

DATED: 31 October 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 732 EUR 1,000,000 Credit Linked Secured Limited Recourse
Notes due 2014**

*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.
as Dealer

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.

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 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.

The language of the prospectus 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.

Particular attention is drawn to the sections of this Series Memorandum headed “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 the Charged Agreements 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.

General

Credit Considerations

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 Agreements.

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.

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.

Security

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 Condition 4 (d) of the Notes and paragraph 11 "Security" of the Terms 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.

Limitation on claims against the Issuer

The Notes are solely obligations of the Issuer and none of the Counterparty nor any obligor in respect of the Charged Assets has any obligation to the Noteholders for payment of any amount due in respect of the Notes. The Issuer is a special purpose company established, inter alia, for the purpose of issuing the Notes. The Notes are limited in recourse, inter alia, to the Mortgaged Property. There can be no assurance that the amount payable on any early redemption of the Notes or enforcement of the Mortgaged Property for the Notes will be equal to the outstanding Principal Amount of the Notes. Any shortfall in payments due to the Noteholder will be borne in accordance with the priority of payments specified in Condition 4(d) of the Notes and paragraph 11 "Security" of the Terms of the Notes. If the net proceeds of enforcement of the Mortgaged Property for the Notes are not sufficient to make all payments due in respect of the Notes and due to the Counterparty, no other assets of the Issuer (including, in particular, the assets comprising the security for any other series of notes issued by the Issuer) will be available to meet such

shortfall and the claims of Noteholders and the Counterparty in respect of any such shortfall shall be extinguished.

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

Neither the Issuer nor the Counterparty has or assumes responsibility for the lawfulness of a prospective purchaser's acquisition of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. A prospective purchaser of Notes may not rely on the Issuer or the Counterparty in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

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 the issuer of the Charged Assets, the Counterparty or the Reference Entity, as well as the risks in respect of the Notes and their terms, including, without limitation, any tax, accounting, credit, legal and regulatory risks.

No disclosure of information

The Issuer, the Counterparty, the Calculation Agent and its affiliates may, whether by virtue of the types of relationships described herein or otherwise, at any time, be in possession of information in relation to the Reference Entity that is or may be material in the context of the issue of the Notes and that may or may not be publicly available or known to the Noteholder, and the Notes do not create any obligation on the part of the Issuer or its affiliates or the Calculation Agent to disclose to any Noteholder any such relationship or information (whether or not confidential).

The Issuer is not required to provide any information to Noteholders at any time regarding the Reference Entity or their obligations or the prospect or likelihood of the occurrence of a Credit Event or a Succession Event (both as defined in the Credit Default Swap Transaction).

Determinations

The determination as to whether to give the required notices in order to trigger a settlement obligation following the occurrence of a Credit Event shall be made by the Counterparty under the Credit Default Swap Transaction and without regard to any related determination by the Reference Entity or any action taken, omitted to be taken or suffered to be taken by any other person including, without limitation, any creditor of the Reference Entity.

No Fiduciary Role

None of the Issuer, any of the Programme Parties or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee) assumes any fiduciary obligation, to any purchaser of Notes.

The Notes are Credit Linked Notes

The Notes are securities which are credit-linked to the Reference Entity (as defined in the Credit Default Swap Transaction) and the obligations of the Reference Entity. Investors should note that Notes differ from ordinary debt securities issued by the Issuer in that the payment of principal and interest by the Issuer is dependent on whether a Credit Event has occurred in respect of the Reference Entity.

Following a Credit Event, the Notes will cease to bear interest and will redeem early. The amount payable to Noteholders on redemption, is likely to be an amount less than the principal amount of the Notes (and may be zero).

The 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, published on July 4, 2009 applies to the Credit Default Swap Transaction. Thus, a Credit Event occurred in respect of the Reference Entity prior to the issue date of the Notes (i.e. 60 days prior to the Trade Date of the Credit Default Swap Transaction) may potentially trigger an early redemption of the Notes. A prospective purchaser of the Notes should consider the risk of an investment in the Notes also based on a Credit Event occurring prior to the issue date of the Notes.

Noteholders' attention is drawn to the fact that there may be a considerable period of time following a Credit Event before the Notes are actually redeemed.

A Noteholder is exposed to the credit risk and general risks of the Reference Entity. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in credit linked notes as well as access to, and knowledge of, appropriate analytical tools or advice to evaluate such merits and risks in the context of their financial situation.

Exposure to the Reference Entity

The Notes do not represent a claim against the Reference Entity and, in the event of any loss, Noteholders will not have recourse under the Notes to the Reference Entity. However, Noteholders will be exposed to the credit risk of the Reference Entity and any Reference Obligation (as defined in the Credit Default Swap Transaction).

