Equity and Fund Linked Notes**

The rate or amount of interest payable in respect of Equity Linked Interest Notes and Fund Linked Interest Notes, if any, shall be determined in the manner specified in the applicable Final Terms and payable on the dates specified therein. If a Market Disruption Event is specified as applicable in the Final Terms, the Final Terms shall specify the relevant fall-back provisions for the calculation of the Rate of Interest applying on the occurrence of a Market Disruption Event with respect to Equity Linked Interest Notes or Fund Linked Interest Notes (as the case may be).

### **5.4 Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

### **5.5 Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15.

## **6. CONVERSION RIGHTS**

### **6.1 Reverse Conversion Right**

If Reverse Conversion Right is specified in the applicable Final Terms, the Issuer may, (in accordance with the Final Terms) with respect to all, but not part, of the Notes of a Series, convert the Notes of such Series (a) into the Underlying Securities (in the case of Equity Linked Notes) or (b) into payment of the Equity Linked Redemption Amount or the Index Linked Redemption Amount (as the case may be). If the Issuer elects to exercise the Reverse Conversion Right, the Issuer may (at its own option) either (a) deliver such number of the Underlying Securities (fractions being settled in cash) as determined pursuant to the relevant Pricing Settlement of the relevant class or classes and pay accrued interest or (b) pay the Equity Linked Redemption Amount or Index Linked Redemption Amount (as the case may be) and accrued interest, provided that in the event the Noteholders are entitled to the Protection Amount the Notes will be redeemed by payment of at least the Protection Amount.

### **6.2 Conversion Right**

If Conversion Right is specified in the Final Terms, the Noteholders (or each Noteholder specified) may elect that (in accordance with the Final Terms) all but not part of the Equity Linked Notes of a

Series such Noteholder holds, shall be converted into Underlying Securities. At redemption, the Issuer will pay the nominal value of the Note together with accrued interest unless the Noteholders are entitled to, and exercise the Conversion Right in which event the Noteholder may elect that the Issuer must, as specified in the applicable Final Terms, either (a) deliver such number of the Underlying Securities (fractions being settled in cash) (only in the case of Equity Linked Notes) as determined pursuant to the applicable Final Terms of the relevant class or classes and pay accrued interest or (b) pay the Equity Linked Redemption Amount or Index Linked Redemption Amount (as the case may be) and accrued interest.

Redemption by delivery of Underlying Securities in the event of an exercise of a Conversion Right by the Noteholders shall not be an option if in respect of a Series, a Protection Amount has been declared applicable in the applicable Final Terms.

### **6.3 General conversion provisions**

All expenses including but not limited to any depository charges, levies, scrip fees, registration, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or taxes or duties (together **Delivery Expenses**) arising from the exercise of the Reverse Conversion Right or the Conversion Right and/or delivery and/or transfer of Underlying Securities in respect of a Note shall be for the account of the relevant Noteholder and no delivery and/or transfer of Underlying Securities in respect of a Note shall be made until all Delivery Expenses have been discharged to the satisfaction of the Issuer by the relevant Noteholder.

None of the Issuer or the Principal Paying Agent shall be under any obligation to register or procure the registration of the relevant Noteholder, prior to, or after any conversion or any other person as the shareholder in any register of shareholders of any Company or otherwise.

If, in the opinion of the Delivery Agent, delivery of Underlying Securities pursuant to the exercise of the Reverse Conversion Right or the Conversion Right for any Series is not practicable by reason of a Settlement Disruption Event having occurred and continuing on the Settlement Date, then the Settlement Date shall be postponed to the first following Business Day in respect of which there is no Settlement Disruption Event, and notice thereof shall be given to the relevant Noteholder in accordance with Condition 15. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note in the event of any delay in the delivery of the Underlying Securities pursuant to this paragraph, and no liability in respect thereof shall attach to the Issuer. For the avoidance of doubt any such postponement shall not constitute a default by the Issuer. For so long as delivery of the Underlying Securities in respect of any Note is not practicable by reason of a Settlement Disruption Event, then instead of physical settlement and notwithstanding any other provision hereof or any postponement of the Settlement Date, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the **Election Notice**) is given to the Noteholders in accordance with Condition 15. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 15.

## **7. PAYMENTS**

### **7.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of

the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

## **7.2 Presentation of definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent. Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmaturing Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmaturing Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which, the amount of any missing unmaturing Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmaturing Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter).

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmaturing Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmaturing Coupons and Talons



(if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

### 7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

### 7.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant payment date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant payment date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant payment date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of

the Registrar not less than three business days in the city where the specified office of the Registrar is located before the payment date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the payment date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the payment date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Guarantor or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### **7.5 Payments in respect of Book-Entry Notes**

Payments in respect of the Book-Entry Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Noteholder maintained by or on behalf of it with a bank that processes payments in the currency in which the payment is due, details of which appear in the records of Iberclear, the relevant Iberclear Member or the Book-Entry Depositary, as the case may be, at the close of business on the Business Day on which the payment of principal and/or interest, as the case may be, falls due. Noteholders must rely on the procedures of Iberclear, the relevant Iberclear member or the Book-Entry Depositary, as the case may be, to receive payments under the relevant Book-Entry Notes. None of the Issuer, the Guarantor, any Agent or any of the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Book-Entry Notes.

All payment in respect of the Book-Entry Notes are subject in all case to any applicable fiscal or other laws and regulations in the place of payment, without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

#### **7.6 General provisions applicable to payments on Certificated Notes**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note. No person other than the holder of the relevant Global Note shall have any claim against the Issuer or the Guarantor in respect of any payments due in respect of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

## **7.7 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) the relevant place of presentation;
  - (ii) each Additional Financial Centre specified in the applicable Final Terms;
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open;

## **7.8 Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 9;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;

- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.7); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

## **8. REDEMPTION AND PURCHASE**

### **8.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note, each Dual Currency Redemption Note and any other Structured Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency; or by delivery of the relevant Underlying Securities or the payment of the Equity Linked Redemption Amount or Index Linked Redemption Amount on the Maturity Date.

### **8.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note) on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of Spain (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer or, as the case may be, the Guarantor shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer (or if at the time that such certification is to be given the Issuer has only one Director, such certificate may be signed by such Director) or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the

case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **8.3 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given (unless otherwise specified in the applicable Final Terms):

- (a) not less than five nor more than 30 days' notice to the Noteholders in accordance with Condition 15 or such lesser period specified in the applicable Final Terms; and
- (b) not less than seven days before the giving of the notice referred to in (i), notice to the relevant Principal Paying Agent appointed in each issue and, in the case of a redemption of Registered Notes, the Registrar or such lesser period specified in the applicable Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the event of a redemption of some only of the Notes such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot in accordance with applicable Spanish law requirements, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, or in the case of Redeemed Notes that are represented by Book-Entry Notes, the rules of Iberclear or the Book-Entry Depositary (as the case may be), not more than 30 days prior to the date fixed for redemption (or such lesser period specified in the applicable Final Terms) (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption (or such lesser period specified in the applicable Final Terms). No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

In the case of Redeemed Notes represented by Book-Entry Notes, a list of the ISIN codes of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 day's prior to the date fixed for redemption (or such lesser period as may be specified in the applicable Final Terms).

#### **8.4 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice (or such lesser period specified in the applicable Final Terms) (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem in whole but not in part, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms. To exercise the right to require redemption of this Note the holder of this Note must if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg deliver at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed. If the Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time, and, if this Note is a Bearer Note represented by a global Note, at the same time present or procure the presentation of the relevant global Note to the Principal Paying Agent for notation accordingly. If the Note is represented by a Book-Entry Note held through Iberclear, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Iberclear (which may include notice being given on his instruction by Iberclear, or any Iberclear member to the Principal Paying Agent by electronic means) in a form acceptable to Iberclear from time to time. In the case of a Book-Entry Note held through a Book-Entry Depositary, to exercise the right to require redemption of the Note, the holder of the Note must within the notice period, give notice to the Principal Paying Agent and the Spanish Paying Agent in accordance with the procedures agreed with such Book-Entry Depositary.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, and/or Clearstream Luxembourg and/or Iberclear given by a holder of any Note pursuant to this Condition 8.4 shall be irrevocable except where prior to the due date of redemption an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such Note forthwith due and payable pursuant to Condition 11.

## **8.5 Delivery of Underlying Securities**

- (a) In the case of redemption of a Series of Notes by way of delivery of Underlying Securities, the Issuer will transfer, or procure the delivery by the Delivery Agent of, the number of Underlying Securities to or to the order of the Noteholder (as notified by the Noteholder in accordance with Condition 15). The Underlying Securities will be credited to a securities account as notified by the Noteholder to the Issuer on or before the Settlement Date which account forms part of the clearing systems of Euroclear or Clearstream or such other system as specified in the applicable Final Terms. The applicable Final Terms will specify into which systems the Underlying Securities may be transferred. No Noteholder will be entitled to receive dividends declared or paid in respect of the Underlying Securities to which such Note gives entitlement or to any other rights relating to or arising out of such Underlying Securities if the date on which the Underlying Securities are quoted ex-dividend or ex-the relevant right falls before the date on which the Underlying Securities are credited into the securities account of the Noteholder.
- (b) Notes to be redeemed in accordance with this condition to the same Noteholder will be aggregated for the purpose of determining the Underlying Securities to which such Notes give entitlement (and, for the avoidance of doubt, in the case of a basket per particular class of Underlying Securities comprised in that basket). The Noteholders will not be entitled to any interest or other payment or compensation if and to the extent that the delivery of the Underlying Securities will take place after the earlier of the Optional Redemption Date or the Maturity Date. The number of Underlying Securities calculated on the basis of the prevailing formula in the applicable Final Terms will, to the extent they form a whole number, be transferred to the Noteholder. Entitlement to the remaining fractions of Underlying Securities will be settled by payment of those fractions in cash rounded off to two decimals, calculated by the Calculation Agent on the basis of the price of the Underlying Securities quoted on the relevant Related Exchange at the closing on the Valuation Date and, to the extent necessary, converted into euro at the Calculation Agent's spot rate of exchange prevailing on such day.

## **8.6 Redemption of Equity Linked Notes following Nationalisation or Insolvency**

On the occurrence of any of the events described in paragraph (d) and (e) in the definition of **Extraordinary Event**, the Issuer may, having given:

- (a) not less than five days' notice to the Noteholders in accordance with Condition 15; and
- (b) not less than seven days before the giving of the notice referred to in (a), notice to the Principal Paying Agent,

redeem all, but not some only, of the Notes then outstanding on the date specified in the notice referred to in (a) above at the Early Redemption Amount together with, unless otherwise specified in the applicable Final Terms, an amount in respect of interest (if any) accrued on such Notes from and including the immediately preceding Interest Payment Date or, if none, the Interest Commencement Date to and including the date of redemption.

## **8.7 Early Redemption Amounts**

For the purpose of Condition 8.2 above and Condition 11, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms; or

- (d) in the case of a Note where Early Redemption Amount (Structured) is specified in the applicable Final Terms, an amount equal to the market value of the Notes on the date of redemption, adjusted to account for any losses, expenses and costs to the Issuer, or any of its Affiliates, of unwinding any underlying or related hedging and funding arrangements, including, without limitation, equity options, all as determined by the Calculation Agent in its sole and absolute discretion.

## 8.8 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.7 above.

## 8.9 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

## 8.10 Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Senior Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Senior Notes purchased as aforesaid may, at the option of the Guarantor, be held, reissued, resold or surrendered to any Paying Agent and/or the Registrar for cancellation except that all Senior Notes purchased by the Issuer must be surrendered for cancellation.



### **8.11 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.10 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

### **8.12 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.7(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 15.

### **8.13 Occurrence of a Market Disruption Event**

If Market Disruption Event is specified as applicable in the Final Terms, the Final Terms shall specify the relevant fall-back provisions with respect to determining the Redemption Amount following the occurrence of a Market Disruption Event.

## **9. TAXATION**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision or authority thereof or therein having the power to tax (Spain) unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with Spain other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 7.7); or

- (c) presented for payment by or on behalf of a holder in respect of whom the Issuer or the Guarantor (or the Principal Paying Agent on its behalf) has not received all details concerning such holder's identity and tax residence as it requires in order to comply with Spanish Law 13/1985, of 25<sup>th</sup> May as amended by Law 19/2003 of 4<sup>th</sup> July, 2003 and Law 23/2005 of 18 November 2005 and Royal Decree 1065/2007 of 27<sup>th</sup> July, 2007; no later than 10.00 a.m. (CET) on the second Business Day prior to the 10th calendar day of the month following the relevant Interest Payment Date (the **Quick Refund Deadline**), (or if such date is not a day on which commercial banks are open for general business in Spain, the immediately preceding such date); or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (f) presented for payment by or on behalf of a Spanish legal entity subject to Spanish Corporate Income Tax or by an individual or legal entity non resident in Spain, subject to Spanish Non-Resident Income Tax, operating in Spain through a permanent establishment to which the Notes are assigned, if the Spanish Tax Authorities determine that the Notes do not comply with the exemption requirements specified in Sections 59 q) and s) of the Royal Decree 1777/2004 of 30<sup>th</sup> July, 2004 approving the Corporate Income Tax Regulations in the way that such requirements have been interpreted by the reply to the consultation of the Directorate General for Taxation on 20<sup>th</sup> July, 2004 or if they change the interpretation held in the before mentioned reply and require a withholding to be made.

In these Conditions, the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

See *"Taxation – Disclosure of Noteholder Information in connection with Interest Payments"* for a fuller description of certain tax considerations (particularly in relation to holders which are resident in Spain) relating to the Notes, the formalities which holders must follow in order to claim exemption from withholding tax and for a description of certain disclosure requirements imposed on the Guarantor relating to the identity and tax residence of holders of Notes. Holders should note that if certain required information is not supplied in a timely fashion, they will not receive the full amount of interest due but may be entitled to obtain a refund of amounts withheld. See *"Taxation"*.

## 10. PRESCRIPTION

Claims for payment in respect of Notes (whether in bearer, registered or book-entry form), Receipts and Coupons will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

## 11. EVENTS OF DEFAULT

If any of the following events (each an **Event of Default**) shall have occurred and be continuing:

- (a) a default is made for more than 14 days in the payment of any principal due in respect of any of the Notes or 21 days or more in the payment of any interest due in respect of any of the Notes; or
- (b) a default is made in the performance by the Issuer or the Guarantor of any other obligation under the provisions of the Notes or under the provisions of the Guarantee relating to the Notes and such default continues for more than 30 days following service by a Noteholder on the Issuer and the Guarantor of a notice requiring the same to be remedied; or
- (c) any Capital Markets Indebtedness of the Issuer or the Guarantor where the principal amount of such indebtedness is in any case in excess of U.S.\$50,000,000 or its equivalent in another currency or other currencies or any guarantee by the Issuer or the Guarantor of any Capital Markets Indebtedness of any other person is not (in the case of Capital Markets Indebtedness) paid when due (after whichever is the longer of 30 days after the due date and any applicable grace period therefor) or becomes prematurely due and repayable following a default on the part of, or an event of default with reference to, the Issuer or the Guarantor, or (in the case of a guarantee) honoured when called upon (after whichever is the longer of 30 days after the due date and any applicable grace period therefor); or
- (d) an order of any competent court or administrative agency is made or any resolution is passed by the Issuer for the winding-up or dissolution of the Issuer (other than for the purpose of an amalgamation, merger or reconstruction approved by the Syndicate of Noteholders); or
- (e) an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against the Guarantor or an order is made or a resolution is passed for the dissolution or winding-up of the Guarantor (except (i) in any such case for the purpose of a reconstruction or a merger or amalgamation which has been previously approved by the Syndicate of Noteholders or (ii) where the entity resulting from any such reconstruction or merger or amalgamation is a Financial Institution (*entidad de crédito*) according to Royal Legislative Decree (*Real Decreto Legislativo*) 1298/1986 of 28<sup>th</sup> June, as amended and restated) and will have a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investors Services or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation); or
- (f) the Issuer or the Guarantor is adjudicated or found bankrupt or insolvent, or any order of any competent court or administrative agency is made for, or any resolution is passed by the Issuer or the Guarantor to apply for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or the Guarantor or of a substantial part of the assets of either of them (unless, in the case of an order for a temporary appointment, such appointment is discharged within 30 days); or
- (g) the Issuer or the Guarantor stops payment of its debts generally; or
- (h) the Issuer (except for the purpose of an amalgamation, merger or reconstruction approved by the Syndicate of Noteholders) or the Guarantor (except (i) for the purpose of an amalgamation, merger or reconstruction approved by the Syndicate of Noteholders or (ii) where the entity resulting from any such reconstruction or merger or amalgamation will have

a rating for long-term senior debt assigned by Standard & Poor's Rating Services or Moody's Investor Services equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation) ceases or threatens to cease to carry on the whole or substantially the whole of its business; or

- (i) an encumbrancer takes possession of the whole or any substantial part of the assets or undertaking of the Issuer or the Guarantor or an application is made for the appointment of an administrative or other receiver, manager, administrator or similar official in relation to the Issuer or the Guarantor or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or the Guarantor, or a distress or execution is levied or enforced upon or sued out against any substantial part of the undertaking or assets of the Issuer or the Guarantor and is not discharged within 30 days; or
- (j) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect, then (i) the holder of any Note may declare such Note or (ii) the Representative, acting on the instructions of the Syndicate of Noteholders, may (if then permitted by applicable Spanish law) declare all the Notes, in each case by written notice to the Issuer at the specified office of the Principal Paying Agent or the Registrar, as the case may be, effective upon the date of receipt thereof by the Principal Paying Agent or the Registrar, as the case may be, (in the case of paragraph (d) and, in relation to the Issuer only, (f) and (g) above, only if then permitted by applicable Spanish Law) to be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount (as described in Condition 8.7), together with accrued interest (if any) to the date of repayment.

For the purpose of paragraphs (f), (h) and (i), a report by the auditors for the time being of the Issuer or the Guarantor, as the case may be, as to whether any part of the undertaking, business or assets of the Issuer or the Guarantor is "substantial" shall, in the absence of manifest error, be conclusive.

## **12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Certificated Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **13. AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent, a Spanish Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes and Book-Entry Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of such other stock exchange or other relevant authority; and

- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which an Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become a successor agent.

#### **14. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

#### **15. NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published in one leading daily newspaper of general circulation in the place of listing or in the manner specified in the applicable Final Terms. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or any other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding Book-Entry Notes may be given by delivery to the Noteholders by registered mail to the addresses appearing in the relevant registries maintained by Iberclear or, as the case may be, the relevant Iberclear Member or by any other means which comply with Spanish law and the rules applicable to the giving of notices to investors and, if the Book-Entry Notes are listed on AIAF, the rules of AIAF.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, and/or Iberclear be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or Iberclear for communication by them to the holders of the Notes except that for so long as any Notes are listed on a stock exchange or admitted to listing by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or Iberclear.

Copies of any notices given to Noteholders shall also be given in writing to the representative of Noteholders named in the applicable Final Terms.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the relevant Principal Paying Agent (in the case of Bearer Notes) or the relevant Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the relevant Principal Paying Agent or the relevant Registrar through Euroclear and/or Clearstream, Luxembourg and/or Iberclear, as the case may be, in such manner as the relevant Principal Paying Agent, the relevant Registrar and Euroclear and/or Clearstream, Luxembourg and/or Iberclear, as the case may be, may approve for this purpose.

## **16. MEETINGS OF NOTEHOLDERS**

By purchasing the Notes issued under this Programme, the holder hereof is deemed to have agreed to the appointment of the representative for the Series of which the Note forms part named in the applicable Final Terms (the **Representative** or **Comisario**) and to become a member of the syndicate of Noteholders (the **Syndicate**) of that Series.

The object of the Syndicate is to protect the legitimate interests of Noteholders as against the Issuer, in accordance with the applicable Spanish legislation. The address of the Syndicate is Paseo de la Castellana, 81, 28046 Madrid. The Syndicate shall exist until the Notes have been repaid and shall be automatically dissolved thereafter.

The Representative shall be the chairman and the legal representative of the Syndicate and shall take such action as it considers appropriate to protect the interests of the Noteholders.

The pro forma regulations of the Syndicate (the **Regulations**) are scheduled to the Agency Agreement.

