

4 April 2011

SERIES MEMORANDUM

BOIRO FINANCE B.V.

(incorporated with limited liability in The Netherlands and having its corporate seat in Amsterdam)

EUR 5,000,000,000

Programme for the issue of
Notes and the making of Alternative Investments

**Series 674 USD 60,000,000 Floating Rate Secured Limited Recourse
Notes due 2012**

***The attention of investors is drawn to the section headed “Risk Factors” on page 4
of this Series Memorandum***

Banco Bilbao Vizcaya Argentaria, S.A.

This Series Memorandum incorporates by reference the contents of the programme memorandum (the "**Programme Memorandum**") dated 30 December 2010 relating to Boiro Finance B.V. (the "**Issuer**"). This Series Memorandum is supplemental to, and should be read in conjunction with, the Programme Memorandum and the Programme described therein. Save as provided below, the Issuer has taken all reasonable care to ensure that the information contained in this Series Memorandum is true and accurate in all material respects and that in the context of the issue of the Notes, there are no other material facts which would make misleading any statement herein or in the Programme Memorandum. The Issuer accepts responsibility accordingly.

The Issuer accepts responsibility for the information contained in this Series 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), such information contained in this Series Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The delivery of this Series Memorandum at any time does not imply that any information contained herein is correct at any time subsequent to the date thereof.

The Notes are issued on the terms set out in this Series Memorandum read together with the Programme Memorandum.

This Series Memorandum does not constitute an offer of Notes and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Memorandum in any jurisdiction where such action is required.

No person has been authorised to give any information or to make representations other than those contained in this Series Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Dealer, the Trustee or any of them. Neither the delivery of this Series Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

Particular attention is drawn to the sections of this Series Memorandum headed "Investor Suitability" and "Risk Factors".

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS, AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE NOTES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

Each purchaser or holder of Notes will be deemed to represent that it is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended, a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organized or administered, and such purchaser or holder is not using the assets of any such plan to acquire the Notes.

RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which any prospective purchaser of Notes should be aware, but it is not intended to be exhaustive and any prospective purchaser of Notes should also read the detailed information set out elsewhere in this document and in particular, the attention of prospective purchasers of Notes is drawn to “Risk Factors” in the Programme Memorandum.

The purchase of any Notes involves substantial risks. Each prospective purchaser of Notes should be familiar with instruments having characteristics similar to the Notes and should fully review all documentation for and understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

Before making an investment decision, prospective purchasers of, or investors in, Notes should conduct such independent investigation and analysis regarding the Issuer, the Notes, the Mortgaged Property, each Counterparty under a Charged Agreement and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. However as part of such independent investigation and analysis, prospective purchasers of Notes should consider carefully all the information set forth in the Programme Memorandum relating to the Programme and the Issuer and this Series Memorandum and the considerations set out below.

Investment in the Notes is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Programme Memorandum and the relevant Series Memorandum and the merits and risks of an investment in the Issuer in the context of such investors’ financial, tax and regulatory circumstances and investment objectives;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time and the risk of the entire loss of any investment in the Issuer;
- (3) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes; and
- (4) recognise that there is no secondary market for the Notes, and no secondary market is expected to develop in respect thereof, so that the purchase of the Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and who are prepared to hold the Notes for an indefinite period of time or until the final redemption or maturity of the Notes.

The Issuer and the Arranger may, in their discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

Limited Recourse

All payments to be made by the Issuer in respect of the Notes, Receipts and Coupons (if any) of each Series and any Charged Agreement relating to such Series will only be due and payable from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Mortgaged Property in relation to such Series of Notes (the “**Relevant Sums**”).

To the extent that the Relevant Sums are less than the amount which the holders of the Notes, Receipts and Coupons (if any) and any Counterparty expected to receive (the difference being referred to herein as a “**shortfall**”), such shortfall will be borne, following enforcement of the security for the Notes, in the inverse of the order of priorities on enforcement specified in Condition 4(d), unless otherwise provided in the applicable Series Memorandum and the related Constituting Instrument and/or Additional Charging Instrument, if applicable.

Charged Assets

To the extent that the nominal amount and/or market value of the Charged Assets is at any time less than the nominal amount and/or market value of the Notes and the other obligations secured on the Mortgaged Property, investor’s exposure to the other assets comprising the Mortgaged Property, the Counterparty and the other obligors in respect thereof is increased.

