

FINAL TERMS

9 August 2017

BBVA GLOBAL MARKETS, B.V.

(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under Dutch law with its seat in Amsterdam, the Netherlands but its tax residency in Spain)
(as “**Issuer**”)

Issue of EUR 1,200,000 Credit Linked Notes due 2027 (the “**Notes**”)
under the €4,000,000,000
Structured Medium Term Note Programme
guaranteed by

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

(incorporated with limited liability in Spain)
(as “**Guarantor**”)

These Notes are not intended for, and are not to be offered to, the public in any jurisdiction of the EEA.

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the Notes (and, together with the applicable Annex(es), the “**Conditions**”) set forth in the Base Prospectus dated 21 July 2017 which constitutes a base prospectus for the purposes of the Prospectus Directive (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. An issue specific summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been published on the websites of the Irish Stock Exchange (www.ise.ie) and the Central Bank of Ireland (<http://www.centralbank.ie>).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under any state securities laws, and the Notes may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person. Furthermore, the Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the “**CEA**”), and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission (the “**CFTC**”) pursuant to the CEA, and no U.S. person may at any time trade or maintain a position in the Notes. For a description of the restrictions on offers and sales of the Notes, see “*Subscription and Sale*” in the Base Prospectus.

As used herein, “**U.S. person**” includes any “**U.S. person**” or person that is not a “**non-United States person**” as either such term may be defined in Regulation S or in regulations adopted under the CEA.

1. (a) Issuer BBVA Global Markets, B.V.

	(b)	Guarantor:	Banco Bilbao Vizcaya Argentaria, S.A.
	(c)	Principal Paying Agent:	Deutsche Bank AG, London Branch
	(d)	Registrar:	Not applicable
	(e)	Transfer Agent:	Not applicable
	(f)	Calculation Agent:	Banco Bilbao Vizcaya Argentaria, S.A.
2.	(a)	Series Number:	426
	(b)	Tranche Number:	1
	(c)	Date on which the Notes will be consolidated and form a single Series:	Not applicable
	(d)	Applicable Annex(es):	Annex 7: Credit Linked Conditions
3.		Specified Notes Currency or Currencies:	Euro (“ EUR ”)
4.		Aggregate Nominal Amount:	
	(a)	Series:	EUR 1,200,000
	(b)	Tranche:	EUR 1,200,000
5.		Issue Price:	100 per cent. of the Aggregate Nominal Amount
6.	(a)	Specified Denomination(s):	EUR 25,000
	(b)	Minimum Tradable Amount:	EUR 100,000
	(c)	Calculation Amount:	EUR 25,000
7.	(a)	Issue Date:	9 August 2017
	(b)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	10 July 2027 or if that is not a Business Day the immediately succeeding Business Day (the “ Scheduled Maturity Date ”) or such later date for redemption determined as provided in the Credit Linked Conditions
9.		Interest Basis:	Fixed Rate
			Floating Rate
			(see paragraph 18 below)

10.	Redemption Basis:	Credit Linked Redemption
11.	Reference Item(s):	The following Reference Item will apply: Deutsche Bank AG (see paragraph 40 below)
12.	Put/Call Options:	Not applicable
13.	Settlement Exchange Rate Provisions:	Not applicable
14.	Status of the Notes:	Senior
15.	Knock-in Event:	Not applicable
16.	Knock-out Event:	Not applicable
17.	CNY Provisions:	Not applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18.	Interest:	Applicable
	(i) Interest Period End Date(s):	Each Interest Payment Date
	(ii) Business Day Convention for Interest Period End Date(s):	Following Business Day Convention
	(iii) Interest Payment Date(s):	10 January, 10 April, 10 July and 10 October in each year from and including 10 October 2017 (short first coupon) to and including the Scheduled Maturity Date.
	(iv) Business Day Convention for Interest Payment Date(s):	Following Business Day Convention
	(v) Minimum Interest Rate:	Not applicable
	(vi) Maximum Interest Rate:	Not applicable
	(vii) Day Count Fraction:	30/360
	(viii) Determination Date(s):	Not applicable
	(ix) Rate of Interest:	In respect of each Interest Payment Date from and including 10 October 2017 to and including 10 July 2020, the Rate of Interest shall be determined by the Calculation Agent as Fixed Rate In respect of each Interest Payment Date from and including 10 October 2020 to and including the Scheduled Maturity Date, the Rate of Interest shall be determined by

		the Calculation Agent as Floating Rate
19. Fixed Rate Note Provisions:		Applicable, in respect of each Interest Payment Date from and including 10 October 2017 (short first coupon) to and including 10 July 2020, subject to the provisions of the paragraph “Credit Linked Redemption“ and the Credit Linked Conditions
	(i) Rate(s) of Interest:	3 per cent. per annum payable quarterly in arrear on each Interest Payment Date
	(ii) Fixed Coupon Amount(s):	Not applicable
	(iii) Broken Amount(s):	Not applicable
20. Floating Rate Note Provisions:		Applicable, in respect of each Interest Payment Date from and including 10 October 2020 to and including the Scheduled Maturity Date, subject to the provisions of the paragraph “Credit Linked Redemption“ and the Credit Linked Conditions
	(i) Specified Period(s):	Not applicable
	(ii) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination (<i>further particulars specified below</i>)
	(iii) Screen Rate Determination:	Applicable
	(a) Reference Rate:	3 month EURIBOR
	(b) Interest Determination Date(s):	Second day on which the TARGET2 System is open prior to the start of each Interest Period
	(c) Specified Time:	11:00 am, Frankfurt time
	(d) Relevant Screen Page:	Reuters “EURIBOR01” Screen Page
	(iv) ISDA Determination:	Not applicable
	(v) Linear Interpolation:	Not Applicable
	(vi) Margin(s):	+2.75 per cent. per annum
21. Specified Interest Amount Note Provisions:		Not applicable
22. Zero Coupon Note Provisions:		Not applicable

