

**SERIES INFORMATION MEMORANDUM**

**DOURO FINANCE B.V.**

*(incorporated with limited liability in the Netherlands under registered number 55482643)*

**Series 2017-390 EUR 600,000 Secured Limited Recourse Index-Linked Securities due 2026**

**This Series Information Memorandum includes the Issue Terms relating to the Securities. Investors should note that such Issue Terms supersede in their entirety any term sheets which may have been circulated previously.**

**The Securities are only intended for highly sophisticated and knowledgeable investors who are capable of understanding and evaluating the risks involved in investing in the Securities and who are required to read the "Risk Factors" section of the Douro Finance B.V. information memorandum dated 8 July 2016.**

**Arranger and Dealer  
Banco Bilbao Vizcaya Argentaria, S.A.**

**The date of this Series Information Memorandum is 21 February 2017**

## GENERAL

This Series Information Memorandum dated 21 February 2017 under which the Series 2017-390 EUR 600,000 Secured Limited Recourse Index-Linked Securities due 2026 (the “**Securities**”) are described, is supplemental to the Information Memorandum dated 8 July 2016 (the “**Information Memorandum**”) relating to the EUR 5,000,000,000 Limited Recourse Secured Debt Issuance Programme (the “**Programme**”) of Douro Finance B.V. (the “**Issuer**”) and is issued in conjunction with, and incorporates by reference, the Information Memorandum. This Series Information Memorandum constitutes a prospectus issued in compliance with Directive 2003/71/EC (the “**Prospectus Directive**”) as amended. It should be read together with the Information Memorandum as one document. To the extent that the Information Memorandum is inconsistent with this Series Information Memorandum, this Series Information Memorandum shall prevail. Terms defined in the Information Memorandum shall, unless the context otherwise requires, bear the same meanings herein.

The Issuer accepts responsibility for the information contained in this Series Information Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Series Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Arranger, the Counterparty, the Calculation Agent, the Realisation Agent, Banco Bilbao Vizcaya Argentaria, S.A. (in any other capacity in which it acts under the Programme), the Trustee, any Dealer, or any Agent (each as defined herein and together the “**Programme Parties**”) are affiliated (except for Deutsche Trustee Company Limited acting as Trustee and Deutsche Bank AG, London Branch acting as Authentication Agent and Common Safekeeper which both form part of Deutsche Group AG) and has separately verified the information contained herein and accordingly none of the Programme Parties makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Securities or their distribution and none of them accepts any responsibility or liability therefor. None of the Programme Parties undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Series Memorandum or to advise any investor or potential investor in the Securities of any information coming to the attention of any of such Programme Parties.

Application has been made to the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) for the Securities to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such admission to trading will be obtained.

The Series Information Memorandum has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under the Prospectus Directive. The Central Bank only approves this Series Information Memorandum as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The information relating to the Charged Assets and the Counterparty (each as defined herein) and each issuer of the Charged Assets (an Underlying Obligor) has been accurately reproduced from information published by the Counterparty and each Underlying Obligor (as applicable). Such information has been accurately reproduced from such sources and, so far as the Issuer is aware and is able to ascertain from such sources, no facts have been omitted from such sources which would render the reproduced information inaccurate or misleading.

The Securities will not be rated.

**Prospective purchasers should be aware of the risks involved in investing in the Securities (see the “Risk Factors” section in the Information Memorandum and in this Series Information Memorandum below).**

Neither the delivery of this Series Information Memorandum nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Securities is correct as of any time subsequent to the date indicated in the document containing the same.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Series Information Memorandum or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee (as defined herein) or the Dealer (as defined herein).

This Series Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of the Information Memorandum and this Series Information Memorandum and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer, the Trustee and the relevant Dealer do not and will not represent that the Information Memorandum or this Series Information Memorandum may be lawfully distributed, or that the Securities 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 or will be taken by the Issuer, the Trustee or any Dealers which is intended to permit a public offering of the Securities or distribution of the Information Memorandum or this Series Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither the Information Memorandum nor this Series Information Memorandum 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 the Information Memorandum, this Series Information Memorandum or any Securities come must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of the Information Memorandum and this Series Information Memorandum and the offer or sale of Securities in the United States, the European Economic Area (including the United Kingdom, the Netherlands, Italy, the Kingdom of Spain and Ireland), and Hong Kong (see the "*Subscription and Sale and Transfer Restrictions*" in this Series Information Memorandum).

**Claims of the Securityholders and the Counterparty will be limited in recourse to the Mortgaged Property.**

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States and the Securities are in bearer form and are subject to U.S. tax law requirements. Consequently, the Securities may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, any person who is (i) a “U.S. person” (as defined in Regulation S under the Securities Act (“**Regulation S**”)), (ii) a “U.S. person” as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the United States Commodity Futures Trading Commission (the “**CFTC**”), as amended, modified or supplemented from time to time, under the United States Commodity Exchange Act, as amended (the “**CEA**”), (iii) a person other than a “Non-United States person” as defined in CFTC Rule 4.7, or (iv) a “United States person” as defined in the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from

time to time (each such person, a “**U.S. Person**”). In addition, the Issuer has not been and will not be registered as an "investment company" under the United States Investment Company Act of 1940, as amended. For a description of certain restrictions on offers and sales of Securities in the United States or to U.S. Persons, see the "Subscription and Sale and Transfer Restrictions" section in the Information Memorandum and such further restrictions as may be described in the Information Memorandum and in this Series Information Memorandum, as the case may be.

**The Securities 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 reviewed or passed upon the accuracy or adequacy of this Series Information Memorandum or the Information Memorandum. Any representation to the contrary is a criminal offence in the United States.**

The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Securities. Any investment in the Securities does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

If any commissions or fees relating to the issue and sale of the Securities have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) (“**MIFID**”), or as otherwise may apply in any non-EEA jurisdictions. Investors in the Securities who have purchased an interest in Securities through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase thereof.

The language of this Series Information Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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## **RISK FACTORS**

*The purchase of the Securities involves substantial risks and is suitable only for sophisticated purchasers who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. The Securities are not principal protected and purchasers of the Securities are exposed to full loss of principal. The Issuer believes that the following factors may affect either its ability to fulfil its obligations under the Securities or the performance of the Securities. Some of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive.*

*The Securities are complex financial instruments and involve a high degree of risk and prospective purchasers should be prepared to sustain a loss of all or part of their investment.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued under the Programme.*

*Prospective purchasers should also read the detailed information set out elsewhere in the Information Memorandum and in this Series Information Memorandum, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision.*

*Prospective purchasers should note that certain of the risks below may relate only to the issue of Securities. Accordingly, such prospective purchasers should review carefully the Information Memorandum, this Series Information Memorandum as well as the following section by way of a general introduction to the risks associated with limited recourse investments and the Issuer.*

### **Investor suitability**

Prospective purchasers of the Securities should reach an investment decision only after carefully considering the suitability of the Securities in light of their particular circumstances. Investment in the Securities may only be suitable for investors who:

- (a) have substantial knowledge and experience in financial, business matters and expertise in assessing credit risk which enable them to evaluate the merits and risks of an investment in the Securities and the rights attaching to the Securities;
- (b) are capable of bearing the economic risk of an investment in the Securities for an indefinite period of time;
- (c) are acquiring the Securities for their own account (as principal and not as agent) for investment, not with a view to resale, distribution or other disposition of the Securities (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (d) recognise that it may not be possible to make any transfer of the Securities for a substantial period of time, if at all.

## **Independent review and advice**

Each prospective purchaser of the Securities must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, the Counterparty and any relevant obligor in respect of the Charged Assets and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, to assess the economic, social and political condition of the jurisdiction in which each relevant obligor is located and determine whether an investment in the Securities is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Securities (i) is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether it is acquiring the Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. None of the Issuer, the Trustee, the Dealer(s) or any of their respective affiliates is acting as an investment adviser, or assumes any fiduciary obligation, to any purchaser of Securities.

Neither the Information Memorandum nor this Series Information Memorandum is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation or as constituting an invitation or offer that any recipient of the Information Memorandum or this Series Information Memorandum should purchase any of the Securities. The Trustee and the Dealer(s) expressly do not undertake to review the financial condition, creditworthiness or affairs of any relevant obligor(s).

## **No secondary market**

Neither the Issuer, the Trustee, the Agents, the Dealer nor any of their respective affiliates is under an obligation to provide liquidity for the Securities and no secondary market is expected to develop in respect of the Securities. Whilst the Securities may be listed or admitted to trading on the Irish Stock Exchange, the Issuer does not expect a trading market for the Securities to develop. In the unlikely event that a secondary market does develop, there can be no assurance that it will provide the Securityholders with liquidity of investment or that it will continue for the life of the Securities. Accordingly, the purchase of the Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Securities and the financial and other risks associated with an investment in the Securities. Purchasers must be prepared to hold the Securities for an indefinite period of time or until final redemption or maturity of the Securities.

## **Limited recourse**

Claims against the Issuer by the Securityholders of a Series and by the Counterparty will be limited to the Mortgaged Property relating to such Series. The proceeds of realisation of such Mortgaged Property may be less than the sums due to the Securityholders and the Counterparty. Any shortfall will be borne by the Securityholders and by the Counterparty in accordance with the Security Ranking Basis specified in the relevant Issue Terms. Each Securityholder, by subscribing for or purchasing such Securities, will be deemed to accept and acknowledge that it is fully aware that, in the event of a shortfall, (i) the Issuer shall be under no obligation to pay, and the other assets (if any) of the Issuer including, in particular, assets securing other Series of Securities or Alternative Investments will not be available for payment of, such shortfall, (ii) all claims in respect of such shortfall shall be extinguished, and (iii) the Trustee, the Securityholders and the Counterparty shall have no further claim against the Issuer in respect of such unpaid amounts and will accordingly not be able to petition for the winding up of the Issuer as a consequence of such shortfall.