Limitation on claims against the Issuer

There can be no assurance that the amount payable on any early redemption or enforcement of the security for the Notes will be equal to the outstanding principal amount of the Notes. Any shortfall in payments due to the Noteholders will be borne in accordance with the Priority of Payments specified in Paragraph 11 of “the Terms and Conditions of the Notes”, and any claims of the Noteholders remaining after a mandatory redemption of the Notes or a realisation of the security and application of the proceeds as aforesaid shall be extinguished. None of the Programme Parties or the obligors under the Mortgaged Property (other than the Issuer) has any obligation to any Noteholder for payment of any amount owing by the Issuer in respect of the Notes.

Limited liquidity

There is currently no market for the Notes and there can be no assurance that any secondary market will develop and, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. Consequently, a purchaser must be prepared to hold the Notes for an indefinite period of time.

Early Redemption of the Notes under Conditions 7 (b), 7 (c) or 9

The Notes may be subject to early redemption under Condition 7 (b) Mandatory redemption, Condition 7 (c) Redemption for taxation and other reasons, and Condition 9 Events of Default. In the event that the Notes are redeemed prior to the Maturity Date in accordance with such provisions, it is very unlikely that the funds available to the Issuer for making payments in respect of interest and principal amounts of the Notes will be sufficient. Accordingly, if the Notes are subject to early redemption under any of such provisions, investors are exposed to the loss a substantial part or, even, all of their investment on the Notes, including both principal and accrued interest.

Credit Considerations

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Notes including any credit risk associated with the Issuer, any Counterparty or other obligor with respect to the Mortgaged Property. None of the Issuer, any of the Programme Parties or any of their respective affiliates will have any responsibility or duty to make any such investigations, to keep any such matters under review or to provide the prospective purchasers of the Notes with any information in relation to such matters or to advise as to the attendant risks.

Prospective purchasers of Notes should take into account, when making a decision as to whether or not to invest in the Notes, that the timing of redemption of the Notes, the amount due to be paid upon redemption of the Notes and the timing and the amount of any interest and principal due on the Notes is dependent on the performance of the Charged Agreement.

Taxation

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. The Issuer will not pay any additional amounts to Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes.

Legality of purchase

None of the Issuer, any of the Programme Parties or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, 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.

Arm's-length contractual counterparty

The Counterparty is merely an arm's-length contractual counterparty to the Issuer and is not its financial adviser or fiduciary.

Independent Review and Advice

Each prospective purchaser of Notes is responsible for its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of any obligor under the Charged Assets, as well as the risks in respect of the Notes and their terms, including, without limitation, any tax, accounting, credit, legal and regulatory risks.

Business Relationships

The Issuer, any of the Programme Parties and any of their respective affiliates may be affiliated to each other (other than the Issuer) or have existing or future business relationships with each other or with any issuer or obligor of a Charged Asset (including, but not limited to, lending, depository, risk management, advisory and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder.

Volatility

The market value of the Notes (whether indicative or firm) will vary over time and may be significantly less than par (or even zero) in certain circumstances. The Notes may not trade at par or at all.

Currency conversion risk

Potential investors should note that the Charge Assets are denominated in Euros (“**EUR**”) whereas the Notes are denominated in United States dollars (“**USD**”). As the market value of the Charged Assets is converted from EUR to USD for the purposes of calculating the Early Redemption Amount on an early redemption as set out above, the market value of the Charged

Assets may decrease as a result of movements in the EUR/USD exchange rate since the Issue Date. Due to this potential loss on an early redemption, the market value of the Notes may fluctuate during their life as a result of exchange rate movements.

TERMS AND CONDITIONS

BOIRO FINANCE B.V.

EUR 5,000,000,000 Programme

For the issue of Notes and the making of Alternative Investments

Issue of Series 674 USD 60,000,000 Floating Rate Secured Limited Recourse Notes due 2012
(the “Notes”)

The following shall complete, modify and amend the Master Conditions (December 2010 Edition)(Ref: MCDecember2010) in the form signed for the purposes of identification by Banco Bilbao Vizcaya Argentaria, S.A. on 30 December 2010 as specified in the Constituting Instrument dated the Issue Date constituting the Notes (the “**Constituting Instrument**”) which shall apply to the Notes as so completed, modified and amended. Unless the context otherwise requires, expressions used herein and not otherwise defined in the Constituting Instrument shall have the meanings respectively ascribed to them by the provisions of the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. References in this Terms and Conditions to “paragraphs” and “sub-paragraphs” are to the paragraphs and sub-paragraphs of Terms and Conditions, unless the context requires otherwise.