Risk of Loss

If a Credit Event (as defined in the Credit Default Swap Transaction) occurs, the Principal Amount of the Notes may be reduced (in the manner described in the Notes), inter alia, by the loss in respect of the Reference Obligation of the Reference Entity. If the Principal Amount of the Notes is reduced, Noteholders will receive on redemption less than their initial investment. In addition, the amount of interest payments will be adversely affected.

Investors in the Notes are accordingly exposed, as to both principal and (if applicable) interest, to the credit risk of the Reference Entity. The maximum loss to an investor in the Notes is 100 per cent of their principal investment, together with (if applicable) any accrued interest amounts.

Conflicts of Interest

The Issuer and its affiliates and the Calculation Agent may deal in the Reference Obligation and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity or any affiliate of the Reference Entity, or any other person or entity having obligations relating to the Reference Entity, and may act with respect to such business in the same manner as each of them would if the Notes did not exist, regardless of whether any such action might have an adverse effect on the Reference Entity or the position of any Noteholder or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event).

No Obligation

Neither the Issuer nor any of the Programme Parties is obligated to make good on any losses suffered by Noteholders as a result of Credit Events.

Synthetic Exposure

The Issuer does not own any Reference Obligation and the Counterparty is not obliged to own any Reference Obligation or have any credit exposure to the Reference Entity. The Issuer and the Counterparty need not suffer any loss in order for a Credit Event (as defined in the Credit Default Swap Transaction) to exist. The Notes do not represent a claim against the Reference Entity and, in the event of any loss, Noteholders do not have recourse under the Notes to the Reference Entity.

Credit Risk

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 such Notes including any credit risk associated with the Reference Entity and the Issuer. None of the Issuer or any of the Programme Parties 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.

Provision of information

Neither the Issuer nor the Counterparty (i) has provided or will provide prospective purchasers of Notes with any information or advice with respect to the Reference Entity, or the Counterparty except as contained herein or (ii) makes any representation as to the credit quality of the Reference Entity, or the Counterparty or their obligor(s). The Issuer and the Counterparty may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Reference Entity or the Counterparty which will not be disclosed to holders of Notes.

The timing and limited scope of the information provided to the Noteholders regarding the Reference Entity or matters relating to the Reference Entity (such as the occurrence of a Credit Event) may affect the liquidity of the Notes and the ability of the Noteholders accurately to value the Notes.

Business relationships

The Counterparty may have existing or future business relationships with the Reference Entity (including, but not limited to, lending, depositary, risk management, advisory and banking

relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for any Noteholder.

Reference Entity not liable for the Notes

No Reference Entity is involved in the issuance of the Notes in any way and no Reference Entity has any obligation to consider the interests of the Noteholders in taking any actions that might affect the value of the Notes. A Reference Entity may, and is entitled to, take actions that will adversely affect the value of the Notes. The purchase price paid for the Notes is paid to the Issuer and not to the Reference Entity, and the Notes do not represent a direct investment in any Obligation of the Reference Entity or otherwise give the Noteholders any rights in the debt obligations of the Reference Entity. As an owner of Notes, a Noteholder will not have special voting rights or rights to receive distributions or any other rights that holders of debt obligations of the Reference Entity may have.

No guarantee of performance

There is no guarantee, protection or assurance for purchasers of the Notes in respect of the credit or performance of the Reference Entity, Reference Obligation or Obligations. Neither the Issuer nor any of its affiliates makes any representation as to the future performance of the Notes either in absolute terms or relative to other investments.

Factors influencing the risk of a Credit Event

The likelihood of a Credit Event occurring in respect of the Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in particular industry and changes in prevailing interest rates.

Factors influencing the extent of losses following the occurrence of a Credit Event

The Reference Obligation may have no, or only a limited, trading market. The liquidity of the Reference Obligation will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Reference Entity. The Reference Obligation may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of the Reference Entity, any resulting diminution in market value of the Reference Obligation could be further magnified by reason of such limited liquidity for the Reference Obligation.

If Auction Settlement is applicable with respect to the Notes, then the amount payable under the Notes will be determined on the basis of the final price determined pursuant to the auction held in respect of the Reference Entity or Reference Obligation, provided that the ISDA Credit Derivatives Determinations Committee determines that an applicable auction will be held. Noteholders are subject to the risk that where a final price is determined in accordance with an auction, this may result in a lower recovery value than the Reference Entity or Reference Obligation would have had if such final price had been determined pursuant to alternative methods. If Auction Settlement is applicable with respect to the Notes but the ISDA Credit Derivatives Determinations Committee does not decide to hold an auction with respect to the obligations of the relevant Reference Entity, then the Cash Settlement will apply.