## **17. MODIFICATION AND WAIVER**

The Principal Paying Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law in jurisdictions in which the Issuer or the Guarantor are incorporated, provided that where such modification is prejudicial to the interests of the Noteholders or is not solely of a formal, minor or technical nature the proposed modification, shall only be made following prior notification to the Noteholders, Receiptholders or Couponholders in accordance with Condition 15.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall, unless notified prior to the relevant modification, be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

## 18. SUBSTITUTION

### 18.1 Substitution of the Issuer

The Issuer may, without the consent of the Noteholders (and by subscribing any Notes, each Noteholder expressly consents to it), be replaced and substituted by the Guarantor or any other company of which 100% of the shares or other equity interests (as the case may be) carrying the right to vote are directly or indirectly owned by the Guarantor as principal debtor (in such capacity, the **Substituted Debtor**) in respect of the Notes provided that:

- (a) a deed poll and such other documents (if any) shall be executed by the Substituted Debtor, the Representative, the Issuer and (if the Substituted Debtor is not the Guarantor) the Guarantor as may be necessary to give full effect to the substitution (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement and the Deed of Covenant as fully as if the Substituted Debtor had been named in the Notes, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute) and (if the Substituted Debtor is not the Guarantor) pursuant to which the Guarantor shall unconditionally and irrevocably guarantee (the **New Guarantee**) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor on the same terms *mutatis mutandis* as the Senior Guarantee;
- (b) without prejudice to the generality of paragraph (a) above, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than Spain, the Documents shall contain a covenant by the Substituted Debtor and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 9 with the substitution for the references to Spain of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor to indemnify and hold harmless each Noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (c) the Documents shall contain a warranty and representation by the Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor that the Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor have obtained all necessary governmental and regulatory approvals and consents for such substitution and (if the Substituted Debtor is not the Guarantor) for the giving by the Guarantor of the New Guarantee in respect of the obligations of the Substituted Debtor on the same terms *mutatis mutandis* as the Senior Guarantee that each of the Substituted Debtor and the Guarantor (if the Substituted Debtor is not the Guarantor) has obtained all necessary governmental and regulatory approvals and consents for the performance by each of the Substituted Debtor and

the Guarantor (if the Substituted Debtor is not the Guarantor) of its obligations under the Documents and that all such approvals and consents are in full force and effect;

- (d) each stock exchange which has the Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor the Notes would continue to be listed on such stock exchange;
- (e) the Issuer shall have delivered or procured the delivery to the Representative, the relevant Paying Agent and the relevant Registrar of a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and the Guarantor from a leading firm of lawyers in the country of incorporation of the Substituted Debtor, to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion(s) to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified offices of the relevant Paying Agent and the relevant Registrar;
- (f) the Guarantor shall have delivered or procured the delivery to the Representative, the relevant Paying Agent and the relevant Registrar a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and the Guarantor from a leading firm of Spanish lawyers acting for the Guarantor to the effect that in the case where the Substituted Debtor is not the Guarantor, the Documents (including the New Guarantee given by the Guarantor in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the Guarantor, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified offices of the relevant Paying Agent and the relevant Registrar;
- (g) the Guarantor shall have delivered or procured the delivery to the Representative, the relevant Paying Agent and the relevant Registrar of a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and the Guarantor from a leading firm of English lawyers to the effect that the Documents (including the New Guarantee given by the Guarantor in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified offices of the relevant Paying Agent and the relevant Registrar;
- (h) the Substituted Debtor shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of, or in connection with, the Notes or the Documents;
- (i) there is no outstanding Event of Default in respect of the Notes;
- (j) any credit rating assigned to the Notes will remain the same or be improved when the Substituted Debtor replaces and substitutes the Issuer in respect of the Notes; and
- (k) the substitution complies with all applicable requirements established under Spanish law.

Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations in respect of the Notes.



The Documents shall be deposited with and held by the relevant Paying Agent and the relevant Registrar for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor or (if the Substituted Debtor is not the Guarantor) the Guarantor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor shall acknowledge in the Documents the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes or the Documents.

Not later than 15 London Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 15.

## 18.2 Substitution of the Guarantor

The Guarantor may, without the consent of the Noteholders (and by subscribing any Notes, each Noteholder expressly consents to it), be replaced and substituted by another company incorporated anywhere in the world as the guarantor (in such capacity, the **Substituted Guarantor**) in respect of the Notes provided that:

- (a) a deed poll and such other documents (if any) shall be executed by the Guarantor and the Substituted Guarantor as may be necessary to give full effect to the substitution (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Guarantor shall undertake in favour of each Noteholder to be bound by the Terms and Conditions of the Notes and the provisions of the relevant Agency Agreement (if any), and the Senior Guarantee as fully as if the Substituted Guarantor had been named in the Notes, the Agency Agreement and the Senior Guarantee as the guarantor in respect of the Notes in place of the Guarantor (or any previous substitute) and pursuant to which the Substituted Guarantor shall unconditionally and irrevocably guarantee (the **New Guarantee**) in favour of each Noteholder the payment of all sums payable by the Issuer as such principal debtor on the same terms *mutatis mutandis* as the Senior Guarantee;
- (b) the Documents shall also contain a covenant by the Substituted Guarantor to indemnify and hold harmless each Noteholder against all liabilities, costs, charges and expenses provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (c) the Documents shall contain a warranty and representation by the Substituted Guarantor that the Substituted Guarantor has obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Substituted Guarantor of the New Guarantee, that the Substituted Guarantor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substituted Guarantor of its obligations under the Documents and that all such approvals and consents are in full force and effect;

- (d) each stock exchange which has the Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Guarantor such Notes would continue to be listed on such stock exchange;
- (e) the Guarantor shall have delivered or procured the delivery to the Representative, the relevant Paying Agent and the relevant Registrar of a copy of a legal opinion addressed to the Guarantor, the Issuer and the Substituted Debtor from a leading firm of lawyers in the country of incorporation of the Substituted Guarantor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Guarantor, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Noteholders at the specified offices of the relevant Paying Agent and the relevant Registrar;
- (f) the Substituted Guarantor shall have delivered or procured the delivery to the Representative, the relevant Paying Agent and the relevant Registrar of a copy of a legal opinion addressed to the Guarantor, the Issuer and the Substituted Debtor from a leading firm of English lawyers to the effect that the Documents (including the New Guarantee given by the Substituted Guarantor) constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Noteholders at the specified offices of the relevant Paying Agent and the relevant Registrar;
- (g) the Substituted Guarantor shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of, or in connection with, the Notes or the Documents;
- (h) there is no outstanding Event of Default in respect of the Notes;
- (i) the Substituted Guarantor has ratings for long-term senior and subordinated debt assigned by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Inc. or Moody's Investors Service, Inc. which are the same as or higher than the credit rating for long-term senior and subordinated debt of the Guarantor or any previous Substituted Guarantor immediately prior to such substitution; and
- (j) the substitution complies with all applicable requirements established under Spanish law.

Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Guarantor shall be deemed to be named in the Notes as the guarantor in place of the Guarantor (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Guarantor (or such previous substitute as aforesaid) from all of its obligations in respect of the Notes and the Guarantees.

The Documents shall be deposited with and held by the relevant Paying Agent and the relevant Registrar for so long as any Note remains outstanding and for so long as any claim made against the Substituted Guarantor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Guarantor shall acknowledge in the Documents the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes or the Documents.

Not later than 15 London Business Days after the execution of the Documents, the Substituted Guarantor shall give notice thereof to the Noteholders in accordance with Condition 15.

## **19. FURTHER ISSUES**

If specified in the applicable Final Terms, the Issuer may from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders create and issue further Notes having the same terms and conditions as the Notes (or in all respects save for the amount and date of the first payment of interest thereon) so as to form a single Series with the outstanding Notes.

## **20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **21. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **21.1 Governing law**

- (a) The issue of the Book-Entry Notes, including their legal nature (*obligaciones*), the status of the Book-Entry Notes and the status of the Guarantee in respect of them (Condition 3), the capacity of the Issuer and of the Guarantor, the relevant corporate resolutions, the appointment of the Commissioner (Condition 16) and the constitution of the Syndicate of Holders of the Book-Entry Notes will be governed by Spanish law. Subject as provided above, the terms and conditions of the Book-Entry Notes, all related contractual documentation and any non-contractual obligations arising out of or in connection with the Book-Entry Notes and all related contractual documentation will be governed by, and shall be construed in accordance with, English law.
- (b) The Issue of the Certificated Notes, including their legal nature (*obligaciones*), the status of the Certificated Notes and the status of the Guarantee in respect of them (Condition 3), the capacity of the Issuer and of the Guarantor, the relevant corporate resolutions, the appointment of the Commissioner (Condition 16) and the constitution of the Syndicate of Holders of the Certificated Notes will be governed by Spanish law. Subject as provided above, the terms and conditions of the Certificated Notes, all related contractual documentation and any non-contractual obligations arising out of or in connection with the Certificated Notes and all related contractual documentation will be governed by, and shall be construed in accordance with, English law.

### **21.2 Submission to jurisdiction**

The Issuer agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of, or in connection with, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction.

### **21.3 Appointment of Process Agent**

The Issuer appoints the Guarantor at its registered office for the time being in England as its agent for the service of process, and undertakes that, in the event of the Guarantor ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for the service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other matter permitted by law.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will, in accordance with Law 19/2003 of 4<sup>th</sup> July, 2003 on foreign capital movements and financial transactions and on certain measures to prevent money laundering which amends Law 13/1985 of 25<sup>th</sup> May, 1985 on investment ratios, capital adequacy and information requirements for financial intermediaries, be deposited on a permanent basis with the Guarantor and will be used for the Group's general corporate purposes, which include making a profit. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL

*The information appearing below has been prepared in accordance with Annex IV (Minimum Disclosure Requirements for the Debt and Derivative Securities Registration Document (schedule)- (Debt and derivative securities with a denomination per unit of less than EUR 50,000)) of Commission Regulation (EC) No 809/2004.*

### Person Responsible

Mr. Juan Isusi Garteiz-Gogearcoa, of legal age, Spanish, resident in Madrid, with Spanish identity card number 44.679.846-T, acting in the name and on behalf of BBVA Senior Finance, S.A.Unipersonal (the Issuer), in his capacity as Director of the Issuer and by virtue of the powers of attorney granted on 26 May 2009, assumes responsibility for the information featured under this Base Prospectus.

Mr. Juan Isusi Garteiz-Gogearcoa, in her capacity as Director of the issuer, asserts that, having acted with reasonable diligence, to the best of her knowledge the information contained in this Base Prospectus is true to fact and does not incur any omission such as might affect its content.

### Incorporation

BBVA Senior Finance, S.A. Unipersonal (**BSF**) was incorporated on 29<sup>th</sup> October, 2004 for an unlimited duration with limited liability under Spanish law. BSF's registered office is at Gran Vía, 1, Bilbao, Spain, operating out of Paseo de la Castellana, 81, 28046, Madrid, Spain, telephone number 34 91 537 8195. BSF was registered at the Vizcaya Mercantile Registry (*Registro Mercantil de Vizcaya*) on 3rd November, 2004, Volume 4483, Book 0, Page BI-40.901, Inscription 1<sup>a</sup>.

### Business

The exclusive objects for which BSF was established are, pursuant to Article 2 of its Bylaws, "the issue of preference securities and/or other financial instruments including any type of debt instrument, for placement in domestic or international markets".

### Share Capital

BSF has an authorised share capital of EUR 60,102 divided into 10,017 ordinary shares of a nominal or par value of EUR 6.00 each. As of the date hereof, 10,017 ordinary shares with a par value of EUR 6.00 each had been issued and fully paid. BSF is a direct wholly-owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A. and does not have any subsidiaries of its own.

BSF is a finance company whose sole business is raising debt to be on-lent to Banco Bilbao Vizcaya Argentaria, S.A. and other members of the Group on an arm's length basis. BSF is accordingly dependent on Banco Bilbao Vizcaya Argentaria, S.A. and other members of the Group servicing these loans.

### Management

The Directors of BSF are as follows:

Name	Present Principal Occupation at BSF	Position Outside BSF
Pedro M <sup>a</sup> Urresti Laca	Director/President	Deputy Chief Financial Officer of BBVA

Juan Isusi Garteiz-Gogearcoa	Director	Institutional Funding Manager of BBVA
Ana Fernández Manrique	Director	Manager of Corporate Development Manager of BBVA
Juan Carlos García Pérez	Director	Manager of BBVA
Tomás Sánchez Zabala	Director	Manager of BBVA
Raul Moreno Carnero	Director	Manager of BBVA

The business address of the Directors of BSF is Castellana, 81, 28046 Madrid. There are no conflicts of interest between the private interests or other duties of the Directors listed above and their duties to BSF.

### **Corporate Governance**

BSF is in compliance with the Spanish corporate governance regime.

BSF communicated by letter sent to CNMV on 27<sup>th</sup> April 2009, the subscription to BBVA S.A. Corporate Governance regulation.

### **Audit Committee**

According with article 26 of the Bylaws of BSF currently in force and Law 44/2002, the functions of the Audit Committee of BSF are performed by the Audit Committee of BBVA due to the fact that BSF is a 100% subsidiary of BBVA and forms part of its consolidated group. For further information on the Audit Committee of BBVA, please see section “Description of BBVA”, subsection “Directors and Senior Management” below.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

*The information appearing below, under the heading “Status of the Notes and the Guarantee” and “Substitutions of the Guarantor” of the Terms and Conditions of The Notes and under the heading “Form of the Guarantee” of the Agency Agreement has been prepared in accordance with Annex VI- Minimum disclosure requirements for guarantees (Additional building block) of Commission Regulation (EC) No. 809/2004.*

### PERSON RESPONSIBLE

Mr. Pedro M<sup>a</sup> Urresti Laca, of legal age, Spanish, resident in Madrid, with Spanish identity card number 78.866.442-V, acting in the name and on behalf of Banco Bilbao Vizcaya Argentaria, S.A. (**BBVA** or the **Guarantor**), in his capacity as Deputy Chief Financial Officer of BBVA and by virtue of the powers of attorney granted on 27<sup>th</sup> April 2009, assumes responsibility for the information featured under the heading “*Description of Banco Bilbao Vizcaya Argentaria, S.A.*” in this Base Prospectus.

Mr. Pedro M<sup>a</sup> Urresti Laca, in his capacity as Deputy Chief Financial Officer of BBVA, asserts that, having acted with reasonable diligence, to the best of his knowledge the information contained under the heading “*Description of Banco Bilbao Vizcaya Argentaria, S.A.*” and the references made to the Guarantee and the Guarantor in this Base Prospectus is true to fact and does not incur any omission such as might affect its content.

### HISTORY AND DEVELOPMENT OF THE COMPANY

The terms BBVA and Group refer to Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated subsidiaries.

BBVA’s predecessor bank, BBV, was incorporated in Spain as a limited liability company (a *sociedad anónima* or “S.A.”) under the Spanish Corporations Law on 1st October, 1988. BBVA was formed as the result of a merger by absorption of Argentaria into BBV that was approved by the shareholders of each institution on 18<sup>th</sup> December, 1999 and registered on 28<sup>th</sup> January, 2000. It conducts its business under the commercial name “BBVA”. BBVA is registered with the Commercial Registry of Vizcaya (Spain). It has its registered office at Plaza de San Nicolás 4, Bilbao, Spain, 48005, telephone number +34-91-3746201. BBVA’s agent in the U.S. for U.S. federal securities law purposes is Raúl Santoro de Mattos Almeida (BBVA New York, 1345 Avenue of the Americas, 45th floor, New York, 10105, telephone number +1-212-728-1660). BBVA is incorporated for an unlimited term.

### Summary Financial Information

As at 31<sup>st</sup> December, 2008 BBVA’s consolidated total assets were €542.650 million and its consolidated net operating income for the year then ended was €6.151 million. Selected consolidated financial information relating to BBVA is included under “*Selected Financial Data*” and BBVA’s audited consolidated financial statements for each of the years ended 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 are incorporated by reference into this document but not this summary, see “*Documents incorporated by reference*”.

The following table sets audited financial information for the years ended 31<sup>st</sup> December, 2008, 2007, as well as financial information related to the 1<sup>o</sup> quarter 2009. These quarterly statements have not been audited. They have been drawn up according to Bank of Spain Circular 4/2004 together with the changes introduced therein by Bank of Spain Circular 6/2008.



	31-03-09	31-12-08	□%	31-12-07
<b>BALANCE SHEET (million euros)</b>				
Total assets	543.350	542.650	8,2	501.726
Total lending (gross)	332.647	335.260	7,1	313.178
Customer funds on balance sheet	370.045	376.380	11,5	337.518
Total equity	28.367	26.705	(4,4)	27.943
Shareholders' funds	27.742	26.586	7,2	24.811
<b>INCOME STATEMENT (million euros)</b>				
Net interest income	3.272	11.686	21,4	9.628
Gross income	4.889	18.978	9,9	17.271
Income before tax	1.834	6.926	(18,5)	8.495
Net attributable profit	1.238	5.020	(18,1)	6.126
<b>DATA PER SHARE AND SHARE PERFORMANCE RATIOS</b>				
Share price (euros)	6,11	8,66	(48,3)	16,76
Market capitalisation (million euros)	22.900	32.457	(48,3)	62.816
Net attributable profit per share (euros)	0,34	1,35	(20,5)	1,70
Book value per share (euros)	7,40	7,09	7,2	6,62
P/BV (Price/book value; times)	0,8	1,2		2,5
<b>SIGNIFICANT RATIOS (%)</b>				
ROE (Net attributable profit/Average equity)	19,4	21,5		34,2
ROA (Net income/Average total assets)	1,00	1,04		1,39
Efficiency ratio	42,3	40,9		42,0
NPA ratio	2,80	2,12		0,89
NPA coverage ratio	76	91		225
<b>CAPITAL ADEQUACY RATIOS (BIS II Regulation) (%)</b>				
Total	11,5	12,2		13,0
Core capital	6,4	6,2		5,8
Tier I	7,7	7,9		7,3
<b>OTHER INFORMATION</b>				
Number of shares (millions)	3.748	3.748		3.748
Number of shareholders	919.195	903.897		889.734
Number of employees	105.154	108.972		111.913
Number of branches	7.648	7.787		8.028

Memorandum item: These quarterly statements have not been audited. They have been drawn up according to Bank of Spain Circular 4/2004 together with the changes introduced therein by Bank of Spain Circular 6/2008. They may not therefore coincide with some of those published in previous quarterly earnings reports

## **Business Overview**

BBVA is a highly diversified international financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. We also have a portfolio of investments in some of Spain's leading companies.

## **Business Areas**

In 2008, the Group focused its operations on six major business areas: which are further broken down into business units, as described below:

- Spain and Portugal
  - Spanish retail network
  - Corporate and business banking
  - Other units: Consumer finance, European insurance, BBVA Portugal and Dinero Express
- Global Businesses (Wholesale Banking and Asset Management)
  - Corporate and investment banking
  - Global markets
  - Asset management
  - Industrial and real estate holdings
  - Asia
- Mexico
  - Banking businesses
  - Pensions and insurance
- The United States
  - BBVA Compass banking group
  - Other units: BBVA Puerto Rico, BTS and BBVA Bancomer USA
- South America
  - Banking businesses
  - Pensions and insurance
- Corporate Activities

The foregoing description of our business areas is consistent with our current internal organization. The financial information for our business areas for 2008, 2007 and 2006 presented below has been prepared on a uniform basis, consistent with our organizational structure in 2008. Unless otherwise indicated, the financial information provided below for each business area does not reflect the elimination of transactions between companies within one business area or between different business areas, since we consider these transactions to be an integral part of each business area's activities.

The following table sets forth information relating to net income attributed to parent company for each of our business areas for the years ended 31<sup>st</sup> December, 2008, 2007 and 2006:

	Income/(loss) attributed to the parent company			% of Income/(loss) attributed to parent company		
	(in millions of euros)					
	Year ended December 31,					
	2008	2007	2006	2008	2007	2006
Spain and Portugal	2,625	2,381	1,884	52%	39%	40%
Global Businesses (Wholesale Banking and Asset Management)	754	896	859	15%	15%	18%
Mexico	1,938	1,880	1,711	39%	31%	36%
The United States	211	203	64	4%	3%	1%
South America	727	623	509	14%	10%	11%

<b>Subtotal</b>	<b>6,255</b>	<b>5,983</b>	<b>5,027</b>	<b>125%</b>	<b>98%</b>	<b>106%</b>
Corporate Activities	(1,235)	143	(291)	(25)%	2%	(6)%
<b>Net income attributed to parent company</b>	<b>5,020</b>	<b>6,126</b>	<b>4,736</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The following table sets forth information relating to net interest income for each of our business areas for the years ended 31<sup>st</sup> December, 2008, 2007 and 2006:

	<b>Net interest income</b>		
	(in millions of euros)		
	Year ended December 31,		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
Spain and Portugal	4,828	4,391	3,800
Global Businesses (Wholesale Banking and Asset Management)	745	(7)	18
Mexico	3,716	3,505	3,220
The United States	1,332	763	280
South America	2,199	1,746	1,376
<b>Subtotal</b>	<b>12,820</b>	<b>10,398</b>	<b>8,694</b>
Corporate Activities	(1,134)	(770)	(556)
<b>Net interest income</b>	<b>11,686</b>	<b>9,628</b>	<b>8,138</b>

## Spain and Portugal

The Spain and Portugal business area focuses on providing banking services and consumer finance to private individuals and businesses in Spain and Portugal.

The business units included in the Spain and Portugal business area are:

- Spanish Retail Network: manages individual customers, high net-worth individuals and small companies and businesses in the Spanish market;
- Corporate and Business Banking: manages business with small and medium enterprises (“SMEs”), large companies, institutions and developers in the Spanish market;
- Consumer Finance;
- European Insurance: manages the insurance business in Spain and Portugal;
- BBVA Portugal: manages the banking business in Portugal; and
- Dinero Express: specializes in the immigrant segment.

The principal figures relating to this business area as of 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 were:

- Total net lending was €199,297 million, as of 31<sup>st</sup> December, 2008, an increase of 0.4% from €198,524 as of 31<sup>st</sup> December, 2007, reflecting the significant slowdown in lending growth in Spain.
- Total customer deposits were €100,893 million as of 31<sup>st</sup> December, 2008 compared to €91,546 million as of 31<sup>st</sup> December, 2007, an increase of 10.2%.

- Mutual funds under management were €31,270 million as of 31st December, 2008, a decrease of 26.4% from €42,469 million as of 31st December, 2007, reflecting declines in portfolio volumes and withdrawals of mutual fund assets.
- Pension fund assets under management were €9,603 million as of 31st December, 2008, a decrease of 4.7% from €10,072 million as of 31st December, 2007.