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|----|--------|---|--|
| 1. | (i) | Issuer: | Boiro Finance B.V. |
| | (ii) | Dealer: | Banco Bilbao Vizcaya Argentaria, S.A. |
| | (iii) | Counterparty: | Banco Bilbao Vizcaya Argentaria, S.A. |
| | (iv) | Trustee: | Deutsche Trustee Company Limited. |
| | (v) | Issue Agent and Principal Paying Agent: | Banco Bilbao Vizcaya Argentaria, S.A. |
| | (vi) | Custodian: | Banco Bilbao Vizcaya Argentaria, S.A. |
| | (vii) | Interest Calculation Agent: | Banco Bilbao Vizcaya Argentaria, S.A. |
| | (viii) | Determination Agent: | Banco Bilbao Vizcaya Argentaria, S.A. |
| | (ix) | Registrar: | Not applicable. |
| | (x) | Realisation Agent: | Banco Bilbao Vizcaya Argentaria, S.A. |
| | (xi) | Collateral Agent: | Not applicable. |
| | (xii) | Listing Agent: | Not applicable. |
| 2. | (i) | Series Number: | 674. |
| | (ii) | Currency: | US Dollar (“ USD ”). |
| 3. | | Principal Amount: | USD 60,000,000 |
| 4. | | Status: | The Notes are secured and limited recourse |

obligations of the Issuer ranking pari passu and rateably without preference among themselves, recourse in respect of which is limited in the manner described in the Conditions. The Notes are secured in the manner described in Condition 4 and paragraph 11 (Security) below and are subject to Counterparty Priority.

5. Issue Price: 100 per cent.
6. Authorised Denomination: USD 400,000
7. Issue Date: 4 April 2011.
8. Maturity Date: 4 October 2012 (the “**Scheduled Maturity Date**”), subject to adjustment in accordance with the Following Business Day Convention and subject to Issuer’s Call Option as set out in paragraph 24 below.
9. Charged Assets: EUR 45,000,000 nominal amount of EUR 1,750,000,000 Fixed Rate Notes due 2013 issued by BBVA. ISIN CODE: XS0605136273.

The Charged Assets will be delivered on the Issue Date by the Counterparty as provided in the Swap Agreement (see section headed Charged Agreement).

10. Charged Agreement: The International Swaps and Derivatives Association, Inc. (“**ISDA**”) 1992 form of Master Agreement and a schedule thereto dated the date of the Constituting Instrument between the Counterparty and the Issuer; as supplemented by a confirmation of a swap transaction (the “**Swap Confirmation**”) entered into between the Counterparty and the Issuer, with an effective date of the Issue Date (the “**Swap Agreement**”).

The description of the Swap Agreement set out below is a summary of certain features of the Swap Agreement and is qualified by reference to the detailed provisions of the Swap Agreement.

Payments under the Swap Agreement

The Issuer will pay to the Counterparty an amount equal to the net subscription moneys for the Notes, sums equal to interest payable from time to time in respect of the Charged Assets and deliver the Charged Assets on the Maturity Date and the Counterparty will deliver to the Issuer the Charged Assets on the Issue Date and pay to the Issuer sums equal to the interest and principal payable to the Noteholders under

the Notes.

Termination of the Swap Agreement

The Swap Agreement may terminate prior to the Maturity Date of the Notes in each of the following circumstances:

- (i) if at any time the Notes become payable in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of the Counterparty on the Issuer's Optional Redemption Date;
- (iii) at the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or perform any obligation, under the Swap Agreement
- (iv) if withholding taxes are imposed on payments made by the Issuer to the Counterparty under the Swap Agreement or it becomes illegal for either party to perform its obligations under the Swap Agreement;
- (v) upon the occurrence of certain other events with respect to either party to the Swap, including insolvency.

Except as specified above and in certain other circumstances specified therein, the Swap Agreement shall terminate on the Maturity Date.

Consequences of Early Termination

Upon any such early termination of the Swap Agreement, the Issuer or the Counterparty may be liable to make a termination payment to the other (regardless, of which party may have caused such termination). Such termination payment will be based on the replacement cost or gain for a swap transaction that would have the effect of preserving for the party making the determination the economic equivalent of the Swap. In all cases of early termination occurring other than by reason of a default by the Counterparty (in which case the determination will be made by the Issuer) or illegality (in which case the party which is not the Affected Party (as defined in the Swap Agreement) will make the determination), the termination payment will be determined by the Counterparty.