The Securities of each Series are direct, limited recourse obligations of the Issuer alone and not of the officers, members, directors, employees, securityholders or incorporator of the Issuer, the Counterparty or the issuer (s) or obligor(s) in respect of the Charged Assets or any of their respective successors or assigns. Furthermore, they are not obligations of, or guaranteed in any way by, any Dealer(s).

### **Credit risk**

The ability of the Issuer to meet its obligations under the Securities will be dependent, where applicable, upon the payment of principal and interest due on the Charged Assets, the payment of all sums due from the relevant Counterparty under the Charged Agreements, upon the Principal Paying Agent and the Custodian making the relevant payments when received and upon all parties to the Transaction Documents (other than the Issuer) performing their respective obligations thereunder. Moreover, in certain cases, the security for the Securities will be limited to the claims of the Issuer against the Counterparty under the Charged Agreements. Accordingly, Securityholders are exposed, *inter alia*, to the creditworthiness of the issuer(s) or obligor(s) in respect of the Charged Assets, the Counterparty, the Principal Paying Agent, the other Paying Agents and the Custodian.

The Issuer will hold cash (if any) comprising the Charged Assets in the Cash Deposit Account, Issuer Series Account or other such account specified in the Issue Terms. Any cash held by the Account Bank on behalf of the Issuer will be held by the Account Bank in its capacity as banker, and not as trustee. The Issuer and the Securityholders will therefore be exposed to the credit risk of the Account Bank on an unsecured basis for the period during which the cash is held by the Account Bank on behalf of the Issuer.

### **Business relationships**

Each of the Issuer, the Dealer(s), the Trustee, the Agents and/or any of their affiliates may have existing or future business relationships with any Counterparty, issuer(s) or obligor(s) in respect of any Charged Assets of any Series of Securities (including, but not limited to, lending, depository, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Securityholder. Furthermore, the Dealer(s), the Trustee, the Agents or any of their respective affiliates may buy, sell or hold positions in obligations of, or act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, any issuer(s) or obligor(s) in respect of Charged Assets.

### **Conflicts of Interest**

Each of the Counterparty and any of its affiliates is acting or may act in a number of capacities in connection with the issue of Securities. The Counterparty and any of its affiliates acting in such capacities in connection with the issue of Securities shall have only the duties and responsibilities expressly agreed to by it in the relevant capacity and shall not, by virtue of its or any other affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Each of the Counterparty and any of its affiliates in its various capacities in connection with the issue of Securities may enter business dealings, including the acquisition of investment securities as contemplated by the Transaction Documents from which it may derive revenues and profits in addition to any fees stated in various documents, without any duty to account therefor, provided that any such revenue, profits or fees will be paid or received only in accordance with applicable regulations.

Various potential and actual conflicts of interest may arise between the interests of the Securityholders and either the Issuer and/or the Counterparty, as a result of the various businesses, management, investment and other activities of such persons, and none of such persons is required to resolve such conflicts of interest in favour of the Securityholders.



### **No Obligations owing by the Calculation Agent**

The Calculation Agent shall have no obligations to the Securityholders, and shall only have the obligations expressed to be binding on it pursuant to the Agency Agreement, unless otherwise specified in the Issue Terms. All designations and calculations made by the Calculation Agent in respect of any Securities shall be conclusive and binding on the Securityholders.

### **Legal opinions**

No legal opinions relating to the Securities will be obtained on issue with respect to the laws of England and of the Netherlands and no legal opinions will be obtained with respect to any other applicable laws and no investigations will be made into the validity or enforceability of the laws of any other jurisdiction in respect of the obligations under the Securities.

No legal opinions will be obtained in relation to:

- (a) the laws of the country of incorporation of the issuer(s) or obligor(s) in respect of the Charged Assets;
- (b) the laws of the country in which the obligations of the Charged Assets are situated; or
- (c) the laws of the country which are expressed to govern any obligations of the Charged Assets.

Such laws, depending upon the circumstances, may affect, among other things, the validity and legal and binding effect of the obligations of Charged Assets and the effectiveness and ranking of the security for the Securities. Consequently, no responsibility is accepted by the Issuer in relation to such matters.

### **Legality of purchase**

None of the Issuer, the Dealer(s) or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

### **Hiring Incentives to Restore Employment Act withholding may affect payments on the Securities**

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes a 30% withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation – Hiring Incentives to Restore Employment Act*."

### **Modifications to the terms of the Securities**

The attention of prospective purchasers is drawn to Condition 19 (*Meeting of Securityholders, Modification, Waiver and Substitution*) and in particular, the provision that the Trustee shall agree to make any modification (whether or not it may be materially prejudicial to the Securityholders) requested by the relevant Dealer(s) in respect of a Series of Securities if, and to the extent that, such modification is to correct an error in the Conditions arising from a discrepancy between the Conditions and the final termsheet provided to the initial Securityholders, as certified by the relevant Dealer(s) to the Trustee.

## **Trustee Indemnity**

Upon the occurrence of an Event of Default in relation to the Securities, Securityholders may be required to provide an indemnity to the Trustee to its satisfaction as provided for in Condition 11 (*Events of Default*) before the Trustee gives notice to the Issuer accelerating the Securities. The Trustee shall not be obliged to take any action if not indemnified, secured and/or prefunded to its satisfaction.

## **Provision of information**

Neither the Issuer, the Trustee, the Agents, the Dealer(s) nor any of their respective affiliates makes any representation as to the credit quality of the Counterparty, any issuer(s) or obligor(s) in respect of the Charged Assets for any Series of Securities. Any of such persons may have acquired, or during the term of the Securities may acquire, non-public information with respect to such Counterparty, any issuer(s) or obligor(s) in respect of the Charged Assets. None of such persons is under any obligation to make available any information relating to, or keep under review on the Securityholders' behalf, the business, financial conditions, prospects, creditworthiness or status of affairs of any issuer(s) or obligor(s) in respect of the Charged Assets or conduct any investigation or due diligence into any such issuer(s) or obligors(s) in respect of the Charged Assets.

## **Market Conditions**

Any liquidity shortage and volatility in the credit markets will introduce a variety of increased risks relating to several aspects of the Issuer's operations. Such additional risks include the inability of the Issuer to sell its assets which, among other things, may render it unable to dispose of underperforming or defaulted assets and satisfy its obligations in respect of the redemption of the Securities. Such market conditions may also lead to the inability of the Issuer to determine a reliable valuation of its assets. All of such factors could materially adversely affect the interests of Securityholders.

Concerns have been raised since the financial crisis with respect to economic, monetary and political conditions in the Eurozone (including the credit risk of sovereigns and of those entities which have exposure to sovereigns). If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any changes to, including any break-up of, the Eurozone), then these matters may increase stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents (including the Vendor and/or the Counterparty) and/or any obligor in respect of the Charged Assets. Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described herein and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Securityholders, the market value of the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities.

## **Comparative Returns**

Risk-adjusted returns and absolute returns on the Securities may be lower than that of comparable investments. Each prospective purchaser should be aware that any return on the Securities may not exceed or even equal the return that might have been achieved had the amount of its initial investment been placed on deposit for the same period.

## **Eurosystem Eligibility**

There may be an intention for certain Securities to be held in a manner which will allow Eurosystem eligibility. This simply means that such Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that such Securities 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.

## **The Charged Assets**

The value of any Charged Assets may have a direct impact on the amounts payable to Securityholders in respect of the Securities upon early redemption. The Charged Assets may comprise the benefit of loans, securities, cash and/or other assets.

Prospective purchasers are advised to review carefully any offering documents for or description of the Charged Assets before deciding whether an investment in the Securities is suitable for them.

## **Illiquid Charged Assets**

The Charged Assets may comprise assets which are not admitted to any public trading market and may therefore be illiquid and not readily realisable.

## **Margin calls under Swap Agreements with credit support annex**

As the Swap Agreement includes a credit support annex, (a) the relevant Counterparty will be required to post eligible collateral to the Issuer to collateralise the Issuer's exposure (if any) to the relevant Counterparty under such Swap Agreement (such collateral being referred to as "**Counterparty Margin Collateral**") and/or (b) the Issuer will be required to post eligible collateral to the relevant Counterparty to collateralise the relevant Counterparty's exposure (if any) to the Issuer under such Swap Agreement (such collateral being referred to as "**Issuer Margin Collateral**").

In respect of the Counterparty Margin Collateral, this may not in all circumstances be sufficient to negate all credit exposure of the Issuer to the relevant Counterparty, for example, because (a) of the requirement for the minimum transfer amount to be satisfied; (b) the Issuer's exposure to the Counterparty may increase from the time at which the last valuation was made; (c) where assets are delivered as collateral to the Issuer, such assets may have a volatile market value that decreases from the date of delivery of such assets; and/or (d) due to currency exchange rate fluctuations, in which circumstances Securityholders will have uncollateralised exposure to the credit risk of the relevant Counterparty. If the Issuer is required to sell any Counterparty Margin Collateral, the Securityholders will assume market risk in respect of such Counterparty Margin Collateral and credit risk in respect of the obligor(s) in respect of such Counterparty Margin Collateral.

In respect of the Issuer Margin Collateral, this will be provided from the Charged Assets and will therefore reduce the realisable value of such Charged Assets and, consequently, increase Securityholders' exposure to the credit risk of the Counterparty, in circumstances where the Issuer Margin Collateral is subsequently required to be returned to the Issuer.

## **Credit Risk of Banco Bilbao Vizcaya Argentaria S.A. group entities as a Counterparty**

The Issuer has entered into a Swap Agreement with BBVA as Counterparty. To the extent that BBVA fails to make due and timely payment or delivery under the Swap Agreement, as the case may be, such agreement

may be terminated, the security enforced and the Securities redeemed and a loss of principal or a delay in payment under the Securities may result.