### ***Spanish Retail Network***

The Spanish Retail Network unit services the financial and non-financial needs of households, professional practices, retailers and small businesses. It also manages the high-net-worth segment of private customers. As of 31<sup>st</sup> December, 2008, the loan portfolio of this unit was €100,906 million and customer funds were €12,528 million.

In order to offer better customer service, in 2008 we engaged in a thorough reorganization process of the commercial network, making it possible for us to increase our commercial capacity and work more closely with our customers. To this end, each group of offices has been given a pool of managers specialized in given units, and the quality of the operating processes has been improved by concentrating these administrative tasks in Retail Banking Centers, thereby enhancing our efficiency.

In 2008, we launched several new products and promotions aimed at the Spanish retail customer, including loans with pre-authorized limits for the self-employed and mortgage loans directed towards younger customers. In 2008, we also carried out the *Ven a Casa-200* campaign whereby we offered €200 per month for one year to customers who transferred their mortgage from one of our competitors to us. We also offered a wide variety of deposits to our existing customers, including BBVA *Depósito Doble* (Double Deposit), the *Depósito Creciente* BBVA (Growing Deposit) and the *Depósito Fortaleza* (Strength Deposit) and broadened our range of guaranteed products to include BBVA Top 4, BBVA Top 5, BBVA Inflation and *Fondplazo 2009 B*.

BBVA Patrimonios, directly manages high net worth private clients, and has continued to increase its range of products particularly those products designed for business people who are also clients of the corporate and business banking unit. BBVA Patrimonios has also launched new products related to (structured) deposits as well as lending (portfolio-financing plan). In addition, it has opened two new wealth management centers, in the Canary Islands and Galicia. In the family office sphere, tourism projects have been approved within the Real Estate México I, II and III mutual funds, and rights have been issued by these funds. In addition, BBVA Patrimonios has provided its clients with many investment opportunities in the solar energy industry.

BBVA Patrimonios launched the *Más Cobertura Profesional* (More Professional Coverage) insurance plan, which provides disability coverage for independent contractors and risk coverage with the three-year Stockpyme plan for small businesses, as well as the PoS Voucher for merchants and the *Compromiso Negocios* (Business Commitment) and *Compromiso Autónomos* (Independent Contractor Commitment) plans.

### ***Corporate and Business Banking***

The Corporate and Business Banking unit manages our business with SMEs, large companies and institutions in the Spanish market through specialized networks. As of 31<sup>st</sup> December, 2008, the loan portfolio had risen 1.8% to €87,651 million and customer funds increased 6.8% from 31<sup>st</sup> December, 2007 to €31,292 million.

In the sphere of corporate and business banking, we have marketed new lines of financing in collaboration with the Instituto de Crédito Oficial (“ICO”), including the ICO SME 2008 Line, and the range of products related to risk coverage has been broadened. The most noteworthy of the new products and services include financing for solar energy facilities (leasing and renting), new types of payment cards including Ingreso

Express (Express Entry), Tarjeta Recarga Empresas (Business Recharge Card) and Tarjeta Solred Empresas (Business Solred Card), new solutions in electronic banking such as factoring and Autocobro Express (Express Auto-Collection), and nonfinancial services for enterprises (BBVA Solutions Catalog): Activo a RRHH (Human Resources Assets), management subsidies for innovation, environmental consulting and Solium and new forms of customer relationships (such as the Premium Human Resources Program and Enterprise Newsletter).

### ***Consumer Finance***

This unit manages online banking, consumer finance, credit cards and leasing plans. These activities are conducted by Uno-e, Finanzia and other companies in Spain, Portugal and Italy.

In Consumer Finance, we have acquired 50% of Rentrucks, an industrial vehicle rental company, complementing our business renting and financing business. In terms of forms of payment, we have launched a credit card for Inditex Portugal, the first co-branded card launched by BBVA outside of Spain. In terms of deposit-related products, we launched a promotion featuring a cash refund of 20% of the payroll of current and new clients who domicile their payroll and three receipts, with the advantages of an account without fees and with all transaction services. We have also launched several new deposit products with varying maturity and interest rate features.

### ***European Insurance***

Our European Insurance unit's activities are conducted through various insurance companies that provide direct insurance, reinsurance and insurance brokering services in Spain and Portugal and market products for different types of customers (private individuals, SMEs, retailers, professional service firms and providers and self-employed individuals) through this unit's branch offices.

The European Insurance unit has broadened its portfolio of products in 2008, both in non-life insurance, with the launching of the BBVA Auto Insurance and Family Protection insurance and Más Cobertura Profesional (More Professional Coverage), as well as life-savings insurance, with the Systematic Savings Plans, individual savings products with tax advantages, and variable yield income products, which offer yields according to the market situation at any given time, with a guaranteed minimum.

### ***BBVA Portugal***

BBVA Portugal manages our banking business in Portugal. As of 31<sup>st</sup> December, 2008, BBVA Portugal's loan portfolio amounted to €5,736 million, an increase of 15.1% from €4,983 million in 2007, supported by an increase in lending to SMEs. Customer funds increased 16.3%, from 31<sup>st</sup> December, 2007, as customers moved their money from mutual funds to deposits.

### ***Dinero Express***

The Dinero Express branch network, which specializes in the immigrant segment in Spain, was set up to attract new customers who make money transfers and to provide them with products and services suited to their needs. It has proved an effective entry point for new customers. As part of a strategy adopted at the start of 2008, BBVA has been gradually closing branches of Dinero Express with the goal of integrating immigrants into the Spanish retail network as an additional customer segment. Although it now has fewer outlets the unit increased the number of money transfers 10% in terms of euro amount transferred to €43 million in 2008 despite unfavorable market conditions associated with the adverse economic situation.

### ***Global Businesses (Wholesale Banking and Asset Management)***

The Global Businesses (Wholesale Banking and Asset Management) area focuses on providing services to large international companies and investment banking, capital markets and treasury management services to

clients.

The business units included in the Global Businesses (Wholesale Banking and Asset Management) area are:

- Corporate and Investment Banking: coordinates origination, distribution and management of a complete catalogue of corporate and investment banking products (corporate finance, structured finance, syndicated loans and debt capital markets) and provides global trade finance and global transaction services with coverage of large corporate customers specialized by sector (industry bankers);
- Global Markets: handles the origination, structuring, distribution and risk management of market products, which are placed through our trading rooms in Europe, Asia and the Americas;
- Asset Management: designs and manages the products that are marketed through our different branch networks including traditional asset management, alternative asset management and Valanza (the Group's private equity unit);
- Industrial and Real Estate Holdings: helps to diversify the area's businesses with the aim of creating medium- and long-term value through active management of a portfolio of industrial holdings and real estate projects (Anida and the Duch Project);
- Asia: represents our increased stakes in CIFIH in Hong Kong (approximately 30%) and in CNCB (approximately 10%) and our commitment to China as demonstrated by aggregate investments that now exceed €2,000 million.

The principal figures relating to this business area as of 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 were:

- Total net lending was €48,683 million, an increase of 30.4% from €37,337 million as of 31st December, 2007.
- Total customer deposits were €62,568 million as of 31st December, 2008 compared to €42,243 million as of 31st December, 2007, an increase of 48.1%.
- Mutual funds under management were €4,014 million as of 31st December, 2008, an increase of 65.5% from €2,425 million as of 31st December, 2007.
- Pension fund assets under management were €6,810 million as of 31st December, 2008, a decrease of 7.5% from €7,363 million as of 31st December, 2007.

### ***Corporate and Investment Banking***

Within the Corporate and Investment Banking unit, in 2008 we opened a Frankfurt office, launched the Investment Banking Client for enterprises, institutions and corporations as a mid-term growth project; segmented our global clients at all offices in Europe (Madrid, London, Paris, Milan and Frankfurt) and streamlined the management model of the unit with five differentiated industries. We also implemented a new relationship model in the Asia-Pacific region, with special emphasis on high-value-added products, project finance, and trade finance. In addition, within the Corporate and Investment Banking unit, Global Clients and Investment Banking in America have been reorganized, in order to be closer to customers and place greater emphasis on products, with a matrix structure that combines product managers with the managers responsible for each geographic area.

Through the Global Transaction Services business we launched several new products, technologies and services in Spain and Portugal in 2008, including *AutoCobro Express* (Express Auto-Collection), e-factoring, Spain-Brussels centralization, file-normalization and double "Token Plus" security for BBVA net cash. In

addition, in Portugal we introduced Single Euro Payments Area (“SEPA”) transfers and offered customers the ability to pay taxes and bills through BBVA net cash. In Mexico, Bancomer launched several new products, technologies and services to better serve customers and comply with new Mexican regulations, including TIB 2.0 integral treasury, SIT dispersion, check protection with beneficiary, transparency law-compliant statements, expanded host-to-host and SWIFT services and increased functionality at Bancomer.com. Through the Global Transaction Services business, we also introduced several new products, services and technologies to better serve our customers in Puerto Rico and Colombia.

### ***Global Markets***

In 2008, the Global Markets unit demonstrated notable commercial activity in its new treasury desks in Dusseldorf (inaugurated in January 2008), where a team of sales persons provide specialized coverage in market products to institutional clients; and Hong Kong, where market teams have been formed that will broaden the range of global markets services with Asian assets. The commercial activity of the Hong Kong treasury desk has focused primarily on Asian clients, while also servicing clients in Europe and Latin America.

In Latin America in 2008, the Regional Derivatives Center commenced operations and the Riskpyme Latam project has been implemented throughout the region to promote the marketing of derivatives through the Group's networks as we do in Spain and Mexico. In addition, in Mexico the first listed exchange traded fund (ETF) of the leading companies that are traded on the International Market of Latin American Securities (Latibex) was launched by the Global Markets unit.

### ***Asset Management***

In the Asset Management unit, the following product launches were made in 2008: BBVA Bonos Corto Plazo Gobiernos and Fondo Liquidez, which are short-term fixed-income funds; BBVA Estructurado Finanzas BP and BBVA Estructurado Telecomunicaciones BP, which are global funds that primarily target private banking clients and the FTSE 4Good Ibex ETF variable income listed fund. Among the new guaranteed mutual funds offered in 2008, we should stress *BBVA Inflación* (the first guaranteed fund with the Spanish inflation rate as the underlier), *BBVA Elite Protegido*, *BBVA Top 4 Guaranteed*, and *BBVA Top 5 Guaranteed*, as well as 11 BBVA fixed-income guaranteed funds such as Fon-plazo 2009 and 2009 D and F.

### ***Industrial and Real Estate Holdings***

The Industrial and Real Estate Holdings business unit also handles the Group's real estate business, through the Anida Group, as well as its private equity business.

As of 31<sup>st</sup> December, 2008, the industrial holdings portfolio had latent capital gains of €120 million.

### ***Asia***

In 2008 BBVA increased its stake in CIFIH of Hong Kong and in CNCB. BBVA has thereby further consolidated its position in the region, reinforcing its commitment to China.

### ***Mexico***

The business units included in the Mexico area are:

- Banking Businesses, and
- Pensions and Insurance Businesses

The principal figures relating to this business area as of 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 were:

- Total net lending was €25,543 million as of 31st December, 2008, a decrease of 5.0% from €26,899 million as of 31st December, 2007.
- Total customer deposits were €29,677 million as of 31st December, 2008 compared to €31,408 million as of 31st December, 2007, a decrease of 5.5%.
- Mutual funds under management were €9,180 million as of 31st December, 2008, a decrease of 18.1% from €11,214 million as of 31st December, 2007.
- Pension fund assets under management were €7,196 million as of 31st December, 2008, a decrease of 16.8% from €8,648 million as of 31st December, 2007.

The Mexican peso fell against the euro in 2008, with a resulting negative impact on our consolidated financial statements as of and for the year ended 31<sup>st</sup> December, 2008. See “Item 5. Operating and Financial Review and Prospects— Operating Results—Factors Affecting the Comparability of our Results of Operations and Financial Condition”.

### ***Banking Businesses***

Bancomer, our subsidiary in Mexico, has continued to expand its distribution network. In 2008, 20 offices were opened, 761 ATMs and more than 20,000 point-of-sale terminals were installed, special offices were inaugurated for the foreign-client segment, and efforts were made to promote a specialized network for the small-business segment, with ten business centers opened and close to 140 specialized executives dedicated to related activities.

As part of the strategy designed to attract customers' funds, the now-traditional *Libretón* (Passbook) promotions were conducted including the, *Quincenas del Ahorro* (Two-Weeks of Savings), through which record levels of prizes were given away to the bank's customers. In addition, efforts were made to promote products such as the Winner Card, to encourage saving among young people and children through a commercial partnership with a leading cereal brand. Also noteworthy in 2008 were the promotions aimed at incorporating new payroll accounts, such as a specialized campaign in the small-business segment.

To promote credit, technology-based solutions and products have been launched, intended to facilitate the process for customers, such as Mortgage Banking Remote Sale, immediate service, and telephone advice, which make it possible to channel clients interested in a mortgage loan to specialized offices. For housing promoters, a Multiproduct Simulator has been created which makes it possible to calculate a desired credit for an entire range of mortgage products.

In assets management, B+Real has been launched, which is a fund that seeks to pay yields above inflation, as well as the BBVABRIC fund, which invests in stock markets in Brazil, Russia, India and China. For its part, the investment banking unit has handled an initial public offering on the Mexican Stock Exchange and the refinancing and coverage of a convertible bond of *Petróleos Mexicanos*.

In 2008, Bancomer conducted an ambitious debt-placement program on local markets, which has included subordinated debt, stock certificates, and securitizations, and has become a point of reference for the Mexican market.



## ***Pensions and Insurance***

In Mexico, the BBVA Group operates in the pensions business through Afore Bancomer, in insurance through Seguros Bancomer, in annuities through Pensiones Bancomer and in health through Preventis. The Group's pensions and insurance unit in Mexico generated net income attributed to parent company of €210 million in 2008, an increase of 35.1% from 2007.

## **The United States**

The business units included in the United States area are:

- BBVA Compass banking group
- Other units: BBVA Puerto Rico, BTS and BBVA Bancomer USA

The principal figures relating to this business area as of 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 were:

- Total net lending was approximately €31,066 million as of 31st December, 2008, an increase of 18.7% from €26,161 million as of 31st December, 2007.
- Total customer deposits were €26,240 million as of 31st December, 2008 compared to €23,784 million as of 31st December, 2007, an increase of 10.3%.

The dollar appreciated against the euro in 2008, with a resulting positive impact on our consolidated financial statements as of and for the year ended 31<sup>st</sup> December, 2008. See "Item 5. Operating and Financial Review and Prospects— Operating Results—Factors Affecting the Comparability of our Results of Operations and Financial Condition".

During 2008, the four U.S. banks of the Group in the sunbelt region have been successfully integrated into the Compass group. In the first quarter of 2008, a legal merger was carried out and State National Bank was integrated into Compass. In the third quarter of 2008, Texas State Bank was integrated into Compass, and in the fourth quarter of 2008 Laredo National Bank was integrated into Compass. Within this process, some 500,000 accounts and 50,000 preferred customers have been integrated into the Compass platform.

In 2008 the Group decided to implement a new brand, BBVA Compass. Moreover, in the fourth quarter of 2008, a new management team was appointed to further the integration of BBVA's organizational and business model in the United States and continue developing the strategic plan.

A new customer relations program was implemented in 2008, which provides employees information on the opportunities to sell additional products and services to each client by enabling such employees to send clients messages through different channels, in order to carry out cross sales and help ensure customer retention. We have continued to improve the service and the range of products for preferred clients, and we have created a preferred client program for businesses. In addition, a mobile bank program has been launched, using the online banking platform and an electronic check-transfer system has been implemented, making it possible for companies to make deposits without visiting a branch.

## ***BBVA Compass banking group***

As of 31<sup>st</sup> December, 2008, BBVA Compass banking group's loan portfolio had risen 14.2% to €27,982 million from 31<sup>st</sup> December, 2007 and customer funds were €24,712 million (up 4.1% from 31<sup>st</sup> December, 2007).

### ***Other units***

*BBVA Puerto Rico* managed customer loans of €3,023 million as of 31<sup>st</sup> December, 2008, a decrease of 3.7% from 31<sup>st</sup> December, 2007. Customer funds amounted to €1,445 million as of 31<sup>st</sup> December, 2008, an increase of 6.9% from 31<sup>st</sup> December, 2007.

*BTS* processed €28.4 million transfers during 2008. This was 7.8% more than during 2007. Of these, €22.5 million went to Mexico and 5.8 million to other countries.

*BBVA Bancomer USA* deposits increased 13.0% as of 31<sup>st</sup> December, 2008 from 31<sup>st</sup> December, 2007 and opened 21,000 new accounts during 2008, handling over 495,000 money transfers.

### **South America**

The South America business area includes the banking, insurance and pension businesses of the Group in South America.

The business units included in the South America business area are:

- Banking Businesses, including banks in Argentina, Chile, Colombia, Panama, Paraguay, Peru, Uruguay and Venezuela;
- Pension businesses in Argentina, Bolivia, Chile, Colombia, Ecuador, Peru and Dominican Republic; and
- Insurance businesses in Argentina, Chile, Colombia, Dominican Republic and Venezuela.

The principal figures relating to this business area as of 31<sup>st</sup> December, 2008 and 31<sup>st</sup> December, 2007 were:

- Total net lending was €24,475 million as of 31<sup>st</sup> December, 2008, an increase of 12.0% from €21,845 million as of 31<sup>st</sup> December, 2007.
- Total customer deposits were €29,382 million as of 31<sup>st</sup> December, 2008, an increase of 15.1% from €25,525 million as of 31<sup>st</sup> December, 2007.
- Mutual funds under management were €1,300 million as of 31<sup>st</sup> December, 2008, a decrease of 24.6% from €1,725 million as of 31<sup>st</sup> December, 2007.
- Pension fund assets under management were €24,531 million as of 31<sup>st</sup> December, 2008, a decrease of 29.6% from €34,826 million as of 31<sup>st</sup> December, 2007.

Local currencies in South America fell against the euro in 2008, with a resulting negative impact on our consolidated financial statements as of and for the year ended 31<sup>st</sup> December, 2008. See “Item 5. Operating and Financial Review and Prospects— Operating Results—Factors Affecting the Comparability of our Results of Operations and Financial Condition”.

Economic conditions in all the region’s countries were favorable in 2008, which provided for substantially improved key variables in the Latin American financial services industry, most notably profitability and solvency.

The following is a brief description of our operations on a country-by-country basis in the South America business area. The operating results described below refer to each individual unit’s contribution to the South America business area’s operating results, unless otherwise stated.

## ***Banking Businesses***

### ***Argentina***

BBVA Banco Francés, our subsidiary in Argentina obtained net income attributed to parent company of €140 million in 2008 an increase of 4.2% compared to 2007.

In Argentina, most of the growth of BBVA Banco Francés has taken place as a result of sales of products and services to individuals (personal loans, guaranteed loans, and credit cards); whereas, products and services sold to business customers, have been primarily related to advance payments, documents, and foreign-trade operations.

### ***Chile***

BBVA Chile's net income attributed to parent company for 2008 amounted to €63 million an increase of 81.4% compared to 2007, due to growth in BBVA Chile's loan portfolio and the active management of spreads.

Chile had a very dynamic year in the retail-segment, especially in consumer credit and auto financing (including loans to acquire industrial vehicles and the "Instant Purchase" product). In terms of savings, the *Plan Preferente Remunerado* (Remunerated Preferential Plan), as well as several funds with guaranteed investments, have been launched: Ultradepósito, Top Markets II, Siempre Ganas (which invests in commodities) and Panda II, which invests in China.

### ***Colombia***

BBVA Colombia's net income attributed to parent company for 2008 amounted to €133 million an increase of 25.2% compared to 2007, due to strong growth in its loans portfolio and the active management of spreads.

Sales of retail products have also been fundamental for BBVA Colombia in 2008. BBVA launched the *Cuota regalo* product in the consumer credit segment which allows the customer to make only 11 payments a year. Nearly 200,000 new credit cards were issued in 2008. In addition, we also launched the VIS mortgage credit in pesos for the mortgage segment and Paquete Blue for the youth segment. At the end of 2008, BBVA Colombia securitized a mortgage portfolio.

### ***Panama***

BBVA Panama's net income attributed to parent company for 2008 was €27 million, an increase of 25.2% compared to 2007.

### ***Paraguay***

BBVA Paraguay's net income attributed to parent company for 2008 was €25 million, an increase of 26.3% compared to 2007.

### ***Peru***

BBVA Banco Continental's net income attributed to parent company for 2008 was €86 million, an increase of 37.0% compared to 2007.

At BBVA Banco Continental de Perú, our Peruvian subsidiary, the priorities in investments in 2008 were credit cards, consumer credit (including auto financing and the *Tu préstamo* product for low-income workers, as well as Préstamo 60, a 60-month loan) and mortgage loans. In terms deposits, products such as

*Ahorro Cero Mantenimiento* (Zero Maintenance Savings), *Tasa Creciente* (Growing Rate), *Super Tasa* (Super Rate), *Super Regalo* (Super Gift), and the *Vuela Vuela* and *Mundo Sueldo* campaigns have been launched.

### ***Uruguay***

BBVA Uruguay's net income attributed to parent company for 2008 was €9 million, an increase of 57.6% compared to 2007.

### ***Venezuela***

BBVA Banco Provincial's net income attributed to parent company for 2008 was €205 million, an increase of 77.4% compared to 2007, due to strong growth in its loan portfolio and the efficient management of costs. BBVA Banco Provincial de Venezuela, our Venezuelan subsidiary, has conducted a policy aimed at raising its profitability and optimizing the cost of resources.