23.	Index Linked Interest Provisions:	Not applicable
24.	Equity Linked Interest Provisions	Not applicable
25.	Inflation Linked Interest Provisions:	Not applicable
26.	Fund Linked Interest Provisions:	Not applicable
27.	Foreign Exchange (FX) Rate Linked Interest Provisions:	Not applicable
28.	Reference Item Rate Linked Interest/Redemption:	Not applicable
29.	Combination Note Interest:	Not applicable

PROVISIONS RELATING TO REDEMPTION

30.	Final Redemption Amount:	Calculation Amount * 100 per cent., subject to paragraph 40 below
31.	Final Payout:	Not applicable
32.	Automatic Early Redemption:	Not applicable
33.	Issuer Call Option:	Not applicable
34.	Noteholder Put:	Not applicable
35.	Early Redemption Amount:	As set out in General Condition 6
36.	Index Linked Redemption:	Not applicable
37.	Equity Linked Redemption:	Not applicable
38.	Inflation Linked Redemption:	Not applicable
39.	Fund linked Redemption:	Not applicable
40.	Credit Linked Redemption:	Applicable
	(i) Type of Credit Linked Notes	The Notes are Single Reference Entity Credit Linked Notes
	(ii) Credit Event Redemption Amount:	As set out in Credit Linked Condition 13
	(iii) Protected Amount:	Not applicable
	(iv) Unwind Costs:	Applicable: Standard Unwind Costs
	(v) Credit Multiplier:	Not applicable
	(vi) (a) Credit Event Redemption Date:	Credit Linked Condition 13 applies.
	(b) Maturity Credit Redemption:	Applicable
	(vii) Settlement Method: (see further items (xxx) to (xli))	Auction Settlement

	below)	
(viii)	Trade date	26 July 2017
(ix)	Calculation Agent City	As per the Physical Settlement Matrix
(x)	Reference Entity(ies):	Deutsche Bank AG
(xi)	Physical Settlement Matrix:	Applicable, for which purpose the date of the Physical Settlement Matrix is 25 May 2016
(xii)	Transaction Type:	Standard European Financial Corporate
(xiii)	Reference Entity Notional Amount:	EUR 1,200,000
(xiv)	Reference Obligation(s):	Standard Reference Obligation: Applicable Seniority Level: Subordinated
	(a) Primary Obligor:	Deutsche Bank AG
	(b) Guarantor:	Not applicable
	(c) Maturity:	24 June 2020
	(d) Coupon:	5 per cent.
	(e) CUSIP/ISIN:	DE000DB5DCW6
(xv)	All Guarantees:	As per the Physical Settlement Matrix
(xvi)	Credit Events:	As per the Physical Settlement Matrix
	(a) Default Requirement:	As set out in Credit Linked Condition 13
	(b) Payment Requirement:	As set out in Credit Linked Condition 13
(xvii)	Credit Event Determination Date:	Notice of Publicly Available Information: Not applicable
(xviii)	Obligation(s):	
	(a) Obligation Category:	As per the Physical Settlement Matrix
	(b) Obligation Characteristics:	As per the Physical Settlement Matrix
(xix)	Additional Obligation(s):	Not applicable

(xx)	Excluded Obligation(s):	Not applicable
(xxi)	Domestic Currency:	As set out in the Credit Linked Conditions
(xxii)	Accrual of Interest upon Credit Event:	Not applicable
(xxiii)	Merger Event:	Credit Linked Condition 12: Not applicable
(xxiv)	Provisions relating to Monoline Insurer as Reference Entity:	Credit Linked Condition 16: Applicable
(xxv)	Provisions relating to LPN Reference Entities:	Credit Linked Condition 18: Not applicable
(xxvi)	Redemption on failure to identify a Substitute Reference Obligation:	Not applicable
(xxvii)	Subordinated European Insurance Terms:	Not applicable
(xxviii)	Financial Reference Entity Terms:	Not applicable
(xxix)	Additional Provisions:	Not applicable

Terms relating to Cash Settlement

(xxx)	Valuation Date:	Applicable Single Valuation Date: A Business Day that is not less than 5 Business Days and not more than 122 Business Days following the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable
(xxxii)	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.
(xxxiii)	Indicative Quotations:	Not applicable
(xxxiv)	Quotation Method:	Bid
(xxxv)	Quotation Amount:	Credit Linked Conditions apply
(xxxvi)	Minimum Quotation Amount:	As set out in Credit Linked Condition 13
(xxxvii)	Quotation 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

(xxxvii) Quotations: Exclude Accrued Interest

(xxxviii) Valuation Method: Market

Additional terms relating to Auction Settlement

(xxxix) Fallback Settlement Method: Cash Settlement

(xl) Successor Backstop Date subject to adjustment in accordance with Business Day Convention: No

(xli) Limitation Dates subject to adjustment in accordance with Business Day Convention: No