Taxation

Neither the Issuer nor the Counterparty is obliged under the Swap Agreement to gross up if withholding taxes are imposed on payments made by either of them under the Swap

		Agreement.
11.	Security:	As set out in Condition 4(a), save that there will be no Charged Assets Sale Agreement (and accordingly no security granted thereover). For the purposes of Condition 4(d) Counterparty Priority applies.
12.	Zero Coupon Note Provisions:	Not applicable.
13.	Fixed Rate Note Provisions:	Not applicable
14.	Floating Rate Note Provisions:	Applicable
	(i) Interest Rate Basis:	The Notes are Floating Rate Notes and Condition 6(c) applies, subject as provided below.
	(ii) Interest Determination Date:	Two Business Days prior to the first day of each Interest Period.
	(iii) Interest Payment Dates:	Each 4 January, 4 April, 4 July and 4 October in each year commencing on 4 July 2011 and ending on, but including, the Maturity Date, subject in each case to adjustment in accordance with the Business Day Convention with adjustment to interest payable.
	(iv) Benchmark:	Libor.
	(v) Day Count Fraction:	Act / 360
	(vi) Calculation Amount:	The outstanding principal amount of each Note.
	(vii) Primary Source for Interest Rate Quotations:	The Benchmark will be the offered rate for deposits in USD for a period of three months which appears on Reuters page LIBOR01 as of 11.00 a.m. London time on the relevant Interest Determination Date (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates comparable to that floating rate option).
	(viii) Spread:	1.30 per cent per annum.
15.	Other provisions relating to interest payable:	Not applicable.
16.	Notes issued in bearer or registered form:	Bearer Notes.
17.	Whether Notes will be C Notes or D Notes:	The Notes shall be C Notes and, accordingly, the Notes shall be represented on issue by a

	Permanent Global Note.
18. Provisions for exchange of Temporary Global Note:	Not applicable.
19. Provisions for exchange of Permanent Global Note:	The Permanent Global Note shall be exchangeable for definitive Bearer Notes only upon the occurrence of an Exchange Event.
20. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon:	Not applicable.
21. Listing:	Not applicable.
22. Ratings:	Not applicable.
23. Business Days:	New York and TARGET Settlement Days. In these Terms and for the purposes of the Conditions, references to " Business Days " shall (except where specified otherwise) be construed as references to days which are TARGET Settlement Days, where " TARGET Settlement Day " means any day on which TARGET 2 (the Trans-European Automated Real-Time Gross settlement Express Transfer system) is open.
24. Issuer's Call Option:	Condition 7(f)(2) shall apply to the Notes as modified herein. The Issuer may on the Issuer's Optional Redemption Date by giving, no less than 5 Business Days, irrevocable notice to the Trustee, the Agents, and the Noteholders in compliance with Condition 14 (but so that any requirement under clause 9.1(F) of the Master Trust Terms (December 2010 Edition) (Reference: MTTDecember2010) shall not apply) redeem all of the Notes in whole at the Optional Redemption Amount.
(i) Issuer's Optional Redemption Date(s):	4 April 2012 subject to adjustment in accordance with the Following Business Day Convention
(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	In relation to each Note, the Optional Redemption Amount shall be its pro rata share of the outstanding principal amount plus interest accrued in the relevant Interest Period in accordance with paragraph 14 above. <i>Investors should note that the Issuer has in the Charged Agreement undertaken to exercise the Issuer's Call Option only on and in accordance with such instructions as may be given by the Counterparty from time to time. Under the terms</i>

of the Charged Agreement, the Counterparty may in giving such instructions have regard only of its own interests and not those of the Noteholders or any other persons.

25. (i) Redemption Amount: The Redemption Amount of each Note (except on early termination in full pursuant to Condition 7(b), Condition 7(c) or Condition 9) will be its outstanding principal amount (the “**Scheduled Redemption Amount**”).
- (ii) Business Day Convention: Following Business Day Convention
- (iii) Early Redemption Amount(s) pursuant to Condition 7 (b) or Condition 7 (c) or upon it becoming due and payable as provided in Condition 9 shall be: A pro rata share of the (i) realisation proceeds of the Charged Assets, (ii) plus any swap termination payment (if any) payable by the Counterparty to the Issuer or minus any swap termination payment (if any) payable by the Issuer to the Counterparty under the Swap Transaction (iii) minus any fees, costs and expenses incurred in connection with the Early Redemption of the Notes (all as described in Conditions 4 and 7(e) of the Notes).
- The calculations and determinations of the Determination Agent shall, in absence of manifest error, wilful misconduct or bad faith, be final, conclusive and binding upon all parties. The Determination Agent shall have no responsibility for good faith errors or omissions in any calculation made by it.
26. Settlement Procedures: The Notes have been accepted for settlement in Euroclear and Clearstream, Luxembourg.
27. Common Code: 060791597
28. ISIN: XS0607915971
29. Additional Provisions: For the purposes of Condition 7(b)(4) of the Master Conditions, there shall be no “Additional Mandatory Redemption Event” in respect of the Notes.
30. (i) If syndicated, names of Managers: Not Applicable.
(ii) Stabilising Manager (if any): Not Applicable.
(iii) Dealer’s Commission: Not Applicable.
31. If non-syndicated, name of Dealer Banco Bilbao Vizcaya Argentaria, S.A.
32. Agent for service of process: For the purposes of Condition 18 (Governing