Among lending products, priority has been given to products for private parties, especially consumer credit and credit cards (most notably, the launching of the 365-protection debit card). Regarding savings products, the certificate of deposit product was launched in 2008. This is a short-term instrument aimed at customers who handle large volumes of cash.

### ***Pensions and Insurance***

The pensions and insurance unit in South America achieved an income attributed to parent company of €67 million in 2008, a decrease of 43.3% compared to 2007. The decrease was due to the performance of pension funds, which contributed €18 million in 2008, 74.1% less than in the previous year.

In the pension and insurance unit, 2008 was a year of intense commercial activity, which translated into a substantial increase in revenue and policies issued. Alternative selling channels also demonstrated increased importance in 2008, despite the fact that during the year the performance of the financial markets was not favorable, especially for voluntary pension products. Near the end of 2008, the Argentine government nationalized the private pension business in which the BBVA Group participated through Consolidar AFJP, and in the insurance business, we sold our stake in Consolidar Salud.

### ***Corporate Activities***

The Corporate Activities area handles the Group's general management functions. These mainly consist of structural positions for interest rates associated with the euro balance sheet and exchange rates, together with liquidity management and shareholders' funds.

The business units included in the Corporate Activities business area are:

- Financial Planning, carried out by the ALCO: administers the Group's interest- and exchange-rate structure as well as its overall liquidity and shareholders' funds.
- Holdings in Industrial and Financial Companies: manages the Group's investment portfolio in industrial and financial companies applying strict criteria for risk control, economic capital consumption and return on investment, with diversification over different industries.

### ***Financial Planning***

ALCO manages the BBVA Group's overall financing needs and interest and exchange rate risks. ALCO also manages the BBVA Group's investments and capital resources in an effort to improve the return on capital for our shareholders.

### ***Holdings in Industrial and Financial Companies***

This unit manages our investment portfolio in companies operating in the telecommunications, media, electricity, oil, gas and finance sectors, principally Telefónica, S.A. BBVA applies strict requirements to this portfolio regarding risk-control procedures, economic-capital consumption and return on investment, diversifying investments over different sectors. It also applies dynamic monetization and coverage management strategies to holdings.

In 2008, it invested €1,259 million and divested €2,382 million. The largest single transaction was the sale of our 5.01% holding in Bradesco in March 2008 with capital gains of €727 million.

As of 31<sup>st</sup> December, 2008, the market value of the holdings in industrial and financial companies was €4,067 million, with unrealized capital gains of €995 million before tax.

### **DIRECTORS AND SENIOR MANAGEMENT**

BBVA is managed by a Board of Directors which, in accordance with its current by-laws (*Estatutos*), must consist of no less than nine and no more than 16 members.

The Board of Directors has created the Executive Committee, the Audit and Compliance Committee, the Appointments and Compensation Committee and the Risk Committee. All the Board of Directors Committees were formed on 28<sup>th</sup> June, 2002.

BBVA's Board of Directors is assisted in fulfilling its responsibilities by the Executive Committee (*Comisión Delegada Permanente*) of the Board of Directors, which, under BBVA's Regulations of the Board of Directors, must be comprised of at least half plus one independent director. The Board of Directors delegates all management functions, except those that it must retain due to legal or statutory requirements, to the Executive Committee.

#### **Board of Directors**

The Board of Directors of BBVA is currently comprised of 13 members. The business address of the Directors of BBVA is Paseo de la Castellana 81, 28046 Madrid.

The following table sets forth the names of the members of the Board of Directors as of the date of this Base Prospectus, their date of appointment and re-election, if applicable, their current positions and their present principal outside occupation and five-year employment history.

BBVA may, from time to time, enter into transactions in the ordinary course of its business, and on an arm's-length basis, with the Directors.

BBVA's Regulations for the Board of Directors include rules which are designed to prevent situations where a potential conflict of interest may arise. These Regulations provide, among other matters, that Directors with a potential conflict of interest may not participate in meetings at which those situations are being considered. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the Directors and their duties to BBVA.

<b>Name</b>	<b>Current Position</b>	<b>Date Nominated</b>	<b>Date Reelected</b>	<b>Present Principal Outside Occupation and Five-Year Employment History<sup>(*)</sup></b>
Francisco González Rodríguez <sup>(1)</sup>	Chairman and Chief Executive Officer	28 <sup>th</sup> January, 2000	26 <sup>th</sup> February, 2005	Chairman & CEO of BBVA, since January 2000. Director of BBVA Bancomer Servicios, S.A.; Grupo Financiero BBVA Bancomer, S.A. C.V. and BBVA Bancomer S.A.
José Ignacio Goirigolzarri Tellaeche <sup>(1)</sup>	President and Chief Operating Officer	18 <sup>th</sup> December, 2001	14 <sup>th</sup> March, 2008	President and Chief Operating Officer BBVA, since 2001. Director of BBVA Bancomer Servicios, S.A.; Director, Grupo Financiero BBVA Bancomer and BBVA Bancomer, S.A.; Citic-Bank board member.
Tomás Alfaro Drake <sup>(2)</sup>	Independent Director	18 <sup>th</sup> March, 2006		Director of Business Management and Administration and Business Sciences programmes at Universidad Francisco de Vitoria, since 1998.
Juan Carlos Álvarez Mezquíriz <sup>(1)(3)</sup>	Independent Director	28 <sup>th</sup> January, 2000	18 <sup>th</sup> March, 2006	Managing Director, Grupo Eulen S.A.
Rafael Bermejo Blanco <sup>(2)(4)</sup>	Independent Director	16 <sup>th</sup> March, 2007		Chairman of the Audit & Compliance Committee of BBVA since 28th March 2007. Technical Secretary General of Banco Popular 1999-2004
Ramón Bustamante y de la Mora <sup>(2)(4)</sup>	Independent Director	28 <sup>th</sup> January, 2000	26 <sup>th</sup> February, 2005	Chairman of Unitaria.
José Antonio Fernández Rivero <sup>(4)</sup>	Independent Director	28 <sup>th</sup> February, 2004	13 <sup>th</sup> March, 2009	Chairman of Risks Committee since 30th March 2004; Appointed Group General Manager, 2000-2003; From 2003 to 2005: Deputy Chairman of Telefónica and Member of its Audit and Regulation Committees. Member of the Board and Executive Committee of Iberdrola, Director of Banco de Crédito Local, and Chairman of Adquiria.
Ignacio Ferrero Jordi <sup>(1)(3)</sup>	Independent Director	28 <sup>th</sup> January, 2000	26 <sup>th</sup> February, 2005	Chairman and COO of Nutrexpa, and La Piara.
Román Knörr Borrás <sup>(1)</sup>	Independent Director	28 <sup>th</sup> May, 2002	14 <sup>th</sup> March, 2008	Chairman, Carbónicas Alavesas, S.A.; Director, Mediasal 2000,

<b>Name</b>	<b>Current Position</b>	<b>Date Nominated</b>	<b>Date Reelected</b>	<b>Present Principal Outside Occupation and Five-Year Employment History<sup>(*)</sup></b>
Carlos Loring Martínez de Irujo <sup>(2)(3)</sup>	Independent Director	28 <sup>th</sup> February, 2004	18 <sup>th</sup> March, 2006	S.A. and President of the Alava Chamber of Commerce; Chairman, Confebask (Basque Business Confederation) from 1999 to 2005; Director of Aguas de San Martín de Veri, S.A. until January 2006. Plenary member and Chairman of the Training Committee of the Supreme Council of Chambers of Commerce. Partner of J&A Garrigues, from 1977 until 2004; Director of the Department of Mergers and Acquisitions, of Banking and Capital Markets, Member of the Management Committee since 1985.
José Maldonado Ramos <sup>(4)(5)</sup>	Director and General Secretary	28 <sup>th</sup> January, 2000	13 <sup>th</sup> March, 2009	Director and General Secretary, BBVA, since January 2000.
Enrique Medina Fernández <sup>(1)(4)</sup>	Independent Director	28 <sup>th</sup> January, 2000	13 <sup>th</sup> March, 2009	Deputy Chairman of Gines Navarro Construcciones until it merged to become Grupo ACS.
Susana Rodríguez Vidarte <sup>(2)(3)</sup>	Independent Director	28 <sup>th</sup> May, 2002	18 <sup>th</sup> March, 2006	Dean of Deusto “La Comercial” University since 1996.

(\*) Where no date is provided, the position is currently held.

(1) Member of the Executive Committee.

(2) Member of the Audit and Compliance Committee.

(3) Member of the Appointments and Compensation Committee.

(4) Member of the Risk Committee.

(5) Secretary of the Board of Directors.

## **Major Shareholders**

As of 26<sup>th</sup> March, 2009 to our knowledge, no person, corporation or government owned beneficially, directly or indirectly, five percent or more of BBVA's shares. BBVA's major shareholders do not have voting rights which are different from those held by the rest of its shareholders. To the extent known to us, BBVA is not controlled, directly or indirectly, by any other corporation, government or any other natural or legal person. As of 26<sup>th</sup> March, 2009, there were 920,279 registered holders of BBVA's shares, with 3,474,858,121 shares, of which 216 shareholders with registered addresses in the United States hold a total of 716,709,286 shares (including shares represented by American Depositary Receipts ("ADRs")). Since certain of such shares and ADRs are held by nominees, the foregoing figures are not representative of the number of beneficial holders. BBVA's directors and executive officers did not own any ADRs as of 26<sup>th</sup> March, 2009.

## **Legal Proceedings**

On 15<sup>th</sup> March, 2002, the Bank of Spain initiated a proceeding against BBVA and 16 of its former directors and executives, as a result of the existence of funds (approximately €225 million) belonging to BBV that were not included in the entity's financial statements until they were voluntarily regularized by being recorded in the 2000 consolidated income statement as extraordinary income, for which the related corporation tax was recorded and paid. BBVA notified the Bank of Spain of these matters on 19<sup>th</sup> January, 2001.

On 22<sup>nd</sup> May, 2002, the Council of the Spanish Securities and Exchange Commission (CNMV) commenced a proceeding against BBVA for possible contravention of the Securities Market Law (under Article 99 ñ) thereof) owing to the same events as those which gave rise to the Bank of Spain's proceeding.

The commencement of proceedings to determine an eventual criminal liability of the individuals involved in those events triggered the suspension of the above mentioned proceedings until a definitive criminal resolution was issued. These criminal proceedings finished by definitive court resolutions on 2007 without criminal liability for any person involved in them. The end of these criminal proceedings has allowed the re-opening of the proceedings: on 13<sup>th</sup> June, 2007 the Bank of Spain, and on 26<sup>th</sup> July, 2007 the Spanish National Securities Market Commission (CNMV), notified the end of the proceeding development suspension.

On 18<sup>th</sup> July, 2008, the board of the Bank of Spain sanctioned BBVA with a fine of one million euros for a serious breach as typified in article 5.p) of the "Ley de Disciplina e Intervención de las Entidades de Crédito" (Law regulating the conduct of financial entities) and also imposed various sanctions on the managers and executives responsible for such conduct none of whom are presently members of the Board of Directors, or hold executive office at BBVA.

On 18<sup>th</sup> July, 2008, the Ministry of Economy and Finance sanctioned the entity with a fine of two million euros, as a result of the proceeding initiated by the Spanish Securities and Exchange Commission, for a very serious breach as typified in Article 99, n) of the "Ley del Mercado de Valores" (law regulating securities markets).

Both sanctions have been appealed within the Ministry of Economy and Finance, but no decisions have been issued as of the date of this report.

## **Other Proceedings**

BBVA Privanza Bank Ltd. (Jersey)

A proceeding was initiated alleging that certain employees of BBVA Privanza Bank Ltd. (Jersey) cooperated in the creation of accounts and financial products in Jersey which were allegedly used by Spanish individuals



to avoid Spanish tax obligations. The proceedings also included an allegation of a tax offence due to the purported non-consolidation of a fully-owned subsidiary. This proceeding is ongoing and charges have not been brought against any BBVA employee or director and at this moment no current or former BBVA Privanza Bank Jersey employee is party in this proceeding. In light of the surrounding events and circumstances, BBVA's legal advisers do not expect that the proceedings described above will have a material effect on BBVA.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or Iberclear (together, the **Clearing Systems**) currently in effect. The Issuer and the Guarantor take responsibility for the correct extraction and reproduction of the information in this section concerning the Clearing Systems, but neither the Issuer, the Guarantor nor any relevant Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### **Book-entry Systems**

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear, Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

#### *Iberclear*

Iberclear is the Spanish central securities depository in charge of both the register of securities held in book-entry form to be listed on a Spanish regulated market, and the clearing and settlement of all trades from the Spanish Stock Exchange, the Public Debt market, AIAF and Latin American stock exchange denominated in euros (Latibex).

Iberclear is owned by the group Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. a holding company which holds a 100% interest in the Spanish regulated markets, Bolsa de Madrid, Bolsa de Barcelona, Bolsa de Bilbao, Bolsa de Valencia, AIAF, Senaf, Latibex, Mercado Alternativo Bursátil and in the Spanish settlement systems Meff MeffClear and Iberclear. The clearance and settlement system of Iberclear and its members are responsible for maintaining records of purchases and sales under the book-entry system.

Iberclear maintains a registry reflecting the number of securities held by each of its member entities on its own behalf as well as the number of securities held of behalf of the third parties. Each member entity, in turn, maintains a registry of the owners of such securities.

On the relevant date for payment of interest amounts in respect of debt securities, Iberclear credits to each participant entity an amount corresponding to the balance of the securities appearing in the records of the relevant participant entity on the day prior to the relevant payment date.

### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “*Subscription and Sale and Transfer and Selling Restrictions*”, cross-market transfers between and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders will be effected by the relevant clearing system in accordance with its rules and through action taken by the relevant Registrar, the relevant Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear will need to have an agreed settlement date between the parties to such transfer.

Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes between Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations, and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

### **Transfers of Book-Entry Notes**

Transfers of any interests in Notes represented by Book-Entries within Iberclear or a Book-Entry Depositary will be effected in accordance with the customary rules and operating procedures of Iberclear or the relevant clearing system, in accordance with the laws of Spain

Subject to compliance with the transfer restrictions applicable to the Book-Entry Notes described under “*Subscription and Sale and Transfer and Selling Restrictions*”, cross-market transfers between and directly or indirectly through Clearstream, Luxembourg, Euroclear or Iberclear accountholders will be effected by the relevant clearing system in accordance with its rules and through action taken by the relevant Registrar, the relevant Paying Agent and any custodian (**Custodian**) with whom the relevant Book-Entry Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Iberclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg, Euroclear or Iberclear will need to have an agreed settlement date between the parties to such transfer.

Iberclear have published rules and operating procedures designed to facilitate transfers of beneficial interests in Book-Entry Notes between Clearstream, Luxembourg, Euroclear and/or Iberclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by Clearstream, Luxembourg, Euroclear or Iberclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Book-Entry Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## **TAXATION**

The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax consequences relating to the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Notes and receiving any payments under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes.

### **ACQUISITION OF THE NOTES**

The issue of, subscription for, transfer and acquisition of the Notes is exempt from Transfer and Stamp Tax (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) and Value Added Tax (*Impuesto sobre el Valor Añadido*).

### **TAXATION ON THE INCOME AND TRANSFER OF THE NOTES**

The tax treatment of the acquisition, holding and subsequent transfer of the Notes is summarised below and is based on the tax regime applicable to the Notes pursuant to Royal Legislative Decree 4/2004 of 5<sup>th</sup> March, 2004 approving the consolidated text of the Corporate Income Tax Law (*Impuesto sobre Sociedades*), Law 35/2006 of 28th November, 2006 approving the Individuals Income Tax Law (*Impuesto sobre la Renta de las Personas Físicas*) and Royal Legislative Decree 5/2004 of 5<sup>th</sup> March, 2004 approving the consolidated text of the Non-Resident Income Tax Law as amended by Royal Decree law 2/2008, of 21<sup>st</sup> April, 2008 (*Impuesto sobre la Renta de los no Residentes*), Law 19/1991 of 6<sup>th</sup> June, 1991 approving the Wealth Tax Law (*Impuesto sobre el Patrimonio*), and Law 29/1987 of 18th December, 1987 approving the Inheritance and Gift Tax Law. Consideration has also been given to the rules for the implementation of such regulations (Royal Decree 1777/2004 of 30<sup>th</sup> July, 2004 approving the Corporate Income Tax Regulations, Royal Decree 439/2007 of 30<sup>th</sup> March, 2007 approving the Individuals Income Tax Regulations and Royal Decree 1776/2004 of 30<sup>th</sup> July, 2004 approving the Non-Resident Income Tax Regulations).

On 6<sup>th</sup> July, 2003, new legislation came into force in Spain relating to, inter alia, the issuance of preferred securities and debt securities issued by Spanish financial and non-financial listed entities, either directly or through a subsidiary (Additional Provision Two of Law 13/1985 of 25<sup>th</sup> May, 1985 on investment ratios, own funds and information obligations of financial intermediaries, as amended by Law 19/2003 of 4<sup>th</sup> July, 2003 on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures and Law 23/2005 of 18th November, 2005 on certain measures to promote productivity). Consideration has also been given to Spanish Royal Decree 1065/2007 of 27<sup>th</sup> July, 2007.

### **INDIVIDUALS OR ENTITIES WITH TAX RESIDENCY IN SPAIN**

#### **Individuals Income Tax**

Income obtained by Noteholders who are Individuals Income Tax payers, both as interest and in connection with the transfer, redemption or repayment of the Notes, shall be considered income on investments obtained from the assignment of own capital to third parties, as defined in Section 25.2 of Individuals Income Tax Law (**IRPF**) and therefore will be taxed as savings income at the current rate of 18 per cent.

In this sense, in the event of revenues derived from receipt of Notes, the aggregate income shall be determined by the amount of interest received, including the withholding tax made, as the case may be.

Furthermore, in the event of transfer, redemption or repayment of the Notes, the income on investment shall be deemed to be the difference between the transfer, redemption or repayment value (less properly supported ancillary disposal expenses) and the acquisition or subscription value (plus properly supported ancillary acquisition expenses). Expenses corresponding to discretionary or individual portfolio management are not computed for these purposes.

Both types of income received shall be subject to an 18 per cent. withholding tax on account of the individuals' final IRPF tax liability.

## **Corporate Income Tax**

### ***Notes placed outside Spain in another OECD country***

Income obtained both as interest and in connection with the transfer, redemption or repayment of the Notes by Corporate Income Tax payers, shall be computed as taxable income in accordance with the rules set out in Title IV of the Corporate Income Tax Law and will therefore be taxed at the current rate of 30 per cent. in 2008 and subsequent years.

The aforesaid income shall not be subject to withholding tax as provided by Section 59(s) of the Corporate Income Tax Regulations, to the extent that the Notes satisfy the requirements – as Notes issued under the Programme are expected to do – laid down by the reply to the consultation of the Directorate General for Taxation (*Dirección General de Tributos*), on 20<sup>th</sup> July, 2004, indicating that in the case of issues made by entities resident in Spain, as with the Issuer, application of the exemption requires that the Notes be placed outside Spain in another OECD country and traded on organised markets in OECD countries. Consequently, in respect of any such Notes the Issuer would not make any withholding on interest payments to Spanish Corporation Tax payers that provide relevant information to qualify as such. If the Spanish tax authorities maintain a different opinion on this matter however, the Issuer would be bound by that opinion and with immediate effect, make the appropriate withholding and the Issuer would not, as a result, be under any obligation to pay additional amounts.

In order to implement the exemption from withholding, the procedure laid down in Order of 22nd December 1999 will be followed.

### ***Notes placed in Spain in book entry form and traded on the AIAF***

In accordance to Section 59 q) of the Corporate Income Tax Regulations, there is no obligation to make a withholding on income obtained by Spanish Corporation Tax taxpayers from financial assets represented in book entries form and traded on a Spanish official secondary market. Consequently, in respect of any such Notes the Issuer would not make any withholding on interest payments to Spanish Corporation Tax payers that provide relevant information to qualify as such.

In order to implement the exemption from withholding, the procedure laid down in Order of 22nd December 1999 will be followed

## **INDIVIDUALS OR ENTITIES WITH NO TAX RESIDENCY IN SPAIN**

Income obtained by Noteholders who are Non-Resident Income Tax payers, both on interest and in connection with the transfer, repayment or redemption of the Notes, whether or not through a permanent establishment, shall be considered Spanish source income and therefore subject to taxation in Spain under Legislative Royal Decree 5/2004 of 5<sup>th</sup> March, 2004 approving the Consolidated Non-Resident Income Tax

Law, without prejudice to the provisions contained in any applicable tax treaty for the avoidance of double taxation (DTT).

### **Income obtained through a permanent establishment in Spain**

The holding of Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

Income obtained by Non Spanish resident holders acting through a permanent establishment in Spain will be taxed under the rules provided by Chapter III of the Non-Resident Income Tax Law. These Noteholders will be subject to taxation substantially in the same manner as has been set out for Spanish Corporate Income Tax payers.

### **Income not obtained through a permanent establishment in Spain**

Income obtained by Noteholders who are not tax resident in Spain acting for these purposes without a permanent establishment within Spain are exempt from such Non-Resident Income Tax.