If Cash Settlement is applicable with respect to the Notes, any quotations used in the calculation of the Cash Settlement Amount may be affected by factors other than the occurrence of the

Credit Event. Such prices may vary widely from dealer to dealer and substantially between Valuation Dates. The Reference Obligation, even absent a Credit Event, may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby adversely affecting any determination of the value of such obligation which in turn will impact on the amount by which the Cash Settlement of the Notes may be reduced.

No Representations

None of the Issuer, any of the Programme Parties or any of their respective affiliates will have made any investigation of, or makes any representation or warranty, express or implied, as to, the Reference Entity (including, without limitation, with regard to its financial condition or creditworthiness) or any Reference Obligation or any information contained in any documents provided by the Reference Entity to any of them or to any other person or filed by the Reference Entity with any exchange or with any governmental entity regulating the offer and sale of securities.

In particular, none of the Issuer, any of the Programme Parties or any of their respective affiliates will have made any investigation of, or makes any representation or warranty, express or implied, as to:

- (1) the existence or financial or other condition of the Reference Entity; or
- (2) whether the relevant Obligations (as defined in the Credit Default Swap Transaction) and Reference Obligations constitute legal, valid and binding obligations of the Reference Entity.

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 732 EUR 1,000,000 Credit Linked Secured Limited Recourse Notes due 2014
(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: | 732 |
| | (ii) | Currency: | Euro (“ EUR ”). |
| 3. | | Principal Amount: | EUR 1,000,000. |

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.
5. Issue Price: 100 per cent.
6. Authorised Denomination: EUR 50,000.
7. Issue Date: 31 October 2011.
8. Maturity Date: 20 December 2014 (the “**Scheduled Maturity Date**”) subject to adjustment in accordance with the Modified Following Business Day Convention, provided that if an Event Determination Date occurs with respect to the Credit Default Swap Transaction, the Maturity Date shall be the Auction Settlement Date or, if applicable, the Cash Settlement Date, as determined under the Credit Default Swap Transaction, subject to adjustment in accordance with the Modified Following Business Day Convention.
- The Maturity Date may be postponed to a date falling later than the Scheduled Maturity Date if, upon the occurrence of a Credit Event (as defined in the Credit Default Swap Transaction), the Termination Date of the Credit Default Swap Transaction falls after the Scheduled Maturity Date.*
9. Charged Assets: EUR 1,000,000 nominal amount of EUR 1,130,000,000 Fixed Rate Notes due 2014 issued by BBVA Senior Finance S.A.. ISIN CODE: XS0408528833.
- The Charged Assets will be delivered on the Issue Date by the Counterparty as provided in the Interest Rate Swap Transaction (see section headed Charged Agreement).*
- Depository Account: Each account of the Custodian in which the Charged Assets are held from time to time.
10. Charged Agreement: There are two Charged Agreements, being the International Swaps and Derivatives Association, Inc. (“**ISDA**”) 1992 form of Master Agreement and a schedule thereto dated as of the date of the Constituting Instrument between the Counterparty and the Issuer, (i) as supplemented by a confirmation of an interest

rate swap transaction (the “**Interest Rate Swap Confirmation**”) entered into between the Counterparty and the Issuer with an effective date of the Issue Date (the “**Interest Rate Swap Transaction**”); and (ii) as supplemented by a confirmation of a credit default swap transaction (the “**Credit Default Swap Confirmation**”) entered into between the Counterparty and the Issuer with an effective date of the Issue Date (the “**Credit Default Swap Transaction**”).

The forms of the Interest Rate Swap Confirmation and the Credit Default Swap Confirmation are set out below (see sections headed Form of Interest Rate Swap Confirmation – Annex 1 – and Form of Credit Default Swap Confirmation – Annex 2 –).

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: Applicable from the Issue Date to the Scheduled Maturity Date, provided that upon the occurrence of an Event Determination Date in accordance with the Credit Default Swap Transaction no Interest Amount accrued pursuant to this provision shall be payable to the Noteholders in respect of the Interest Period in which the Event Determination Date has occurred or at any time thereafter.
- (i) Interest Rate: 5.50 per cent per annum.
- (ii) Interest Period: The first Interest Period will be from (and including) the Issue Date to (but excluding) 29 December 2011 and thereafter each successive Interest Period shall begin on (and include) the first immediate Interest Payment Date and end on (but exclude) the following succeeding Interest Payment Date.
- (iii) Interest Payment Dates: 20 December in each year, commencing on 20 December 2011 first short coupon, subject to adjustment in accordance with the Modified Following Business Day Convention.
- (iv) Calculation Amount: The outstanding principal amount of each Note.
- (v) Day Count Fraction: 30/360.