### **The value of the Charged Assets may be less than the value of the Securities**

Due to potential market volatility and other factors, the market value of the Charged Assets at any time will vary, and may vary substantially, from the principal amount of such Charged Assets. To the extent that the nominal amount and/or market value of the Charged Assets is at any time less than the outstanding principal amount and/or market value of the Securities an investor's exposure to the obligations of the Counterparty under the Swap Agreement is increased. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition, or the amount received or recovered upon maturity, of such Charged Assets, or that the proceeds of any such sale or disposition would be sufficient to repay principal of the Securities of the related Series and amounts payable prior thereto. Where this is the case and the Counterparty is unable to perform its obligations under the Swap Agreement, as the case may be, the Issuer will be unable to meet the payments owed to investors under the Securities in full, resulting in investors losing some or all of the money invested in Securities.

### **Further issues**

The terms of the Securities may provide for the issue of further Securities fungible with the existing Tranche(s) thereof in certain circumstances. The additional Charged Assets which the Issuer may be required to provide as security for such further Securities relative to the aggregate nominal amount of the further Securities may be such as to affect the value of the original security provided for the Securities.

### **Substitution of Initial Charged Assets for Cash Collateral where Initial Charged Assets are not delivered**

Where the Securities are secured by Cash Collateral on the Issue Date prospective purchasers should be aware that Initial Charged Assets may be substituted, pursuant to Condition 4(c) (*Substitution with Cash Collateral*), for the Cash Collateral following the Issue Date. If an event of default (howsoever described in the terms and conditions of the Initial Charged Assets) has occurred with respect to the Initial Charged Assets prior to the delivery by the Vendor of all or any part of the Initial Charged Assets, any undelivered Initial Charged Assets shall be deemed to have been delivered by the Vendor to the Issuer and sold by the Selling Agent in accordance with the Agency Agreement.

### **Early Redemption**

The Securities may be redeemed early in certain circumstances, including where there is an event of default in relation to the Securities, where there is an event of default in relation to the Charged Assets, where certain regulatory events occur (which may also lead to an adjustment), where illegality event occurs and where there is a termination under a Swap Agreement. Prospective purchasers should note that the amount payable on early redemption may be significantly less than the amount that would otherwise have been payable at maturity of the Securities. Prospective purchasers should note in particular that pursuant to Condition 7(k) (*Cessation of interest*), on early redemption, interest payable on the Securities will cease to accrue from, and including, the immediately preceding Interest Payment Date or, if none, the Interest Commencement Date.

### **Risks relating to Index-Linked Securities**

The Issuer may issue Index-Linked Securities where the Final Redemption Amount or interest or other interim amounts payable are dependent upon the level of or changes in the level of an index, indices and/or a formula. The index or indices may relate to reference equities, bonds, other securities, property, currency exchange rates or other assets or bases of reference and may be a well known and widely published index or indices or an index or indices established by the Arranger or the Dealer or an Affiliate of the Arranger or the Dealer or another entity which may not be widely published or available. An investment in Index- Linked Securities will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

### **Currency Risk**

An investment in Securities denominated or payable in a currency other than the currency of the jurisdiction of a particular purchaser (the "**Purchaser's Currency**"), entails significant risks that are not associated with a similar investment in a security denominated and/or payable in the Purchaser's Currency. These risks include, but are not limited to:

- (a) the possibility of significant market changes in rates of exchange between the Purchaser's Currency and the currency in which the Securities are denominated and/or payable;
- (b) the possibility of significant changes in rates of exchange between the Purchaser's Currency and the currency in which the Securities are denominated and/or payable resulting from the official redenomination or revaluation of the currency; and
- (c) the possibility of the imposition or modification of foreign exchange controls by either the jurisdiction of the purchaser or foreign governments.

### **UK Banking Act 2009**

The Banking Act 2009 (the "**Banking Act**"), which originally came into effect on 21 February 2009, includes (amongst other things) provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK incorporated entities (such as any UK bank acting as Principal Paying Agent or Custodian and, including authorised deposit-taking institutions and investment firms) and powers to recognise and give effect to certain resolution actions in respect of third country institutions. In addition, those extended tools may be used in certain circumstances in respect of UK established banking group companies, where such companies are in the same group as a relevant UK or third country institution or in the same group as an EEA credit institution or investment firm. Relevant transaction parties for these purposes include any UK deposit-taker/investment firm or non-EEA deposit-taker/investment firm, or relevant UK banking group company. In particular, such tools include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by UK authorities. It is possible that the extended tools described above could be used prior to the point which an application for insolvency proceedings with respect to a relevant entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of relevant entities with a view to removing impediments to the exercise of the stabilisation tools (such tools being one of the extended tools conferred on UK authorities).

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the extended tools provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation

in respect of instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the authorities may choose to exercise them.

If an instrument or order were to be made under the Banking Act in respect of any UK bank acting as Principal Paying Agent or Custodian, such action may (amongst other things) affect the ability of such entity to satisfy its obligations under the Transaction Documents and/or result in modifications to any unsecured liability of such entity under the Transaction Documents, and, more generally, affect the ability of such entity to perform its obligations under the Transaction Documents.

One of the five stabilisation options conferred upon UK authorities by the Banking Act is the bail-in option. The provisions in the Banking Act which relate to the bail-in option were included in the statute following the promulgation of the Bank Recovery and Resolution Directive (referred to in the following section) and in order to give effect to the provisions of that Directive in England and Wales, Scotland and Northern Ireland.

### **Bank Recovery and Resolution Directive**

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool (see below) which is to be applied from 1 January 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (a publicly controlled entity created for this purpose); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including the Securities to equity (the "**general bail-in tool**"), which equity could also be subject to any future write-down.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be,

less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. If a credit institution or investment firm subject to the BRRD acts as a Counterparty, an issuer or obligor in respect of Charged Assets, an Account Bank or other Agent, obligations of any such entity may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Securityholders, the price or value of their investment in any Securities and/or the ability of the Issuer to satisfy its obligations under any Securities.

## **European Market Infrastructure Regulation**

European Regulation 648/2012 of the European Parliament and Council on OTC Derivatives, Central Counterparties and Trade Repositories dated 4 July 2012, known as the European Market Infrastructure Regulation (“**EMIR**”) entered into force on 16 August 2012. EMIR and the regulations made under it impose certain obligations on parties to OTC derivative contracts according to whether they are “financial counterparties”, such as European investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are “non-financial counterparties” or third country entities equivalent to “financial counterparties” or “non-financial counterparties”.

EMIR establishes certain requirements for OTC derivative contracts, including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. These requirements are subject to phased implementation. Investors should be aware that currently EMIR imposes certain obligations on the Issuer, to the extent it enters into derivative transactions, and future requirements of EMIR are likely to impose further obligations on the Issuer.

Financial counterparties will be subject to a general obligation, to clear through a duly authorised or recognised central counterparty all “eligible” OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They must also report the details of all derivative contracts to a trade repository and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures. Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged. Non-financial counterparties are exempted from the clearing obligation and certain of the additional risk mitigation obligations (such as posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its “group”, excluding eligible hedging transactions, do not exceed certain thresholds (set per asset class of OTC derivatives).

If the Issuer is required to comply with certain obligations under EMIR which may give rise to additional costs and expenses for the Issuer, this may in turn reduce amounts available to make payments with respect to the Securities. In particular, there is a particular risk that derivative transactions to which the Issuer enters into become subject to (i) the requirement to exchange segregated collateral with the Counterparty, which forms part of a risk-mitigation requirement, or (ii) mandatory clearing. It is not currently possible to conclude with any certainty whether the Issuer will be or become subject to such requirements or obligations as there remains legislative uncertainty with respect to the scope of such requirements and obligations, which are not yet in effect. However, irrespective of becoming subject to such requirements or obligations, and irrespective of it becoming necessary to amend or replace derivative transactions into which the Issuer

enters, the Issuer may in any event have to bear certain costs or fees arising out of steps it is required to take to comply with the requirements of EMIR.

Investors should be aware that the Issuer will be required to disclose the details of any derivative transaction into which it enters to a “trade repository” and/or to regulatory consequence of the requirements of the trade reporting obligation under EMIR.

The Issuer has entered into an "EMIR Obligations Agreement" dated 15 September 2013 with Banco Bilbao Vizcaya Argentaria, S.A. in order to facilitate compliance with EMIR.

Given the material and presently unknown extent of the risks which may affect the Securities as a consequence of the implementation of EMIR, potential investors in the Securities should take independent advice and make an independent assessment about such risks in the context of any potential investment decision with respect to the Securities.

### **The UK's EU Referendum**

Pursuant to the European Referendum Act 2015, a referendum on the UK's membership of the EU (the "**UK's EU Referendum**") was held on 23 June 2016 with the majority voting to leave the EU. Whilst the result of the UK's EU Referendum does not bind the UK Government or the UK Parliament to a particular course of action, it is currently expected that the UK Government will exercise its right under Article 50 of the Lisbon Treaty to leave the EU. The timing and the manner of the UK's withdrawal from the EU is currently unknown and may not become clear in the short-term. Whilst the medium- to long-term consequences of the decision to leave the EU remain uncertain, it is expected that there will be a short-term negative impact to the general economic conditions in the UK and business and consumer confidence in the UK, which may in turn have a negative impact elsewhere in the EU and more widely. This may be affected by the length of time it takes for the UK to leave the EU and the terms of any future arrangements the UK has with the remaining member states of the EU.

Deteriorating business, consumer or investor confidence could lead to (i) reduced levels of business activity; and (ii) higher levels of default rates and impairment resulting from changes in credit ratings, share prices and solvency of counterparties.

No assurance can be given that such matters would not adversely affect the market value and/or the liquidity of the Securities in the secondary market.



## **USE OF PROCEEDS**

The net proceeds of the issue of the Securities, which amount to EUR 600,000, will be used by the Issuer along with the payment of EUR 177,930 by the Counterparty under the Swap Agreement to purchase the Charged Assets from the Vendor.

## **Method of Payment**

On the Issue Date, delivery of beneficial interests in the Securities has been made in book-entry form through the facilities of Euroclear or Clearstream, Luxembourg, in each case against payment thereof in immediately available funds.