Law and submission to jurisdiction), the Issuer has appointed Banco Bilbao Vizcaya Argentaria, S.A. at 108 Cannon Street, London, EC4N 6EU as its agent for service of any proceedings in England in relation to the Notes and the Constituting Instrument.

DESCRIPTION AND FORM OF CHARGED AGREEMENT

The Issuer and the Counterparty have, by executing the Constituting Instrument, entered into, in relation to the Notes, a 1992 ISDA Master Agreement and Schedule thereto in the form of the Master Charged Agreement Terms (December 2010 Edition) (Ref: MCATDecember 2010) which will be supplemented by a confirmation of the Transaction (each as defined in paragraph 10 of the Terms and Conditions above).

Provided that it has not been terminated earlier, the Transaction will terminate on the Maturity Date. Payments of interest and principal to the Noteholders, save as expressly stated herein, are entirely contingent on the full and timely performance of the obligations of the Counterparty under the Charged Agreement

SUBSCRIPTION AND SALE

Reference should be made to the selling restrictions set out in the section headed "Subscription and Sale" contained in the Programme Memorandum and the following selling restrictions, which will apply to the Notes in the relevant jurisdiction(s) in which such Notes are offered or sold. In the event of any inconsistency between the Programme Memorandum and this Series Memorandum, this Series Memorandum shall prevail.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer (or, where there is more than one Dealer, the Arranger and each 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 Notes which are the subject of the offering contemplated by this Programme Memorandum as completed by the Series Memorandum 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 Notes to the public in that Relevant Member State:

- (a) if the Series Memorandum in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Series Memorandum contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the

expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

The Netherlands/General

Act on Financial Supervision

Notes (including rights representing an interest in any Global Note) having a denomination of less than EUR 50,000 (or the equivalent in any other currency) - *it should be noted that this threshold will be raised to EUR 100,000 in 2011* -, and which can be acquired or transferred in lots with an aggregate denomination of less than EUR 50,000 (or the equivalent in any other currency) - *it should be noted that this threshold will be raised to EUR 100,000 in 2011* -, may not, directly or indirectly, be, or announced to be, offered, sold, resold, delivered or transferred as part of their initial distribution of at any time thereafter to or to the order of or for the account of any person anywhere in the world other than professional market parties (*professionele marktpartijen*) within the meaning of article 1:1 of the Act on Financial Supervision (*Wet op het financieel toezicht*) and the Definitions Decree (*Besluit definitiebepalingen Wft*) promulgated pursuant thereto as amended from time to time (“**Professional Market Parties**”), being:

- (A) Legal entities licensed or otherwise authorised or regulated to operate in the financial markets;
- (B) Legal entities without a licence and not so authorised or regulated to operate in the financial markets with the sole corporate purpose to invest in securities;
- (C) National or regional governments, central banks, international and supranational institutions and similar international institutions;
- (D) Legal entities with their seat in the Netherlands which:
 - (1) meet at least two of the following three criteria:
 - (a) an average number of employees over the financial year of less than 250;
 - (b) a balance sheet total not exceeding EUR 43,000,000; and
 - (c) an annual net turnover not exceeding EUR 50,000,000; and
 - (2) have, at their own request, been registered as qualified investors by the AFM.
- (E) Legal entities which according to their most recent (consolidated) annual accounts meet at least two of the following three criteria:
 - (a) an average number of employees over the financial year of at least 250;
 - (b) a balance sheet total in excess of EUR 43,000,000; and
 - (c) an annual net turnover in excess of EUR 50,000,000;
- (F) Individuals domiciled in the Netherlands who have been registered as qualified investors by the AFM and who meet at least two of the following three criteria:
 - (1) the investor has carried out transactions of a significant size on securities markets at an average frequency of, at least, ten (10) per quarter over the previous four quarters;
 - (2) the size of the person’s securities portfolio exceeds EUR 500,000; and
 - (3) the person works or has worked for at least one year in the financial sector in a

professional position which requires knowledge of securities investment;