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| | (vi) Business Day Convention: | Modified Following with adjustment to interest payable. |
| 14. | Floating Rate Note Provisions | Not applicable. |
| 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 D Notes. |
| 18. | Provisions for exchange of Temporary Global Note: | The Temporary Global Note shall be exchangeable for a Permanent Global Note on or after 40 days from the Issue Date (or such later date as may be determined to be the Exchange Date in accordance with the terms of such Temporary Global Note) upon certification as to non-U.S. beneficial ownership. |
| 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. | Details relating to Partly Paid Notes; amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not applicable. |
| 21. | Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon: | No. |
| 22. | Listing: | Not applicable. |
| 23. | Ratings: | Not applicable. |
| 24. | Business Days: | London and TARGET Settlement Days. |
| 25. | Call/Put Option: | Not applicable. |
| 26. | (i) Redemption Amount: | The Notes are Credit Linked Notes. The Redemption Amount of each Note (except on early redemption pursuant to Condition 7(b), Condition 7(c) or Condition 9, or upon the occurrence of a Credit Event in accordance with |

the Credit Default Swap Transaction) shall be its outstanding principal amount (the “**Scheduled Redemption Amount**”).

(ii) Redemption Amount following the occurrence of a Credit Event:

(A) The provisions of this sub-paragraph 26 (ii) shall apply in the event of the occurrence of a Credit Event, even if the Notes have become subject to mandatory redemption under Condition 7(b), Condition 7(c) or Condition 9 prior or after the occurrence of an Event Determination Date.

(B) Action upon the occurrence of an Event Determination Date (as defined in the Credit Default Swap Transaction):

If the Conditions to Settlement are satisfied pursuant to the Credit Default Swap Transaction, the Interest Calculation Agent shall as soon as reasonably practicable give notice on behalf of the Issuer to the Principal Paying Agent, the Trustee and to the Noteholders in accordance with Condition 14 specifying the following information: (i) the fact that the Conditions to Settlement have been satisfied and (ii) the date of satisfaction thereof.

The Issuer will, pursuant to the Interest Rate Swap Transaction, deliver the Charged Assets, if any, to the Counterparty.

Each Note shall be redeemed at a Redemption Amount equal to its pro rata share of the amount determined by the Counterparty in accordance with the following formula:

MV – CDS – ISTA

Where,

“**MV**” or “**Charged Assets Market Value**”, means an amount equal to the market value of the Charged Assets, as determined by the Counterparty in good faith and in a commercially reasonable manner;

“**CDS**” means the Auction Settlement Amount or, if Fallback Settlement Method is applicable, the Cash Settlement Amount (as defined in the Credit Default Swap Transaction).

“**ISTA**” means an amount calculated on the Event Determination Date (as defined on the Credit Default Swap Transaction) by the Counterparty in a commercially reasonable

manner on the basis of the replacement cost or gain for a swap transaction that would have the effect of preserving for the Counterparty the economic equivalent of the Interest Rate Swap Transaction provided that for the purposes of this calculation the Fixed Amounts (as defined in the Credit Default Swap Transaction) should be payable until the Scheduled Maturity Date. This amount should be a positive number if payable by the Issuer to the Counterparty or a negative number if payable by the Counterparty to the Issuer.

(C) Termination of the Credit Default Swap Transaction:

If on the Scheduled Maturity Date the Conditions to Settlement (as defined in the Credit Default Swap Transaction) have been satisfied with respect to the Reference Entity (as so defined) but the related Auction Settlement Date or, if applicable, the Cash Settlement Date (as respectively defined in the Credit Default Swap Transaction) has not then been determined, the Scheduled Maturity Date shall be postponed to the day which is the termination date of the Credit Default Swap Transaction.

For the avoidance of doubt, if the Maturity Date falls after the Scheduled Maturity Date no additional interest shall be payable in respect of the Notes.

- (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: Subject to paragraph 26 (ii) above, 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 Credit Default Swap Transaction and under the Interest Rate 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).

For the avoidance of doubt this paragraph 26 (iii) shall not apply to the Notes upon the occurrence of a Credit Event. If a Credit Event occurs, the Early Redemption Amount shall be calculated in accordance with paragraph 26 (ii) above.

27. Settlement Procedures:

The Notes have been accepted for settlement in Euroclear and Clearstream, Luxembourg.