## ISSUE TERMS

Issue Terms dated 15 February 2017

**Douro Finance B.V.**

*(incorporated with limited liability in the Netherlands under registered number 55482643)*

**Issue of Series 2017-390 EUR 600,000 Secured Limited Recourse Index-Linked Securities due 2026**  
(the "**Securities**")

**under the EUR 5,000,000,000**  
**Limited Recourse Secured Debt Issuance Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Information Memorandum dated 8 July 2016 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU) (the "**Prospectus Directive**"). Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Issue Terms, the Information Memorandum and the series information memorandum in respect of the Securities (the "**Series Information Memorandum**"). The Information Memorandum, the Series Information Memorandum and these Issue Terms are available for viewing during normal office hours at the office of the Principal Paying Agent in Madrid and copies may be obtained from the principal office of the Issuer.

### Terms of the Securities

The Securities have the "**Terms**" as set out in these Issue Terms, which will complete and modify (i) the Bearer Securities Base Conditions Module, July 2016 Edition and (ii) the General Definitions Module, July 2016 Edition (the "**General Definitions Module**"), both of which are incorporated by reference into these Issue Terms (together, the "**Conditions**") and are set out in full in the Information Memorandum.

As used herein, the term "**Swap Transaction**" means the swap transaction with an effective date of 15 February 2017 entered into between the Issuer and the Counterparty pursuant to a 2002 ISDA Master Agreement and Schedule thereto (in the form of the Swap Schedule Terms Module, July 2016 Edition) dated as of 25 January 2017 and a 1995 ISDA credit support annex (Bilateral Form-Transfer) (English Law), including paragraph 11 (Elections and Variables), which supplement, form part of, and are subject to the ISDA Master Agreement and Schedule (the "**Credit Support Document**", together with the ISDA Master Agreement and Schedule, the "**Master Agreement**") as supplemented by an index swap transaction confirmation with an effective date of 15 February 2017, in the form set out in Annex 2 hereto as amended and/or restated from time to time (the "**Swap Transaction Confirmation**").

- |    |                            |  |
|----|----------------------------|--|
| 1. | Issuer:                    | Douro Finance B.V.   |
| 2. | Description of Securities: | Series 2017-390 EUR 600,000 Secured Limited Recourse Index-Linked Securities due 2026. |
| 3. | Principal Amount:          | EUR 600,000.   |
| 4. | Issue Date:                | 15 February 2017.  |
| 5. | Issue Price:               | 100 per cent. of the Principal Amount.   |

- |    |   |   |
|----|---|---|
| 6. | Status of the Securities:                                   | The Securities will constitute direct, secured, limited recourse obligations of the Issuer and will rank <i>pari passu</i> and without preference among themselves. |
| 7. | Date of corporate authorisation for issuance of Securities: | 8 February 2017   |
| 8. | Type of Securities:   | The Securities are Index-Linked Securities.   |

## INTEREST

- |     |                                    |                 |
|-----|------------------------------------|-----------------|
| 9.  | Floating Rate Security Provisions: | Not applicable. |
| 10. | Fixed Rate Security Provisions:    | Applicable.     |
- The Securities pay interest, in arrear on the Interest Payment Dates set out below and in accordance with Condition 7(a) at the Rate of Interest set out below in paragraph 10(f).
- |     |                                       |  |
|-----|---------------------------------------|--|
| (a) | Interest Rate Basis:                  | Fixed Rate.  |
| (b) | Interest Payment Dates:               | 21 September in each year from and including 21 September 2017 (short first coupon), up to and including the Maturity Date.                                |
| (c) | Interest Commencement Date:           | The Issue Date.  |
| (d) | Interest Periods:                     | The period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date. |
| (e) | Adjustment of Interest Payment Dates: | Applicable.  |
|     | (i) Business Day Convention:          | Modified Following Business Day Convention.  |
|     | (ii) Additional Business Centre(s):   | Not applicable.  |
| (f) | Rate of Interest:                     | 1.35 per cent, per annum.  |
| (g) | Day Count Fraction:                   | 30/360.  |
- |     |  |                 |
|-----|--|-----------------|
| 11. | Other Provisions relating to interest payable: | Not applicable. |
|-----|--|-----------------|

## PROVISIONS RELATING TO REDEMPTION

- |     |                          |   |
|-----|--------------------------|---|
| 12. | Maturity Date:           | The Termination Date (as defined in the Swap Transaction Confirmation).   |
| 13. | Final Redemption Amount: | An amount (if any) in respect of each Security, rounded down to the nearest cent of a Euro, equal to such Security's <i>pro rata</i> share of the Cash Settlement |

Amount (as defined in the Swap Transaction Confirmation) received by the Issuer in its capacity as Party B (as defined in the Swap Transaction Confirmation) determined pursuant to the Swap Agreement.

## PROVISIONS RELATING TO SECURITY

14. Charged Assets: EUR 600,000 nominal amount Securities due 2026 issued by Republic of Italy ISIN CODE: IT0004735152 (the “**Initial Charged Assets**”).
- Pursuant to the Charged Agreement, on each date on which redemption proceeds are due in respect of the maturity of one or more of the Charged Assets (“**Charged Asset Redemption Proceeds**”), pursuant to the terms of the Swap Transaction, the Issuer shall pay such Charged Asset Redemption Proceeds to the Counterparty. From the time of payment to the Counterparty, such Charged Asset Redemption Proceeds will not form part of the Charged Assets.
15. Net Settlement: Not applicable.
16. Substitution of Charged Assets:
- (i) At the direction of the Counterparty pursuant to Condition 4(b)(i) (*Substitution at direction of Counterparty*): Not applicable.
  - (ii) Applicable notice period for giving of a Substitution Notice pursuant to Condition 4(b)(i) (*Substitution at direction of Counterparty*): Not applicable.
  - (iii) At the direction of the Securityholders pursuant to Condition 4(b)(ii) (*Substitution at the request of Securityholders*): Not applicable.
  - (iv) Substitution with Cash Collateral pursuant to Condition 4(c) (*Substitution with Cash Collateral*): Applicable.
17. Charged Agreements:
- (a) Counterparty: Banco Bilbao Vizcaya Argentaria, S.A., Ciudad BBVA

c/ Saucedá, 28 Edificio Oceanía Nivel 1 28050 Madrid, Spain.

(b) Swap Agreement: The Master Agreement as supplemented by the Swap Transaction Confirmation and the Credit Support Document (the Master Agreement, Swap Transaction Confirmation and Credit Support Document, together the “**Swap Agreement**”). The Calculation Agent under the Swap Agreement shall be the Counterparty (the “**Swap Calculation Agent**”).

*The form of the Swap Transaction Confirmation is set out at Annex 2 hereto (see “Annex 2 – Form of Swap Transaction Confirmation”). The elections and variables relating to the Credit Support Document are set out in Annex 1 hereto – “Annex 1: Form of Paragraph 11 to the Credit Support Document.”*

18. (a) Security Ranking Basis: Counterparty Priority Basis.
- (b) Instructing Creditor: Swap Agreement Counterparty only.
19. Custodian's account details: Clearstream Account No. 18038 or such other account as may be advised by the Custodian from time to time.
20. Counterparty Account details: Account No: 14923 held with Banco Bilbao Vizcaya Argentaria, S.A.
21. Additional Charging Document: Not applicable.

#### **GENERAL PROVISIONS APPLICABLE TO THE SECURITIES**

22. Closing Date and Time: Close of business on 15 February 2017.
23. Pre Closing Date and Time: Not applicable.
24. Form of Securities: Bearer Security.  
  
The Securities will be issued in global bearer form, evidenced on issue by a Temporary Bearer Global Security. Beneficial interests in a Temporary Bearer Global Security will be exchangeable for beneficial interests in a Permanent Bearer Global Security on or after the date which is 40 days after the date on which the Temporary Bearer Global Security is issued and upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations.
25. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D.
26. Whether Securities are a Non-U.S. Series: Non-U.S. Series.

or a U.S. Series:

- |     |  |  |
|-----|--|--|
| 27. | Specified Currency:  | EUR.   |
| 28. | Specified Denomination:  | EUR 100,000.   |
| 29. | Rating:  | The Securities will not be rated.  |
| 30. | Listing:   | Application has been made to the Irish Stock Exchange for the Securities to be listed on the Official List and trading on its regulated market. No assurance is given as to when or whether such listing application will be granted.  |
| 31. | Common Code and ISIN:  | 155936690 and XS1559366908   |
| 32. | Applicable United States Selling Restrictions:                                       | Regulation S.  |
| 33. | Governing law:   | English law.   |
| 34. | New Global Note:   | Yes.   |
| 35. | Securities to be held under New Safekeeping Structure:                               | Not applicable.  |
| 36. | Securities intended to be held in a manner which would allow Eurosystem eligibility: | No. Whilst the designation is specified as "no" at the date of these Issue Terms, should the Eurosystem eligibility criteria be amended in the future such that the Securities are capable of meeting them the Securities may then be deposited with one of the International Central Securities Depositories (ICSDs) as common safekeeper. Note that this does not necessarily mean that the Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. |

#### **USE OF PROCEEDS AND NET PROCEEDS**

- |     |  |  |
|-----|--|--|
| 37. | Reasons for the offer:                 | See "Use of Proceeds" in the Information Memorandum. |
| 38. | Dealer fees / commissions / discounts: | Not applicable.                                      |

#### **AGENTS AND OTHER PARTIES**

- |     |                            |  |
|-----|----------------------------|--|
| 39. | Party and specified office |  |
|     | (a) Trustee:               | Deutsche Trustee Company Limited of Winchester |

- House, 1 Great Winchester Street, London EC2N 2DB.
- (b) Principal Paying Agent: Banco Bilbao Vizcaya Argentaria, S.A Ciudad BBVA c/ Saucedá, 28 Edificio Asia Nivel 1 28050 Madrid.
  - (c) Custodian: Banco Bilbao Vizcaya Argentaria, S.A Ciudad BBVA c/ Saucedá, 28 Edificio Oceanía Nivel 1 28050 Madrid.
  - (d) Calculation Agent: Banco Bilbao Vizcaya Argentaria, S.A Ciudad BBVA c/ Saucedá, 28 Edificio Oceanía Nivel 1 28050 Madrid.
  - (e) Vendor: Banco Bilbao Vizcaya Argentaria, S.A, Ciudad BBVA c/ Saucedá, 28 Edificio Asia Nivel 1 28050 Madrid.
  - (f) Account Bank: Banco Bilbao Vizcaya Argentaria, S.A Ciudad BBVA c/ Saucedá, 28 Edificio Oceanía Nivel 1 28050 Madrid.
  - (g) Selling Agent: Banco Bilbao Vizcaya Argentaria, S.A Ciudad BBVA c/ Saucedá, 28 Edificio Oceanía Nivel 1 28050 Madrid.
  - (h) Authentication Agent: Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.
  - (i) Common Safekeeper: Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.
  - (j) Issuer's Agent for Service of Process: Banco Bilbao Vizcaya Argentaria, S.A. at its principal London office, for the time being at One Canada Square, 44<sup>th</sup> Floor, London E14 5AA.