41. Foreign Exchange (FX) Rate Linked Redemption: Not applicable

42. Reference Item Rate Linked Redemption: Not applicable

43. Combination Note Redemption: Not applicable

44. Provisions applicable to Instalment Notes: Not applicable

45. Provisions applicable to Physical Delivery: Not applicable

46. Provisions applicable to Partly Paid Notes; amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not applicable

47. Variation of Settlement: The Issuer does not have the option to vary settlement in respect of the Notes as set out in General Condition 5(b)(ii)

48. Payment Disruption Event Not applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

49. Form of Notes: Bearer Notes:

Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes only upon an Exchange Event excluding the exchange event

described in paragraph (iii) of the definition in the permanent Global Note

- | | |
|--|----------------|
| 50. New Global Note: | No |
| 51. (i) Financial Centre(s): | London |
| (ii) Additional Business Centre(s): | London |
| 52. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): | No |
| 53. Redenomination, renominatisation and reconventioning provisions: | Not applicable |
| 54. Prohibition of Sales to EEA Retail Investors: | Not applicable |

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

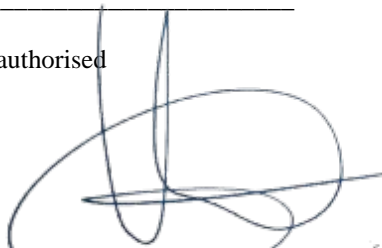
Signed on behalf of the Guarantor:

By: _____

By: _____

Duly authorised

Duly authorised



MARIAN COSCARÓN TOMÉ
Authorised Signatory
Firma Autorizada



MARIAN COSCARÓN TOMÉ
Authorised Signatory
Firma Autorizada

PART B-OTHER INFORMATION

1 Listing and Admission to trading

Irish Stock Exchange's Official List

Application has been made for the Notes to be admitted to trading on Irish Stock Exchange's regulated market with effect from the Issue Date.

2 Ratings

Ratings: The Notes have not been rated. The rating of the Guarantor is:

S&P Global: BBB+

Moody's: Baa1

Fitch: A-

The rating of the Issuer is:

S&P Global: BBB+

Each of S&P Global, Moody's and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). As such each of S&P, Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.

3 Interests of Natural and Legal Persons Involved in the Issue

A fee has been paid by the Dealer to a third party distributor. For specific and detailed information on the nature and quantity of such fee, the investor should contact the distributor in respect of the Notes.

4 Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- | | | |
|-------|---------------------------|--|
| (i) | Reasons for the offer: | See " <i>Use of Proceeds</i> " section in the Base Prospectus |
| (ii) | Estimated net proceeds: | EUR 1,200,000 |
| (iii) | Estimated total expenses: | The estimated total expenses that can be determined as of the issue date are up to EUR 600 consisting of listing fees, such expenses exclude certain out-of pocket expenses incurred or to be incurred by or on behalf of the issuer in connection with the admission to trading |

5 Performance of Reference Entity, Explanation of Effect on Value of Investment and Other Information concerning the Underlying

The return on the Notes is linked to the credit risk and the financial obligations of the Reference Entity (which shall include any Successor thereto). The creditworthiness of the Reference Entity may go down as well as up throughout the life of the Notes. Fluctuations in the credit spreads of the Reference Entity will affect the value of the Notes.

Provided that no Credit Event occurs to the Reference Entity, the Notes shall be redeemed at par and pay interest

as specified in paragraph 18, 19 and 20 above.

If a Credit Event occurs, principal is at risk and the Notes shall be redeemed at the Credit Event Redemption Amount on the Credit Event Redemption Date as specified in paragraph 40 above. Also, the Notes shall cease to bear interest from the Interest Payment Date immediately preceding the Credit Event Determination Date (or no interest shall be paid at all if a credit event occurs prior to the first interest payment date).

The Issuer does not intend to provide post-issuance information.

6 Operational Information

(i)	ISIN Code:	XS1657046493
(ii)	Common Code:	165704649
(iii)	CUSIP:	Not applicable
(iv)	Valoren Code:	Not applicable
(v)	Other Code(s):	Not applicable
(vi)	Any clearing system(s) other than Euroclear, Clearstream Luxembourg and the DTC approved by the Issuer and the Principal Paying Agent and the relevant identification number(s):	Not applicable
(vii)	Delivery:	Delivery against payment
	Additional Paying Agent(s) (if any):	Not applicable
	Intended to be held in a manner which would allow Eurosystem eligibility	No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

7 Distribution

7.1 Method of distribution:	Non-syndicated
7.2 If non-syndicated, name and address of relevant Dealer:	Banco Bilbao Vizcaya Argentaria, S.A. C/ Saucedo 28 28050 Madrid Spain
7.3 U.S. Selling Restrictions:	The Notes are only for offer and sale outside the United States in offshore transactions to persons that are not U.S. persons in reliance

on Regulation S under the Securities Act and may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person. Each initial purchaser of the Notes and each subsequent purchaser or transferee of the Notes shall be deemed to have agreed with the issuer or the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person and (ii) it is not purchasing any Securities for the account or benefit of any U.S. person.

Reg. S Compliance Category 2; TEFRA D

7.4 U.S. "Original Issue Discount" Legend:

Not applicable

7.5 Non-Exempt Offer:

Not applicable

The Issuer is only offering to and selling to the Dealer pursuant to and in accordance with the terms of the Programme Agreement. All sales to persons other than the Dealer will be made by the Dealer or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchase of Notes by the Dealer or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.

Financial intermediaries seeking to rely on the Base Prospectus and any Final Terms to resell or place Notes as permitted by article 3.2 of the 2010 PD Amending Directive must obtain prior written consent from the Issuer and the Guarantor; nothing herein is to be understood as a waiver of such requirement for prior written consent.