- (G) Individuals or enterprises considered as qualified investors in another Member State pursuant to article 2, first paragraph, part (e) under (iv) alternatively (v), of the Prospectus Directive (the parties under (A) up to and including (G) being qualified investors (“**Qualified Investors**”);
- (H) Subsidiaries of Qualified Investors provided such subsidiaries are subject to supervision on a consolidated basis;
- (I) Legal entities with a balance sheet total of at least EUR 500,000,000 as per the balance sheet as of the year end preceding the date they purchase or acquire the Notes;
- (J) Legal entities or individuals with net equity of at least EUR 10,000,000 as per the balance sheet as of the financial year end preceding the date they purchase or acquire the Notes and who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding such date;
- (K) Legal entities which have a rating of a rating agency that is recognised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or which issue securities that have a rating from such rating agency;
- (L) Legal entities established for the sole purpose of:
 - (1) transactions for the acquisition of receivables that serve as security for securities (to be) offered;
 - (2) transactions for the investment in sub-participations or derivatives as to the transfer of credit risk that may be settled by transfer of receivables to such legal persons or companies, while the rights pursuant to the sub-participations or derivatives, will be used as security for the securities (to be) offered; or
 - (3) providing credit for the benefit of Qualified Investors and their subsidiaries as referred to under (H) above.

United Kingdom

Unless otherwise provided in the relevant Placing Agreement, each Dealer (or, where there is more than one Dealer, the Arranger and each Dealer) will in each Placing Agreement to which they are party represent, warrant and agree in relation to the Notes or Alternative Investments to be purchased thereunder that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act (“**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue

or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Kingdom of Spain

The Dealer (or, where there is more than one Dealer, the Arranger and each Dealer) has represented and agreed that the Notes may not and will not be offered or sold in Spain unless the provisions set out in the Spanish Securities Market Law of 28 July 1988 (Ley 24/1988, de 28 de julio, del Mercado de Valores), as amended and restated, and supplemental rules enacted thereunder are complied with.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act. The Issuer has not been and does not intend to be registered as an investment company under the United States Investment Company Act of 1940.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Arranger has represented and agreed that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the Arranger or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Arranger has further agreed that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the Arranger may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Series Memorandum, as the case may be.

Italy

The offering of the Notes or Alternative Investments has not been registered pursuant to Italian securities legislation and accordingly, no Notes or Alternative Investments may be offered, sold or delivered, nor may copies of the Programme Memorandum, any Series Memorandum or any other document relating to the Notes or Alternative Investments be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) (“**Qualified Investors**”), as defined under Article 34-ter, paragraph 1, letter b) of Regulation No. 11971 issued by CONSOB (the Italian Securities Exchange Commission) on 14 May 1999, as amended (the “**Regulation 11971/1999**”); or
- (b) in circumstances which are exempted from the rules on offers of securities to be made to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Article 34-ter, first paragraph, of Regulation 11971/1999.

Any offer, sale or delivery of the Notes or Alternative Investments or distribution of copies of the Programme Memorandum, any Series Memorandum or any other document relating to the Notes or Alternative Investments in the Republic of Italy under (a) or (b) above must be:

- (i) 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 27 October 2007 and Legislative Decree No. 385 of 1 September 1993, as amended; and
- (ii) in compliance with any other applicable laws and regulations.

Please note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption under (b) above applies, the subsequent distribution of the Notes or Alternative Investments on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Services Act and the Regulation 11971/1999. Failure to comply with such rules may result, inter alia, in the sale of such Notes or Alternative Investments being declared null and void and in the liability of the intermediary transferring the Notes or Alternative Investments for any damages suffered by the investors

General

Selling restrictions in respect of each Series may be modified by the agreement of the Issuer and the Arranger following a change in a relevant law, regulation or directive. Any such modification and any other or additional restrictions which may be agreed between the Issuer and the Arranger in respect of a Series will be set out in the Constituting Instrument and/or the Series Memorandum or Alternative Memorandum in respect of that Series.

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes or Alternative Investments, or possessions or distribution of the Programme Memorandum or any part thereof or any other offering material or any Supplemental Programme Memorandum, in any country or jurisdiction where action for that purpose is required

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