Signed on behalf of the Issuer:

By: \_\_\_\_\_

Name:

Title:

## ANNEX 1

### Form of Paragraph 11 (Elections and Variable) to the Credit Support Document

Paragraph 11 (Elections and Variables) to the Credit Support Annex  
to the ISDA Credit Support Annex

**Banco Bilbao Vizcaya Argentaria, S.A.      and   Douro Finance B.V.**

**("Party A")**

**("Party B")**

**(a) Base Currency and Eligible Currency.**

- (i) **"Base Currency"** means EUR.
- (ii) **"Eligible Currency"** means the Base Currency.

**(b) Credit Support Obligations.**

- (i) Delivery Amount, Return Amount and Credit Support Amount.
  - (A) **"Delivery Amount"** has the meaning specified in Paragraph 2(a), provided that the words "upon a demand made by the Transferee on or promptly following a Valuation Date" will be deemed to have been deleted and replaced with the words: "on each Valuation Date".
  - (B) **"Return Amount"** has the meaning specified in Paragraph 2(b).
  - (C) **"Credit Support Amount"** has the meaning specified in Paragraph 10.
- (ii) **Eligible Credit Support.** The following items, provided that where Party B is the Transferor, they comprise Charged Assets on the relevant Valuation Date:

Type	Party A	Party B	Valuation Percentage
Fixed Rate Notes due 2026 issued by Republic of Italy. ISIN CODE: IT0004735152.	[X]	[X]	[70]%

**(iii) Thresholds.**

- (A) **"Independent Amount"** means with respect to Party A: Zero



**"Independent Amount"** means with respect to Party B and in respect of any Valuation Date, an amount in the Base Currency equal to 30% of the Principal Amount of the Securities outstanding on such Valuation Date.

(B) **"Threshold"** means with respect to Party A: Zero

**"Threshold"** means with respect to Party B: Zero

(C) **"Minimum Transfer Amount"** means with respect to Party A: EUR 100,000.

**"Minimum Transfer Amount"** means with respect to Party B: EUR 100,000.

(D) **Rounding.** The Delivery Amount and the Return Amount will be rounded up to the nearest integral multiple of EUR 1,000.

(c) **Valuation and Timing.**

(i) **"Valuation Agent"** means Banco Bilbao Vizcaya Argentaria, S.A. in all circumstances.

(ii) **"Valuation Date"** means each first Local Business Day in each week.

(iii) **"Valuation Time"** means the close of business in the city of the Valuation Agent on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable, provided that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.

(iv) **"Notification Time"** means 1:00 p.m., Madrid time on a Local Business Day.

(d) **Dispute Resolution.**

(i) **"Resolution Time"** means 1:00 p.m., Madrid time on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 4.

(ii) **Value.** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), on any date, the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated as follows:

the amount of the Eligible Credit Support transferred by the Transferor together with any Distributions thereon to the extent not transferred pursuant to Paragraph 5(c)(i) or (ii).

(iii) **Alternative.** As amended by the preceding paragraphs of this Paragraph 11(e), the provisions of Paragraph 4 will apply.

(e) **Distributions and Interest Amount.**

(i) **Interest Rate.** Not applicable.

(ii) **Transfer of Interest Amount.** Not applicable.

(iii) **Alternative to Interest Amount.** Not applicable.

(f) **Address for Transfers.**

Party A: As set forth in notices to Party B from time to time.

Party B: As set forth in notices to Party A from time to time.

(g) **Other Provisions.**

(i) **Early Termination.**

Paragraph 6 is deleted in its entirety and replaced with the following:

“If an Early Termination Date is designated or deemed to occur as a result of an Event of Default in relation to a party or as a result of a Termination Date where all Transactions are Affected Transactions, an amount equal to the Value of the Credit Support Balance, determined as though the Early Termination Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Transferor (which may or may not be the Defaulting Party) for purposes of Section 6(e).”

(ii) **Transfer of undisputed amounts**

Paragraph 4(a)(2) shall be amended by the insertion of the words “(or deemed received)” after the word “received” in the third line thereof.

(iii) **Eligible Credit Support.**

Where Party A is the Transferor on a Valuation Date, the Delivery Amount to be posted by Party A shall be comprised of Eligible Credit Support previously posted by Party B, if any, and any remaining Delivery Amount to be posted by Party A in excess thereof shall be any Eligible Credit Support determined by Party A at its sole discretion.

Where Party B is the Transferor on a Valuation Date, the Delivery Amount to be posted by Party B shall be comprised of Eligible Credit Support previously posted by Party A, if any, and any remaining Delivery Amount to be posted by Party B in excess thereof shall be any Eligible Credit Support comprising Charged Assets.

(iv) **Party B’s Credit Support Balance.**

Where Party B is the Transferor on a Valuation Date, the Credit Support Balance shall comprise the aggregate of all Eligible Credit Support that has been transferred to or received by Party A and not returned to Party B under this Annex, together with any Distributions and all proceeds of any such Eligible Credit Support or Distributions, as reduced pursuant to paragraph 2(b) or 6.

(v) **Party B as Transferor.**

For the avoidance of doubt, where Party B is the Transferor on a Valuation Date, its obligation to make a transfer of Eligible Credit Support shall arise only where, and to the extent that, it has Charged Assets comprising Eligible Credit Support on the relevant Valuation Date.

(h) **Demands and Notices.**

Any demand, specification or notice will be given to or made at the following addresses:

If to Party A: BBVA S.A.

Address: Banco Bilbao Vizcaya Argentaria, S.A.  
Ciudad BBVA c/ Saucedá, 28 Edificio Oceanía Nivel 1 28050

Attention: Collateral Department

Telephone: +34 91 374 74 13 /+34 91 537 70 94

Fax: +34 91 5370988

E-mail: bbvacolaterales@bbva.com

If to Party B: Address: Douro Finance B.V.

De Entrée 99-197

1101 HE Amsterdam Zuidoost

The Netherlands

Attention: Managing Director

Telephone: + 31 205 554 488

Fax: + 31 205 55 43 08

or at such other address as the relevant party may from time to time designate by giving notice (in accordance with the terms of this subparagraph) to the other party.

(i) **Definitions**

Any definitions used in this Paragraph 11 to the Credit Support Annex and not defined herein shall have the meaning given to such terms in the Charged Agreement and the Trust Instrument relating to the Securities.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

By:

By:

Name:

Name:

**DOURO FINANCE B.V.**

By:

**NAME:**

**ANNEX 2**

**FORM OF SWAP TRANSACTION CONFIRMATION  
AMENDED AND RESTATED SWAP TRANSACTION CONFIRMATION**

Date: 27 January 2017 as amended and restated on 15 February 2017

To: Douro Finance B.V.  
De Entrée 99 -197  
1101 HE Amsterdam  
The Netherlands

From: Banco Bilbao Vizcaya Argentaria, S.A.

**RE: Series 2017-390 EUR 600,000 Secured Limited Recourse Index Linked Securities due 2026**

**This Amended and Restated Swap Transaction Confirmation amends and restates the original Swap Transaction Confirmation entered into between the parties hereto in connection with the Series identified above on or prior to the date hereof with effect from the date of the original Swap Transaction Confirmation.**

Ladies and Gentlemen:

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the index swap transaction entered into between Banco Bilbao Vizcaya Argentaria, S.A. (“**Party A**”) and Douro Finance B.V. (“**Party B**”) on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “**Confirmation**” as referred to in the Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions and in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”, together with the 2006 ISDA Definitions, the “**Definitions**”), in each case as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of the Trade Date as amended and supplemented from time to time (the "**Agreement**"), entered into by you and us by our execution of the Trust Instrument dated of 15 February 2017 (the "**Trust Instrument**"), by and among the persons thereto for purposes of constituting Series 2017-390 EUR 600,000 Secured Limited Recourse Index Linked Securities due 2026 (the "**Securities**") of the Issuer issued under its EUR 5,000,000,000 Limited Recourse Secured Debt Issuance Programme (the "**Programme**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. All terms defined in the Agreement and not otherwise defined herein shall have the meanings assigned in the Agreement. References to the "**Conditions**" in respect of the Securities and any other capitalized term that is used but not defined herein, the Agreement or the Definitions shall have their meanings as given to them in the Trust Instrument and in the event of any inconsistency between words and meaning defined in the Trust Instrument and words and meaning defined in this Confirmation, this Confirmation will prevail.