28. Common Code: 069513107
29. ISIN: XS0695131077
30. 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.
31. (i) If syndicated, names of Managers: Not applicable.
- (ii) Stabilising Manager (if any): Not applicable.
- (iii) Dealer’s Commission: Not applicable.
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.
33. Credit Events: The occurrence of any Credit Event (as defined in the Credit Default Swap Transaction), and all calculations, determinations and other steps required to be taken in connection therewith, under or in respect of the Charged Agreements are conclusive and binding on the Issuer, the Trustee, the Noteholders and the Principal Paying Agent, and all other persons when and as they occur or they are made or taken under or in connection with the Charged Agreements pursuant to its terms, without further notice, consultation or determination hereunder. The Counterparty is also designated as calculation agent for any determination to be made in the Charged Agreements.

DESCRIPTION AND FORM OF CHARGED AGREEMENTS

The Issuer and the Counterparty have, by executing the Constituting Instrument, entered into, in relation to the Notes, a 1992 ISDA Master Agreement (Multicurrency – Cross Border) 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 a Swap Transaction. The form of the confirmations in respect of the Charged Agreement are set out in Annex 1 and Annex 2 hereto.

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

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.

ANNEX 1

FORM OF INTEREST RATE SWAP CONFIRMATION

Date: 31 October 2011

To: BOIRO Finance B.V.
Herengracht 450
1017 CA Amsterdam
The Netherlands
Attention: Managing Director

From: Banco Bilbao Vizcaya Argentaria, S.A.

RE: IRS/BOIRO/S-732

Dear Sirs:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between Banco Bilbao Vizcaya Argentaria, S.A. ("Party A") and BOIRO 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 (the "Definitions") as published by the International Swaps and Derivatives Association, Inc. are incorporated by reference herein. 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 1992 form of the ISDA Master Agreement (Multicurrency-Cross Border) published by ISDA dated as of 31 October 2011, as amended and supplemented from time to time, (the "Agreement") entered into between Party A and Party B by the execution of the Constituting Instrument dated 31 October 2011 (the "Constituting Instrument"), by and among the persons thereto for purposes of constituting Series 732 EUR 1,000,000 Credit Linked Secured Limited Recourse Notes due 2014 (the "Notes") issued by BOIRO Finance B.V. under its EUR 5,000,000,000 Programme for the issue of Notes and the making of Alternative Investments (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 "Notes", the "Terms" and the "Conditions" in respect of the Notes and any other capitalized term that is used but not defined herein, the Agreement, the Definitions shall have their respective meanings as defined in the Constituting Instrument and in the event of any inconsistency between words and meaning defined in the Constituting 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: 13 October 2011.

Effective Date: 31 October 2011.

Termination Date: 20 December 2014, subject to adjustment in accordance with the Modified Following Business Day Convention.

Notional Amount: EUR 1,000,000.

Calculation Agent City: Madrid.

Business Day: TARGET and London Settlement Day.

Business Day Convention: Modified Following.

Fixed Amounts:

Fixed Amount Payer Party A

Fixed Rate Payment Dates 20 December in each year, commencing on 20 December 2011 first short coupon, subject to adjustment in accordance with the Modified Following Business Day

Fixed Rate 5.50 per cent per annum

Fixed Rate Day Count Fraction 30/360. Adjusted

Variable Amounts:

Variable Amount Payer: Party B.

Variable Amount Payments: Party B will pay to Party A (1) amounts equal to each amount of interest and principal payable in respect of the Charged Assets (as defined in the Terms of the Notes) on each date falling during the Term of this Transaction on which such amounts of interest and principal are payable (in accordance with the terms and conditions of such Charged Assets in effect as of the Trade Date) and (2) amounts equal to each Fixed Amount payable under the Credit Default Swap Transaction (as defined in the Terms of the Notes) on each date during the Term of this Transaction on which such Fixed Amounts are payable in accordance with the provisions of the Credit Default Swap Transaction.

Exchange Amounts - Party A:

Initial Exchange Date: Effective Date.

Initial Exchange Amount: Delivery of the Charged Assets to the Custodian for the account of Party B.

Final Exchange Date: The Termination Date, subject to paragraph 2.1 Additional Provision below.

Final Exchange Amount: EUR 1,000,000.

**Exchange Amounts -
Party B:**

Initial Exchange Date: Effective Date.

Initial Exchange Amount: EUR 1,000,000.

2. Additional Provisions

2.1 Termination upon the occurrence of an Event Determination Date

(a) If an Event Determination Date in respect of the Credit Default Swap Transaction occurs, it will be considered an Additional Termination Event in respect of the whole of this Confirmation, the Agreement and the Transaction. For these purposes, Party B shall be the Affected Party and no notice shall be required to be served by Party A to Party B for the purposes of Section 6 (b) of the Agreement.

(b) On the Event Determination Date Party A shall calculate in a commercially reasonable manner the ISTA.