For these purposes, and subject to enactment of secondary legislation implementing Law 4/2008 (as described in “*Disclosure of Noteholder Information in Connection with Interest payments*”), it is necessary to fulfil certain disclosure obligations relating to the identity and tax residence of the Noteholders, as described below under “*Disclosure of Noteholder information in connection with interest payments*”, in accordance with Section 44 Royal Decree 1065/2007 establishing information obligations in relation to preferred securities and other debt instruments and certain income obtained by individuals resident in the European Union and other tax rules.

If these disclosure obligations are not complied with in the required manner, the Issuer will apply a withholding of 18 per cent. and neither the Issuer nor the Guarantor will, as a result, be under any obligation to pay additional amounts.

### **WEALTH TAX**

Spanish Wealth Tax (*Impuesto sobre el Patrimonio*) is levied on the net worth of an individual’s assets at rates ranging between 0.2 per cent and 2.5 per cent. Individuals who are resident in Spain for tax purposes and who hold Notes at 31st December of each year would be subject to tax, taking into account the Notes for the purposes of calculating their tax liability.

Non-Spanish residents (other than those holding their Notes through a Tax Haven) whose income is exempt in regard to Non-Resident Income Tax, on the terms set forth above, shall be exempt from Wealth Tax on the Notes.

Legal entities are not subject to Wealth Tax.

Nevertheless, the Spanish Wealth Tax has been abolished by law 4/2004 with effect from 1 January 2008 with no obligations to declare.

## **INHERITANCE AND GIFT TAX**

The transfer of the Notes to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*) in accordance with the applicable regional or state rules even if title passes outside Spain and neither the heir nor the beneficiary, as the case may be, is resident in Spain for tax purposes, without prejudice to the provisions of any DTT signed by Spain.

The effective tax rates, after applying all relevant factors, range between 0 per cent and 81.6 per cent.

In the event that the beneficiary is an entity other than a natural person, the income obtained shall be subject to Corporate Income Tax or Non-Resident Income Tax, as the case may be, and without prejudice, in the latter event, to the provisions of any DTT that may apply.

## **TAX RULES FOR PAYMENTS MADE BY THE GUARANTOR**

Payments which may be made by the Guarantor to Noteholders, if the Guarantee is enforced, will be subject to the same tax rules previously set out for payments made by the Issuer.

## **DISCLOSURE OF NOTEHOLDER INFORMATION IN CONNECTION WITH INTEREST PAYMENTS**

The Issuer or the Guarantor, as the case may be, is currently required by Spanish law to file an annual return with the Spanish tax authorities in which it reports on certain information relating to payments made in respect of the Notes. The Spanish tax authorities may rely on such returns in order to assess whether or not the Issuer or the Guarantor, as the case may be, has correctly withheld tax on payments made by it under the Notes.

The Issuer or the Guarantor, as the case may be, completes each annual return on the basis of the information provided to it by, or on behalf of, Noteholders.

Law 4/2008 was published in the Spanish Official Gazette on 25 December 2008. Law 4/2008 amends, among other things, Additional Provision Two of Law 13/1985, which was the source of the obligation on Spanish issuers or their parent companies to report to the Spanish tax authorities on the identity and residence of holders of their debt securities. This reporting obligation was typically satisfied, in part, by the collection of certain information from investors at the time of each payment of interest or principal. Spanish issuers, Euroclear and Clearstream, Luxembourg (among others) developed certain procedures to enable the timely delivery of such information.

Law 4/2008 removes the obligation on Spanish issuers or their parent companies to provide to the Spanish tax authorities the relevant information concerning Noteholders who are not resident in Spain. The amended wording of Additional Provision Two of Law 13/1985, therefore, continues to apply the reporting obligation only in respect of Spanish resident holders (individual and corporate) and non-resident holders operating through a permanent establishment in Spain.

The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of relevant secondary legislation. At the date of this Base Prospectus, such secondary legislation had not yet been adopted.

Pending the enactment of such secondary legislation, and in accordance with the consultations from the General Directorate of Taxation dated 20 January 2009, the current procedures relating to the identity of Noteholders (see “*Disclosure of Noteholder Information in Connection with Interest Payments*” below) as laid down in section 44 of Royal Decree 1065/2007, remain applicable irrespective of whether or not the



Noteholders are resident in Spain, and both Euroclear and Clearstream, Luxembourg, require compliance with such obligations, and consequently the current obligation to provide information concerning the Noteholders who are not resident in Spain continues to apply

The following is a summary of the procedures implemented by the ICSDs to facilitate collection of the relevant Noteholder information necessary to enable the Issuer or the Guarantor, as the case may be, to comply with its reporting obligations pursuant to Additional Provision Two of Law 13/1985, prior to its amendment by Law 4/2008 and pending the enactment of secondary legislation.

The procedures summarised below are subject to review and amendment by the European Clearing Systems and/or Iberclear as well as to further requirements of the Spanish tax authorities. Noteholders must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

None of the Issuer, the Guarantor, the Dealers, the Paying Agent, the European Clearing Systems and/or Iberclear assumes any responsibility therefore.

Each Noteholder is therefore deemed to be aware of the obligations set out below regarding the disclosure of Noteholder information and the consequences of non-compliance. Specifically, Noteholders are deemed to be aware of the application of Spanish withholding tax if certain information is not provided in a timely manner.

## **LEGAL ENTITIES WITH TAX RESIDENCE IN SPAIN SUBJECT TO SPANISH CORPORATE INCOME TAX**

The Principal Paying Agent must be provided on payment date with a list of those investors who are Spanish Corporate Income Tax payers together with their name, address, Tax Identification Number, ISIN code of the relevant Series, number of Notes of the relevant Series held at each interest payment date, gross income and amount withheld. All of the records mentioned should be provided in the form set out in Annex III below.

## **INDIVIDUALS AND LEGAL ENTITIES WHICH ARE NON TAX RESIDENTS IN SPAIN**

The information requirements to be complied with in order to apply the exemption are those established by Section 44 of Spanish Royal Decree 1065/2007 of 27<sup>th</sup> July, 2007, being the following:

The Guarantor must make a return on a yearly basis to the Spanish tax authorities enclosing the following information related to the Notes and the investors:

- The identity and country of residence of the recipient of the income. When the income is received on behalf of a third party, then the identity and country of residence of that third party must be provided too;
- The amount of income received; and
- Identification of the Notes involved.

In addition, the following supporting documentation drafted in Spanish must be obtained in respect of each payment of income evidencing the identity and residence of each Noteholder:

- (a) If the non-resident Noteholder (beneficial owner) acts on its behalf and is a Central Bank, or any other public law institution, an International Organisation, a bank or a credit or financial entity, including Collective Investment Institutions, Pension Funds and Insurance Entities, resident in an OECD country or in a country or territory having a double tax treaty with Spain (including an

information exchange clause), the mentioned entity should certify its name and tax residence as is established by Annex I of the Ministerial Order of 16<sup>th</sup> September, 1991 (see Annex I below).

- (b) In the case of transactions in which any of the entities referred to in (a) above acts as an intermediary, it has to certify according to its own records, the name and tax residence of each Noteholder as is established by Annex II of the Ministerial Order of 16<sup>th</sup> September, 1991 (see Annex II below).
- (c) In the case of transactions channelled through a securities clearing and deposit entity recognised for these purposes by Spanish law or by one of an OECD country, the mentioned entity should, in accordance with the information contained in its own records, certify the name and tax residence of each Noteholder as is established by Annex II of the Order of 16<sup>th</sup> September, 1991 (see Annex II below).
- (d) In other cases, the tax residence should be evidenced by submission of the certificate of tax residence issued by the tax authorities of the country of residence of the Noteholder. These certificates will be valid for one year from the date of issuance and shall be the original ones.

Further, for the purpose of applying the withholding tax exemption for non-resident investors when the specific information required by Section 44 of Spanish Royal Decree 1065/2007 of 27<sup>th</sup> July, 2007 is provided, the following procedure must also be followed:

- On each Interest Payment Date, the Issuer or the Principal Paying Agent on its behalf must transfer the net amount (82 per cent. of the entitled amount) to the entities referred to in the above paragraphs (a), (b) and (c). If the above mentioned supporting documentation has been received on the Interest Payment Date, then the Issuer or the Principal Paying Agent shall gross up the 18 per cent. withheld.
- If a beneficial owner intends to benefit from a withholding tax exemption, the above supporting documentation should be provided to the Principal Paying Agent following the procedures established in the Agency Agreement. Copies of the Agency Agreement may be obtained as set out under “*General Information*”. The Guarantor and the Issuer may from time to time appoint an agent other than the Principal Paying Agent to intermediate with the European Clearing Systems in the provision of such information. Details of any such appointment and any amended procedures will be set out in the applicable Final Terms.
- If the Principal Paying Agent does not receive complete supporting documentation in respect of a Noteholder by an Interest Payment Date, such holder may obtain a refund of the full amount of withholding tax by ensuring the supporting documentation described above has been received by the Principal Paying Agent no later than 10:00 a.m. (Central European time) on second business day prior to the 10th calendar day of the month following the Interest Payment Date (the Refund Deadline).
- Noteholders entitled to a refund but in respect of whom relevant supporting documentation has not been provided to the Principal Paying Agent on or before the Refund Deadline may apply for a full refund of the withholding tax directly to the Spanish tax authorities (by means of the standard refund procedure).

Set out below are Annexes I, II and III. Sections in English have been translated from the original Spanish for information purposes. In the event of any discrepancy, the Spanish version shall prevail.

**Annex I**  
**Modelo de certificación en inversiones por cuenta propia**  
**Form of Certificate for Own Account Investments**

(nombre) (*name*).....

(domicilio)(*address*).....

.....

.....

(NIF) (*fiscal ID number*) .....

(en calidad de) , en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2.a) del Real Decreto 1065/2007, de 27 de julio,

(*function*) ....., *in the name and on behalf of the Entity indicated below, for the purposes of Section 44.2.a) Royal decree 1065/2007, of 27<sup>th</sup> July, 2007*

**CERTIFICO:**

**CERTIFY:**

1. Que el nombre o razón social de la Entidad que represento es:  
*that the name of the Entity I represent is:* .....
2. Que su residencia fiscal es la siguiente:  
*that its residence for tax purposes is:* .....
3. Que la Entidad que represento está inscrita en el Registro de  
*that the institution I represent is recorded in the* ..... *Register of* .....  
 (pais, estado, ciudad), con el número  
 (country, state, city), under number .....
4. Que la Entidad que represento está sometida a la supervisión de (*Organo supervisor*)  
*that the institution I represent is supervised by*..... (*Supervision body*)  
 en virtud de (*normativa que lo regula*)  
 under .....(*governing rules*).

Todo ello en relación con:

*All the above in relation to:*

Identificación de los valores poseidos por cuenta propia

*Identification of securities held on own account:* .....

Importe de los rendimientos

*Amount of income* .....

Lo que certifico en..... a..... de ..... de 20 .....

*I certify the above in..... on the..... of..... of 20.....*

**Annex II**  
**Modelo de certificación en inversiones por cuenta ajena**  
***Form of Certificate for Third Party Investments***

(nombre) (*name*) .....

(domicilio) (*address*) .....  
.....  
.....

(NIF) (fiscal ID number) .....

(en calidad de) , en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2 b) y c) del Real Decreto 1065/2007

(function) , in the name and on behalf of the Entity indicated below, for the purposes of Section 44.2 b) y c) Royal Decree 1065/2007, of 27<sup>th</sup> July, 2007

**CERTIFICO:**

***CERTIFY:***

1. Que el nombre o razón social de la Entidad que represento es:  
*that the name of the Entity I represent is:* .....
2. Que su residencia fiscal es la siguiente:  
*that its residence for tax purposes is:* .....
3. Que la Entidad que represento está inscrita en el Registro de  
*that the institution I represent is recorded in the* ..... *Register of* .....  
  
(pais, estado, ciudad), con el número  
(country, state, city), under number .....
4. Que la Entidad que represento está sometida a la supervisión de (*Organo supervisor*)  
*that the institution I represent is supervised by*..... (*Supervision body*)  
  
en virtud de (normativa que lo regula)  
*under* ..... (*governing rules*).
5. Que, de acuerdo con los registros de la Entidad que represento, la relación de titulares adjunta a la presente certificación, comprensiva del nombre de cada uno de los titulares no residentes, su país de residencia y el importe de los correspondientes rendimientos, es exacta, y no incluye personas o Entidades residentes en España.

*That, according to the records of the Entity I represent, the list of beneficial owners hereby attached, including the names of all the non-resident holders, their country of residence and the amounts of the corresponding income is accurate, and does not include person(s) or institution(s) resident either in Spain.*

Lo que certifico en.....a .....de.....de 20 .....  
*I certify the above in ..... on the..... of..... of 20.....*

RELACIÓN ADJUNTA A CUMPLIMENTAR:

*TO BE ATTACHED:*

Identificación de los valores:

*Identification of the securities*

Listado de titulares:

*List of beneficial owners:*

Nombre / País de residencia / Importe de los rendimientos

*Name / Country of residence / Amount of income*

### Annex III

#### **Modelo de certificación para hacer efectiva la exclusión de retención a los sujetos pasivos del Impuesto sobre Sociedades y a los establecimientos permanentes sujetos pasivos del Impuesto sobre la Renta de No Residentes**

*Certificate for application of the exemption on withholding to Spanish Corporate Income Tax payers and to permanent establishments of non-resident income tax taxpayers*

(nombre) (*name*) .....  
(domicilio) (*address*) .....  
.....

(NIF) (*fiscal ID number*) .....  
(en calidad de), en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 59.s) del Real Decreto 1777/2004,  
(*function*) ....., *in the name and on behalf of the Entity indicated below, for the purposes of article 59.s) of Royal Decree 1777/2004,*

**CERTIFICO:**

**CERTIFY:**

1. Que el nombre o razón social de la Entidad que represento es:  
*that the name of the Entity I represent is:* .....
2. Que su residencia fiscal es la siguiente:  
*that its residence for tax purposes is:* .....
3. Que la Entidad que represento está inscrita en el Registro de  
*that the institution I represent is recorded in the* ..... *Register of* .....  
(pais, estado, ciudad), con el número  
(*country, state, city*), *under number* .....
4. Que la Entidad que represento está sometida a la supervisión de (*Organo supervisor*)  
*that the institution I represent is supervised by*..... (*Supervision body*)  
en virtud de ..... (normativa que lo regula)  
under ..... (governing rules).
5. Que, a través de la Entidad que represento, los titulares incluidos en la relacion adjunta, sujetos pasivos del Impuesto sobre Sociedades y establecimientos permanentes en España de sujetos pasivos del Impuesto sobre la Renta de no Residentes, son perceptores de los rendimientos indicados.  
*That, through the Entity I represent, the list of holders hereby attached, are Spanish Corporate Income Tax payers and permanent establishment in Spain of Non-Resident Income Tax taxpayers, and are recipients of the referred income.*
6. Que la Entidad que represento conserva, a disposición del emisor, fotocopia de la tarjeta acreditativa del número de identificación fiscal de los titulares incluidos en la relación.  
*That the Entity I represent keeps, at the disposal of the Issuer, a photocopy of the card evidencing the Fiscal Identification Number of the holders included in the attached list.*

Lo que certifico en..... a ..... de ..... de 20 .....

I certify the above in..... on the..... of..... of 20.....

RELACION ADJUNTA

TO BE ATTACHED

*Identificación de los valores:*

*Identification of the securities*

*Razón social / Domicilio / Número de identificación fiscal / Número de valores / Rendimientos brutos /  
Retención al 18%*

*Name / Domicile / Fiscal Identification Number / Number of securities / Gross income / Amount withheld  
at 18%.*

## **SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS**

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail for a limited period after the Issue Date. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Under UK laws and regulations stabilising activities may only be carried on by the Stabilising Manager named in the applicable Final Terms (or persons acting on its behalf) and may only continue for a limited period following the Issue Date (or, if the ending day would be earlier, 60 days after the date of allotment) of the relevant Tranche of Notes.

### **Selling Restrictions**

#### ***United States***

Neither the Notes nor the Guarantee have been or will be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The relevant Dealer has represented and agreed that, it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each relevant Dealer has further agreed that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.



### ***Public Offer Selling Restriction under the Prospectus Directive***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the relevant Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the **Relevant Implementation Date**, make an offer of Notes to the public, in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstance falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### ***United Kingdom***

The relevant Dealer has represented and agreed that:

- (a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for

the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which Section 21(1) of the FSMA does not or, in the case of the Guarantor, would not if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the **FIEA**) and the relevant Dealer has represented and agreed that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***Republic of Italy***

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and the relevant implementing CONSOB regulations, as amended from time to time, and in Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (ii) in other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14<sup>th</sup> May, 1999, as amended (**Regulation No. 11971**).

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1<sup>st</sup> September, 1993, as amended (the **Banking Act**); and
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of the securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on solicitation of investments applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

## **France**

Each relevant Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the *Code monétaire et financier*. This Base Prospectus, prepared in connection with the Notes, has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

## **Spain**

Each relevant Dealer has represented and agreed that:

- (a) it has not offered and sold, and will not offer and sell, any Notes, in Spain, unless (i) it is authorised to provide investment services in Spain under the Securities Market Law 24/1988 of 28<sup>th</sup> July (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended (the **Securities Market Law**) and the Royal Decree on Investment Services Companies 217/2008, of 15 February (*Real Decreto 217/2008, de 15 de febrero, sobre el regimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión y por el que se modifica parcialmente el Reglamento de la Ley 35/2003, de 4 de noviembre, de Institutos de Inversión Colectiva, aprobado por el Real Decreto 1309/2005, de 4 de noviembre*) (**Royal Decree 217/2008**), and (ii) it has complied with, and will comply with, all applicable provisions of the Securities Market Law and any other applicable legislation in relation to any offer or sale of the Notes in Spain; and
- (b) it has not offered, and will not offer, Notes to investors located in Spain unless (i) the Notes are represented in book-entry form, and (ii) have been admitted, or will be admitted to trading on a Spanish Official Secondary Market (*Mercado Secundario Oficial*) (as defined in the Securities Market Law).

## **General**

Each relevant Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer, the Guarantor, nor the relevant Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the shareholders' meeting and of the Board of Directors of BSF dated 26<sup>th</sup> May, 2009. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 27<sup>th</sup> April, 2009.

Issues of Notes under the Programme will be exempted to comply with certain formalities contained in the Spanish Companies Act of 1989, as amended, in accordance with the Article 30 ter of the Securities Market Law (Law 24/1998 of 28<sup>th</sup> July).

### Listing of Notes

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**) will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available from the registered office of the Issuer or the Guarantor:

- (a) the constitutional documents of each of the Issuer and the Guarantor;
- (b) The audited annual financial statements of BSF for the financial years ended 31<sup>st</sup> December, 2007 and 31<sup>st</sup> December, 2008 (including the unqualified audit reports issued in respect thereof) prepared in accordance with Spanish generally accepted accounting principles and its English translation filed with the CNMV and made available on their website [www.cnmv.es](http://www.cnmv.es).
- (b) The audited consolidated annual financial statements of the Guarantor for the financial years ended 31<sup>st</sup> December, 2007 and 31<sup>st</sup> December, 2008 (including the unqualified audit reports issued in respect thereof) prepared in accordance with EU-IFRS filed with the CNMV and the English translation of these audited consolidated annual financial statements as made available from on its website [www.bbva.com](http://www.bbva.com).
- (c) The *Documento de Registro* filed by the Guarantor before the CNMV on 2<sup>nd</sup> June 2009.
- (d) The published interim financial statements of the Guarantor (on a consolidated basis) for the three month period ending 31<sup>st</sup> March, 2009 and the English translations of these financial statements of Guarantor as made available on its website [www.bbva.com](http://www.bbva.com).
- (e) a copy of this Base Prospectus;
- (f) the Agency Agreement, the Guarantee, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Receipts and the Coupons, the Talons and the Deed of Covenant;

- (g) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (h) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### **Clearing Systems**

#### *Euroclear and Clearstream, Luxembourg*

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg.

#### *Iberclear*

The Book Entry Notes to be listed into a Spanish regulated market will be accepted for clearance through Iberclear. The appropriate ISIN for each Tranche of Notes allocated by Iberclear will be specified in the applicable Final Terms.

The address of Iberclear is Plaza de la Lealtad, nº 1, 28014 Madrid, Spain.

#### *Additional or alternative clearing systems*

If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Change**

There has been no material adverse change in the prospects of the Issuer or the Guarantor since 31<sup>st</sup> December, 2008.

There has been no significant change in the financial or trading position of the Group since 31<sup>st</sup> December, 2008.

## **Litigation**

Neither the Issuer, the Guarantor nor the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) in the 12 months preceding the date of this document which may have, or have had, in such period a significant effect on the financial position or profitability of the Issuer, the Guarantor or the Group.

## **Auditors**

The auditors of the BSF are Deloitte, S.L., registered as auditors on the *Registro Oficial de Auditores de cuentas (ROAC)*, N<sup>a</sup> S0692, which have audited the Issuer's accounts without qualification which have been prepared in accordance with generally accepted accounting principles and practices in Spain for the financial year ended 31st December, 2008 and 31st December, 2007.

The auditors of the Guarantor are Deloitte, S.L. (registered as auditors on the *Registro Oficial de Auditores de Cuentas*), which have audited the Guarantor's accounts without qualification, for each of the two financial years ended 31st December, 2008 and 31st December, 2007 which have been prepared in accordance with EU-IFRS.

## **Relevant Dealer's transactions with the Issuer and the Guarantor**

It is possible that the relevant Dealer appointed in relation to the Notes and their affiliates has engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor and their affiliates in the ordinary course of business.