The terms of the particular Transaction to which this Confirmation relates are as follows:

# **1. General Terms:**

Trade Date: 25 January 2017

Effective Date: 15 February 2017

Termination Date: The Cash Settlement Payment Date

Termination Currency: The Specified Currency of the Securities

Index:

Index	Exchange	Related Exchange	Bloomberg Code
IBEX-35, a market index of 35 Spanish stocks (" <b>IBEX 35</b> "), which is currently sponsored by the "Sociedad de Bolsas" (the " <b>Index Sponsor</b> "), which term shall include any agents or other persons acting on behalf of such person, as shall the term " <b>successor sponsor</b> ".	Madrid Stock Exchange	MEFF	IBEX

Notional Amount: EUR 600,000

Equity Amount Payer: Party A

Equity Amount Receiver: Party B

Business Day Convention: Modified Following

Business Days: TARGET

Valuation Date: 14 September 2026

### **Fixed Payments**

Fixed Rate Payer: Party A

Fixed Rate Payer Calculation Amount: An amount in EUR equal to the Notional Amount

Fixed Rate Payer Payment Dates: 21 September in each year from and including 21 September 2017 (short first coupon), to and including the Maturity Date subject to adjustment in each case in accordance with the Business Day Convention.

Fixed Rate: 1.35 per cent. per annum.

Fixed Rate Day Count Fraction: 30/360

### **Settlement Terms**

Cash Settlement: Applicable.

Settlement Currency: EUR.

Cash Settlement Payment Date: 21 September 2026

Cash Settlement Amount: The Cash Settlement Amount payable by the Equity Amount Payer to the Equity Amount Receiver in respect of the Valuation Date on the Cash Settlement Payment Date shall be determined as follows:

$$\text{Notional Amount} \times \left[ 1 + 50\% \times \text{Max} \left( 0\%; \frac{\text{Index}_f - \text{Index}_0}{\text{Index}_0} \right) \right]$$

Where:

“ $\text{Index}_0$ ”: means the official closing level of the Index on 15 February 2017.

“ $\text{Index}_t$ ”: means the official closing level of the Index on 14 September 2026

### **Initial Exchange Amount**

On the Effective Date, Party A will pay to Party B an amount equal to EUR 177,930

### **Variable Amounts- Party B**

From and including the Effective Date to and including the Termination Date, Party B will pay to Party A amounts equal to and in the same currency as each amount of coupon or interest which is scheduled to be paid in respect of the Charged Assets in accordance with the terms and conditions thereof, each such amount being payable by Party B on the date on which such amount is received by Party B.

From and including the Effective Date to and including the Termination Date, Party B will pay to Party A amounts equal to and in the same currency as each amount of any Distributions (as defined in the Credit Support Document) which are scheduled to be paid to Party B pursuant to the Credit Support Document, each such amount being payable by Party B on the date on which such amount is received by Party B.

On each date on which redemption proceeds are received in respect of the maturity or redemption of the Charged Assets (each a “**Charged Asset Redemption Date**”), Party B will pay an amount equal to and in



the same currency as such redemption proceeds to Party A free and clear of any interest of Party B or the Trustee.

For the avoidance of doubt, no Variable Amounts payable by Party B to Party A hereunder shall be reduced on account of any deduction or withholding from any payment in respect of any Charged Assets that are securities (if any) on account of any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any such payment in respect of such Charged Assets, or on account of any right of set-off, or for any other reason whatsoever.

### **Index Cancellation**

Related Exchange Adjustment, unless no option or futures contracts on the index are traded on the Related Exchange when the Index Adjustment Event occurs, in which case Cancellation and Payment (Calculation Agent Determination) applies.

### **Index Modification**

Related Exchange Adjustment, unless no option or futures contracts on the index are traded on the Related Exchange when the Index Adjustment Event occurs, in which case Cancellation and Payment (Calculation Agent Determination) applies.

### **Related Exchange Adjustment**

Following each adjustment to the exercise, settlement, payment or other terms of options or futures contracts on any relevant Indices traded on any Related Exchange, the Calculation Agent will make the corresponding adjustments, if any, to one or more of:

- i) in respect of an Index Option Transaction or an Index Basket Option Transaction, the Strike Price, the Number of Options, the Knock-in Price and the Knock-out Price.
- ii) in respect of an Index Forward Transaction or an Index Basket Forward Transaction, the Forward Price, the Forward Floor Price, the Forward Cap Price, the Knock-in Price and the Knock-out Price.
- iii) in respect of an Index Swap Transaction or an Index Basket Swap Transaction, the Initial Price, the Equity Notional Amount, the Knock-in Price and, in any case, any other variable relevant to the exercise, settlement, payment or other terms on that Transaction, as determined by the Calculation Agent, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange.

## **Index Disruption**

Calculation Agent Adjustment.

## **Market Disruption Event**

Section 6.6(a) of the Equity Definitions is hereby replaced in its entirety by the words:

“If any Valuation Date is a Disrupted Day, in the case of an Index Transaction, the Valuation Date for the Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the five Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) that fifth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for the Index as of the Valuation Time on that fifth Scheduled Trading Day.”

## **Correction of Index Level**

Section 11.4. of the 2002 ISDA Equity Derivatives Definitions is hereby substituted by the following paragraph:

“If, in respect of an Index Transaction, the level of an Index published on a given day and used or to be used by the Calculation Agent to determine the Settlement Price or the Final Price, which, for the avoidance of doubt may correspond to  $Index_0$  and/or  $Index_t$  as applicable, as the case may be, is subsequently corrected and the correction published by that Index sponsor or a successor sponsor within 2 Business Days of the original publication, either party may notify the other party of (i) that correction and (ii) that amount that is payable as a result of that correction. If not later than 2 Business Days after publication of that correction a party gives notice that an amount is so payable, the party that originally either received or retained such amount shall, not later than three Business Days after the effectiveness of that notice, pay to the other party that amount.”

## **Additional Disruption Event**

Change in Law: Applicable. Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety by the words:

“Change in Law” means that, on or after the Trade Date of any Transaction (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for a party to this Transaction to hold, acquire or dispose of Hedge Positions relating to such Transaction, provided that this section 12.9(a)(ii) shall not apply if the Calculation Agent determines that such party could have taken reasonable steps to avoid such illegality.”

### **Miscellaneous**

Determining Party: Banco Bilbao Vizcaya Argentaria, S.A.

Non-Reliance: Applicable.

Agreements and Acknowledgments

Regarding Hedging Activities: Applicable.

Additional Acknowledgments: Applicable.

### **2. Notice and Account Details**

Party A: To be advised.

Party B: To be advised.

### **3. Offices**

The Office of Party A for the Transaction is:

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

Tesorería – Documentación

C/ Azul 4, Edif. Oceanía 1st Floor

28050 Madrid – Spain

Telephone: +34 91 537 84 65/ Fax: +34 91 537 09 55

The Office of Party B for the transaction is:

Douro Finance B.V.

De Entree 99 -197

1101 HE Amsterdam Zuidoost

Netherlands

Attention: Managing Director

Telephone: + 31 20 5554466 ; Fax: + 31 20 5554308

#### **4. Calculation Agent**

Party A acting reasonably and in good faith according to its customary practices and procedures, provided, however, that absent manifest error, the Calculation Agent's computations hereunder shall be binding for all purposes.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this confirmation enclosed for that purpose and returning it to us.

Yours Sincerely,

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

p.p.

By:.....

By:.....

Name:

Name:

Title: Authorised Signatory

Title: Authorised Signatory

**DOURO FINANCE B.V.**

By:.....

### ANNEX 3

#### Index Disclaimer

Sociedad de Bolsas, owner of the IBEX 35® Index and registered holder of the corresponding trademarks associated with it, does not sponsor, promote, or in any way evaluate the advisability of investing in this financial product and the authorisation granted to BBVA for the use of IBEX 35® trademark does not imply any approval in relation with the information offered by BBVA or with the usefulness or interest in the investment in the above mentioned financial product.

Sociedad de Bolsas does not warrant in any case nor for any reason whatsoever:

- a) The continuity of the composition of the IBEX 35® Index exactly as it is today or at any other time in the past.
- b) The continuity of the method for calculating the IBEX 35® Index exactly as it is calculated today or at any other time in the past.
- c) The continuity of the calculation, formula and publication of the IBEX 35® Index.

The precision, integrity or freedom from errors or mistakes in the composition and calculation of the IBEX 35® Index

The suitability of the IBEX 35® Index for the anticipated purposes for the financial product

The parties thereto acknowledge the rules for establishing the prices of the securities included in the IBEX 35® Index and of said index in accordance with the free movement of sales and purchase orders within a neutral and transparent market and that the parties thereto undertake to respect the same and to refrain from any action not in accordance therewith.

Neither the publication of the Index by DBAG nor the granting of any right to use the Index, its underlying Index Data as well as the Index Trademark for the utilization in connection with the financial instrument or the securities or financial products, which derived from the Index, represents a recommendation by DBAG for a capital investment or contains in any manner a warranty or opinion by DBAG with respect to the attractiveness on an investment in this product.

In its capacity as sole owner of all rights to the Index, its underlying Index Data, and the Index Trademark DBAG has solely granted to the issuer of the financial instrument the utilization of the Index Data and the Index Trademark as well as any reference to the Index Data and the Index Trademark in connection with the financial instrument.

## SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

### United States

The Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may include Securities in bearer form that are subject to U.S. tax law requirements. Consequently, the Securities may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, any person who is (i) a "U.S. person" (as defined in Regulation S), (ii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC, as amended, modified or supplemented from time to time, **under the CEA**, (iii) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (iv) a "United States person" as defined in the Code and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time (each such person, a "U.S. Person").

### Hong Kong

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Securities have not been authorised by the Hong Kong Securities and Futures Commission. The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities (except Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the laws of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong and any rules made under that Ordinance.

### European Union

#### *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 Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 Securities which are the subject of the offering contemplated by this Series Information Memorandum as completed by the Issue 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 such Securities to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 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
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities 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 Securities to the public**" in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, 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 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

## **United Kingdom**

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (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 or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

## **Spain**

Neither the Securities nor this Series Information Memorandum have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Therefore, neither the Securities nor this Series Information Memorandum are intended for any public offer of the Securities in the Kingdom of Spain in compliance with the requirements of Royal Decree 4/2015, of 23 October, on the Spanish Securities Market (as amended from time to time) implementing the Prospectus Directive, Royal Decree 1310/2005, of 4 November, on admission to listing and on issues and public offers of securities (as amended from time to time) and any other regulation developing them which may be in force from time to time. Accordingly, no Securities will be offered, marketed nor may copies of this Series Information Memorandum or of any other document relating to the Securities be distributed in the



Kingdom of Spain, except in other circumstances which are exempted from the rules on public offerings pursuant to Article 35 of Royal Decree 4/2015, of 23 October, on the Spanish Securities Market.