Where “**ISTA**” means an amount calculated on the basis of the replacement cost or gain for a swap transaction that would have the effect of preserving for Party A the economic equivalent of this Transaction provided that for the purposes of this calculation the Fixed Amounts (as set out in Variable Amount Payments) should be payable until the Termination Date. This amount should be a positive number if payable by Party B to Party A or a negative number if payable by the Party A to Party B.

(c) Upon the early termination of this Transaction under this sub-paragraph 2.1, on the Auction Settlement Date or, if applicable, the Cash Settlement Date (as defined in the Credit Default Swap Transaction):

- (i) Party B will deliver the Charged Assets to Party A (if any);
- (ii) Party A will pay to Party B an amount equal to the Charged Assets Market Value (as defined in the Terms of the Notes) (if any) plus the absolute value of the ISTA (if it is a negative number) or minus the absolute value of the ISTA (if it is a positive number);
- (iii) this Transaction shall terminate and neither party shall have any further obligation to the other hereunder under Section 6(e) of the Agreement or otherwise.

2.2 Subject to Additional Provision 2.1 above, in the event that an Event of Default, Termination Event or Additional Termination Event occurs prior to the Termination Date and this Transaction terminates in accordance with its terms, the Fixed Amount (as set out in Variable Amount Payment) shall be deemed to be payable until the

Termination Date for the purposes of determining any termination payment due pursuant to Section 6 (e) of this Agreement.

2.3 Withholding or Deductions in respect of Charged Assets

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 the Charged Assets (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 the Charged Assets, or on account of any right of set-off, or for any other reason whatsoever.

3. **Notice and Account Details**

Telephone and Facsimile Numbers and Contact Details for Notices:

Party A: Banco Bilbao Vizcaya Argentaria, S.A.
Depto Tesoreria – Documentacion
Clara del Rey ,26 - 2ª Planta.- 28002 MADRID
Telephone: 34 91 537 84 65/Fax:34 91 537 09 55

Party B: BOIRO Finance B.V.
Herengracht 450
1017 CA Amsterdam
The Netherlands
Attention: Managing Director
Telephone: + 31 205 554 488
Fax: + 31 205 55 43 08

Account Details for Party A: To be notified by Party A

Account Details for Party B: In your account with us

4. **Offices**

Buyer and Party A: Madrid

Seller and Party B: Amsterdam

5. **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.

6. Representations

(A) Each party represents and warrants to the other party as of the Trade Date that it is entering into this Transaction for investment, financial intermediation, hedging or other commercial purposes.

(B) Each party hereby agrees that, as of the Trade Date:

(1) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(2) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.

(3) **Status of Parties.** The other party is not acting as a fiduciary for or an advisor to it in respect of this Transaction.

(4) **Hedging.** Each party may hedge its obligations under this Transaction by entering into another credit default swap or similar transaction with the other party or with a third party.

7. Assignment

This Transaction may not be assigned by either party without the prior written consent of the other party.

8. Governing Law

This Confirmation shall be governed by and construed in accordance with English law.

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 faithfully,

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

p.p.

By:.....

By:.....

Name:

Title: Authorised Signatory

Name:

Title: Authorised Signatory

Confirmed as of the date first written above:

BOIRO FINANCE B.V.

By:

Name:

ANNEX 2

FORM OF CREDIT DEFAULT SWAP CONFIRMATION

Date: 31 October 2011

To: BOIRO Finance B.V.
Herengracht 450
1017 CA Amsterdam
The Netherlands
Attention: Managing Director

From: Banco Bilbao Vizcaya Argentaria, S.A.

RE: CDS/BOIRO/S-732

Dear Sir:

The purpose of this letter (this "Confirmation") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between Banco Bilbao Vizcaya Argentaria, S.A. ("Party A") and BOIRO 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 2003 ISDA Credit Derivatives Definitions, as supplemented by (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions; and (ii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009) (together the "Credit Derivatives Definitions") each as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), are incorporated into this confirmation, subject to the modifications and exclusions below. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation shall govern.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 31 October 2011, as amended and supplemented from time to time, (the "Agreement") entered into between Party A and Party B by the execution of the Constituting Instrument (as the same may be amended, modified or supplemented from time to time, the "Constituting Instrument") dated 31 October 2011 between us and certain other persons in relation to Series 732 EUR 1,000,000 Credit Linked Secured Limited Recourse Notes due 2014 (the "Notes") of BOIRO Finance B.V. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Words and expressions defined in the terms (the "Terms") and conditions of the Notes (as the same may be amended, modified or supplemented from time to time, together the "Conditions") shall bear the same meanings in this Confirmation and in the event of any inconsistency between words and expressions defined in the Conditions and words and expressions defined in this Confirmation, this Confirmation shall govern.