## **SIGNATURES**

In witness to their knowledge and approval of the contents of this Base Prospectus of BBVA Senior Finance, S.A. Unipersonal it is hereby signed by representative of BBVA Senior Finance, S.A. Unipersonal and by the representative of Banco Bilbao Vizcaya Argentaria, S.A.

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Juan Isusi Garteiz-Gogeaescoa (Representative)  
For and on behalf of BBVA Senior Finance, S.A. Unipersonal

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Pedro M<sup>a</sup> Urresti Laca (Deputy Chief Financial Officer)  
For and on behalf of Banco Bilbao Vizcaya Argentaria, S.A.



**ISSUER**

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

Gran Vía, 1  
48001 Bilbao  
Spain

**GUARANTOR**

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

Plaza de San Nicolas, 4  
48005 Bilbao  
Spain

**PRINCIPAL PAYING AGENT, REGISTRAR AND SPANISH PAYING AGENT**

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

Plaza de San Nicolas, 4  
48005 Bilbao  
Spain

**LEGAL ADVISERS**

*To the Issuer and the Guarantor (as to English Law)*

**Allen & Overy**

Pedro de Valdivia, 10  
28006 Madrid  
Spain

**AUDITORS**

*To the Issuer and the Guarantor*

**Deloitte, S.L.**

Plaza Pablo Ruiz Picasso, 1  
Torre Picasso  
28020 Madrid  
Spain

**TABLA DE EQUIVALENCIAS ENTRE LOS MODELOS DE DOCUMENTO DE REGISTRO Y NOTA DE VALORES RECOGIDOS EN EL  
REGLAMENTO 809/2004 Y EL FOLLETO DE BASE PRESENTADO A CNMV**

**ANEXO IV**

**Requisitos mínimos de información para el Documento de registro de obligaciones y derivados (esquema)**

*(Obligaciones y derivados de denominación individual inferior a 50 000 euros)*

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>1. PERSONAS RESPONSABLES</b></p> <p><b>1.1</b> Todas las personas responsables de la información que figura en el documento de registro y, según los casos, de ciertas partes del mismo, con, en el último caso, una indicación de las partes. En caso de personas físicas, incluidos los miembros de los órganos de administración, de gestión o de supervisión del emisor, indicar el nombre y el cargo de la persona; en caso de personas jurídicas indicar el nombre y el domicilio social.</p> <p><b>1.2</b> Declaración de los responsables del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en el documento de registro es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido. En su caso, declaración de los responsables de determinadas partes del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en la parte del documento de registro de la que son responsables es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido.</p>	<p>Se incluye en la página 151, “Signatures”, página de firmas de las personas responsables por BBVA Senior Finance, S.A.Unipersonal y Banco Bilbao Vizcaya Argentaria, S.A.</p> <p>En la página 109, “<i>Description of BBVA Senior Finance, S.A. Unipersonal-Person Responsable</i>” se incluye la declaración realizada por el representante de BBVA Senior Finance, S.A.Unipersonal y en la página 111 se incluye la declaración realizada por el representante de BBVA.</p>

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>2. AUDITORES DE CUENTAS</b></p> <p><b>2.1</b> Nombre y dirección de los auditores del emisor para el período cubierto por la información financiera histórica (así como su afiliación a un colegio profesional).</p> <p><b>2.2</b> Si los auditores han renunciado, han sido apartados de sus funciones o no han sido redesignados durante el período cubierto por la información financiera histórica, deben proporcionarse los detalles si son importantes.</p>	<p>Se incluye descripción de los auditores en el apartado “<i>GENERAL INFORMATION - Auditors</i>” (pagina 150)</p>
<p><b>3. INFORMACIÓN FINANCIERA SELECCIONADA</b></p> <p><b>3.1</b> Información financiera histórica seleccionada relativa al emisor, que se presentará para cada ejercicio durante el período cubierto por la información financiera histórica, y cualquier período financiero intermedio subsiguiente, en la misma divisa que la información financiera.</p> <p>La información financiera histórica seleccionada debe proporcionar cifras clave que resuman la situación financiera del emisor.</p> <p><b>3.2</b> Si se proporciona información financiera seleccionada relativa a períodos intermedios, también se proporcionarán datos comparativos del mismo período del ejercicio anterior, salvo que el requisito para la información comparativa del balance se satisfaga presentando la información del balance final del ejercicio.</p>	<p>Información incorporada por referencia, en cuanto al Emisor y el Garante. Ver apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p>

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>4. FACTORES DE RIESGO</b></p> <p>Se proporcionarán de manera prominente los factores de riesgo que pueden afectar a la capacidad del emisor de cumplir sus compromisos con los inversores en la sección titulada «factores de riesgo».</p>	<p>Ver apartado “Risk Factors” en las páginas 15 y siguientes. En especial “<i>Risk Factors relating to the Issuer</i>” y “<i>Risk Factors relating to the Guarantee</i>”.</p>
<p><b>5. INFORMACIÓN SOBRE EL EMISOR</b></p> <p><b>5.1 Historia y evolución del emisor</b></p> <p><b>5.1.1</b> nombre legal y comercial del emisor;</p> <p><b>5.1.2</b> lugar de registro del emisor y número de registro;</p> <p><b>5.1.3</b> fecha de constitución y período de actividad del emisor, si no son indefinidos;</p> <p><b>5.1.4</b> domicilio y personalidad jurídica del emisor, legislación conforme a la cual opera, país de constitución, y dirección y número de teléfono de su domicilio social (o lugar principal de actividad empresarial si es diferente de su domicilio social);</p> <p><b>5.1.5</b> todo acontecimiento reciente relativo al emisor que sea importante para evaluar su solvencia.</p>	<p>Ver apartado “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes.</p> <p>No aplica ya que no ha habido acontecimiento reciente importante para evaluar la solvencia de BBVA Senior Finance, S.A.Unipersonal.</p>
<p><b>5.2 Inversiones</b></p> <p><b>5.2.1</b> Descripción de las inversiones principales hechas desde la fecha de los últimos estados financieros publicados.</p>	<p>No aplicable para BBVA Senior Finance, S.A.Unipersonal.</p>

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>5.2.2</b> Información relativa a las principales inversiones futuras del emisor, en las que sus órganos de gestión hayan llegado ya a compromisos firmes.</p> <p><b>5.2.3</b> Información relativa a las fuentes previstas de los fondos necesarios para cumplir los compromisos mencionados en 5.2.2.</p> <p><b>6. DESCRIPCIÓN DEL NEGOCIO</b></p> <p><b>6.1 Actividades principales</b></p> <p><b>6.1.1</b> Descripción de las principales actividades del emisor, declarando las principales categorías de productos vendidos y/o de servicios prestados; y</p> <p><b>6.1.2</b> indicación de cualquier nuevo producto y/o actividades significativos.</p> <p><b>6.2 Mercados principales</b></p> <p>Breve descripción de los mercados principales en los que compite el emisor.</p> <p><b>6.3</b> Se incluirá la base de cualquier declaración efectuada por el emisor relativa a su posición competitiva.</p>	<p></p> <p>El objeto de BBVA Senior Finance, S.A.Unipersonal es la emisión de valores de renta fija, tal y como figura en el apartado “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en la página 109 y siguientes.</p> <p>No aplica para BBVA Senior Finance, S.A. Unipersonal.</p> <p>Los mercados principales son los del Garante. Ver apartado “<i>DESCRIPCIÓN OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</i>” en la página 111 y siguientes</p>
<p><b>7. ESTRUCTURA ORGANIZATIVA</b></p> <p><b>7.1</b> Si el emisor es parte de un grupo, breve descripción del grupo y de la posición del emisor en el mismo.</p>	<p>Ver apartado “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes, en cuanto al Emisor y “<i>DESCRIPCIÓN OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</i>” en la página 111 y siguientes, en cuanto al Garante.</p>

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>7.2</b> Si el emisor depende de otras entidades del grupo debe declararse con claridad, junto con la explicación de esa dependencia.</p>	
<p><b>8. INFORMACIÓN SOBRE TENDENCIAS</b></p> <p><b>8.1</b> Incluir una declaración de que no ha habido ningún cambio importante en las perspectivas del emisor desde la fecha de sus últimos estados financieros auditados publicados.</p> <p>En caso de que el emisor no esté en condiciones de hacer tal declaración, debería proporcionar detalles de este cambio adverso importante.</p> <p><b>8.2</b> Información sobre cualquier tendencia conocida, incertidumbres, demandas, compromisos o hechos que pudieran razonablemente tener una incidencia importante en las perspectivas del emisor, por lo menos para el ejercicio actual.</p>	<p>No aplicable, ya que no ha habido ningún cambio importante en las perspectivas o tendencias para el ejercicio actual desde la fecha de sus últimos estado financieros auditados publicados.</p> <p>Tal y como se indica a continuación, se incluye mención expresa a que si en el futuro se incluyen cambios que afecten a este apartado se registrará el oportuno Suplemento.</p> <p>Ver apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33, que indica lo siguiente:</p> <p><i>“Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and/or the Guarantor and approved by the CNMV in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.”</i></p>

<p align="center"><b>APARTADO ANEXO IV</b></p>	<p align="center"><b>APARTADO O APARTADOS DEL FOLLETO DE BASE</b></p>
<p><b>9. PREVISIONES O ESTIMACIONES DE BENEFICIOS</b></p> <p>Si un emisor opta por incluir una previsión o una estimación de beneficios, en el documento de registro deberá figurar la información prevista en los puntos 9.1 y 9.2:</p> <p><b>9.1</b> Declaración que enumere los principales supuestos en los que el emisor ha basado su previsión o su estimación.</p> <p>Los supuestos empleados deben dividirse claramente entre supuestos sobre los factores en los que pueden influir los miembros de los órganos de administración, de gestión o de supervisión y los supuestos sobre factores que están exclusivamente fuera de la influencia de los miembros de los órganos de administración, de gestión o de supervisión; los supuestos deben ser fácilmente comprensibles para los inversores, ser específicos y precisos y no estar relacionados con la exactitud general de las estimaciones subyacentes de la previsión.</p> <p><b>9.2</b> Debe incluirse un informe elaborado por contables o auditores independientes que declare que, a juicio de esos contables o auditores independientes, la previsión o estimación se ha calculado correctamente sobre la base declarada, y que el fundamento contable utilizado para la previsión o estimación de los beneficios es coherente con las políticas contables del emisor.</p> <p>La previsión o estimación de los beneficios debe prepararse sobre una base comparable con la información financiera histórica.</p>	<p>No aplicable, dado que no se incluyen previsiones o estimaciones de beneficios.</p>

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>10. ÓRGANOS DE ADMINISTRACIÓN, DE GESTIÓN Y DE SUPERVISIÓN</b></p> <p><b>10.1</b> Nombre, dirección profesional y cargo en el emisor de las siguientes personas, indicando las actividades principales desarrolladas fuera del emisor si éstas son importantes con respecto a ese emisor:</p> <ul style="list-style-type: none"> <li>a) miembros de los órganos de administración, de gestión o de supervisión;</li> <li>b) socios comanditarios, si se trata de una sociedad comanditaria por acciones.</li> </ul> <p><b>10.2</b> Conflictos de intereses de los órganos de administración, de gestión y de supervisión. Deben declararse con claridad los posibles conflictos de intereses entre los deberes de cualquiera de las personas mencionadas en 10.1 con el emisor y sus intereses privados y/o otros deberes. En caso de que no haya tales conflictos, debe hacerse una declaración a ese efecto.</p>	<p>Ver apartado “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes.</p>
<p><b>11. PRÁCTICAS DE GESTIÓN</b></p> <p><b>11.1</b> Detalles relativos al comité de auditoría del emisor, incluidos los nombres de los miembros de comité y un resumen de las condiciones en las que actúa.</p>	<p>Ver apartado “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes y apartado “<i>DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA S.A.</i>” en las páginas 111 y siguientes</p>



APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>11.2</b> Declaración de si el emisor cumple el régimen o regímenes de gobierno corporativo de su país de constitución. En caso de que el emisor no cumpla ese régimen debe incluirse una declaración a ese efecto, así como una explicación de los motivos por los que el emisor no lo cumple.</p>	

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>12. ACCIONISTAS PRINCIPALES</b></p> <p><b>12.1</b> En la medida en que sea del conocimiento del emisor, declarar si el emisor es directa o indirectamente propiedad o está bajo control y quién lo ejerce, y describir el carácter de ese control y las medidas adoptadas para garantizar que no se abusa de ese control.</p> <p><b>12.2</b> Descripción de todo acuerdo, conocido del emisor, cuya aplicación pueda en una fecha ulterior dar lugar a un cambio en el control del emisor.</p>	<p>No aplicable.</p>
<p><b>13. INFORMACIÓN FINANCIERA RELATIVA AL ACTIVO Y EL PASIVO DEL EMISOR, POSICIÓN FINANCIERA Y PÉRDIDAS Y BENEFICIOS</b></p> <p><b>13.1 Información financiera histórica</b></p>	<p>Ver, las cuentas anuales del emisor registradas en la CNMV, que se incorporan por referencia, tal y como se detalla en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p>

<p align="center"><b>APARTADO ANEXO IV</b></p>	<p align="center"><b>APARTADO O APARTADOS DEL FOLLETO DE BASE</b></p>
<p>Información financiera histórica auditada que abarque los 2 últimos ejercicios (o el período más corto de actividad del emisor), y el informe de auditoría correspondiente a cada año. Si el emisor ha cambiado su fecha de referencia contable durante el período respecto del que se debe presentar información financiera histórica, la información histórica auditada abarcará 24 meses como mínimo, o la totalidad del período de actividad del emisor, si este último fuese más breve. Esta información financiera se preparará de conformidad con el Reglamento (CE) n° 1606/2002 o, si no es aplicable, con las normas nacionales de contabilidad de un Estado miembro para emisores de la Comunidad. Para emisores de terceros países, la información financiera se preparará de conformidad con las normas internacionales de contabilidad adoptadas según el procedimiento del artículo 3 del Reglamento (CE) n° 1606/2002 o con normas nacionales de contabilidad de un tercer país equivalentes a esas. Si la información financiera no es equivalente las normas mencionadas, se presentará bajo la forma de estados financieros expresados.</p> <p>La información financiera histórica más reciente debe presentarse y prepararse de forma coherente con la que se adoptará en los próximos estados financieros anuales publicados del emisor, teniendo en cuenta las normas y políticas contables, y la legislación aplicable a esos estados financieros anuales.</p> <p>Si el emisor ha operado en su esfera actual de actividad económica durante menos de un año, la información financiera histórica auditada que cubra ese período debe prepararse de conformidad con las normas aplicables a los estados financieros anuales con arreglo al Reglamento (CE) 1606/2002, o, si es no aplicable, con las normas nacionales de contabilidad de un Estado miembro si el emisor es de la Comunidad. Para emisores de terceros países, la información financiera histórica se preparará de conformidad con las normas internacionales de contabilidad adoptadas según el procedimiento del artículo 3 del Reglamento (CE) n° 1606/2002 o con normas nacionales de contabilidad de un tercer país equivalentes a esas. Esta información financiera histórica debe estar auditada.</p>	<p>Ver, las cuentas anuales del emisor registradas en la CNMV, que se incorporan por referencia, tal y como se detalla en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p>

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p>Si la información financiera auditada se prepara con arreglo a normas nacionales de contabilidad, la información financiera requerida bajo este epígrafe debe incluir por lo menos:</p> <ul style="list-style-type: none"> <li>a) balance;</li> <li>b) cuenta de resultados</li> <li>c) estado de flujos de tesorería;</li> <li>y</li> <li>d) políticas contables utilizadas y notas explicativas.</li> </ul> <p>La información financiera histórica anual deberá auditarse de manera independiente o informar de si, a efectos del documento de registro, ofrece una imagen fiel, de conformidad con las normas de auditoría aplicables en un Estado miembro o una norma equivalente.</p> <p><b>13.2 Estados financieros</b></p> <p>Si el emisor prepara estados financieros anuales consolidados y también propios, el documento de registro deberá incluir por lo menos los estados financieros anuales consolidados.</p> <p><b>13.3 Auditoría de la información financiera histórica anual</b></p>	<p>Ver, las cuentas anuales del emisor registradas en la CNMV, que se incorporan por referencia, tal y como se detalla en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p>

<p align="center"><b>APARTADO ANEXO IV</b></p>	<p><b>APARTADO O APARTADOS DEL FOLLETO DE BASE</b></p>
<p><b>13.3.1</b> Declaración de que se ha auditado la información financiera histórica. Si los informes de auditoría de los auditores legales sobre la información financiera histórica contienen una declaración adversa o si contienen salvedades, una limitación de alcance o una denegación de opinión, se reproducirán íntegramente la opinión adversa, las salvedades, la limitación de alcance o la denegación de opinión, explicando los motivos.</p>	<p>Ver informe de auditoria incluido en las Cuentas anuales del emisor incorporadas por referencia tal y como se detalla en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>”, en la página 33.</p>
<p><b>13.3.2</b> Indicación de cualquier otra información del documento de registro que haya sido auditada por los auditores.</p> <p><b>13.3.3</b> Cuando los datos financieros del documento de registro no se hayan extraído de los estados financieros auditados del emisor, éste debe declarar la fuente de los datos y declarar que los datos no han sido auditados.</p> <p><b>13.4 Edad de la información financiera más reciente</b></p> <p><b>13.4.1</b> El último año de información financiera auditada no puede preceder en más de 18 meses a la fecha del documento de registro.</p>	<p>Ver, las cuentas anuales del registradas en CNMV, que se incorporan por referencia, tal y como se detalla en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p> <p>No aplicable</p> <p>No aplicable</p>

<p style="text-align: center;"><b>APARTADO ANEXO IV</b></p>	<p><b>APARTADO O APARTADOS DEL FOLLETO DE BASE</b></p>
<p><b>13.5 Información intermedia y demás información financiera</b></p> <p><b>13.5.1</b> Si el emisor ha venido publicando información financiera trimestral o semestral desde la fecha de sus últimos estados financieros auditados, éstos deben incluirse en el documento de registro. Si la información financiera trimestral o semestral ha sido revisada o auditada, debe también incluirse el informe de auditoría o de revisión. Si la información financiera trimestral o semestral no ha sido auditada o no se ha revisado, debe declararse este extremo.</p> <p><b>13.5.2</b> Si la fecha del documento de registro es más de nueve meses posterior al fin del último ejercicio auditado, debe contener información financiera intermedia que abarque por lo menos los primeros seis meses del ejercicio. Si la información financiera intermedia no ha sido auditada, debe declararse este extremo.</p> <p>La información financiera intermedia debe incluir estados comparativos del mismo período del ejercicio anterior, salvo que el requisito de información comparativa del balance pueda satisfacerse presentando el balance final del año.</p>	<p>No aplicable</p>

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>13.6 Procedimientos judiciales y de arbitraje</b></p> <p>Información sobre cualquier procedimiento gubernamental, legal o de arbitraje (incluidos los procedimientos que estén pendientes o aquellos que el emisor tenga conocimiento que le afectan), durante un período que cubra por lo menos los 12 meses anteriores, que puedan tener o hayan tenido en el pasado reciente, efectos significativos en el emisor y/o la posición o rentabilidad financiera del grupo, o proporcionar la oportuna declaración negativa.</p> <p><b>13.7 Cambios significativos en la posición financiera o comercial del emisor</b></p> <p>Descripción de todo cambio significativo en la posición financiera o comercial del grupo que se haya producido desde el fin de último período financiero del que se haya publicado información financiera auditada o información financiera intermedia, o proporcionar la oportuna declaración negativa.</p>	<p>Veáse pagina 150 apartado “Litigation”.</p> <p>No ha habido ningún cambio significativo en la posición financiera o comercial del emisor.</p> <p>Téngase en cuenta la mención que se indica en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>”, que indica:</p> <p><i>“The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.”</i></p>
<p><b>14. INFORMACIÓN ADICIONAL</b></p> <p><b>14.1 Capital social</b></p>	<p>Ver “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes.</p>

<p style="text-align: center;"><b>APARTADO ANEXO IV</b></p> <p><b>14.1.1</b> Importe del capital emitido, número y clases de acciones de las que está compuesto con detalles de sus características principales, la parte de capital emitido aún pendiente de desembolso, indicando el número, o el valor nominal total, y el tipo de las acciones todavía no íntegramente desembolsadas, desglosado si procede en la medida en que se hayan desembolsado.</p>	<p><b>APARTADO O APARTADOS DEL FOLLETO DE BASE</b></p>
<p><b>14.2 Estatutos y escritura de constitución.</b></p> <p><b>14.2.1</b> Registro y número de entrada, si procede, y descripción de los objetivos y fines del emisor y dónde pueden encontrarse en los estatutos y la escritura de constitución.</p>	<p>Ver “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes.</p>
<p><b>15. CONTRATOS RELEVANTES</b></p> <p>Breve resumen de todos los contratos relevantes al margen de la actividad corriente del emisor, que puedan dar lugar para cualquier miembro del grupo a una obligación o un derecho que afecten significativamente a la capacidad del emisor de cumplir su compromiso con los tenedores de valores con respecto los valores emitidos.</p>	<p>Ver “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes.</p> <p>Asimismo, especialmente ver la “<i>Condition 3.2- Status of the Guarantee</i>”, en la página 66 y siguiente donde se describe el principal contrato del Emisor, esto es la garantía de BBVA.</p>



APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>16. INFORMACIÓN DE TERCEROS, DECLARACIONES DE EXPERTOS Y DECLARACIONES DE INTERÉS</b></p> <p><b>16.1</b> Cuando se incluya en el documento de registro una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de dicha persona, su dirección profesional, sus cualificaciones y, en su caso, cualquier interés importante que tenga en el emisor. Si el informe se presenta a petición del emisor, una declaración de que se incluye dicha declaración o informe, la forma y el contexto en que se incluye, y con el consentimiento de la persona que haya autorizado el contenido de esa parte del documento de registro.</p>	No aplicable.
<p><b>16.2</b> En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho que haría la información reproducida inexacta o engañosa. Además, el emisor debe identificar la fuente o fuentes de la información.</p>	No aplicable.