Any offer of the Securities or distribution of copies of this Series Information Memorandum or any other document relating to the Securities in the Kingdom of Spain shall be made under circumstances which are exempted from the rules on public offerings. Except when the offer is addressed to qualified investors, any offer or placement of the Securities must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with Royal Decree 4/2015, of 23 October, on the Spanish Securities Market.

## **Ireland**

The Dealer represents, warrants and agrees that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Securities or Alternative Investments, or do anything in Ireland in respect of the Securities or Alternative Investments, otherwise than in conformity with the provision of:

- (a) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland under Section 1363 of the Companies Act 2014 (as amended) (the “Companies Act”);
- (b) the Companies Act;
- (c) the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland;
- (d) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 1370 of the 2014 Act, and will assist the Issuer in complying with its obligations thereunder; and
- (e) Notice BSD C01/02 dated 12th November, 2002 issued by the Central Bank and Financial Services Authority pursuant to Section 8(2) of the Central Bank Act 1971 (as amended).

## **Netherlands**

### **Act on Financial Supervision**

Securities (including rights representing an interest in any Global Security) may not, directly or indirectly, be, (or announced to be) offered, sold, resold, delivered or transferred as part of their initial distribution or at any time thereafter to, or to the order of, or for the account of, any person anywhere in the world other than to:

- (a) persons who do not form part of the “public”, as that term is interpreted by the applicable regulator pursuant to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; and
- (b) Qualified Investors within the meaning of Section 1:1 of the Financial Supervision Act (Wet op het financieel toezicht).

## Savings Certificates Act

In addition and without prejudice to the relevant restrictions set out above, Securities that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever ("**Zero Coupon Securities**") in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or an admitted institution (*toegelaten instelling*) of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Savings Certificates Act (*Wet inzake spaarbewijzen*) as amended from time to time. No such mediation is required in respect of:

- (a) the transfer and acceptance of Zero Coupon Securities whilst in the form of rights representing an interest in a Zero Coupon Instrument in global form;
- (b) the initial issue of Zero Coupon Securities in definitive form to the first holders thereof;
- (c) the transfer and acceptance of Zero Coupon Securities in definitive form between individuals not acting in the conduct of a business or profession; or
- (d) the transfer and acceptance of such Zero Coupon Securities within, from or into the Netherlands if all Zero Coupon Securities (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Securities have to be complied with and, in addition thereto, if such Zero Coupon Securities in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 March 1987 attached to the Royal Decree of 11 March 1987 as published in the Official Gazette 1987, 129, as amended from time to time, each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Securities.

## Republic of Italy

The offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of this Series Information Memorandum or of any other document relating to the Securities 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 24th February, 1998, as amended, (the "**Financial Services Act**") and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14th May 1999, as amended from time to time ("**Regulation No.11971**");or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No.11971.

Any offer, sale or delivery of the Securities or distribution of copies of this Series Information Memorandum or any other document relating to the Securities 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 29th October, 2007 (as amended from time to time) and Legislative Decree No. 385 of 1st September, 1993, as amended (the "**Banking Act**");
- (b) in compliance with Article 129 of the Banking Act, as amended, 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 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 public offerings applies under (i) and (ii) above, the subsequent distribution of the Securities 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 Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

## **France**

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Securities 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, this Series Information Memorandum, the relevant Issue Terms or any other offering or marketing material relating to the Securities and 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 (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Neither this Series Information Memorandum nor any other offering material has been or will be filed with the French *Autorité des Marchés Financiers* ("**AMF**") for prior approval or submitted for clearance to the AMF.

## **Switzerland**

Neither this Series Information Memorandum nor any other offering or marketing material relating to the Issuer or the Securities have been or will be filed with or approved by any Swiss regulatory authority. The Securities do not constitute a collective investment scheme within the meaning of the Swiss Collective Investment Scheme Act ("**CISA**"). Therefore, they are not subject to authorisation by the Swiss Financial Market Supervisory Authority and potential investors do not benefit from the specific investor protection provided under the CISA.

## **Portugal**

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Series Information Memorandum has not been and will not be registered or filed with or approved by the Portuguese Securities Exchange Commission (*Comissão do Mercado de Valores Mobiliários*, "**CMVM**") nor has a prospectus recognition procedure been commenced

with the CMVM. The Securities may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the *Código dos Valores Mobiliários* (the "**Portuguese Securities Code**") enacted by Decree Law no. 486/99 of 13th November 1999 (as amended and restated from time to time) unless the requirements and provisions applicable to the public offering in Portugal are met and the above mentioned registration, filing, approval or recognition procedure is made in relation to the Securities. In addition, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions or sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Securities in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code and in circumstances which could qualify the issue of the Securities as an issue in the Portuguese market otherwise than in accordance with all applicable laws and regulations and, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be; (ii) it has not directly or indirectly distributed and will not directly or indirectly distribute any document, circular, advertisements or any offering material except in accordance with all applicable laws and regulations; (iii) all offers, sales and distributions by it of the Securities have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code or other securities legislation or regulations, qualify as a private placement of Securities only (*offerta particular*); (iv) it will comply with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation implementing the Prospectus Directive and any applicable CMVM Regulations, determinations and/or opinions and all relevant Portuguese securities laws and regulations, and in any such case that may be applicable to it in respect of any offer or sale of Securities by it in Portugal or to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be, including compliance with the rules and regulations that require the publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

## **Taiwan**

The Securities have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Securities in Taiwan.

## **Korea (Republic of Korea)**

The Securities have not been and will not be registered under the Financial Investment Services and Capital Markets Act (the "**FSCMA**"). The Dealer has represented and agreed, and each new Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any Securities in Korea or to, or for the account or benefit of, any Korean resident (as such term is defined in the Foreign Exchange Transaction Law (the "**FETL**")), except as otherwise permitted under applicable Korean laws and regulations, including the FSCMA and the FETL and the decrees and regulations thereunder. The Securities may not be resold to Korean residents unless the purchaser of the Securities complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL and its subordinate decrees and regulations) in connection with the purchase of the Securities.

## The People's Republic of China

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any of the Securities in the People's Republic of China (for such purposes, not including Hong Kong, Macau SAR or Taiwan) or to residents of the People's Republic of China unless such offer or sale is made in compliance with all applicable laws and regulations of the People's Republic of China.

## Chile

Neither the Issuer nor the Securities have been registered with the "*Registro de Valores*" nor the "*Registro de Valores Extranjeros*" before the "Superintendencia de Valores y Seguros" (the "**SVS**") pursuant to Law No. 18,045, the Ley de Mercado de Valores ("**Law 18,045**"), and regulations thereunder therefore, such Securities are not overseen by the SVS and, hence, there is no obligation to provide public information of such Securities in the Republic of Chile. This Information Memorandum does not constitute an offer of, or an invitation to subscribe for or purchase, the Securities in The Republic of Chile, other than to individually identified buyers pursuant to a Private Offering, and subject to SVS's *Norma de Carácter General Número 336*, within the meaning of Article 4 of Law 18,045 (an offer that is not addressed to the public at large or to a certain sector or specific group of the public). Therefore, such Securities cannot be subject to a public offer in the Republic of Chile as long as they are not registered in the appropriate Securities Registry ("**Registro de Valores**").

This Series Information Memorandum does not constitute an offer to any other person or to the general public in Chile to acquire the Securities. Each prospective investor in Chile, by accepting the delivery of this Series Information Memorandum, agrees to the foregoing and will not make photocopies or any other reproduction, either physical or electronic, of this Series Information Memorandum or any other documents referred to herein.

## Colombia

This document does not constitute a public offer in the Republic of Colombia. The offer of the Securities may only be addressed to less than one hundred specifically identified investors. The Securities may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign products in Colombia.

The Securities have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombian Stock Exchange (Bolsa de Valores de Colombia). Therefore, the securities may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

This Series Information Memorandum is for the sole and exclusive use of the addressee as an offeree in Colombia, and this Series Information Memorandum shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

The recipient of the Securities acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the Securities being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

## **Mexico**

The Securities have not been, and will not be, registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the "CNBV") and, therefore, the Securities may not be publicly offered or sold in Mexico, publicly or otherwise, except that the Securities may be offered in Mexico to institutional and accredited investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law.

## **Peru**

The Securities have not been, and will not be, registered with the Superintendency of Securities Market (*Superintendencia del Mercado de Valores*, or "SMV"). If through any private offering an institutional investor acquires Securities that are not registered with the SMV, such Securities may not be sold or transferred by such institutional investor unless such transfer or sale is made to another institutional investor as defined by the Peruvian Securities Market Law (*Ley del Mercado de Valores*) or such Securities have been registered under the SMV's Public Registry.

Notice to Private Pension Funds and Insurance Companies in Peru: Private Pension Funds (*Administradoras Privadas de Fondos de Pensiones*) and Insurance Companies (*Compañías de Seguros*) in Peru should seek their own legal advice as to the eligibility of the Securities and legal, financial and technical advice as to their capacity to acquire the Securities in compliance with the limits set forth by applicable Peruvian law. In particular, to acquire the Securities, Peruvian Private Pension Funds should register the Securities as provided by the applicable regulation approved by the Peruvian Bank and Insurance Superintendency (*Superintendencia de Banca, Seguros y AFP*) and, if applicable, to register the particular placement procedure through which such Securities are acquired.

## **General**

The Dealer has agreed and each further Dealer appointed under the Programme will be required to agree 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 Securities or possesses or distributes the Information Memorandum or this Series Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities 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 nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer, the Trustee nor any Dealer represents that Securities 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 Series of Securities, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in this Series Information Memorandum.