SUMMARY OF NOTES

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary explaining why it is not applicable.

Section A– Introduction and warnings

Element	
A.1	<p>This summary should be read as an introduction to the Base Prospectus and the Final Terms. Any decision to invest in any Notes should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference, and the Final Terms. Where a claim relating to information contained in the Base Prospectus and the Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the Final Terms before the legal proceedings are initiated. Civil liability attaches to the Issuer or the Guarantor in any such Member State solely on the basis of this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus and the Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of the Base Prospectus and the Final Terms, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Not Applicable - the Notes are not being offered to the public as part of a Non-exempt Offer

Section B– Issuer and Guarantor

Element	Title	
B.1	Legal and commercial name of the Issuer:	BBVA Global Markets B.V.
B.2	Domicile/ legal form/ legislation/ country of incorporation:	The Issuer is a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) and was incorporated under the laws of the Netherlands on 29 October 2009. The Issuer's registered office is Calle Saucedo, 28, 28050 Madrid, Spain and it has its "place of effective management" and "centre of principal interests" in Spain.
B.4b	Trend information:	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.

B.5	Description of the Group:	<p>The Issuer is a direct wholly-owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.</p> <p>Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated subsidiaries (the "Group" or "BBVA Group") are a highly diversified international financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. It also has investments in some of Spain's leading companies.</p>		
B.9	Profit forecast or estimate:	Not Applicable - No profit forecasts or estimates have been made in this Base Prospectus.		
B.10	Audit report qualifications:	Not Applicable - No qualifications are contained in any audit report included in this Base Prospectus.		
B.12	<p>The key audited financial data for the Issuer for the last two account periods (ended 31 December 2016 and ended 31 December 2015) are as follows:</p> <p><i>Income Statement</i></p> <p>The table below sets out summary information extracted from the Issuer's audited consolidated income statement for each of the periods ended 31 December 2016 and 31 December 2015</p> <p>STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2016 AND 31 DECEMBER 2015</p>			
	<i>Thousands of euros</i>	Note	31.12.2016	31.12.2015(*)
	- Interest income and similar income	9-10	101,321	68,122
	- Interest expense and similar expenses	10-11	(100,890)	(67,777)
	- Exchange rate differences		37	52
	- Other operating expenses		(234)	(123)
	Result of the year before tax		234	274
	- Income tax		(76)	(82)
	Result of the year from continued operations		158	192
	Comprehensive result of the year		-	-
	Total comprehensive result		158	192

of the year

(*) Presented for comparison purposes only.

Statement of Financial Position

The table below sets out summary information extracted from the Issuer's audited statement of financial position as at 31 December 2016 and 31 December 2015

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

(before appropriation of net income)

<i>Thousands of euros</i>	Note	30.12.2016	30.12.2015*
ASSETS:			
Non-current assets			
- <i>Long-Term deposits due from Parent</i>	9	1,224,154	882,725
- Derivatives	10	41,402	47,344
- Other assets		-	-
Current assets			
- <i>Short-Term deposits due from Parent</i>	9	103,358	20,894
- Derivatives	10	3,947	3,792
- Cash and cash equivalents	8	481	101
- Interest receivable from Parent	9	68,925	85,073
- Other assets		2	-
Total assets		1,442,269	1,039,936
LIABILITIES:			
<i>Long-Term liabilities</i>			
-Long-Term debt securities issued	11	1,223,474	882,212
- Derivatives	10	41,402	47,344
- Other liabilities		-	7
<i>Short-Term liabilities</i>			
- Short-Term debt securities	11	103,392	20,894

	issued			
	- Derivatives	10	3,947	3,792
	- Interest payable to third parties	11	68,806	84,968
	- Other liabilities		29	49
	- Credit account		498	228
	- Current tax liabilities		146	25
	Total liabilities		1,441,694	1,039,519
	SHAREHOLDER'S EQUITY:			
	Capital			
	- Issued share capital	12	90	90
	- Other reserves		327	135
	- Result of the year		158	192
	Total shareholder's equity		575	417
	Total liabilities and shareholder's equity		1,442,269	1,039,936
* Presented for comparison purposes only.				
<i>Statements of no significant or material adverse change</i>				
There has been no significant change in the financial or trading position of the Issuer since 31 December 2016. There has been no material adverse change in the prospects of the Issuer since 31 December 2016.				
B.13	Events impacting the Issuer's solvency:	Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.		
B.14	Dependence upon other group entities:	See Element B.5 ("Description of the Group"). The Issuer is dependent upon the Guarantor to meet its payment obligations under the Notes. Should the Guarantor fail to pay interest on or repay any deposit made by the Issuer or meet its commitment under a hedging arrangement in a timely fashion, this will have a material adverse effect on the ability of the Issuer to fulfil its obligations under Notes issued under the Programme.		