APARTADO ANEXO IV	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>17. DOCUMENTOS PARA CONSULTA</b></p> <p>Declaración de que, en caso necesario, pueden inspeccionarse los siguientes documentos (o copias de los mismos) durante el período de validez del documento de registro:</p> <ul style="list-style-type: none"> <li>a) los estatutos y la escritura de constitución del emisor;</li> <li>b) todos los informes, cartas, y otros documentos, información financiera histórica, evaluaciones y declaraciones elaborados por cualquier experto a petición del emisor, que estén incluidos en parte o mencionados en el documento de registro;</li> <li>c) la información financiera histórica del emisor o, en el caso de un grupo, la información financiera histórica del emisor y sus filiales para cada uno de los dos ejercicios que preceden la publicación del documento de registro.</li> </ul> <p>Indicación de dónde pueden examinarse los documentos presentados, por medios físicos o electrónicos.</p>	<p>Ver “<i>DESCRIPTION OF BBVA SENIOR FINANCE, S.A. UNIPERSONAL</i>” en las páginas 109 y siguientes, en cuanto al Emisor.</p> <p>En dichos apartados y documentos se indican las direcciones del Emisor, Garante, así como las referencias al Documento de Registro, donde a su vez se indica la página web del Garante.</p> <p>Adicionalmente, el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” indica:</p> <p>“<i>Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Issuer and the Guarantor at Paseo de la Castellana, 81, 28046 Madrid and in its Website www.bbva.com</i>”.</p> <p>Finalmente en el apartado “<i>GENERAL INFORMATION- Documents Available</i>”, en la página 148, se incluye una sección específica con la información disponible y los plazos en los que estarán disponibles.</p>

## ANEXO V

### Requisitos mínimos de información para la Nota sobre los valores relacionada con las obligaciones (esquema)

*(Obligaciones de denominación individual inferior a 50 000 euros)*

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>1. PERSONAS RESPONSABLES</b></p> <p><b>1.1</b> Todas las personas responsables de la información que figura en el folleto y, según el caso, de ciertas partes del mismo, indicando, en este caso, las partes. En caso de personas físicas, incluidos los miembros de los órganos de administración, de gestión o de supervisión del emisor, indicar el nombre y el cargo de la persona; en caso de personas jurídicas, indicar el nombre y el domicilio social.</p> <p><b>1.2</b> Declaración de los responsables del folleto que asegure que, tras comportarse con una diligencia razonable de que así es, la información contenida en el folleto es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido. En su caso, declaración de los responsables de determinadas partes del folleto que asegure que, tras comportarse con una diligencia razonable, la información contenida en la parte del folleto de la que son responsables es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido.</p>	<p>Se incluye en la página 151, “Signatures”, página de firmas de las personas responsables por BBVA Senior Finance, S.A.Unipersonal y Banco Bilbao Vizcaya Argentaria, S.A.</p> <p>En la página 109, “<i>Description of BBVA Senior Finance, S.A. Unipersonal Person Responsible</i>” se incluye la declaración realizada por el representante de BBVA Senior Finance, S.A. Unipersonal y en la página 111 se incluye la declaración realizada por el representante de BBVA.</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>2. FACTORES DE RIESGO</b></p> <p><b>2.1</b> Se proporcionarán de manera prominente los factores de riesgo importantes para los valores ofertados y/o admitidos a cotización con el fin de evaluar el riesgo de mercado asociado con estos valores en una sección titulada «factores de riesgo».</p>	<p>Ver apartado “<i>RISK FACTORS</i>” en las páginas 15 y siguientes. En especial ver “<i>Risks related to Notes generally</i>” en las páginas 21 y siguientes.</p>
<p><b>3. INFORMACIÓN FUNDAMENTAL</b></p> <p><b>3.1 Interés de las personas físicas y jurídicas participantes en la emisión/oferta</b></p> <p>Descripción de cualquier interés, incluidos los conflictivos, que sea importante para la emisión/oferta, detallando las personas implicadas y la naturaleza del interés.</p>	<p>En el apartado “<i>GENERAL INFORMATION</i>”, se incluyen los datos de las personas implicadas en la operación y la intervención que realizan en la operación.</p>
<p><b>3.2 Motivos de la oferta y destino de los ingresos.</b></p> <p>Motivos de la oferta cuando éstos no tengan por objeto la obtención de beneficios o la cobertura de ciertos riesgos.</p> <p>Cuando proceda, gastos totales previstos de la emisión/oferta y previsión del importe neto de los ingresos. Estos gastos e ingresos deberán estar desglosados, en cada uno de los principales usos previstos y presentados por orden de prioridad de cada uso. Si el emisor tiene conocimiento de que los ingresos previstos no serán suficientes para financiar todas las aplicaciones propuestas, declarar la cantidad y las fuentes de los fondos adicionales necesarios.</p>	<p>Ver apartado “<i>USE OF PROCEEDS</i>”, en la página 108.</p> <p>En caso de que tengan algún motivo concreto se completará adicionalmente el apartado 5 de la Parte B del apartado “<i>FORM OF THE APPLICABLE FINAL TERMS</i>” descrito en la página 59 y siguientes.</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<b>4. INFORMACIÓN RELATIVA A LOS VALORES QUE VAN A OFERTARSE/ADMITIRSE A COTIZACIÓN</b>	<p>Al tratarse de un Folleto de Base, los datos del presente apartado 4 se incluirán en cada Emisión concreta de valores.</p> <p>No obstante, los términos comunes a todas las emisiones se encuentran en el apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”, en las páginas 62 y siguientes, tal y como se detalla a continuación.</p>
<p><b>4.1</b> Descripción del tipo y la clase de los valores ofertados y/o admitidos a cotización, con el Código ISIN (número internacional de identificación del valor) u otro código de identificación del valor.</p> <p><b>4.2</b> Legislación según la cual se han creado los valores.</p>	<p>Condición 1 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>” y Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”</p> <p>Condición 21 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”.</p>
<p><b>4.3</b> Indicación de si los valores están en forma registrada o al portador y si los valores están en forma de título o de anotación en cuenta. En el último caso, nombre y dirección de la entidad responsable de la llevanza de las anotaciones.</p>	<p>Ver el apartado “<i>FORM OF THE NOTES</i>”, en las páginas 40 y siguientes, la Condición 1 del “<i>TERMS AND CONDITIONS OF THE NOTES</i>”, en la página 62 y siguientes y para cada emisión concreta se cumplimentará apartado 29 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>
<p><b>4.4</b> Divisa de la emisión de los valores.</p>	<p>Se determinará en las Condiciones Finales de cada Emisión, tal y como se indica en el modelo de las mismas en el apartado “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, en las páginas 45 y siguientes, en concreto en el apartado 3 de la Parte A.</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>4.5</b> Orden de prelación de los valores ofertados y/o admitidos a cotización, incluyendo resúmenes de cualquier cláusula que afecte a la prelación o subordine el valor a alguna responsabilidad actual o futura del emisor</p>	<p>Condición 3 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”</p>
<p><b>4.6</b> Descripción de los derechos vinculados a los valores, incluida cualquier limitación de esos derechos, y procedimiento para el ejercicio de los mismos.</p>	<p>Los derechos vinculados a los valores se incluyen en el apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>” en la página 62 y siguientes.</p> <p>En cuanto al plazo para reclamar los pagos por principal e intereses se detallan en la cláusula 10 de dichos “<i>TERMS AND CONDITIONS OF THE NOTES</i>”, en la página 97.</p> <p>En cada una de las condiciones finales se detallarán los derechos de cada valor emitido, en relación a los derechos vinculados a los mismos en cuanto a si generan algún interés (apartados 15 a 17 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”). En los apartados 18 a 23 del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>” se detallarán los derechos que, en su caso, tendrán los bonos estructurados. En los apartados 24 a 28 del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>” se detallarán los derechos de amortización del principal de los valores emitidos.</p>
<p><b>4.7</b> Tipo de interés nominal y disposiciones relativas a los intereses pagaderos.</p> <p>– Fechas de devengo y pago de los intereses.</p>	<p>Se determinarán en las correspondientes Condiciones Finales, de conformidad con lo previsto en el apartado</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<ul style="list-style-type: none"> <li>– Plazo válido en el que se pueden reclamar los intereses y el reembolso del principal Cuando el tipo no sea fijo, descripción del subyacente en el que se basa y método empleado para relacionar ambos, indicando dónde puede obtenerse información sobre la trayectoria pasada y futura del subyacente y sobre su volatilidad.</li> <li>– Descripción de cualquier episodio de distorsión del mercado o de liquidación que afecte al subyacente</li> <li>– Normas de ajuste de acontecimientos relativos al subyacente</li> <li>– Nombre del agente de cálculo</li> </ul> <p>Si el valor contiene un componente derivado en el pago de intereses, incluir una explicación clara y completa que ayude a comprender a los inversores la medida en que el valor de su inversión resulta afectado por el valor del instrumento o instrumentos subyacente(s), sobre todo en circunstancias en que los riesgos sean más evidentes.</p>	<p><i>“FORM OF THE APPLICABLE FINAL TERMS”</i>, en las páginas 45 y siguientes, en los puntos, 9, 15, 16 o 17 de la Parte A, según corresponda, incluyéndose una descripción genérica en las Condición 5 del apartado <i>“TERMS AND CONDITIONS OF THE NOTES”</i>.</p>
<p><b>4.8</b> Fecha de vencimiento y acuerdos para la amortización del préstamo, incluidos los procedimientos de reembolso. En los casos en que se contemple la amortización anticipada, por iniciativa del emisor o del tenedor, debe describirse, estipulando los plazos y condiciones de la amortización</p>	<p>Se determinarán en las correspondientes Condiciones Finales, de conformidad con lo previsto en el apartado <i>“FORM OF THE APPLICABLE FINAL TERMS”</i>, en las páginas 45 y siguientes, en los apartados 8, 10, 24 a 28 de la Parte A incluyéndose una descripción genérica en la Condición 8 del apartado <i>“TERMS AND CONDITIONS OF THE NOTES”</i>.</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<b>4.9</b> Indicación del rendimiento. Describese en forma resumida el método de cálculo de este rendimiento.	Se determinará en las correspondientes Condiciones Finales, de conformidad con lo previsto en el apartado “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”, en las páginas 45 y siguientes, en especial en los apartados 6 y 7 de la Parte B.
<b>4.10</b> Representación de los tenedores de obligaciones incluyendo una identificación de la organización que representa a los inversores y las disposiciones que se aplican a esa representación. Indicación del lugar dónde el público puede tener acceso a los contratos relativos a estas formas de representación.	Condición 16 del apartado “ <i>TERMS AND CONDITIONS OF THE NOTES</i> ” y “Sindicate Regulations” de la Parte A del apartado “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”
<b>4.11</b> En el caso de nuevas emisiones, declaración de las resoluciones, autorizaciones y aprobaciones en virtud de las cuales los valores han sido o serán creados o emitidos.	Se incluirá referencia a los acuerdos del Emisor en el apartado “ <i>GENERAL INFORMATION</i> ”.  En cuanto a la Garantía se incluye referencia a los acuerdos del Garante en el apartado 13 de la Parte A del “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”
<b>4.12</b> Descripción de cualquier restricción sobre la libre transmisibilidad de los valores.	Condición 2 del apartado “ <i>TERMS AND CONDITIONS OF THE NOTES</i> ”.
<b>4.13</b> Por lo que se refiere al país donde tiene su domicilio social el emisor y al país o países en los que se está haciendo la oferta o se solicita la admisión a cotización: <ul style="list-style-type: none"> <li>– Información sobre los impuestos sobre la renta de los valores retenidos en origen;</li> <li>– Indicación de si el emisor asume la responsabilidad de la retención de impuestos en origen.</li> </ul>	Ver <ul style="list-style-type: none"> <li>a) Condición 9 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”; y</li> <li>b) Apartado “<i>TAXATION</i>” en las páginas 132 y siguientes</li> </ul>



APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<b>5. CLÁUSULAS Y CONDICIONES DE LA OFERTA</b>	<p>Al tratarse de un Folleto de Base, los datos del presente apartado 5 se incluirán en cada Emisión concreta de valores.</p> <p>No obstante, los términos comunes a todas las emisiones se encuentran en el apartado “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, en las páginas 45 y siguientes, tal y como se detalla en el apartado 5.1 siguiente, en el caso de oferta pública.</p>
<b>5.1 Condiciones, estadísticas de la oferta, calendario previsto y procedimiento de suscripción de la oferta</b>	<p>En caso de oferta pública se completará el punto 5 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>
<p><b>5.1.1</b> Condiciones a las que está sujeta la oferta.</p> <p><b>5.1.2</b> Importe total de la emisión/oferta; si el importe no es fijo, descripción de los acuerdos y del momento en que se anunciará al público el importe definitivo de la oferta.</p> <p><b>5.1.3</b> Plazo, incluida cualquier posible modificación, durante en el que estará abierta la oferta y descripción del proceso de solicitud.</p> <p><b>5.1.4</b> Descripción de la posibilidad de reducir suscripciones y la manera de devolver el importe sobrante de la cantidad pagada por los solicitantes.</p> <p><b>5.1.5</b> Detalles de la cantidad mínima y/o máxima de solicitud, (ya sea por número de valores o por el importe total de la inversión).</p> <p><b>5.1.6</b> Método y plazos para el pago de los valores y para la entrega de los mismos.</p>	<p>El precio de cada emisión se incluirá en el apartado 5 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p> <p>En caso de oferta pública se completarán los apartados 39 a 44 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, de tal forma que se detallen estos apartados.</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>5.1.7</b> Descripción completa de la manera y fecha en la que se deben hacer públicos los resultados de la oferta.</p> <p><b>5.1.8</b> Procedimiento para el ejercicio de cualquier derecho preferente de compra, la negociabilidad de los derechos de suscripción y el tratamiento de los derechos de suscripción no ejercidos.</p>	<p>Así mismo en caso de oferta pública se completarán los apartados 5 y 6 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>
<p><b>5.2 Plan de colocación y adjudicación</b></p> <p><b>5.2.1</b> Las diversas categorías de posibles inversores a los que se ofertan los valores. Si la oferta se hace simultáneamente en los mercados de dos o más países y si se ha reservado o se va a reservar un tramo para determinados países, indicar el tramo.</p> <p><b>5.2.2</b> Proceso de notificación a los solicitantes de la cantidad asignada e indicación de si la negociación puede comenzar antes de efectuarse la notificación.</p>	<p>En caso de oferta pública se completarán los apartados 39 a 44 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, de tal forma que se detallen estos apartados.</p> <p>Así mismo en caso de oferta pública se completarán los apartados 5 y 6 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>
<p><b>5.3 Precios</b></p> <p><b>5.3.1</b> Indicación del precio previsto al que se ofertarán los valores o el método para determinar el precio y el proceso para su revelación. Indicar el importe de todo gasto e impuesto cargados específicamente al suscriptor o comprador.</p>	<p>El precio de cada emisión se incluirá en el apartado 5 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>
<p><b>5.4 Colocación y aseguramiento</b></p>	<p>En caso de oferta pública se completarán los apartados</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>5.4.1</b> Nombre y dirección del coordinador o coordinadores de la oferta global y de determinadas partes de la misma y, en la medida en que tenga conocimiento de ello el emisor o el oferente, de los colocadores en los diversos países donde tiene lugar la oferta.</p> <p><b>5.4.2</b> Nombre y dirección de cualquier agente de pagos y de las entidades depositarias en cada país.</p> <p><b>5.4.3</b> Nombre y dirección de las entidades que acuerdan asegurar la emisión con un compromiso firme, y detalles de las entidades que acuerdan colocar la emisión sin compromiso firme o con un acuerdo de «mejores esfuerzos». Indicación de las características importantes de los acuerdos, incluidas las cuotas. En los casos en que no se suscriba toda la emisión, declaración de la parte no cubierta. Indicación del importe global de la comisión de suscripción y de la comisión de colocación.</p> <p><b>5.4.4</b> Cuándo se ha alcanzado o se alcanzará el acuerdo de aseguramiento.</p>	<p>39 a 44 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, de tal forma que se detallen estos apartados.</p> <p>Así mismo en caso de oferta pública se completarán los apartados 5 y 6 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p> <p>En caso de oferta pública se completarán los apartados 39 a 44 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, de tal forma que se detallen estos apartados.</p> <p>Así mismo en caso de oferta pública se completarán los apartados 5 y 6 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>
<p><b>6. ACUERDOS DE ADMISIÓN A COTIZACIÓN Y NEGOCIACIÓN</b></p> <p><b>6.1</b> Indicación de si los valores ofertados son o serán objeto de una solicitud de admisión a cotización, con vistas a su distribución en un mercado regulado o en otros mercados equivalentes, indicando los mercados en cuestión. Esta circunstancia debe mencionarse, sin crear la impresión de que se aprobará necesariamente la admisión a cotización.</p> <p>Si se conocen, deben darse las fechas más tempranas en las que los valores se admitirán a cotización.</p>	<p>Esta información se contendrá en el apartado 1 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>6.2</b> Todos los mercados regulados o mercados equivalentes en los que, según tenga conocimiento de ello el emisor, estén admitidos ya a cotización valores de la misma clase que los valores que van a ofertarse o admitirse a cotización.</p> <p><b>6.3</b> Nombre y dirección de las entidades que tienen un compromiso firme de actuar como intermediarios en la negociación secundaria, aportando liquidez a través de las órdenes de oferta y demanda y descripción de los principales términos de su compromiso.</p>	<p>Esta información se contendrá en el apartado 1 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p> <p>Esta información se contendrá en el apartado 39 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>
<p><b>7. INFORMACIÓN ADICIONAL</b></p> <p><b>7.1</b> Si en la nota sobre los valores se menciona a los asesores relacionados con una emisión, una declaración de la capacidad en que han actuado los asesores.</p> <p><b>7.2</b> Indicación de otra información de la nota sobre los valores que haya sido auditada o revisada por los auditores y si los auditores han presentado un informe. Reproducción del informe o, con el permiso de la autoridad competente, un resumen del mismo.</p> <p><b>7.3</b> Cuando en la Nota sobre los valores se incluya una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de esas personas, dirección profesional, cualificaciones e interés importante en el emisor, según proceda. Si el informe se presenta a petición del emisor, una declaración de que se incluye la declaración o informe, la forma y el contexto en que está incluido, y con el consentimiento de la persona que ha autorizado el contenido de esa parte de la Nota sobre los valores.</p>	<p>Adicionalmente a la información del Documento de Registro, se incluirá esta información en el apartado 4 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p> <p>No aplicable.</p> <p>No aplicable.</p>

APARTADO ANEXO V	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>7.4</b> En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho que haría la información reproducida inexacta o engañosa. Además, el emisor debe identificar la fuente o fuentes de la información.</p> <p><b>7.5.</b> Ratings asignados a un emisor o a sus valores de deuda a petición o con la cooperación del emisor en el proceso de calificación. Breve explicación del significado de las calificaciones si ha sido publicada previamente por la entidad calificadora de las mismas.</p>	<p>No aplicable.</p> <p>Se incluirá, en su caso, en el apartado 2 de la Parte B del <i>“FORM OF THE APPLICABLE FINAL TERMS”</i>.</p>

## ANEXO VI

### Requisitos mínimos de información para garantías

(Módulo adicional)

APARTADO ANEXO VI	APARTADO O APARTADOS BORRADOR DE FOLLETO DE BASE PRESENTADO
<p><b>1. NATURALEZA DE LA GARANTÍA</b></p> <p>Descripción de cualquier acuerdo que tenga por objeto garantizar que se cumplirá debidamente toda obligación importante con respecto a la emisión, ya sea en forma de garantía, seguridad, Acuerdo «keep well», póliza de seguros monolínea u otro compromiso equivalente (en lo sucesivo denominados genéricamente «garantías» y su proveedor «garante», a efectos prácticos).</p> <p>Sin perjuicio de la generalidad de lo anterior, estos acuerdos comprenden el compromiso de garantizar la obligación de reembolsar valores de deuda y/o el pago de intereses, y debe describirse cómo el acuerdo asegura que, en principio, se cumplan debidamente los pagos garantizados.</p>	<p>Ver apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>” en su apartado introductorio (página 62 y siguientes) así como el subapartado “3. <i>STATUS OF THE NOTES AND THE GUARANTEE</i>”, epígrafe “3.2 <i>Status of the Guarantee</i>”, en la página 66.</p>