## DESCRIPTION OF THE INITIAL CHARGED ASSETS AND THE OBLIGOR UNDERLYING THE INITIAL CHARGED ASSETS

*The information in the following sections concerning the Initial Charged Assets, the Obligor underlying the Initial Charged Assets (the "**Underlying Obligor**") and the Inflation Index is a summary only of certain terms and conditions of the Initial Charged Assets and has been extracted from the Pricing Supplements relating to the Initial Charged Assets and from Bloomberg's on screen information service published by the Underlying Obligor and the source of the Inflation Index and the Issuer accepts responsibility for accurately reproducing such extracts. Such information has not been independently verified by the Issuer. So far as the Issuer is aware and is able to ascertain from the information published by Bloomberg and the Underlying Obligor, no facts have been omitted which would render the information reproduced herein inaccurate or misleading.*

### A. Description of the Initial Charged Assets

**i) EUR 600,000 nominal amount Securities due 2026 issued by Republic of Italy ISIN CODE: IT0004735152**

Issuer:	Republic of Italy
Guarantor:	Not Applicable
Issue Date:	8 June 2011
Aggregate Principal Amount issued:	EUR 11,572,730,000
Denomination:	EUR 1,000.
First Interest Payment Date:	15 September 2011
Maturity Date:	15 September 2026
Interest Rate:	3.1 per cent multiplied by the indexation coefficient over the Eurostat Eurozone HICP Ex-Tobacco (Bloomberg Ticker: CPTFEMU Index) (the "Inflation Index")
Interest Payment Dates:	S/A
Charged Asset Business Days:	Target
Business Day Convention:	Modified Following
Clearing System:	Clearstream Lux, Euroclear
ISIN Code:	IT0004735152
Listing:	MTS GOVERNMENT MARKET (ESMA MIC Code: MTSC)

Governing Law:	Italian law.
Method of Origination/ Creation:	The Charged Asset was created by their issuance by the issuer of the Charged Asset

## **B. Description of the Underlying Obligors**

Name:	Republic of Italy
Guarantor:	Not Applicable
Address	Via della Stamperia 8 Rome, 00187
Country of Establishment:	Italy
Nature of Business:	Government
Listing:	MTS GOVERNMENT MARKET (ESMA MIC Code: MTSC)

## **C. Description of the Inflation Index**

Name of the Inflation Index	Eurostat Eurozone HICP Ex-Tobacco (Bloomberg Ticker: CPTFEMU Index)
Category	Consumer Price Index
Description of the Inflation Index	<p>This sector holds the unrevised numbers initially released by Eurostat. Eurostat may revise their HICP indices, however this sector will not change and will continue to display the initial HICP value as published.</p> <p>On the 28<sup>th</sup> February 2006, Eurostat rebased the Consumer Price Indices to 2005=100. As a result, this index has been rebased to correctly represent the new reference year. To see the equivalent index which contains revised data as published by Eurostat, please use Bloomberg Ticker: CPXTEMU index. To see the previous data under this ticker for base year 1996=100, please use Bloomberg Ticker CPTFEZ96 index.</p>
Source	Eurostat
Country	Eurozone
Performance	Past and further performance of the Inflation Index and volatility can be obtained from Bloomberg Ticker: CPTFEMU Index



## DESCRIPTION OF THE INDEX AND THE INDEX SPONSOR

*The information in the following sections concerning the Index has been accurately reproduced from information published by the Index Sponsor. So far as the Issuer is aware and is able to ascertain from information published by the Index Sponsor, no facts have been omitted which would render the information reproduced herein inaccurate or misleading.*

### A. Index Sponsor

Name:	Sociedad de Bolsas
Guarantor:	Not applicable.
Address:	Plaza de la Lealtad 1, 28014 Madrid
Country of Incorporation:	Spain
Nature of Business:	Financial

### B. Index.

Description of the securities	The Ibex 35 is the official index of the Spanish Continuous Market. The Index is comprised of the 35 most liquid stocks trades on the Continuous Market (Bloomberg Code: IBEX )
Description of the Exchange Market	The Madrid stock exchange upon which securities which comprise the Index are traded
Related Exchange Market	MEFF
ISIN	ES0SI0000005
Price Publication, Volatility, Performance	Real time daily publication in Bloomberg. Historical data available.
Market's regulatory authority:	The national regulator upon which securities which comprise the Index are traded: Comisión Nacional del Mercado de Valores (CNMV)

## **DESCRIPTION OF THE COUNTERPARTY**

### **BUSINESS OF THE COUNTERPARTY**

Banco Bilbao Vizcaya Argentaria, S.A. ("**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 in Spain for an unlimited term on 28th January, 2000. BBVA was formed as the result of a merger by absorption of Argentaria into BBV, which was registered at the Vizcaya Mercantile Registry (Registro Mercantil de Vizcaya) on 28th January, 2000.

In 2012 BBVA's organisational structure was divided into five business areas (Spain, Eurasia, Mexico, the United States and South America) and, in addition, BBVA continues to have a separate "Corporate Activities" business area which handles BBVA'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. This area also books the costs from central units that have a strictly corporate function and makes allocations to corporate and miscellaneous provisions, such as early retirement and others of a corporate nature. It also includes the Industrial and Financial Holdings Unit and the Group's Spanish real estate business.

The registered office of BBVA is at Plaza San Nicolas 4, Bilbao, Spain.

BBVA has securities admitted to trading on the regulated market of the Madrid Stock Exchange and the New York Stock Exchange.

## **INCORPORATION OF DOCUMENTS BY REFERENCE**

The following document is hereby incorporated into this Series Information Memorandum:

The Information Memorandum dated 8 July 2016 relating to the EUR 5,000,000,000 Limited Recourse Secured Debt Issuance Programme of Douro Finance B.V. is hereby incorporated into this Series Information Memorandum.

This document has been published in electronic format on the website of the Irish Stock Exchange and can be viewed at:

[http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_a17b6bd7-595e-46a0-87c8-da96dfb539d6.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_a17b6bd7-595e-46a0-87c8-da96dfb539d6.PDF)

## GENERAL INFORMATION

1. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is 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.
2. No material fees are payable by the Issuer in respect of which the Issuer does not have the right of reimbursement. The estimated total expenses related to the admission to trading on the Irish Stock Exchange are approximately EUR 3,000.
3. The auditors of the Issuer are Deloitte Accountants B.V. Orlyplein 10, 1043 DP Amsterdam, Netherlands. The auditors of the Issuer are Chartered Accountants and members of the Netherlands Institute for Chartered Accountants (*Nederlands Instituut voor Registeraccountants*).
4. The Issuer does not intend to provide any post-issuance information in relation to the Securities. The Issuer does not intend to provide any post-issuance information in relation to the Charged Assets or the Charged Agreements.
5. For the life of the Series Information Memorandum, copies of the following documents (together with any other documents specified in this Series Information Memorandum) will, when published (to the extent applicable), be available in physical format for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and from the specified offices of the Paying Agents, Registrar and Transfer Agents (if any) in respect of such Securities:
  - (i) the Memorandum and Articles of Association of the Issuer;
  - (ii) the Trust Instrument relating to such Securities (and the documents incorporated therein, including, *inter alia*, the Agency Agreement, the Charged Agreements and the Sale Agreement);
  - (iii) a copy of the Information Memorandum and this Series Information Memorandum relating to such Securities, together with any other document required or permitted to be published by the Irish Stock Exchange;
  - (iv) the audited annual financial statements of the Issuer for the year ended 31 December, 2014;
  - (v) the audited annual financial statements of the Issuer for the year ended 31 December, 2015;
  - (vi) any future information memoranda, prospectus, offering circulars and supplements including Issue Terms (save that, any Issue Terms relating to Securities which are 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 Security and such holder must produce evidence satisfactory to the Issuer, Paying Agent, Registrar or Transfer Agent as to its holding of Securities and identity) to the Information Memorandum and any other documents incorporated therein by reference.

In addition a copy of the Information Memorandum and this Series Information Memorandum in respect of listed Securities will be available free of charge from the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

6. There has been no significant change in the financial or trading position of the Issuer since 31 December 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2015.
7. Banco Bilbao Vizcaya Argentaria, S.A. is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.
8. Any websites referred to herein do not form part of this prospectus.
9. The issue of the Securities was authorised by a resolution of the Board of Directors of the Issuer passed on 8 February 2017.
10. The Calculation Agent is Banco Bilbao Vizcaya Argentaria, S.A. of Ciudad BBVA c/ Saucedo, 28 Edificio Oceanía Nivel 1 28050 Madrid (Spain). The Calculation Agent is appointed pursuant to the Agency Agreement. The Issuer may terminate the appointment of the Calculation Agent at any time with the prior written approval of the Trustee with 45 days' prior written notice to that effect. Notwithstanding the previous provision, the Calculation Agent may be removed if the Calculation Agent becomes incapable of acting or is adjudged bankrupt or insolvent. In this case, the Issuer must appoint a replacement Calculation Agent.

**REGISTERED OFFICE OF THE ISSUER**

**Douro Finance B.V.**

De Entree 99 -197

1101 HE Amsterdam

Netherlands

**ARRANGER AND DEALER**

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

CIUDAD BBVA c/ Saucedo, 28 28050 Madrid

Spain

**TRUSTEE**

**Deutsche Trustee Company Limited**

Winchester House

1 Great Winchester Street

London EC2N 2DB

**PRINCIPAL PAYING AGENT, ACCOUNT BANK, CALCULATION AGENT AND CUSTODIAN**

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

CIUDAD BBVA c/ Saucedo, 28 28050 MADRID Spain

**VENDOR**

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

CIUDAD BBVA c/ Saucedo, 28 28050 MADRID Spain

**THE COUNTERPARTY**

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

CIUDAD BBVA c/ Saucedo, 28 28050 MADRID Spain

**THE AUTHENTICATION AGENT AND COMMON SAFEKEEPER**

**Deutsche Bank AG, London Branch**

Winchester House

1 Great Winchester Street

London EC2N 2DB