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

1. General Terms

| | |
|-----------------------------|--|
| Trade Date: | 13 October 2011. |
| Effective Date: | 31 October 2011. |
| Scheduled Termination Date: | 20 December 2014. |
| Termination Date: | Either (a) the date determined with respect to any Reference Entity in accordance with Section 12.3 (Auction Settlement Date) or, if Fallback Settlement Method is applicable, in accordance with Section 7.2 (Cash Settlement Date) upon the occurrence of an Event Determination Date within the Notice Delivery Period or (b) if this Section is not relevant in respect of any Reference Entity, the Scheduled Termination Date. |
| Fixed Rate Payer: | Banco Bilbao Vizcaya Argentaria, S.A. (the “ Buyer ” and “ Party A ”) |
| Floating Rate Payer: | BOIRO Finance B.V. (the “ Seller ” and “ Party B ”) |
| Calculation Agent: | Banco Bilbao Vizcaya Argentaria, S.A. |
| Calculation Agent City: | Madrid. |
| Business Day: | TARGET and London Settlement Days. |
| Business Day Convention: | Modified Following. |
| Reference Entity: | Telefónica, S.A. |
| Reference Obligation: | XS0241946630 |
| Reference Price: | 100 per cent. |
| All Guarantees: | Applicable. |

2. Fixed Payments

Applicable from the Effective Date to the earlier of the Scheduled Termination Date or the Fixed Rate Payment Date, immediately preceding the Event Determination Date.

| | |
|--------------------------------------|---|
| Fixed Rate Payer Calculation Amount: | EUR 1,000,000 |
| Fixed Rate Interest Period: | The first Fixed Rate Interest Period beginning on (and including) the Effective Date and ending on (but excluding) the first Fixed Rate Payment Date and each successive Fixed Rate Interest Period beginning on (and including) a Fixed Rate Payment Date and ending on (but excluding) the next succeeding Fixed Rate Payment Date. |
| Fixed Rate Payment Date(s): | 20 March, 20 June, 20 September and 20 December in each |

year commencing on 20 December 2011 and ending on the Scheduled Termination Date, subject in each case to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Rate: 2.92 per cent per annum.

Fixed Rate Day Count Fraction: Actual / 360

3. Floating Payments

Floating Rate Payer Calculation Amount: EUR 1,000,000

Credit Event Notice: An irrevocable notice from Party A to Party B that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Conditions to Settlement: Credit Event Notice

Notifying Party: Buyer

Notice of Publicly Available Information: Applicable.

Credit Events: In relation to each Reference Entity, the Credit Events set out in the Appendix shall apply.

Obligation(s): In relation to each Reference Entity, the Obligation Category and Obligation Characteristics are set out in the Appendix.

Excluded Obligation(s): None.

4. Settlement Terms:

Settlement Method: Auction Settlement.

Fallback Settlement Method: Cash Settlement.

Terms relating to Cash Settlement (for the purposes of Fallback Settlement Method):

Valuation Date: Single Valuation Date: A Business Day that is not less than 5 Business Days and not more than 122 Business Days following the Credit Event Notice.

Valuation Time: The time at which the Calculation Agent determines in a commercially reasonable manner that the market in respect of the relevant Reference Obligation is likely to be most liquid.

Quotation Method: Bid.

Quotation Amount: EUR 1,000,000 or the equivalent in any other currency in which the relevant Reference Obligation is denominated.

Dealers: Six active dealers (other than one of the parties or any Affiliate of the parties) in obligations of the type of the Obligation for which Quotations are to be obtained as selected by the Calculation Agent.

Settlement Currency: EUR.

Cash Settlement Date: 3 Business Days after the calculation of the Final Price according to Cash Settlement Method.

Cap to Auction Settlement Amount and Cash Settlement Amount: The Auction Settlement Amount or, if applicable, the Cash Settlement Amount shall not exceed a maximum amount equal to the Charged Assets Market Value (as defined in the Terms of the Notes); plus the absolute value of the ISTA (if a negative number) or minus the absolute value of the ISTA (if a positive number)(as defined in the Terms of the Notes).

Quotations: The Calculation Agent will request each Dealer to provide its firm quotation on the relevant Valuation Date. If more than three firm quotations are provided, the Market Value will be the arithmetic mean of the firm quotations, without regard to the firm quotations having the highest and lowest values. If exactly three such firm quotations are provided, the Market Value will be the firm quotation remaining after disregarding the highest and lowest firm quotations. If fewer than three firm quotations are provided, it will be deemed that the Market Value cannot be determined. In such case the Calculation Agent shall determine the Market Value in a commercially reasonable manner.
Exclude Accrued Interest.

Valuation Method: Market.