APARTADO ANEXO VI	APARTADO O APARTADOS BORRADOR DE FOLLETO DE BASE PRESENTADO
<p><b>2. ALCANCE DE LA GARANTÍA</b></p> <p>Deben indicarse los detalles sobre las condiciones y el alcance de la garantía. Sin perjuicio de la generalidad de lo anterior, estos detalles deberían cubrir cualquier condición en la aplicación de la garantía en caso de incumplimiento de conformidad con las cláusulas de seguridad y los términos materiales de cualquier seguro monolínea o acuerdo «keep well» entre el emisor y el garante. Deben también indicarse los detalles del poder de veto de cualquier garante en relación con los cambios de los derechos del tenedor de los valores, como es a menudo el caso en el seguro monolínea.</p>	<p>Ver apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>” en su apartado introductorio (página 62 y siguientes) así como el subapartado “<i>3. STATUS OF THE NOTES AND THE GUARANTEE</i>”, epígrafe “<i>3.2 Status of the Guarantee</i>”, en la página 66.</p> <p>Ver igualmente subapartado “<i>18.b</i>), “<i>Substitution of the Guarantor</i>” del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”</p>
<p><b>3. INFORMACIÓN QUE DEBE INCLUIRSE SOBRE EL GARANTE</b></p> <p>El garante debe incluir información sobre sí mismo como si fuera el emisor del mismo tipo de valores que es el objeto de la garantía.</p>	<p>A lo largo del Folleto se describe al Garante, como si fuera el Emisor, destacando los siguientes apartados:</p> <p>Información incorporada por referencia, en cuanto al Garante. Ver apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p> <p>En cuanto a descripción del Garante ver “<i>DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</i>”, en las páginas 111 y siguientes.</p> <p>En cuanto a inversiones ver “<i>Recent Developments</i>” y en especial “<i>Acquisition of Compass Bancshares, Inc.</i>” en el apartado “<i>DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</i>”, en las páginas 111 y siguientes, así como el Documento de Registro de BBVA, incorporado por referencia, tal y como se indica</p>

APARTADO ANEXO VI	APARTADO O APARTADOS BORRADOR DE FOLLETO DE BASE PRESENTADO
	<p>en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p> <p>En cuanto a la descripción del negocio ver apartado “<i>DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</i>”, en las páginas 111 y siguientes, así como el Documento de Registro de BBVA, incorporado por referencia, tal y como se indica en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” en la página 33.</p> <p>En cuanto a la estructura organizativa, ver apartado “<i>DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</i>”, en las páginas 111 y siguientes.</p> <p>En cuanto a su consejo de administración, ver apartados “<i>DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</i>”, en las páginas 111 y siguientes, “<i>DIRECTORS AND SENIOR MANAGEMENT</i>” en las páginas 124 y siguientes y el Documento de Registro del Garante, incorporado como “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>”, tal y como se indica en la página 33.</p> <p>En cuanto a sus cuentas anuales, ver, las cuentas anuales del registradas en CNMV, que se incorporan por referencia, tal y como se detalla en el apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>”, tal y como se indica en la página 33.</p>



APARTADO ANEXO VI	APARTADO O APARTADOS BORRADOR DE FOLLETO DE BASE PRESENTADO
	<p>Finalmente, hay que destacar que, en la página 151 se incluye la página de firmas en la que firma el representante del Garante (BBVA), incluyéndose asimismo en la página 111 la declaración realizada por el representante de BBVA.</p>
<p><b>4. DOCUMENTOS PARA CONSULTA</b></p> <p>Indicación de los lugares donde el público puede tener acceso a los contratos importantes y a otros documentos relativos a la garantía.</p>	<p>Ver apartado “<i>DOCUMENTS INCORPORATED BY REFERENCE</i>” donde se indican los documentos y las direcciones del Emisor, Garante, así como las referencias al Documento de Registro del Garante, donde a su vez se indica la página web del Garante.</p> <p>Adicionalmente, el apartado “DOCUMENTS INCORPORATED BY REFERENCE” indica:</p> <p><i>“Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Issuer and the Guarantor at Paseo de la Castellana, 81, 28046 Madrid and in its Website <a href="http://www.bbva.com">www.bbva.com</a>”.</i></p> <p>Finalmente en el apartado “<i>GENERAL INFORMATION- Documents Available</i>”, en la página 148 y siguientes, se incluye la información disponible y los plazos en los que estarán disponibles.</p>

## ANEXO XII

### Requisitos mínimos de información para la nota sobre los valores de valores derivados

(Esquema)

*Se incluye a continuación detalle de los apartados adicionales a los descritos en el Anexo V anterior*

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>1. PERSONAS RESPONSABLES</b></p> <p><b>1.1</b> Todas las personas responsables de la información que figura en el folleto y, según el caso, de ciertas partes del mismo, indicando, en este caso, las partes. En caso de personas físicas, incluidos los miembros de los órganos de administración, de gestión o de supervisión del emisor, indicar el nombre y el cargo de la persona; en caso de personas jurídicas, indicar el nombre y el domicilio social.</p> <p><b>1.2</b> Declaración de los responsables del folleto que asegure que, tras comportarse con una diligencia razonable de que así es, la información contenida en el folleto es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido. En su caso, declaración de los responsables de determinadas partes del folleto que asegure que, tras comportarse con una diligencia razonable, la información contenida en la parte del folleto de la que son responsables es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido.</p>	<p>Se incluye en la página 151, página de firmas de las personas responsables por BBVA Senior Finance, S.A.Unipersonal y Banco Bilbao Vizcaya Argentaria, S.A.</p> <p>En la página 109, “<i>Description of BBVA Senior Finance, S.A. Unipersonal Person Responsible</i>” se incluye la declaración realizada por el representante de BBVA Senior Finance, S.A Unipersonal y en la página 111 se incluye la declaración realizada por el representante de BBVA.</p>

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>2. FACTORES DE RIESGO</b></p> <p>Se proporcionarán de manera prominente los factores de riesgo importantes para los valores ofertados y/o admitidos a cotización con el fin de evaluar el riesgo de mercado asociado con estos valores en una sección titulada «factores de riesgo». Ello debería incluir una advertencia sobre el riesgo de que los inversores puedan perder el valor de toda su inversión o de parte de ella, según el caso, y/o, en caso de que la responsabilidad del inversor no esté limitada al valor de su inversión, una declaración de este hecho, junto con una descripción de las circunstancias en las que surge esta responsabilidad adicional, y su posible repercusión financiera.</p>	<p>Ver apartado “<i>RISK FACTORS</i>” en las páginas 15 y siguientes. En especial la sección “The Notes may not be a suitable investment for all investors” y la mención recogida en “<i>Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme</i>”.</p>
<p><b>3. INFORMACIÓN FUNDAMENTAL</b></p> <p><b>3.1 Interés de las personas físicas y jurídicas participantes en la emisión/oferta</b></p> <p>Descripción de cualquier interés, incluidos los conflictivos, que sea importante para la emisión/oferta, detallando las personas implicadas y la naturaleza del interés.</p>	<p>En el apartado “<i>GENERAL INFORMATION</i>”, se incluyen los datos de las personas implicadas en la operación y la intervención que realizan en la operación.</p>
<p><b>3.2 Motivos de la oferta y destino de los ingresos.</b></p> <p>Motivos de la oferta cuando éstos no tengan por objeto la obtención de beneficios o la cobertura de ciertos riesgos.</p> <p>Si se revelan los motivos de la oferta y el uso de los ingresos, deben comunicarse los ingresos netos totales y un cálculo de los gastos totales de la emisión /oferta</p>	<p>Ver apartado “<i>USE OF PROCEEDS</i>”, en la página 108.</p> <p>En caso de que tengan algún motivo concreto se completará adicionalmente el apartado 5 de la Parte B del apartado “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<b>4. INFORMACIÓN RELATIVA A LOS VALORES QUE VAN A OFERTARSE/ADMITIRSE A COTIZACIÓN</b>	<p>Al tratarse de un Folleto de Base, los datos del presente apartado 4 se incluirán en cada Emisión concreta de valores.</p> <p>No obstante, los términos comunes a todas las emisiones se encuentran en el apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”, en las páginas 62 y siguientes, tal y como se detalla a continuación.</p>
<b>4.1</b> Información sobre los valores	<p>Condición 1 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>” y en las páginas 45 y siguientes en la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”</p>
<b>4.1.1</b> Descripción del tipo y la clase de los valores ofertados y/o admitidos a cotización, con el Código ISIN (número internacional de identificación del valor) u otro código de identificación del valor.	<p>Se detallarán en el epígrafe 9, <i>OPERATIONAL INFORMATION</i>, de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, que se incluyen en la página 61.</p>
<b>4.1.2</b> Una explicación clara y coherente que permita comprender a los inversores la medida en que le valor de su inversión resulta afectado por el valor del instrumento o instrumentos del subyacente, sobre todo en circunstancias en que los riesgos sean más evidentes, a menos que los valores tengan una denominación unitaria mínima de 50.000 euros o sólo puedan ser adquiridos al menos por 50.000 euros por unidad.	<p>Condiciones 18 a 23 del apartado “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, en su caso y descrito en detalle a lo largo de “<i>TERMS AND CONDITIONS OF THE NOTES</i>”</p>
<b>4.1.3</b> Legislación según la cual se han creado los valores.	<p>Condición 21 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”.</p>

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<b>4.1.4</b> Indicación de si los valores están en forma registrada o al portador y si los valores están en forma de título o de anotación en cuenta. En el último caso, nombre y dirección de la entidad responsable de la llevanza de las anotaciones.	Ver el apartado “ <i>FORM OF THE NOTES</i> ”, en las páginas 40 y siguientes, la Condición 1 del “ <i>TERMS AND CONDITIONS OF THE NOTES</i> ”, en la página 63 y siguientes y para cada emisión concreta se cumplimentará apartado 29 de la Parte A del “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”
<b>4.1.5</b> Divisa de la emisión de los valores.	Se determinará en las Condiciones Finales de cada Emisión, tal y como se indica en el modelo de las mismas en el apartado “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”, en las páginas 45 y siguientes, en concreto en el apartado 3 de la Parte A.
<b>4.1.6</b> Clasificación de los valores ofertados y/o admitidos a cotización, incluyendo resúmenes de cualquier cláusula que afecte a la prelación o subordine el valor a alguna responsabilidad actual o futura del emisor	Condición 3 del apartado “ <i>TERMS AND CONDITIONS OF THE NOTES</i> ”
<b>4.1.7</b> Descripción de los derechos vinculados a los valores, incluida cualquier limitación de esos derechos, y procedimiento para el ejercicio de los mismos.	Se determinarán en las Condiciones Finales de cada Emisión, en la Parte A del “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”, estando los términos generales comunes recogidos en las Condiciones del apartado “ <i>TERMS AND CONDITIONS OF THE NOTES</i> ”.

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<b>4.1.8</b> En el caso de nuevas emisiones, declaración de las resoluciones, autorizaciones y aprobaciones en virtud de las cuales los valores han sido o serán creados o emitidos.	Se incluirá referencia a los acuerdos del Emisor en el apartado “ <i>GENERAL INFORMATION</i> ”.  En cuanto a la Garantía se incluye referencia a los acuerdos del Garante en el apartado 13 de la Parte A del “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”
<b>4.1.9</b> Fecha de emisión de los valores	Se incluirá en el apartado 7 de la Parte A del “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ” de cada emisión.
<b>4.1.10</b> Descripción de cualquier restricción sobre la libre transferibilidad de los valores	Condición 2 del apartado “ <i>TERMS AND CONDITIONS OF THE NOTES</i> ”.
<b>4.1.11</b> –la fecha de vencimiento o expiración de los valores derivados  .- la fecha límite de ejecución o fecha de referencia final	Se determinarán en las correspondientes Condiciones Finales, de conformidad con lo previsto en el apartado “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”, en las páginas 45 y siguientes, en especial en los apartados 18 a 23 de la Parte A, incluyéndose una descripción genérica en la Condiciones 8 del apartado “ <i>TERMS AND CONDITIONS OF THE NOTES</i> ”.
<b>4.1.12</b> Descripción del procedimiento de liquidación de los valores derivados	

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>4.1.13</b> Descripción de cómo se producen los ingresos de los valores derivados, la fecha de pago o entrega y el método para su cálculo.</p>	<p>Se determinarán en las correspondientes Condiciones Finales, de conformidad con lo previsto en el apartado “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, en las páginas 45 y siguientes, en especial en los apartados 18 a 23 de la Parte A incluyéndose una descripción genérica en la Condiciones 8 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”.</p>
<p><b>4.1.14</b> Por lo que se refiere al país de origen del emisor y al país o países en los que se está haciendo la oferta o se busca la admisión a cotización:</p> <p>a) información sobre los impuestos sobre la renta de los valores retenidos en origen;</p> <p>b) indicación de si el emisor asume la responsabilidad de la retención de impuestos en origen.</p>	<p>Ver:</p> <p>a) Condición 9 del apartado “<i>TERMS AND CONDITIONS OF THE NOTES</i>”; y</p> <p>b) Apartado “<i>TAXATION</i>” en las páginas 132 y siguientes</p>

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p>4.2. <i>Información sobre el subyacente</i></p> <p>4.2.1. El precio de ejercicio o el precio de referencia final del subyacente.</p> <p>4.2.2. Declaración que establezca el tipo de subyacente y una indicación de dónde puede obtenerse información sobre el subyacente</p> <ul style="list-style-type: none"> <li>a. indicación de dónde puede obtenerse información sobre la trayectoria pasada y futura del subyacente y sobre su volatilidad</li> <li>b. si el subyacente es un valor <ul style="list-style-type: none"> <li>i. nombre del emisor del valor</li> <li>ii. el código ISIN u otro código de identificación del valor</li> </ul> </li> <li>c. si el subyacente es un índice <ul style="list-style-type: none"> <li>i. nombre del índice y descripción del mismo si está compuesto por el emisor. Si el índice no está compuesto</li> <li>ii. por el emisor, dónde puede obtenerse información sobre el índice</li> </ul> </li> <li>d. si el subyacente es un tipo de interés <ul style="list-style-type: none"> <li>i. descripción del tipo de interés</li> <li>ii. otros</li> </ul> </li> </ul> <p>Si el subyacente no se encuentra entre las categorías enumeradas anteriormente, la nota sobre los valores debe contener información equivalente.</p> <ul style="list-style-type: none"> <li>e. si el subyacente es una cesta de subyacentes <ul style="list-style-type: none"> <li>i. información de la proporción de cada subyacente de la cesta</li> </ul> </li> </ul> <p>4.2.3. Descripción de cualquier episodio de distorsión del mercado o de liquidación que afecte al subyacente.</p> <p>4.2.4. Normas de ajuste de acontecimientos relativos al subyacente.</p>	<p>El contenido de este apartado incluirá un detalle de lo previsto en el apartado 4.2. del Anexo XII del Reglamento 809/2004, tal y como se detalla en el “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, en especial en los apartados 18 a 23 de la Parte A y “<i>TERMS AND CONDITIONS OF THE NOTES</i>”.</p>



APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>5. CLÁUSULAS Y CONDICIONES DE LA OFERTA</b></p>	<p>Al tratarse de un Folleto de Base, los datos del apartado 5 se incluirán en cada Emisión concreta de valores.</p> <p>No obstante, los términos comunes a todas las emisiones se encuentran en el apartado “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, en las páginas 45 y siguientes, tal y como se detalla a continuación, en el caso de oferta pública.</p>
<p><b>5.1 Condiciones, estadísticas de la oferta, calendario previsto y procedimiento de suscripción de la oferta</b></p> <p><b>5.1.1</b> Condiciones a las que está sujeta la oferta.</p> <p><b>5.1.2</b> Importe total de la emisión/oferta; si el importe no es fijo, descripción de los acuerdos y del momento en que se anunciará al público el importe definitivo de la oferta.</p> <p><b>5.1.3</b> Plazo, incluida cualquier posible modificación, durante en el que estará abierta la oferta y descripción del proceso de solicitud.</p> <p><b>5.1.4</b> Detalles de la cantidad mínima y/o máxima de solicitud, (ya sea por número de valores o por el importe total de la inversión).</p> <p><b>5.1.5</b> Método y plazos para el pago de los valores y para la entrega de los mismos.</p>	<p>En caso de oferta pública se completarán los apartados 39 a 44 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, de tal forma que se detallen estos apartados.</p> <p>Así mismo en caso de oferta pública se completarán los apartados 5 y 6 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p> <p>El precio de cada emisión se incluirá en el apartado 5 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>5.1.6</b> Descripción completa de la manera y fecha en la que se deben hacer públicos los resultados de la oferta.</p>	
<p><b>5.2 Plan de colocación y adjudicación</b></p> <p><b>5.2.1</b> Las diversas categorías de posibles inversores a los que se ofertan los valores. Si la oferta se hace simultáneamente en los mercados de dos o más países y si se ha reservado o se va a reservar un tramo para determinados países, indicar el tramo.</p> <p><b>5.2.2</b> Proceso de notificación a los solicitantes de la cantidad asignada e indicación de si la negociación puede comenzar antes de efectuarse la notificación.</p> <p><b>5.3 Precios</b></p>	<p>En caso de oferta pública se completarán los apartados 39 a 44 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, de tal forma que se detallen estos apartados.</p> <p>Así mismo en caso de oferta pública se completarán los apartados 5 y 6 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p> <p>El precio de cada emisión se incluirá en el apartado 5 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
Indicación del precio previsto al que se ofertarán los valores o el método para determinar el precio y el proceso para su revelación. Indicar el importe de todo gasto e impuesto cargados específicamente al suscriptor o comprador.	
<p><b>5.4 Colocación y aseguramiento</b></p> <p><b>5.4.1</b> Nombre y dirección del coordinador o coordinadores de la oferta global y de determinadas partes de la misma y, en la medida en que tenga conocimiento de ello el emisor o el oferente, de los colocadores en los diversos países donde tiene lugar la oferta.</p> <p><b>5.4.2</b> Nombre y dirección de cualquier agente de pagos y de las entidades depositarias en cada país.</p> <p><b>5.4.3</b> Nombre y dirección de las entidades que acuerdan asegurar la emisión con un compromiso firme, y detalles de las entidades que acuerdan colocar la emisión sin compromiso firme o con un acuerdo de «mejores esfuerzos». Indicación de las características importantes de los acuerdos, incluidas las cuotas. En los casos en que no se suscriba toda la emisión, declaración de la parte no cubierta. Indicación del importe global de la comisión de suscripción y de la comisión de colocación.</p> <p><b>5.4.4</b> Cuándo se ha alcanzado o se alcanzará el acuerdo de aseguramiento.</p>	<p>En caso de oferta pública se completarán los apartados 39 a 44 de la Parte A del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”, de tal forma que se detallen estos apartados.</p> <p>Así mismo en caso de oferta pública se completarán los apartados 5 y 6 de la Parte B del “<i>FORM OF THE APPLICABLE FINAL TERMS</i>”.</p>

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<b>5.4.5</b> Nombre y dirección del agente encargado del cálculo	Esta información se contendrá en el “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”.
<p><b>6. ACUERDOS DE ADMISIÓN A COTIZACIÓN Y NEGOCIACIÓN</b></p> <p><b>6.1</b> Indicación de si los valores ofertados son o serán objeto de una solicitud de admisión a cotización, con vistas a su distribución en un mercado regulado o en otros mercados equivalentes, indicando los mercados en cuestión. Esta circunstancia debe mencionarse, sin crear la impresión de que se aprobará necesariamente la admisión a cotización.</p> <p>Si se conocen, deben darse las fechas más tempranas en las que los valores se admitirán a cotización.</p> <p><b>6.2</b> Todos los mercados regulados o mercados equivalentes en los que, según tenga conocimiento de ello el emisor, estén admitidos ya a cotización valores de la misma clase que los valores que van a ofertarse o admitirse a cotización.</p> <p><b>6.3</b> Nombre y dirección de las entidades que tienen un compromiso firme de actuar como intermediarios en la negociación secundaria, aportando liquidez a través de las órdenes de oferta y demanda y descripción de los principales términos de su compromiso.</p>	Esta información se contendrá en el apartado 1 de la Parte B del “ <i>FORM OF THE APPLICABLE FINAL TERMS</i> ”.
<p><b>7. INFORMACIÓN ADICIONAL</b></p> <p><b>7.1</b> Si en la nota sobre los valores se menciona a los asesores relacionados con una emisión, una declaración de la capacidad en que han actuado los asesores.</p>	No aplicable.
<p><b>7.2</b> Indicación de otra información de la nota sobre los valores que haya sido auditada o revisada por los auditores y si los auditores han presentado un informe. Reproducción del informe o, con el permiso de la autoridad competente, un resumen del mismo.</p>	No aplicable.

APARTADO ANEXO XII	APARTADO O APARTADOS DEL FOLLETO DE BASE
<p><b>7.3</b> Cuando en la Nota sobre los valores se incluya una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de esas personas, dirección profesional, cualificaciones e interés importante en el emisor, según proceda. Si el informe se presenta a petición del emisor, una declaración de que se incluye la declaración o informe, la forma y el contexto en que está incluido, y con el consentimiento de la persona que ha autorizado el contenido de esa parte de la Nota sobre los valores.</p>	No aplicable.
<p><b>7.4</b> En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho que haría la información reproducida inexacta o engañosa. Además, el emisor debe identificar la fuente o fuentes de la información.</p>	No aplicable.
<p><b>7.5.</b> Ratings asignados a un emisor o a sus valores de deuda a petición o con la cooperación del emisor en el proceso de calificación. Breve explicación del significado de las calificaciones si ha sido publicada previamente por la entidad calificadora de las mismas.</p>	Se incluirá, en su caso, en el apartado 2 de la Parte B del <i>“FORM OF THE APPLICABLE FINAL TERMS”</i> .

Adicionalmente a lo anterior, ha de tenerse en cuenta que el Folleto de Base contiene un Resumen de sus términos y condiciones en sus primeras páginas.