B.15	Principal activities:	The Issuer serves as a financing company for the purposes of the Group and is regularly engaged in different financing transactions within the limits set forth in its articles of association. The Issuer's objective is, among others, to arrange medium and long term financing for the Group and cost saving by grouping these activities.
B.16	Controlling shareholders:	The Issuer is a direct wholly-owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.
B.17	Credit ratings:	The Issuer has been rated "BBB+" by S&P Global. Notes issued under the Programme may be rated or unrated. Details of the rating, if applicable, will be set out in the Final Terms. The Notes are not rated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
B.18	Description of the Guarantee:	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional and unsecured obligations of the Guarantor and will rank <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Guarantor.
B.19	Information about the Guarantor:	
B.19 (B.1)	Legal and commercial name of the Guarantor:	The legal name of the Guarantor is Banco Bilbao Vizcaya Argentaria, S.A. It conducts its business under the commercial name "BBVA".
B.19 (B.2)	Domicile/ legal form/ legislation/ country of incorporation:	The Guarantor is a limited liability company (a <i>sociedad anónima</i> or S.A.) and was incorporated under the Spanish Corporations Law on 1 October 1988. It has its registered office at Plaza de San Nicolás 4, Bilbao, Spain, 48005, and operates out of Calle Azul, 4, 28050, Madrid, Spain.
B.19 (B.4(b))	Trend information:	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor's prospects for its current financial year.
B.19 (B.5)	Description of the Group:	The Group is a highly diversified international financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. It also has investments in some of Spain's leading companies. As of 31 December 2016, the Group was made up of 370 consolidated entities and 89 entities accounted for using the equity method. The companies are principally domiciled in the following countries: Argentina, Belgium, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Ecuador, France, Germany, Ireland, Italy, Luxembourg, Mexico, Netherlands, Netherlands Antilles, Peru, Portugal, Spain,

		Switzerland, Turkey, United Kingdom, United States of America, Uruguay and Venezuela. In additions, BBVA has an active presence in Asia.			
B.19 (B.9)	Profit forecast or estimate:	Not Applicable - No profit forecasts or estimates have been made in this Base Prospectus.			
B.19 (B.10)	Audit report qualifications:	Not Applicable - No qualifications are contained in any audit report included in this Base Prospectus.			
B.19 (B.12)	Selected historical key financial information:				
	<i>Income Statement</i>				
	The table below sets out summary information extracted from the Group's audited consolidated income statement for each of the periods ended 31 December 2016 and 31 December 2015				
	<i>Millions of euros</i>	31.03.2017	31.03.2016*	31.12.2016	31.12.2015*
	- Net interest income	4,322	4,152	17,059	16,022
	- Gross income	6,383	5,788	24,653	23,362
	- Net operating income	2,131	1,400	6,874	6,251
	- Operating profit before tax	2,065	1,338	6,392	4,603
	Profit attributable to parent company	1,199	709	3,475	2,642
	(*) Presented for comparison purposes only				
	<i>Balance Sheet</i>				
	The table below sets out summary information extracted from the Group's audited consolidated balance sheet as of 31 December 2016 and 31 December 2015 and the Group's unaudited consolidated balance sheet as of 31 March 2017 and 31 March 2016.				
	<i>Millions of euros</i>	31.03.2017	31.03.2016*	31.12.2016	31.12.2015*
	Total Assets	719,193	740,947	731,856	749,855
	Loans and advances to customers	416,088	410,458	414,500	414,165
	Customer deposits	398,499	409,208	401,465	403,362

	Debt Certificates and Other financial liabilities	87,155	88,106	89,504	94,121
	Total customer funds	485,654	497,314	490,969	497,483
	Total equity	54,918	54,516	55,428	55,282
<p>(*) Presented for comparison purposes only</p> <p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of the Group since March 31, 2017 and there has been no material adverse change in the prospects of the Group since December 31, 2016.</p>					
B.19 (B.13)	Events impacting the Guarantor's solvency:	Not Applicable - There are no recent events particular to the Guarantor which are to a material extent relevant to an evaluation of its solvency.			
B.19 (B.14)	Dependence upon other Group entities:	Not Applicable – The Guarantor is not dependent on any other Group entities.			
B.19 (B.15)	The Guarantor's Principal activities:	<p>The Guarantor is a highly diversified international financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. It also has some investments in some of Spain's leading companies. Set for the below are the Group's current seven operating segments:</p> <ul style="list-style-type: none"> • Banking activity in Spain • Real Estate Activity in Spain • Turkey • Rest of Eurasia • Mexico • South America • United States <p>In addition to the operating segments referred to above, the Group has a Corporate Centre which includes those items that have not been allocated to an operating segment. It includes the Group's general management functions, including: costs from central units that have a strictly corporate function; management of structural exchange rate positions carried out by the Financial Planning unit; specific issues of capital instruments to ensure adequate management of the Group's overall capital positions; proprietary portfolios such as industrial holdings and their corresponding results; certain tax assets and liabilities; provisions related to commitments with pensioners; and goodwill and other intangibles.</p>			
B.19 (B.16)	Controlling shareholders:	Not Applicable - The Guarantor is not aware of any shareholder or group of connected shareholders who directly or indirectly control the Guarantor.			

B.19 (B.17)	Credit ratings:	The Guarantor has been rated "A-" by Fitch, "Baa1" by Moody's and "BBB+" by S&P Global. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
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Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN:	<p>The Notes described in this section are debt securities with a denomination of less than €100,000 (or its equivalent in any other currency).</p> <p>Title of Notes: EUR 1,200,000 Credit Linked Notes due 2027</p> <p>Series Number: 426</p> <p>Tranche Number: 1</p> <p>ISIN Code: XS1657046493</p> <p>Common Code: 165704649</p>
C.2	Currency:	The specified currency of this Series of Notes is Euro (“ EUR ”)
C.5	Restrictions on transferability:	Not Applicable - There are no restrictions on the free transferability of the Notes. However, selling restrictions apply to offers, sales or transfers of the Notes under the applicable laws in various jurisdictions. A purchaser of the Notes is required to make certain agreements and representations as a condition to purchasing the Notes.
C.8	Rights attached to the Notes, including ranking and limitations on those rights:	<p><i>Status of the Notes and the Guarantee</i></p> <p>The Notes will constitute direct, unconditional, unsecured and unsubordinated and will rank <i>pari passu</i> among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditor's rights.</p> <p>The Notes will have the benefit of an unconditional and irrevocable guarantee by the Guarantor. Such obligations of the Guarantor pursuant to the Guarantee will constitute direct, unconditional and unsecured obligations of the Guarantor and rank <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Guarantor.</p> <p><i>Negative pledge</i></p> <p>The Notes do not have the benefit of a negative pledge.</p> <p><i>Events of default</i></p>

The terms of the Notes will contain, amongst others, the following events of default:

(a) a default is made for more than 14 days in the payment of any principal (including any Instalment Amount(s)) due in respect of any of the Notes or 30 days or more in the payment of any interest or other amount due in respect of any of the Notes; or

(b) a default is made in the performance by the Issuer or the Guarantor of any other obligation under the provisions of the Notes or under the provisions of the Guarantee relating to the Notes and such default continues for more than 60 days following service by a Noteholder on the Issuer and the Guarantor of a notice requiring the same to be remedied; or

(c) an order of any competent court or administrative agency is made or any resolution is passed by the Issuer for the winding-up or dissolution of the Issuer (other than for the purpose of an amalgamation, merger or reconstruction (i) which has been approved by an Extraordinary Resolution or (ii) where all of the assets of the Issuer are transferred to, and all of its debts and liabilities are assumed by, a continuing entity); or

(d) an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against the Guarantor or an order is made or a resolution is passed for the dissolution or winding up of the Guarantor (except in any such case for the purpose of a reconstruction or a merger or amalgamation (i) which has been approved by an Extraordinary Resolution or (ii) where the entity resulting from any such reconstruction or merger or amalgamation is a Financial Institution (*Entidad de Crédito* according to article 1 of Law 10/2014 of 26 June, on Organisation, Supervision and Solvency of Credit Entities) and will have a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investors Services or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation); or

(e) the Issuer or the Guarantor is adjudicated or found bankrupt or insolvent by any competent court, or any order of any competent court or administrative agency is made for, or any resolution is passed by Issuer or the Guarantor to apply for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or the Guarantor or substantially all of the assets of either of them (unless in the case of an order for a temporary appointment, such appointment is discharged within 60 days); or

(f) the Issuer (except for the purpose of an amalgamation, merger or reconstruction approved by an Extraordinary Resolution) or the Guarantor (except for the purpose of an amalgamation, merger or reconstruction (i) which has been approved by an

		<p>Extraordinary Resolution or (ii) where the entity resulting from any such reconstruction or merger or amalgamation will have a rating for long-term senior debt assigned by Standard & Poor's Rating Services or Moody's Investor Services equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation) ceases or threatens to cease to carry on the whole or substantially the whole of its business; or</p> <p>(g) an application is made for the appointment of an administrative or other receiver, manager, administrator or similar official in relation to the Issuer or the Guarantor or in relation to the whole or substantially the whole of the undertaking or assets of the Issuer or the Guarantor and is not discharged within 60 days; or</p> <p>(h) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect.</p>
C.9	Payment Features:	<p>Issue Price: 100 per cent. of the Aggregate Nominal Amount</p> <p>Issue Date: 09 August 2017</p> <p>Calculation Amount: EUR 25,000</p> <p>Early Redemption Amount: The fair market value of the Notes less associated costs.</p> <p>Fixed Rate. The Notes bear interest from their date of issue at the fixed rate of 3.00 per cent. per annum. Interest will be paid quarterly in arrear on 10 January, 10 April, 10 July and 10 October in each year from and including 10 October 2017 (short first coupon) to and including 10 July 2020 subject to adjustment for non-business days and to the Credit Linked provisions described below. The first interest payment will be made on 10 October 2017.</p> <p>Floating Rate. The Notes bear interest from 10 July 2020 at floating rates calculated by reference to 3 month EURIBOR plus a margin of 2.75 per cent. Interest will be paid quarterly in arrear on 10 January, 10 April, 10 July and 10 October in each year from and including 10 October 2020 to and including the Scheduled Maturity Date., subject to adjustment for non-business days and to the Credit Linked Conditions. The first interest payment will be made on 10 October 2020.</p> <p><i>Final Redemption</i></p> <p>Subject to any prior purchase and cancellation or early redemption, each Note will be redeemed on the Maturity Date specified in Element C.16 (“Expiration or maturity date of the Notes”) below at an amount determined in accordance with the methodology set out below.</p> <p><i>Credit Linked Notes</i></p> <p>The Notes are Single Reference Entity Credit Linked Notes. Issuer will redeem the Notes and pay interest as provided above, subject to</p>

		<p>the credit linked provisions below.</p> <p>If a Credit Event (as being set out in the Physical Settlement Matrix, occurs in respect of the Reference Entity (being Deutsche Bank AG or any successor(s)), the Calculation Agent may determine that a credit event determination date has occurred. In this case the Notes will be settled as described below:</p> <p>The Issuer will then pay the Credit Event Redemption Amount in respect of each Note on the Credit Event Redemption Date.</p> <p>Where:</p> <p>“Credit Event Redemption Amount” means:</p> <p>an amount equal to each Note's <i>pro rata</i> share of:</p> $(RENA \times FP - UC)$ <p>where:</p> <p>“RENA” is the Reference Entity notional amount.</p> <p>“FP” is the Recovery Price.</p> <p>“UC” is Unwind Costs.</p> <p>“Credit Event Redemption Date” means:</p> <ul style="list-style-type: none"> (a) three Business Days after (i) the calculation of the Final Price (ii) the auction settlement date or (b) if later, the Maturity Date determined pursuant to the Credit Linked Conditions <p>“Recovery Price” means the recovery amount (expressed as a percentage) determined by the Calculation Agent in respect of obligations of the relevant Reference Entity. Such price will be determined by reference to an auction settlement procedure organised by the ISDA, the International Swaps and Derivatives Association, Inc. or failing that dealer quotes obtained by the Calculation Agent.</p>
<p>C.10</p>	<p>Derivative component in the interest payments:</p>	<p>Interest is payable on the Notes on the basis set out in C.9 (Payment Features)</p>
<p>C.11</p>	<p>Listing and admission to trading:</p>	<p>Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange.</p>

C.15	Description of how the value of the Note is affected by the value of the underlying asset:	<p>The Final Redemption Amount (if any) payable in respect of the Notes is calculated by reference to the relevant underlying set out in Element C.20 (A description of the type of the underlying and where the information of the underlying can be found) below.</p> <p>Please also see Element C.9 (Payment Features)</p> <p>These Notes are derivative securities and their value may go down as well as up.</p> <p>Unless previously redeemed or purchased and cancelled and provided that a credit event determination date has not occurred in respect of the Reference Entity, the Issuer shall redeem each Credit Linked Note on the Maturity Date by payment of the Final Redemption Amount. If a credit event determination date has occurred in respect of the Reference Entity, the Issuer shall redeem each Credit Linked Note as set out in Element C.9 (Payment Features). Also, the Notes shall cease to bear interest from the Interest Payment Date immediately preceding the credit event determination date (or no interest shall be paid at all if a credit event occurs prior to the first interest payment date).</p>
C.16	Expiration or maturity date of the Notes:	The Maturity Date of the Notes is 10 July 2027, subject to adjustment to the Credit Linked Conditions
C.17	Settlement procedure of derivative securities:	<p>The Notes will be settled on the applicable Maturity Date at the relevant amount per Note. For variable redemption Notes, the return is illustrated in Element C.9 (Payment Features) above. These Notes are derivative securities and their value may go down as well as up.</p>
C.18	Return on derivative securities:	<p>The principal return is illustrated in Element C.9 (Payment Features) above</p> <p>The interest return is illustrated in Element C.10 (Derivative component in the interest payments) above.</p> <p>These Notes are derivative securities and their value may go down as well as up.</p>
C.19	Exercise price/final reference price of the underlying:	Not applicable
C.20	A description of the type of the underlying and where the information of the	<p>The underlying is the credit of a specified entity:</p> <p>Deutsche Bank AG</p>

underlying can be found:	Information in relation to the Reference Entity (or its successor) can be found at financial information providers such as Bloomberg (www.bloomberg.com), reports from credit rating agencies such as Fitch, Inc (www.fitchratings.com), Standard & Poor's Financial Services LLC (a subsidiary of The McGraw-Hill Companies, Inc) (www.standardandpoors.com) or Moody's Investors Services (www.moody.com) and the website of the Reference Entity (or any successor website).
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Section D – Risks

Element	Title
D.2	<p>Key risks regarding the Issuer and the Guarantor:</p> <p>In purchasing Notes, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes. These factors include:</p> <p>Risk Factors relating to the Issuer</p> <ul style="list-style-type: none"> • Issuer's dependence on the Guarantor to make payments on the Notes. • Certain considerations in relation to the forum upon insolvency of the Issuer. <p>Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee</p> <p>Macroeconomic Risks</p> <ul style="list-style-type: none"> • Economic conditions in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition and results of operations. • Since the Guarantor's loan portfolio is highly concentrated in Spain, adverse changes affecting the Spanish economy could have a material adverse effect on its financial condition. • Any decline in the Kingdom of Spain's sovereign credit ratings could adversely affect the Group's business, financial condition and results of operations.

- The Group may be materially adversely affected by developments in the emerging markets where it operates.
- The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- Exposure to the real estate market makes the Group vulnerable to developments in this market.

Legal, Regulatory and Compliance Risks

- The Group is subject to substantial regulation and regulatory and governmental oversight. Changes in the regulatory framework could have a material adverse effect on its business, results of operations and financial condition.
- Increasingly onerous capital requirements may have a material adverse effect on the Guarantor's business, financial condition and results of operations.
- Minimum requirement for own funds and eligible liabilities (MREL). Any failure by BBVA and/or the Group to comply with its MREL could have a material adverse effect on the Guarantor's business, financial condition and results of operations.
- Increased taxation and other burdens imposed on the financial sector may have a material adverse effect on the Guarantor's business, financial condition and results of operations.
- Contributions for assisting in the future recovery and resolution of the Spanish banking sector may have a material adverse effect on the Guarantor's business, financial condition and results of operations.
- Regulatory developments related to the EU fiscal and banking union may have a material adverse effect on the Guarantor's business, financial condition and results of operations.
- The Group's anti-money laundering and anti-terrorism policies may be circumvented or otherwise not be sufficient to prevent all money laundering or terrorism financing.
- The Group is exposed to risk in relation to compliance with anti-corruption laws and regulations and sanctions programmes.
- Local regulation may have a material effect on the Guarantor's business, financial condition, results of operations and cash flows.

Liquidity and Financial Risks

- The Guarantor has a continuous demand for liquidity to fund its business activities. The Guarantor may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong.
- Withdrawals of deposits or other sources of liquidity may make it more difficult or costly for the Group to fund its business on favourable terms or cause the Group to take other actions.
- Implementation of internationally accepted liquidity ratios might require changes in business practices that affect the profitability of the Guarantor's business activities.
- The Group's businesses are subject to inherent risks concerning borrower and counterparty credit quality which have affected and are expected to continue to affect the recoverability and value of assets on the Group's balance sheet
- The Group's business is particularly vulnerable to volatility in interest rates.
- The Guarantor is dependent on its credit ratings and any reduction of its credit ratings could materially and adversely affect the Group's business, financial condition and results of operations.
- Highly-indebted households and corporations could endanger the Group's asset quality and future revenues.
- The Group depends in part upon dividends and other funds from subsidiaries.

Business and Industry Risks

- The Group faces increasing competition in its business lines.
- The Group faces risks related to its acquisitions and divestitures.
- The Group is party to lawsuits, tax claims and other legal proceedings.
- The Group's ability to maintain its competitive position depends significantly on its international operations, which expose the Group to foreign exchange, political and other risks in the countries in which it operates, which could cause an adverse effect on its business, financial condition and results of operations.

Financial and Risk Reporting

- Weaknesses or failures in the Group's internal processes, systems and security could materially adversely affect its results of operations, financial condition or prospects, and could result in reputational damage.

		<ul style="list-style-type: none"> • The financial industry is increasingly dependent on information technology systems, which may fail, may not be adequate for the tasks at hand or may no longer be available. • The Guarantor's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of its operations and financial position. <p>Risk related to Early Intervention and Resolution</p> <ul style="list-style-type: none"> • The Notes may be subject to the exercise of the Spanish Loss-Absorption Powers Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes. • Noteholders may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure under Law 11/2015 and the SRM Regulation.
D.3	Key risks regarding the Notes:	<p>There are a number of risks associated with an investment in the Notes. These risks include:</p> <ul style="list-style-type: none"> • Notes may be redeemed prior to their scheduled maturity. • Claims of Holders under the Notes are effectively junior to those of certain other creditors. • Spanish Tax Rules may impose withholding tax in certain circumstances (subject to certain exceptions) and neither the Issuer nor the Guarantor is obliged to pay additional amounts in such event. • The procedure for provision of information described in the Base Prospectus is a summary only. • The conditions of the Notes contain provisions which may permit their modification without the consent of all investors. • The Issuer of the Notes may be substituted without the consent of the Noteholders. • The Guarantor of the Notes may be substituted without the consent of the Noteholders. • The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes. • The value of the Notes could be adversely affected by a change in English law or administrative practice.

- Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures.
- Credit ratings assigned to the Issuer, the Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes.

Risks relating to the structure of particular Notes

- Investors may lose the original invested amount.
- The relevant market value of the Notes at any time is dependent on other matters in addition to the credit risk of the Issuer and Guarantor and the performance of the relevant Reference Item(s).
- If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes
- The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.
- There may be risks associated with any hedging transactions the Issuer enters into.

Generic Risk Factors that are associated with Notes that are linked to Reference Item(s).

- There are risks relating to Reference Item Linked Notes.
- It may not be possible to use the Notes as a perfect hedge against the market risk associated with investing in a Reference Item.
- There may be regulatory consequences to the Noteholder of holding Reference Item Linked Notes.
- A Noteholder does not have rights of ownership in the Reference Item(s).
- The past performance of a Reference Item is not indicative of future performance.

There are a number of risks associated with Notes that are linked to one or more specific types of Reference Items.

- There are risks specific relating to Credit Linked Notes.
- There are specific risks with regard to Floating Rate Notes.

		<p>Market Factors</p> <ul style="list-style-type: none"> • An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes. • There may be price discrepancies with respect to the Notes as between various dealers or other purchasers in the secondary market. <p>Potential Conflicts of Interest</p> <ul style="list-style-type: none"> • The Issuer, the Guarantor and their respective affiliates may take positions in or deal with Reference Item(s). • The Calculation Agent, which will generally be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Noteholders. • The Issuer and/or the Guarantor may have confidential information relating to the Reference Item and the Notes. • The Guarantor's securities may be/form part of a Reference Item. • Potential conflicts of interest relating to distributors or other entities involved in the offer or listing of the Notes. <p>Calculation Agent powers should be considered</p>
D.6	Risk warning:	<p>See D.3 (“Key risks regarding the Notes”) above</p> <p>Investors may lose the entire value of their investment or part of it in the event of the insolvency of the Issuer or if it is otherwise unable or unwilling to repay the Notes when repayment falls due or as a result of the performance of the relevant Reference Item</p>

Section E – Offer

Element	Title	
E.2b	Use of proceeds:	The net proceeds from each issue of Notes will be deposited with the Guarantor. The net proceeds from each issue will be used for loans and/or investments extended to, or made in, other companies and entities belonging to the Group (for this purpose, as defined in section 3.2 of the FMSA).
E.3	Terms and conditions of the offer:	Not Applicable

E.4	Interest of natural and legal persons involved in the issue/offer:	A fee has been paid by the Dealer to a third party distributor. For specific and detailed information on the nature and quantity of such fee, the investor should contact the distributor in respect of the Notes.
E.7	Expenses charged to the investor by the Issuer:	Not Applicable - No expenses will be charged to investors by the Issuer.