Cash Settlement Amount: Subject to the Cap to the Cash Settlement Amount set out above, the greater of (a) (i) Floating Rate Payer Calculation Amount multiplied by (ii) the Reference Price minus the Final Price and (b) zero.

5.- Successor Provisions:

Consequences of Multiple Successor: Where, pursuant to Section 2.2(a)(iii) or Section 2.2(a)(iv) of the Credit Derivatives Definitions, more than one Successor would be identified following the occurrence of a Succession Event (each such entity a “Multiple Successor Entity”) in respect of an affected reference entity (the “Affected Reference Entity”), notwithstanding Section 2.2(a)(iii) or (iv), as the case may be, of the Credit Derivatives Definitions:

- (a) There shall only be one Successor in respect of the Affected Reference Entity and such Successor shall be any one of the Multiple Successor Entities as selected by the Determination Agent, in its sole and absolute discretion (the “Selected Successor”);
- (b) Section 2.2(e) of the Credit Derivatives Definitions shall not apply; and

- (c) The Fixed Rate Payer Calculation Amount and Floating Rate Payer Calculation Amount for the Selected Successor shall be the Fixed Rate Payer Calculation Amount and Floating Rate Payer Calculation Amount for the Affected Reference Entity prior to such Succession Event.

6. Additional Provisions

6.1 Determinations and calculations by the Calculation Agent

Notwithstanding any provision of the Credit Derivatives Definitions, the Calculation Agent shall not be required to consult with Buyer or Seller in relation to any determination or calculation made or to be made by the Calculation Agent, and any such calculation or determination shall be binding in the absence of manifest error.

7. Notice and Account Details

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

To be notified by Party A

BOIRO FINANCE B.V.

In your account with us

8. Offices

The Office of Banco Bilbao Vizcaya Argentaria , S.A., for the Transaction is:

Banco Bilbao Vizcaya Argentaria, S.A.
Dpto Tesoreria – Documentacion
Clara del Rey ,26 - 2ª Planta.- 28002 MADRID
Telephone: 34 91 537 84 65/Fax:34 91 537 09 55

The Office of the Counterparty for the transaction is:

BOIRO Finance B.V.
Herengracht 450
1017 CA Amsterdam
The Netherlands
Attention: Managing Director
Telephone: + 31 205 554 488; Fax: + 31 205 55 43 08

9. 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.

10. Assignment

This Transaction may not be assigned by either party without the prior written consent of the other party.

11. Representation

- (A) Each party represents and warrants to the other party as of the Trade Date that it is entering into this Transaction for investment, financial intermediation, hedging or other commercial purposes.
- (B) Each party hereby agrees that, as of the Trade Date:
- (1) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.
 - (2) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
 - (3) **Status of Parties.** The other party is not acting as a fiduciary for or an advisor to it in respect of this Transaction.
 - (4) **Hedging.** Each party may hedge its obligations under this Transaction by entering into another credit default swap or similar transaction with the other party or with a third party.

12. This Transaction Not a Contract of Insurance

The parties confirm that this Transaction is not intended to be and does not constitute a contract of surety, insurance, guarantee or indemnity. Without prejudice to the provisions of Paragraph 3 of this Confirmation, the parties acknowledge that the payments to be made by Seller will be made independently and are not conditional upon Buyer sustaining or being exposed to risk or loss and that the rights and obligations of the parties hereunder are not dependent upon Buyer owning or having any legal, equitable or other interest in the Reference Obligations.

13. Governing Law

This Confirmation shall be governed by and construed in accordance with English law.

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:
Title: Authorised Signatory

Name:
Title: Authorised Signatory

Confirmed on the date first above written:

BOIRO FINANCE B.V.

APPENDIX
STANDARD TERMS FOR EUROPEAN CORPORATES

| | | | |
|--------------------------|--|---|--------------------|
| Business Days: | USD: London and New York | EUR: London and TARGET | GBP: London |
| | JPY: London and Tokyo | CHF: London and Zurich | |
| All Guarantees: | Applicable | | |
| Conditions to Settlement | Notice of Publicly Available Information | Applicable | |
| Credit Events: | Bankruptcy | | |
| | Failure to Pay | | |
| | Restructuring | Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation | Applicable |
| Obligation(s): | Obligation Category: | Borrowed Money | |
| | Obligation Characteristics: | None | |

REGISTERED OFFICE OF THE ISSUER

Boiro Finance B.V.
Herengracht 450
1017 CA Amsterdam
The Netherlands

**ARRANGER, ISSUE AGENT, PRINCIPAL PAYING
AGENT AND CUSTODIAN**

Banco Bilbao Vizcaya Argentaria, S.A.
Vía de los Poblados s/n
28033 Madrid

TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB