

PROSPECTUS DATED 26 SEPTEMBER 2007

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
(incorporated with limited liability under the laws of Spain)

NOK 1,100,000,000

5.62 per cent. Covered Bonds due 2027

The issue price of the NOK 1,100,000,000 5.62 per cent. Covered Bonds (*cédulas hipotecarias*) due 2027 (the "Covered Bonds") of Banco Bilbao Vizcaya Argentaria, S.A. (the "Issuer") is 100 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Covered Bonds will be redeemed at their principal amount on 1 October 2027. The Covered Bonds are subject to redemption in whole at their principal amount or in part in accordance with certain requirements of Spanish law in the limited circumstances set out in Condition 7.4(b) of the Global Covered Bond (as defined below) and Condition 3.4(b) of the Definitive Covered Bond (as defined below).

The Covered Bonds bear interest from 1 October 2007 at the rate of 5.62 per cent. per annum payable annually in arrear on 1 October each year commencing on 1 October 2008. Payments on the Covered Bonds will be made in Norwegian Kroner without deduction for or on account of taxes imposed or levied by Spain to the extent described under "Forms of Covered Bonds".

This Prospectus has been approved by the United Kingdom Financial Services Authority (the "FSA"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "Prospectus Directive") and relevant implementing measures in the United Kingdom as a Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of the Covered Bonds. Applications have been made for the Covered Bonds to be admitted to listing on the Official List of the FSA and to trading on the gilt edged and fixed interest market of the London Stock Exchange plc (the "London Stock Exchange") which is a regulated market for the purposes of Directive 93/22/EEC.

The Covered Bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act") and are subject to United States tax law requirements. The Covered Bonds have been offered outside the United States by the Manager (as defined in "Subscription and Sale") in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Covered Bonds are in bearer form and in the denomination of NOK 500,000 each. The Covered Bonds are in the form of a global bearer certificate (the "Global Covered Bond"), without interest coupons, which were deposited on or around 1 October 2007 (the "Closing Date") with a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream, Luxembourg"). The Global Covered Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Covered Bonds in definitive bearer certificate form in the denomination of NOK 500,000 each and with interest coupons attached. See "Summary of Provisions Relating to the Covered Bonds in Global Form".

The Manager

UBS INVESTMENT BANK

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IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import. Certain information in this Prospectus has been translated from the original Spanish. Each such translation constitutes a direct and accurate translation of the Spanish language text. The English language information has been provided for information purposes only and in the event of a discrepancy, the Spanish version shall prevail.

The Issuer has confirmed to UBS Limited (the "Manager") that, *inter alia*, this Prospectus contains all information regarding the Issuer and the Covered Bonds which is (in the context of the issue of the Covered Bonds) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Covered Bonds other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Manager.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Covered Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Covered Bonds.

The distribution of this Prospectus and the offering, sale and delivery of Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on distribution of this Prospectus and other offering material relating to the Covered Bonds, see "Subscription and Sale".

In particular, the Covered Bonds have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "€", "EUR" or "Euro" are to the single currency introduced at the start of the third stage of the European Economic and

Monetary Union pursuant to the Treaty establishing the European Community, as amended and references to "NOK" are to Norwegian Kroner.

In connection with the issue of the Covered Bonds, the Manager (or persons acting on behalf of the Manager) may over allot Covered Bonds or effect transactions with a view to supporting the price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Manager (or persons acting on behalf of the Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Covered Bonds and 60 days after the date of the allotment of the Covered Bonds. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

INFORMATION INCORPORATED BY REFERENCE

The following documents have previously been published and have been approved by the FSA or filed with it and shall be incorporated in, and form part of, the Prospectus:

1. The Issuer's annual report on Form 20-F/A for the fiscal year ended 31 December 2006 filed with the U.S. Securities and Exchange Commission (the "SEC") on 28 June 2007 (which includes, on pages F-1 to F-172 thereof, the published annual audited consolidated financial statements of the Issuer as at and for each of the years ending 31 December 2006, 31 December 2005 and 31 December 2004 provided that Exhibits 1.1, 4.1 and 4.2 to the Form 20-F/A, which are incorporated by reference therein, shall not be incorporated in, or form part of, this Prospectus); and
2. The interim unaudited financial statements of the Issuer (on a consolidated basis) for the six-month period ending 30 June 2007,

provided that any statement contained herein or in a document all or the relative portion of which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document all or the relative portion of which is subsequently incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Copies of documents incorporated by reference in this Prospectus can be obtained from the Issuer at Paseo de la Castellana, 81, 28046 Madrid and from the Agent at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Covered Bonds should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. Words and expressions defined in "Forms of the Covered Bonds" below or elsewhere in this Prospectus have the same meanings in this overview.

- The Issuer:** Banco Bilbao Vizcaya Argentaria, S.A.
- Manager:** UBS Limited.
- The Covered Bonds:** NOK 1,100,000,000 5.62 per cent. Covered Bonds due 2027.
- Issue Price:** 100 per cent. of the principal amount of the Covered Bonds.
- Issue Date:** 1 October 2007.
- Use of Proceeds:** For general corporate purposes, see "Use of Proceeds".
- Interest:** The Covered Bonds will bear interest from, and including, 1 October 2007 at a rate of 5.62 per cent. per annum payable annually in arrear on 1 October in each year. The first interest payment date is expected to be 1 October 2008.
- Status:** The principal and interest of the *cédulas hipotecarias* of the Issuer (including the Covered Bonds) are specially guaranteed by a charge, without the need to register it, over all mortgages that at any time are registered in favour of the Issuer, in accordance with the regime established in Law 2/1981 and in Royal Decree 685/1982, without prejudice to the general liability of the Issuer.
- Pursuant to article 14 of Law 2/1981, holders of *cédulas hipotecarias* will be considered specially privileged creditors (*acreedores singularmente privilegiados*), with the preference set out in number 3 of article 1923 of the Civil Code (*Código Civil*), against any other creditors, in relation to the whole amount of mortgage loans registered in favour of the Issuer.
- In a situation of insolvency (*concurso*), the holders of *cédulas hipotecarias* shall be recognised as having the benefit of privileged credits (*créditos con privilegio especial*) set out in article 90.1.1º of the Insolvency Law (*Ley Concursal*).
- Form and Denomination:** The Covered Bonds have been issued in bearer form in the denomination of NOK 500,000.
- Final Redemption:** 1 October 2027.

Early Redemption:	<p>Pursuant to article 59 of the Royal Decree 685/1982, the outstanding <i>cédulas hipotecarias</i> (including the Covered Bonds) of the Issuer cannot exceed 90% of a computation base made up of the sum of all unrepaid capital under all mortgage loans in the Issuer's portfolio that are suitable as coverage.</p> <p>However, if this limit is exceeded due to increases in redemptions of the relevant loans or due to any other cause, the Issuer will have to re-establish the ratio in accordance with article 60 of Royal Decree 685/1982. The ratio may be restored by the Issuer by redeeming the necessary amount of <i>cédulas hipotecarias</i>.</p>
Rating:	The Covered Bonds are rated Aaa by Moody's Investors Services, Inc.
Withholding Tax:	All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. Neither the Issuer nor the Agent will be obliged to make any additional payments in respect of any such amounts withheld or deducted.
Governing Law:	The Agency Agreement and the Subscription Agreement are governed by English law. The Covered Bonds are governed by Spanish law.
Listing and Trading:	Applications have been made for the Covered Bonds to be admitted to listing on the Official List of the FSA and to trading on the gilt edged and fixed interest market of the London Stock Exchange plc (the "London Stock Exchange").
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	See "Subscription and Sale".
Risk Factors:	Investing in the Covered Bonds involves risks. See "Risk Factors".
Financial Information:	See "Information Incorporated by Reference".

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Covered Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Covered Bonds are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in "Forms of the Covered Bonds" below or elsewhere in this Prospectus have the same meanings in this section. Investing in the Covered Bonds involves certain risks. Prospective investors should consider, among other things, the following:

Factors that may affect the Issuer's ability to fulfil its obligations under the Covered Bonds

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

The Issuer has historically developed its lending business in Spain, which continues to be its main place of business. Any adverse changes affecting the Spanish economy are likely to have a significant adverse impact on its loan portfolio and, as a result, on its financial condition and results of operations.

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

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

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

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

The sound economic growth, the strength of the labour market and a decrease in interest rates in Spain have caused an increase in the demand for mortgage loans in the last few years. This has had repercussions on housing prices, which have also risen significantly. As residential mortgages are one of the Issuer's main assets it is currently highly exposed to developments in real estate markets. A strong increase in interest rates or unemployment in Spain might have a significant negative impact in mortgage payment delinquency rates. An increase in such delinquency rates could have an adverse effect on the Issuer's business, financial condition and results of operations.

Highly-indebted households and corporations could endanger the Issuer's asset quality and future revenues.

Spanish households and firms have reached, in recent years, a high level of indebtedness, which represents increased risk for the Spanish banking system. The increase of loans referenced to variable interest rates makes debt service on such loans more vulnerable to changes in interest rates than in the past. The increase in households' and firms' indebtedness also limits their ability to incur additional debt, decreasing the number of new products the Issuer may otherwise be able to sell them.

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

Historically, one of the Issuer's principal sources of funds has been savings and demand deposits. Large-denomination time deposits may, under some circumstances, such as during periods of significant changes in market interest rates for these types of deposit products and resulting increased competition for such funds, be a less stable source of deposits than savings and demand deposits. In addition, since the Issuer relies heavily on short-term deposits for its funding, it cannot be sure that, in the event of a sudden or unexpected shortage of funds in the banking systems or money markets in which it operates, it will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets.

The Issuer faces increasing competition in its business lines.

The markets in which the Issuer operates are highly competitive. Financial sector reforms in the markets in which it operates have increased competition among both local and foreign financial institutions, and it believes that this trend will continue. For example, the adoption of the euro as the common currency throughout the EU is making it easier for European banks to compete against it in Spain. In addition, the trend towards consolidation in the banking industry has created larger and stronger banks with which it must now compete.

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

- department stores (for some credit products);

- leasing companies;
- factoring companies;
- mutual funds;
- pension funds; and
- insurance companies.

The Issuer cannot be sure that this competition will not adversely affect its business, financial condition and results of operations.

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

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

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

In addition, income from treasury operations is particularly vulnerable to interest rate volatility. Since the majority of the Issuer's loan portfolio consists of variable interest rate loans maturing in more than one year, rising interest rates may also bring about an increase in the non-performing loan portfolio.

Risks Relating to Latin America

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

The Latin American countries where the Issuer operates have experienced significant economic volatility in recent decades, characterised by slow growth, declining investment and significant inflation. This volatility has resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which it lends. Negative and fluctuating economic conditions, such as a changing interest rate environment, also affect its profitability by causing lending margins to decrease and leading to decreased demand for higher-margin products and services.

Negative and fluctuating economic conditions in some Latin American countries could result in government defaults on public debt. This could affect the Issuer in two ways: directly,

through portfolio losses, and indirectly, through instabilities that a default in public debt could cause to the banking system as a whole, particularly since commercial banks' exposure to government debt is generally high in several Latin American countries in which it operates.

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

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

Financial and securities markets in Latin American countries in which the Issuer operates are, to varying degrees, influenced by economic and market conditions in other countries in Latin America and beyond. Negative developments in the economy or securities markets in one country, particularly in an emerging market, may have a negative impact on other emerging market economies. These developments may adversely affect the business, financial condition and operating results of its subsidiaries in Latin America.

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

The Issuer operates commercial banks in 10 Latin American countries and its overall success as a global business depends, in part, upon its ability to succeed in differing economic, social and political conditions. It is confronted with different legal and regulatory requirements in many of the jurisdictions in which it operates. These include, but are not limited to, different tax regimes and laws relating to the repatriation of funds or nationalisation of assets. The Issuer's international operations may also expose it to risks and challenges which its local competitors may not be required to face, such as exchange rate risk, difficulty in managing a local entity from abroad, and political risk which may be particular to foreign investors. The Issuer's expansion in these markets requires it to respond to rapid changes in market conditions in these countries. It cannot be sure that it will continue to succeed in developing and implementing policies and strategies that are effective in each country in which it operates or that any of the foregoing factors will not have a material adverse effect on its business, financial condition and results of operations.

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

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

Changes in regulations that are beyond the Issuer's control may have a material effect on its business and operations. In addition, since some of the banking laws and regulations have been recently adopted, the manner in which those laws and related regulations are applied to

the operations of financial institutions is still evolving. No assurance can be given that laws or regulations will be enforced or interpreted in a manner that will not have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risk Relating To The Covered Bonds

There is no active trading market for the Covered Bonds.

The Covered Bonds are securities which may not be widely distributed and for which there is currently no active trading market. If the Covered Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Covered Bonds to be admitted to listing on the Official List of the FSA and to trading on the gilt-edged and fixed interest market of the London Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Covered Bonds.

The Covered Bonds may be redeemed prior to maturity in certain limited circumstances at the Issuer's option.

In addition the terms and conditions provide that the Covered Bonds are redeemable at the Issuer's option in certain circumstances (although the Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in article 59 of Royal Decree 685/1987). In the event that the Issuer redeems the Covered Bonds prior to their maturity, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Covered Bonds.

Because the Covered Bonds are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Covered Bonds are represented by the Global Covered Bond except in certain limited circumstances described in the Global Covered Bond. The Covered Bonds have been deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Covered Bond, investors will not be entitled to receive definitive Covered Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Covered Bonds. While the Covered Bonds are represented by the Global Covered Bond, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Covered Bonds by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Covered Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Covered Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Covered Bonds.

Holders of beneficial interests in the Covered Bonds will not have a direct right to vote in respect of the Covered Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Credit Rating.

The Covered Bonds have been assigned a rating of "Aaa" by Moody's Investors Services, Inc. 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. Any adverse change in an applicable credit rating could adversely affect the trading price for the Covered Bonds.

Spanish Tax Rules

Under Spanish law, interest payments in respect of the Covered Bonds will be subject to withholding tax in Spain, currently at the rate of 18 per cent., in the case of: (a) individual holders who are resident for tax purposes in Spain; and (b) holders who receive payments through a Tax Haven (as defined in Royal Decree 1080/1991 of 5 July 1991). The Issuer is required pursuant to Spanish law to submit to the Spanish tax authorities certain details relating to holders of the Covered Bonds. Holders in respect of whom such information is not provided in accordance with procedures described herein to the Issuer will receive payments subject to Spanish withholding tax, currently at the rate of 18 per cent. The Issuer will not gross up payments in respect of any such withholding tax in any of the above cases.

The European Clearing Systems are expected to follow certain procedures to facilitate the Issuer and the Agent in the collection of the details referred to above from holders of the Covered Bonds. If any European Clearing System is, in the future, unable to facilitate the collection of such information, it may decline to allow any or all of the Covered Bonds to be cleared through such European Clearing System and this may affect the liquidity of such Covered Bonds. The procedures agreed and described in the Agency Agreement may, in the future, be amended to comply with Spanish law and regulations and operational procedures of the European Clearing Systems. The Issuer may from time to time appoint an agent to intermediate with the European Clearing Systems in the provision of such information.

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

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an

individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

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

Change of law

The terms and conditions of the Covered Bonds are based on Spanish law in effect as at 1 October 2007. No assurance can be given as to the impact of any possible judicial decision or change to Spanish law or administrative practice after that date.

Interest rate risks

Investment in the Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Covered Bonds.

Legal investment considerations may restrict certain investments

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

FORMS OF THE COVERED BONDS

Form of Global Covered Bond

Certain information in this Prospectus has been translated from the original Spanish. Each such translation constitutes a direct and accurate translation of the Spanish language text. The English language information has been provided for information purposes only and in the event of a discrepancy, the Spanish version shall prevail.

<p>Serie: Cédulas Hipotecarias NOK - Octubre 2007</p> <p>Código ISIN: XS0308135291</p> <p>Common Code: 030813529</p> <p>EDS: 12554981</p> <p>BBG: EG5872866</p>	<p>Series: Covered Bonds NOK - October 2007</p> <p>ISIN Code: XS0308135291</p> <p>Common Code: 030813529</p> <p>EDS: 12554981</p> <p>BBG: EG5872866</p>
<p>TODA PERSONA ESTADOUNIDENSE QUE SEA TENEDOR DEL PRESENTE TÍTULO MÚLTIPLE AL PORTADOR ESTARÁ SUJETA A LOS LÍMITES ESTABLECIDOS EN VIRTUD DE LA LEGISLACIÓN FISCAL SOBRE LA RENTA DE LOS ESTADOS UNIDOS, INCLUIDOS LOS LÍMITES PREVISTOS EN LOS ARTÍCULOS 165(j) y 1287(a) DEL CÓDIGO TRIBUTARIO</p> <p>BANCO BILBAO VIZCAYA ARGENTARIA, S.A. <i>(constituida con arreglo a las leyes de España)</i></p> <p>Cédulas Hipotecarias con vencimiento el 1 de octubre de 2027</p> <p>por valor de 1.100.000.000 NOK, al 5,62 por ciento</p> <p>TÍTULO MÚLTIPLE AL PORTADOR REPRESENTATIVO DE DOS MIL DOSCIENTAS CÉDULAS HIPOTECARIAS POR VALOR CADA UNA DE 500.000 NOK</p>	<p>ANY UNITED STATES PERSON WHO HOLDS THIS GLOBAL BEARER CERTIFICATE (TÍTULO MÚLTIPLE AL PORTADOR) WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.</p> <p>BANCO BILBAO VIZCAYA ARGENTARIA, S.A. <i>(incorporated under the laws of Spain)</i></p> <p>NOK 1,100,000,000 5.62 per cent. Covered Bonds (<i>Cédulas Hipotecarias</i>) due 1 October 2027</p> <p>GLOBAL BEARER CERTIFICATE (TÍTULO MÚLTIPLE AL PORTADOR) REPRESENTING TWO THOUSAND TWO HUNDRED NOK 500,000 COVERED BONDS (CÉDULAS HIPOTECARIAS)</p>

<p>1. INTRODUCCIÓN</p> <p>El presente Título Múltiple al Portador representa dos mil doscientas cédulas hipotecarias con un valor nominal de 500.000 NOK cada una de ellas (en adelante, las “Cédulas Hipotecarias”), pertenecientes todas a la misma serie, emitidas por Banco Bilbao Vizcaya Argentaria, S.A. (en adelante, el “Emisor”) el 1 de octubre de 2007 con arreglo a la Ley 2/1981 (en adelante, la "Ley 2/1981"), de 25 de marzo, de regulación del mercado hipotecario, con sus correspondientes reformas, y el Real Decreto 685/1982, de 17 de marzo, que desarrolla determinados aspectos de la Ley 2/1981, de 25 de marzo, de regulación del mercado hipotecario, con sus correspondientes reformas (en adelante, el “Real Decreto 685/1982”). Las Cédulas Hipotecarias devengarán intereses al 5,62 por ciento anual y su fecha de vencimiento es el 1 de octubre de 2027.</p>	<p>1. INTRODUCTION</p> <p>This Global Bearer Certificate (<i>Título Múltiple al Portador</i>) represents two thousand two hundred covered bonds (<i>cédulas hipotecarias</i>) with a nominal value of NOK 500,000 each (the "Covered Bonds"), all belonging to the same series, issued by Banco Bilbao Vizcaya Argentaria, S.A. (the "Issuer") on 1 October 2007 pursuant to Law 2/1981, of 25 March 1981, on the Regulation of the Mortgage Market, as amended (the "Law 2/1981"), and Royal Decree 685/1982, of 17 March 1982, which develops certain aspects of Law 2/1981, of 25 March 1981, on the Regulation of the Mortgage Market, as amended (the "Royal Decree 685/1982"). The Covered Bonds bear interest at a rate of 5.62 per cent <i>per annum</i> and are due on 1 October 2027.</p>
<p>El Emisor está inscrito en el Registro Mercantil de Vizcaya (España), en el Libro de Sociedades 2.083, Folio 1, Inscripción 1ª, Hoja número BI-17-A. El domicilio social del Emisor está situado en la Plaza de San Nicolás 4, 48005 Bilbao (España), y opera desde el Paseo de la Castellana, 81, 28046 Madrid (España).</p>	<p>The Issuer is registered in the Mercantil Registry of Vizcaya (Spain), in Companies Ledger 2,083, folio 1, inscription 1st, Sheet number BI-17-A. The Issuer's registered office is at Plaza de San Nicolás 4, Bilbao, Spain 48005, and operates out of Paseo de la Castellana, 81, 28046, Madrid, Spain.</p>
<p>Las Cédulas Hipotecarias son objeto de un contrato de agencia de fecha 1 de octubre de 2007 (con las posibles modificaciones o nuevas incorporaciones que pueda sufrir en su momento, el “Contrato de Agencia”) suscrito por el Emisor y Citibank, N.A. en calidad de agente (en adelante, el “Agente”, expresión que incluirá a cualquier agente sucesor nombrado en su momento en relación con las Cédulas Hipotecarias)</p>	<p>The Covered Bonds are the subject of an agency agreement dated 1 October 2007 (as amended or supplemented from time to time, the "Agency Agreement") and made between the Issuer and Citibank, N.A. as agent (the "Agent", which expression includes any successor agent appointed from time to time in connection with the Covered Bonds).</p>
<p>Las Cédulas Hipotecarias estarán sujetas a sorteo en una fecha indeterminada en los casos y con arreglo a lo previsto en el Real Decreto 685/1982.</p> <p>Toda referencia hecha en el presente documento a las “Condiciones” se entenderá hecha a los términos y condiciones de las Cédulas Hipotecarias expuestas en la Cláusula 7 (Términos y Condiciones).</p>	<p>The Covered Bonds shall be subject to a draw on an undetermined date in the cases and according to that stated in Royal Decree 685/1982.</p> <p>Any reference herein to the "Conditions" is to the terms and conditions of the Covered Bonds set out in Clause 7 (<i>Terms and Conditions</i>).</p>
<p>2. PROMESA DE PAGO</p> <p>A cambio del valor recibido, el Emisor promete abonar al portador del presente Título Múltiple al Portador la suma de principal de</p>	<p>2. PROMISE TO PAY</p> <p>The Issuer, for value received, promises to pay to the bearer of this Global Bearer Certificate the principal sum of</p>

<p style="text-align: center;">1.100.000.000 NOK</p> <p style="text-align: center;">(MIL CIEN MILLONES DE CORONAS NORUEGAS)</p> <p>el 1 de octubre de 2027 o en aquella fecha o fechas anteriores en las que pueda devenir pagadero de acuerdo con las Condiciones, y abonar los intereses vencidos sobre dicha suma de principal en las fechas y al tipo que se especifican en las Condiciones, junto con cualesquiera cuantías adicionales pagaderas de acuerdo con las Condiciones, todo ello con sujeción a, y de acuerdo con, las Condiciones.</p>	<p style="text-align: center;">NOK 1,100,000,000</p> <p style="text-align: center;">(ONE THOUSAND ONE HUNDRED MILLION NORWEGIAN KRONER)</p> <p>on 1 October 2027 or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum in arrear on the dates and at the rate specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.</p>
<p>3. CANJE</p> <p>El presente Título Múltiple al Portador será canjeable, en su totalidad pero no en parte, exclusivamente a solicitud del portador del presente Título Múltiple al Portador, por Cédulas Hipotecarias en formato definitivo (en adelante, las “Cédulas Hipotecarias Definitivas”) cuyo formato se ajustará sustancialmente a lo previsto en el Anexo 2 (<i>Modelo de Cédula Hipotecaria Definitiva</i>) adjunto al Contrato de Agencia en caso de que: (a) Euroclear Bank S.A./N.V., (en adelante, “Euroclear”) o Clearstream Banking, société anonyme, Luxembourg (en adelante, “Clearstream (Luxemburgo)”) permanezca cerrado para llevar a cabo actividades de negocios durante un periodo continuado de 14 días (salvo en caso de periodos vacacionales o festivos oficiales) o anuncie su intención de cesar permanentemente de sus actividades; o (b) el presente Título Múltiple al Portador haya vencido y resulte exigible de acuerdo con las Condiciones o en caso de llegar la fecha de reembolso final del presente Título Múltiple al Portador y, en cada caso, no se haya efectuado al portador el pago íntegro de la cuantía de principal que resulte vencida con todos los intereses devengados sobre el mismo de acuerdo con los términos del presente Título Múltiple al Portador en la fecha de vencimiento del pago.</p>	<p>3. EXCHANGE</p> <p>This Global Bearer Certificate will become exchangeable, in whole but not in part only and at the request of the bearer of this Global Bearer Certificate, for Covered Bonds in definitive form (“Definitive Covered Bonds”) in substantially the form set out in Schedule 2 (<i>Form of Definitive Covered Bond</i>) to the Agency Agreement if: (a) Euroclear Bank S.A./N.V. (“Euroclear”) or Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) this Global Bearer Certificate has become due and payable in accordance with the Conditions or the date for final redemption of this Global Bearer Certificate has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of this Global Bearer Certificate on the due date for payment.</p>
<p>4. ENTREGA DE CÉDULAS HIPOTECARIAS DEFINITIVAS</p> <p>Siempre que el presente Título Múltiple al Portador vaya a ser canjeado por Cédulas Hipotecarias Definitivas, el Emisor se encargará de la pronta entrega de dichas Cédulas Hipotecarias Definitivas, debidamente autenticadas y con los cupones de intereses incorporados, por una cuantía de principal total igual a la cuantía de principal del presente Título Múltiple al Portador a favor</p>	<p>4. DELIVERY OF DEFINITIVE COVERED BONDS</p> <p>Whenever this Global Bearer Certificate is to be exchanged for Definitive Covered Bonds, the Issuer shall procure the prompt delivery of such Definitive Covered Bonds, duly authenticated and with interest coupons attached, in an aggregate principal amount equal to the principal amount of this Global Bearer Certificate to the bearer of this Global Bearer</p>

<p>del portador del presente Título Múltiple al Portador contra la entrega del presente Título Múltiple al Portador en el Domicilio Especificado (según se define en las Condiciones) del Agente en el plazo de 30 días a partir del momento en el que el portador solicite dicho canje.</p>	<p>Certificate against the surrender of this Global Bearer Certificate at the Specified Office (as defined in the Conditions) of the Agent within 30 days of the bearer requesting such exchange.</p>
<p>5. ANOTACIÓN</p> <p>En cada ocasión en la que:</p> <p>(a) se efectúe un pago de principal en relación con el presente Título Múltiple al Portador; o</p> <p>(b) se entreguen las Cédulas Hipotecarias Definitivas;</p> <p>el Emisor procurará que (i) la cuantía de dicho pago y la cuantía de principal total de dicha Cédulas Hipotecarias, y (ii) la cuantía de principal restante del presente Título Múltiple al Portador (que será la cuantía de principal anterior del mismo <i>menos</i> el total de las cuantías a que se refiere el apartado (1)) se anoten en el Anexo 1 (<i>Pagos, Entrega de Cédulas Hipotecarias Definitivas y Cancelación de Cédulas Hipotecarias</i>) del presente documento, tras lo cual la cuantía de principal del presente Título Múltiple al Portador será, a todos los efectos, la más recientemente anotada.</p>	<p>5. WRITING DOWN</p> <p>On each occasion on which:</p> <p>(a) a payment of principal is made in respect of this Global Bearer Certificate; or</p> <p>(b) Definitive Covered Bonds are delivered;</p> <p>the Issuer shall procure that (i) the amount of such payment and the aggregate principal amount of such Covered Bonds and (ii) the remaining principal amount of this Global Bearer Certificate (which shall be the previous principal amount hereof <i>less</i> the aggregate of the amounts referred to in (i)) are noted in Schedule 1 (<i>Payments, Delivery of Definitive Covered Bonds and Cancellation of Covered Bonds</i>) hereto, whereupon the principal amount of this Global Bearer Certificate shall for all purposes be as most recently so noted.</p>
<p>6. APLICACIÓN DE LAS CONDICIONES</p> <p>Hasta que el presente Título Múltiple al Portador haya sido canjeado según lo previsto en el presente documento o cancelado de acuerdo con el Contrato de Agencia, el portador del presente Título Múltiple al Portador estará sujeto a las Condiciones y, con sujeción a cualquier disposición en contrario prevista en el presente documento, dará lugar a los mismos derechos y beneficios en virtud de las Condiciones que si el portador fuese el tenedor de las Cédulas Hipotecarias Definitivas y por una cuantía de principal total igual a la cuantía de principal del presente Título Múltiple al Portador.</p>	<p>6. CONDITIONS APPLY</p> <p>Until this Global Bearer Certificate has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Global Bearer Certificate shall be subject to the Conditions and, subject as otherwise provided herein, entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Covered Bonds and in an aggregate principal amount equal to the principal amount of this Global Bearer Certificate.</p>
<p>7. TÉRMINOS Y CONDICIONES</p> <p>Determinadas disposiciones de las presentes Condiciones son resúmenes del Contrato de Agencia y estarán detalladas en el mismo. Los tenedores de las Cédulas Hipotecarias (en adelante, los "Tenedores") se encuentran obligados por, y se entiende que han recibido notificación de, todas las disposiciones del Contrato de Agencia que les son de aplicación. Existen copias del Contrato de Agencia a disposición para su examen por parte de los Tenedores durante el horario comercial</p>	<p>7. TERMS AND CONDITIONS</p> <p>Certain provisions of these Conditions are summaries of the Agency Agreement and are detailed in said agreement. The holders of the Covered Bonds (the "Holders") are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Holders during normal business hours at the Specified Office (as defined in the Agency Agreement) of the Agent, the initial Specified</p>

<p>habitual en el Domicilio Especificado (según se define en el Contrato de Agencia) del Agente, cuyo Domicilio Especificado inicial se expone más adelante.</p>	<p>Office of which is set out below.</p>
<p>7.1 Forma, valor nominal unitario y título</p> <p>Las Cédulas Hipotecarias están numeradas correlativamente, son al portador y su valor nominal unitario es de 500.000 NOK, con cupones incorporados (en adelante, los "Cupones") en el momento de la emisión. Las Cédulas Hipotecarias son negociables y, en consecuencia, el título sobre las Cédulas Hipotecarias será transmisible mediante entrega. El tenedor de cualquier Cédula Hipotecaria tendrá la consideración (salvo disposición o requisito en contrario en virtud de la legislación aplicable) de propietario absoluto a todos los efectos.</p>	<p>7.1 Form, Denomination and Title</p> <p>The Covered Bonds are serially numbered and in bearer form in the denomination of NOK 500,000 with coupons attached (the "Coupons") at the time of issue. The Covered Bonds are negotiable and, accordingly, title to the Covered Bonds will pass by delivery. The holder of any Covered Bond shall (except as otherwise required or provided by law) be treated as its absolute owner for all purposes.</p>
<p>7.2 Rango</p> <p>El capital y los intereses de las cédulas hipotecarias del Emisor (incluidas las Cédulas Hipotecarias) están especialmente garantizados, sin necesidad de inscripción registral, por hipoteca sobre todas las que en cualquier tiempo consten inscritas a favor del Emisor, de acuerdo con el régimen establecido en la Ley 2/1981 y en el Real Decreto 685/1982, sin perjuicio de la responsabilidad patrimonial universal del Emisor.</p> <p>En virtud de lo previsto en el artículo 14 de la Ley 2/1981, los tenedores de cédulas hipotecarias tendrán el carácter de acreedores singularmente privilegiados, con la preferencia que señala el número 3 del artículo 1.923 del Código Civil, frente a cualesquiera otros acreedores, con relación a la totalidad de los créditos hipotecarios inscritos a favor del Emisor.</p> <p>En situación de concurso, los tenedores de las cédulas hipotecarias gozarán del privilegio especial establecido en el artículo 90.1.1º de la Ley Concursal.</p>	<p>7.2 Status</p> <p>The principal and interest of the cédulas hipotecarias of the Issuer (including the Covered Bonds) are specially guaranteed by a charge, without the need to register it, over all mortgages that at any time are registered in favour of the Issuer, in accordance with the regime established in Law 2/1981 and in Royal Decree 685/1982, without prejudice to the general liability of the Issuer.</p> <p>Pursuant to article 14 of Law 2/1981, holders of cédulas hipotecarias will be considered specially privileged creditors (<i>acreedores singularmente privilegiados</i>), with the preference set out in number 3 of article 1923 of the Civil Code (Código Civil), against any other creditors, in relation to the whole amount of mortgage loans registered in favour of the Issuer.</p> <p>In a situation of insolvency (<i>concurso</i>), the holders of <i>cédulas hipotecarias</i> shall be recognised as having the benefit of privileged credits (<i>créditos con privilegio especial</i>) set out in article 90.1.1º of the Insolvency Law (<i>Ley Concursal</i>).</p>
<p>7.3 Intereses</p> <p>Las Cédulas Hipotecarias devengarán intereses al tipo del 5,62 por ciento anual, (en adelante, el "Tipo de Interés") pagaderos por anualidades vencidas el 1 de octubre de cada año (en adelante, cada una de ellas, una "Fecha de Pago de Intereses").</p> <p>El primer periodo de interés está comprendido entre la</p>	<p>7.3 Interest</p> <p>The Covered Bonds bear interest at the rate of 5.62 per cent. per annum, (the "Rate of Interest") payable in arrear on 1 October in each year (each, an "Interest Payment Date").</p> <p>The first interest period runs from, and including, the issue date (1 October 2007), to, but excluding, 1</p>

fecha de emisión (1 de octubre de 2007), inclusive, y el 1 de octubre de 2008, exclusive, al Tipo de Interés con sujeción a lo previsto en la Cláusula 7.5 (*Pagos*).

Cada Cédula Hipotecaria dejará de devengar intereses desde la fecha establecida de reembolso a menos que, a su debida presentación, el pago del principal se retrase o deniegue indebidamente, en cuyo caso continuará devengando intereses (con sujeción a todas las disposiciones aplicables de la legislación española vigente) a dicho tipo (tanto antes como después de resolución judicial) hasta aquella fecha que resulte anterior entre: (a) el día en el que todas las cuantías vencidas en relación con dicha Cédula Hipotecaria hasta el día que las reciba el Tenedor de que se trate o que se reciban en nombre del Tenedor de que se trate, o (b) la fecha en la que se hayan cumplido siete días a partir del momento en el que el Agente haya notificado a los Tenedores que ha recibido todas las sumas vencidas en relación con las Cédulas Hipotecarias hasta dicho séptimo día (salvo en la medida en que se produzca cualquier posterior incumplimiento del pago).

La cuantía de los intereses pagaderos en cada Fecha de Pago de Intereses (incluida la Primera Fecha de Pago de Intereses) será de 28.100 NOK en relación con cada Cédula Hipotecaria que tenga un valor nominal unitario 500.000 NOK. En caso de que deban abonarse intereses en relación con una Cédula Hipotecaria en cualquier otra fecha, dichos intereses se calcularán aplicando el Tipo de Interés a la cuantía de principal de dicha Cédula Hipotecaria, multiplicándose el producto por la correspondiente Fracción de Recuento de Días y redondeándose la cifra resultante hasta el *øre* más próximo (redondeándose las mitades de *øre* al alza), donde:

Por el término "Fracción de Recuento de Días" se entenderá, con respecto al cálculo del importe de cualquier periodo de tiempo (un "Periodo de Cálculo"), el número de días en un Periodo de Cálculo dividido por 360 (el número de días a ser calculado sobre la base de un año de 360 días con 12 meses de 30 días (salvo: (i) que el último día del Periodo de Cálculo sea el trigésimo primer día de un mes, pero el primer día del Periodo de Cálculo sea un día distinto al trigésimo o al trigésimo primero de un mes, en cuyo caso el mes que incluya aquel último día no será acortado a un mes de 30 días; o (ii) que el último día del Periodo de Cálculo sea el último día del mes de febrero, en cuyo caso el mes de febrero no

October 2008 at the Rate of Interest all subject as provided in Clause 7.5 (*Payments*).

Each Covered Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest (subject to all applicable provisions of Spanish law) at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Holder and (b) the day which is seven days after the Agent has notified the Holders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date (including the First Interest Payment Date) shall be NOK 28,100 in respect of each Covered Bond of NOK 500,000 denomination. If interest is required to be paid in respect of a Covered Bond on any other date, it shall be calculated by applying the Rate of Interest to the principal amount of such Covered Bond, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest *øre* (half an *øre* being rounded upwards), where:

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (a "Calculation Period"), the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

<p>será extendido a un mes de 30 días.</p>	
<p>7.4 Amortización y compra</p> <p>(a) Amortización: Salvo que hayan sido objeto de amortización anteriormente, las Cédulas Hipotecarias se amortizarán a cambio de su valor nominal el 1 de octubre de 2027, con sujeción a lo previsto en la Cláusula 7.5 (<i>Pagos</i>).</p> <p>(b) Amortización anticipada: Con arreglo a lo previsto en el artículo 59 del Real Decreto 685/1982, las <i>cédulas hipotecarias</i> emitidas y no vencidas (incluidas las Cédulas Hipotecarias) del Emisor no podrán superar el 90% de una base de cómputo formada por la suma de los capitales no amortizados de todos los créditos hipotecarios de la cartera del Emisor, aptos para servir de cobertura.</p> <p>No obstante, si el límite se traspasa por incrementos en las amortizaciones de los préstamos afectados o por cualquier otra causa, el Emisor deberá reestablecer el equilibrio de acuerdo con lo previsto en el artículo 60 del Real Decreto 685/1982. El equilibrio podrá ser restablecido por el Emisor amortizando las Cédulas Hipotecarias necesarias.</p> <p>(c) Inexistencia de otro tipo de amortización: El Emisor no estará legitimado a rembolsar las Cédulas Hipotecarias salvo de acuerdo con lo previsto en las letras (a) (<i>Amortización</i>) y (b) (<i>Amortización anticipada</i>) anteriores.</p> <p>(d) Compra: El Emisor o cualquiera de sus filiales podrán, en cualquier momento, comprar Cédulas Hipotecarias en el mercado o de otra forma a cambio de cualquier precio, con sujeción a la totalidad de las disposiciones contenidas en la legislación española.</p>	<p>7.4 Redemption and Purchase</p> <p>(a) Scheduled redemption: Unless previously redeemed, the Covered Bonds will be redeemed at their principal amount on 1 October 2027, subject as provided in Clause 7.5 (<i>Payments</i>).</p> <p>(b) Early Redemption: Pursuant to article 59 of the Royal Decree 685/1982, the outstanding <i>cédulas hipotecarias</i> (including the Covered Bonds) of the Issuer cannot exceed 90% of a computation base made up of the sum of all unrepaid capital under all mortgage loans in the Issuer's portfolio that are suitable as coverage.</p> <p>However, if the limitation is exceeded due to increases in redemptions of the relevant loans or due to any other cause, the Issuer will have to re-establish the ratio in accordance with article 60 of the Royal Decree 685/1982. The ratio may be restored by the Issuer by redeeming the necessary amount of <i>cédulas hipotecarias</i>.</p> <p>(c) No other redemption: The Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in paragraphs (a) (<i>Scheduled Redemption</i>) and (b) (<i>Early Redemption</i>) above.</p> <p>(d) Purchase: The Issuer or any of its subsidiaries may at any time purchase Covered Bonds in the open market or otherwise and at any price, subject to all applicable provisions of Spanish law.</p>
<p>7.5 Pagos</p> <p>(a) Principal e intereses: Los pagos de principal e intereses sólo se efectuarán contra la presentación y (<i>siempre que</i> el pago se efectúe íntegramente) entrega de las Cédulas Hipotecarias en el Domicilio Especificado del Agente fuera de los Estados Unidos mediante un cheque en Coronas Noruegas librado contra y serán efectivos para</p>	<p>7.5 Payments</p> <p>(a) Principal and interest: Payments of principal and interest shall be made only against presentation and (provided that payment is made in full) surrender of the Covered Bonds at the Specified Office of the Agent outside the United States by Norwegian Kroner cheque drawn on and shall be effective to satisfy and discharge</p>

<p>satisfacer y liberar las correspondientes responsabilidades del Emisor en relación con las Cédulas Hipotecarias.</p> <p>(b) Pagos sujetos a la legislación fiscal: Todos los pagos relativos a las Cédulas Hipotecarias estarán sujetos en todos los casos a las leyes y reglamentos fiscales o de otra naturaleza vigentes en el lugar del pago. No se cobrarán comisiones ni gastos a los Tenedores en relación con dichos pagos.</p> <p>(c) Pagos en días hábiles: En caso de que la fecha de vencimiento del pago de cualquier cuantía en relación con una Cédula Hipotecaria no sea un día hábil en el lugar de la presentación, el tenedor no estará legitimado a percibir el pago en dicho lugar de la cuantía vencida hasta el día hábil inmediatamente siguiente en dicho lugar y no estará legitimado a percibir más intereses u otros pagos en relación con el cambio al día en el que se realice el pago oportuno. A los efectos del presente párrafo, por el término "día hábil" se entenderá, respecto de cualquier lugar de presentación, todo día en el que los bancos estén abiertos para la presentación y pago de valores al portador que reconozcan o creen una deuda y para operaciones con divisas en dicho lugar de presentación y, en el caso de pago mediante transferencia a una cuenta en Coronas Noruegas según se ha hecho referencia anteriormente, en el que puedan llevarse a cabo operaciones con divisas tanto en Oslo como en dicho lugar de presentación y sea un día en el que el sistema TARGET esté operativo.</p> <p>(d) Pagos parciales: En caso de que el Agente efectúe un pago parcial en relación con cualquier Cédula Hipotecaria que se le haya presentado al pago, el Agente endosará a la misma un aviso indicando la cuantía y fecha de dicho pago.</p> <p>(e) Anotación: Cada vez que se efectúe un pago de intereses en relación con el presente Título Múltiple al Portador, el Emisor procurará que dicho pago se anote en el Anexo 1 (<i>Pagos, Entrega de Cédulas Hipotecarias Definitivas y Cancelación de Cédulas Hipotecarias</i>) que se adjunta al presente documento.</p>	<p>the corresponding liabilities of the Issuer in respect of the Covered Bonds.</p> <p>(b) Payments subject to fiscal laws: All payments in respect of the Covered Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.</p> <p>(c) Payments on business days: If the due date for payment of any amount in respect of any Covered Bond is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such change to the date on which the relevant payment is made. In this paragraph, "business day" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Norwegian Kroner account as referred to above, on which dealings in foreign currencies may be carried on in Oslo and in such place of presentation and is a day on which the TARGET system is operating.</p> <p>(d) Partial payments: If the Agent makes a partial payment in respect of any Covered Bond presented to it for payment, the Agent will endorse thereon a statement indicating the amount and date of such payment.</p> <p>(e) Notation: On each occasion on which a payment of interest is made in respect of this Global Bearer Certificate, the Issuer shall procure that the same is noted in Schedule 1 (Payments, Delivery of Definitive Covered Bonds and Cancellation of Covered Bonds) hereto.</p>
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<p>7.6 Fiscalidad</p> <p>Todos los pagos de principal e intereses en relación con las Cédulas Hipotecarias por o en nombre del Emisor se efectuarán libres de, y sin retención o deducción en concepto o por cuenta de, los posibles impuestos y derechos, liquidaciones o cargas gubernamentales, presentes o futuros, independientemente de su naturaleza, impuestos, gravados, cobrados, retenidos o liquidados por o en nombre del Reino de España o de cualquier subdivisión política del mismo o cualquier autoridad de aquél o éstas que ostente la facultad de gravar impuestos, salvo que la retención o deducción de dichos impuestos, derechos, liquidaciones o cargas gubernamentales resulte necesaria en virtud de la legislación vigente. Ni el Emisor ni el Agente estarán obligados a efectuar pagos adicionales de ninguna clase en relación con dichas cuantías retenidas o deducidas.</p>	<p>7.6 Taxation</p> <p>All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. Neither the Issuer nor the Agent will be obliged to make any additional payments in respect of any such amounts withheld or deducted.</p>
<p>7.7 Sustitución de Cédulas Hipotecarias</p> <p>En caso de que cualquier Cédula Hipotecaria sea objeto de robo, pérdida, mutilación, deterioro o destrucción, podrá ser sustituido en el Domicilio Especificado del Agente, con sujeción a todas las leyes y requisitos bursátiles aplicables, tras el pago por parte del solicitante de los gastos incurridos en relación con dicha sustitución y sobre la base de los términos relativos a la prueba, garantía, indemnización y demás circunstancias que el Emisor requiera razonablemente. Las Cédulas Hipotecarias mutiladas o deterioradas deberán entregarse antes de expedirse los títulos que las sustituyan.</p>	<p>7.7 Replacement of Covered Bonds</p> <p>If any Covered Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be issued.</p>
<p>7.8 El Agente y los Agentes Adicionales</p> <p>Al actuar en virtud del Contrato de Agencia y en relación con las Cédulas Hipotecarias, el Agente y cualquier agente adicional actúan exclusivamente en calidad de agentes del Emisor y no asumen obligación alguna ante, ni relación de agencia o fideicomiso a favor de, ni con, ninguno de los Tenedores.</p> <p>El Agente inicial y su Domicilio Especificado inicial se indican más adelante. El Emisor se reserva el derecho de modificar o revocar en cualquier momento el nombramiento del Agente y de nombrar uno o varios agentes adicionales o sucesores; teniéndose en cuenta, no obstante, que el Emisor deberá mantener siempre (a) un agente en un Estado Miembro de la EU que no estará obligado a retener o deducir impuestos de conformidad con la Directiva del Consejo CE/2003/48 o cualquier ley</p>	<p>7.8 Agent and Additional Agents</p> <p>In acting under the Agency Agreement and in connection with the Covered Bonds, the Agent and any additional agent, acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders.</p> <p>The initial Agent and its initial Specified Office is listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent and to appoint additional or successor agents; provided, however, that the Issuer shall at all times maintain (a) an agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, and (b) for so long as any Covered</p>

<p>que la implemente o la complemente, o introducida de conformidad con dicha Directiva, y (b) en tanto en cuanto las Cédulas Hipotecarias estén admitidas a cotización en el <i>Official List of the Financial Services Authority</i> del Reino Unido y a negociación en el mercado de títulos de deuda pública de primera clase (<i>gilt-edged</i>) y renta fija de la <i>London Stock Exchange plc</i> o estén admitidas a cotización y negociación en cualquier otra bolsa de valores, autoridad de cotización y/o sistema de cotización, un agente con domicilio especificado en Londres o en cualquier otra ciudad que requieran las reglas y reglamentos de esa otra bolsa de valores, autoridad de cotización y/o sistema de cotización.</p> <p>Se remitirá de inmediato a los Tenedores notificación de cualquier cambio que se produzca en el Agente o del nombramiento, o de cualquier cambio en el nombramiento, de cualquier agente adicional o de sus respectivos Domicilios Especificados.</p>	<p>Bonds are admitted to listing on the Official List of the Financial Services Authority of the United Kingdom and to trading on the gilt-edged and fixed interest market of the London Stock Exchange plc or admitted to listing and trading on any other stock exchange, listing authority and/or quotation system, an agent with its specified office in London or such other city as may be required by the rules and regulations of such other stock exchange, listing authority and/or quotation system.</p> <p>Notice of any change in the Agent or of the appointment of, or any change in the appointment of, any additional agents or in their Specified Offices shall promptly be given to the Holders.</p>
<p>7.9 Emisiones adicionales</p> <p>El Emisor podrá, en todo momento y sin necesidad de consentimiento de los Tenedores, crear y emitir cédulas hipotecarias adicionales cuyos términos y condiciones sean iguales a los de las Cédulas Hipotecarias en todos los aspectos (o en todos los aspectos salvo por lo que se refiere al primer pago de intereses) para que conformen una única serie junto con las Cédulas Hipotecarias.</p>	<p>7.9 Further Issues</p> <p>The Issuer may from time to time, without the consent of the Holders, create and issue further covered bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Covered Bonds.</p>
<p>7.10 Notificaciones</p> <p>Las notificaciones dirigidas a los Tenedores serán válidas en caso de publicarse en un diario escrito en inglés publicado en Londres (que se prevé sea el <i>Financial Times</i>) o, en caso de que dicha publicación no resulte posible, en un diario redactado en inglés de referencia y de circulación general en Europa. Tales notificaciones se entenderán entregadas en la fecha de la primera publicación.</p> <p>No obstante, en tanto en cuanto todas las Cédulas Hipotecarias estén representadas por el presente Título Múltiple al Portador y este Título Múltiple al Portador se deposite en una entidad depositaria común de Euroclear y Clearstream (Luxemburgo), las notificaciones y comunicaciones a los tenedores de cédulas podrán efectuarse mediante la entrega de la notificación correspondiente a Euroclear y Clearstream (Luxemburgo) y, en cualquier caso, dichas notificaciones se entenderán entregadas a los tenedores de cédulas con arreglo a lo</p>	<p>7.10 Notices</p> <p>Notices to the Holders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the <i>Financial Times</i>) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication.</p> <p>Nevertheless, while all the Covered Bonds are represented by a Global Bearer Certificate and such Global Bearer Certificate is deposited with a common depositary for Euroclear and Clearstream, Luxembourg, notices to Holders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Holders in accordance with the above on the date of delivery to Euroclear and Clearstream, Luxembourg.</p>

<p>previsto anteriormente en la fecha de entrega a Euroclear y Clearstream (Luxemburgo).</p>	
<p>7.11 Redenominación, Renominalización y Reconvención</p> <p>(a) Notificación de redenominación. En caso de que el Reino de Noruega se convierta, o anuncie su intención de convertirse, en un Estado Miembro Participante, el Emisor podrá, sin necesidad de obtener el consentimiento de los Tenedores, previa notificación remitida con una antelación mínima de 30 días a los Tenedores y a los Agentes de Pagos, designar una fecha (en adelante, la "Fecha de Redenominación"), que será una Fecha de Pago de Intereses en virtud de las Cédulas Hipotecarias que caiga en la fecha, o después de la fecha, en la que el Reino de Noruega se convierta en un Estado Miembro Participante.</p> <p>(b) Redenominación. Sin perjuicio del resto de las disposiciones contenidas en las presentes Condiciones, y con efectos a partir de la Fecha de Redenominación:</p> <p>(i) se entenderá que las Cédulas Hipotecarias han sido objeto de redenominación a euros, con una denominación de 0.01 EUR con una cuantía de principal para cada Cédula Hipotecaria igual a la cuantía de principal de dicha Cédula Hipotecaria en Coronas Noruegas, convertido a euros al tipo de conversión de dicha divisa al euro que establezca el Consejo de la Unión Europea con arreglo al Tratado (incluida la observancia de las reglas relativas al redondeo de acuerdo con la normativa de la Comunidad Europea); <i>teniéndose en cuenta, no obstante, que</i>, en caso de que el Emisor determine, con el acuerdo del Agente, que la práctica de mercado en relación con la nueva denominación a 0,01 EUR de los valores ofrecidos internacionalmente resulta distinta a la arriba especificada, dichas disposiciones se entenderán modificadas para ajustarse a dicha práctica de mercado, procediendo de inmediato el Emisor a notificar a los Tenedores, a cada</p>	<p>7.11 Redenomination, Renominalisation and Reconventioning</p> <p>(a) Notice of redenomination: If the Kingdom of Norway becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Holders, on giving at least 30 days' prior notice to the Holders and the Agent, designate a date (the "Redenomination Date"), being an Interest Payment Date under the Covered Bonds falling on or after the date on which the Kingdom of Norway becomes a Participating Member State.</p> <p>(b) Redenomination: Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:</p> <p>(i) the Covered Bonds shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Covered Bond equal to the principal amount of that Covered Bond in Norwegian Kroner, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); provided, however, that, if the Issuer determines, with the agreement of the Agent, that market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders, each listing authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation and the Agent of such</p>

<p>autoridad de cotización, bolsa de valores y/o sistema de cotización (en su caso) en el que las Cédulas Hipotecarias hayan sido entonces admitidas a cotización, negociación y/o contratación y a los Agentes de Pagos de dichas modificaciones;</p> <p>(ii) en caso de haberse emitido Cédulas Hipotecarias en formato definitivo:</p> <p>(A) todos los Cupones no vencidos denominados en Coronas Noruegas (incorporados a las Cédulas Hipotecarias) devendrán nulos con efectos a partir de la fecha (en adelante, la "Fecha de Cambio a Euros") en la que el Emisor remita la notificación (en adelante, la "Notificación de Cambio a Euros") a los Tenedores en la que se indique que están a su disposición las Cédulas Hipotecarias denominadas en euros para su canje (<i>siempre que</i> dichas Cédulas Hipotecarias estén disponibles) y no se efectuará pago alguno en relación con los mismos;</p> <p>(B) las obligaciones de pago contenidas en todas las Cédulas Hipotecarias denominadas en Coronas Noruegas devendrán nulas en la Fecha de Cambio a Euros pero la totalidad del resto de las obligaciones del Emisor en virtud de las mismas (incluida la obligación de canjear dichas Cédulas Hipotecarias de acuerdo con lo previsto en la presente Condición) permanecerá plenamente vigente; y</p> <p>(iii) se expedirán las nuevas Cédulas Hipotecarias denominadas en euros a cambio de las Cédulas Hipotecarias denominadas en Coronas Noruegas en la forma que especifique el Agente y se notifique a los Tenedores en la Notificación de Cambio a Euros; y</p>	<p>deemed amendments;</p> <p>(ii) if Covered Bonds have been issued in definitive form:</p> <p>(A) all unmatured Coupons denominated in Norwegian Kroner (attached to the Covered Bonds) will become void with effect from the date (the "Euro Exchange Date") on which the Issuer gives notice (the "Euro Exchange Notice") to the Holders that replacement Covered Bonds denominated in Euro are available for exchange (provided that such Covered Bonds are available) and no payments will be made in respect thereof;</p> <p>(B) the payment obligations contained in all Covered Bonds denominated in Norwegian Kroner will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Covered Bonds in accordance with this Condition) shall remain in full force and effect; and</p> <p>(iii) new Covered Bonds denominated in Euro will be issued in exchange for Covered Bonds denominated in Norwegian Kroner in such manner as the Agent may specify and as shall be notified to the Holders in the Euro Exchange Notice; and</p> <p>(iv) all payments in respect of the Covered Bonds (other than, unless the Redenomination Date is on or after such date as Norwegian Kroner ceases to be a sub-division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely by Euro cheque drawn on, or by</p>
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<p>(iv) todos los pagos relativos a las Cédulas Hipotecarias (a excepción de, salvo que la Fecha de Redenominación caiga en, o después de, la fecha en la que la Corona Noruega deje de ser una subdivisión del euro, los pagos de intereses relativos a los periodos que comiencen antes de la Fecha de Redenominación) serán hechos exclusivamente a través de cheques en euros librados contra, o mediante abono o transferencia a una cuenta en euros (u otra cuenta en la que puedan abonarse o transferirse euros) abierta por el beneficiario en, un banco de un país y ciudad en que los bancos tengan acceso al Sistema TARGET.</p> <p>(c) Intereses: Tras la redenominación de las Cédulas Hipotecarias en virtud de lo previsto en la presente Condición, en los casos en que las Cédulas Hipotecarias se hayan emitido en formato definitivo, la cuantía de los intereses vencidos en relación con las Cédulas Hipotecarias se calculará en función de la cuantía de principal total de las Cédulas Hipotecarias presentadas al pago por el tenedor de que se trate.</p> <p>(d) Interpretación: A los efectos de la presente Condición:</p> <p>Por el término "Estado Miembro Participante" se entenderá todo estado miembro de la Unión Europea que adopte el Euro como su moneda de curso legal de acuerdo con lo previsto en el Tratado; y</p> <p>Por el término "Tratado" se entenderá, el Tratado por el que se establece la Comunidad Europea, con sus correspondientes reformas.</p>	<p>credit or transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a country in a city in which banks have access to the TARGET System.</p> <p>(c) Interest: Following redenomination of the Covered Bonds pursuant to this Condition, where Covered Bonds have been issued in definitive form, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate principal amount of the Covered Bonds presented for payment by the relevant holder.</p> <p>(d) Interpretation: In this Condition:</p> <p>"Participating Member State" means a member state of the European Union which adopts the Euro as its lawful currency in accordance with the Treaty; and</p> <p>"Treaty" means the Treaty establishing the European Community, as amended.</p>
<p>7.12 Ley aplicable y jurisdicción</p> <p>(a) Ley aplicable: Las Cédulas Hipotecarias se registrarán e interpretarán con arreglo a la legislación española.</p> <p>(b) Juzgados y Tribunales de la ciudad de Madrid: Los juzgados y tribunales de la ciudad de Madrid ostentarán la jurisdicción exclusiva para dirimir cualquier controversia (en adelante, una "Controversia") que pueda surgir de, o en</p>	<p>7.12 Governing Law and Jurisdiction</p> <p>(a) Governing law: The Covered Bonds are governed by, and shall be construed in accordance with, Spanish law.</p> <p>(b) Courts of the city of Madrid: The courts of the city of Madrid have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Covered Bonds.</p>

<p>relación con, las Cédulas Hipotecarias.</p> <p>(c) Ejecución. En tanto en cuanto las Cédulas Hipotecarias estén incorporadas a un Título Múltiple al Portador depositado en una entidad depositaria común para Euroclear y/o Clearstream (Luxemburgo), todo Tenedor podrá, en cualquier Controversia surgida contra el Emisor o en la que el Tenedor y el Emisor sean partes, proteger y hacer valer en su propio nombre sus derechos en virtud de sus Cédulas Hipotecarias, siempre que haya obtenido: (a) un certificado expedido por su Depositario (i) en el que se indique el nombre y domicilio completos del Tenedor, (ii) en el que se especifique una cuantía de principal total de Cédulas Hipotecarias abonada en la fecha de dicha declaración en la cuenta de valores de dicho Tenedor abierta en dicha entidad Depositaria, y (iii) en el que se confirme que el Depositario ha remitido una notificación a Euroclear o, según el caso, a Clearstream (Luxemburgo) y al Agente en la que se incluya la información prevista en los apartados (i) y (ii) y en el que figuren los reconocimientos de Euroclear o, según el caso, Clearstream (Luxemburgo) y del Agente y (b) una copia del Título Múltiple al Portador de Cédulas Hipotecarias certificado como copia auténtica por un alto cargo debidamente autorizado del Agente. A los efectos de lo anteriormente expuesto, por el término "Depositario" se entenderá cualquier banco u otra institución financiera de reconocido prestigio autorizado/a a llevar a cabo actividades de depósito y custodia de valores en el/la que el Tenedor mantenga abierta una cuenta de valores en relación con cualquier Cédula Hipotecaria, e incluye a Euroclear y Clearstream (Luxemburgo).</p>	<p>(c) Enforcement: For so long as the Covered Bonds are in global bearer form and deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg, any Holder may in any Dispute against the Issuer or to which the Holder and the Issuer are parties protect and enforce in its own name its rights arising under its Covered Bonds provided that it has obtained: (a) a certificate issued by its Custodian (i) stating the full name and address of the Holder, (ii) specifying an aggregate principal amount of Covered Bonds credited on the date of such statement to such Holder's securities account maintained with such Custodian, and (iii) confirming that the Custodian has given a written notice to Euroclear or, as the case may be, Clearstream, Luxembourg and the Agent containing the information pursuant to (i) and (ii) and bearing acknowledgments of Euroclear or, as the case may be, Clearstream, Luxembourg and the Agent and (b) a copy of the Global Covered Bond certified as being a true copy by a duly authorised officer of the Agent. For the purposes of the foregoing, "Custodian" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of any Covered Bonds, and includes Euroclear and Clearstream, Luxembourg.</p>
<p>EN TESTIMONIO DE LO CUAL, se incorpora a continuación la firma manuscrita de un representante debidamente autorizado en nombre del Emisor.</p>	<p>AS WITNESS the manual signature of a duly authorised person on behalf of the Issuer.</p>

<p>BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</p> <p>Firmado:</p> <p><i>[SELLO ORDINARIO DEL EMISOR]</i></p>	<p>BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</p> <p>By:</p> <p><i>[COMMON SEAL OF ISSUER]</i></p>
<p>EXPEDIDO el 1 de octubre de 2007</p>	<p>ISSUED on 1 October 2007</p>

<p>AUTENTICADO en nombre y representación de Citibank, N.A. en calidad de agente sin recurso, garantía o responsabilidad</p> <p>Firmado:</p> <p>(debidamente autorizado)</p>	<p>AUTHENTICATED for and on behalf of Citibank, N.A. as agent without recourse, warranty or liability</p> <p>By:</p> <p><i>(duly authorised)</i></p>
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Form of Definitive Covered Bond and Coupon

Certain information in this Prospectus has been translated from the original Spanish. Each such translation constitutes a direct and accurate translation of the Spanish language text. The English language information has been provided for information purposes only and in the event of a discrepancy, the Spanish version shall prevail.

<p>Serie: Cédulas Hipotecarias NOK - Octubre 2007</p> <p>500.000 NOK</p> <p>Código ISIN: XS0308135291</p> <p>Common Code: 030813529</p> <p>EDS: 12554981</p> <p>BBG: EG5872866</p> <p>TODA PERSONA ESTADOUNIDENSE QUE SEA TENEDOR DEL PRESENTE TÍTULO AL PORTADOR DEFINITIVO REPRESENTATIVO DE UNA CÉDULA HIPOTECARIA ESTARÁ SUJETA A LOS LÍMITES PREVISTOS EN VIRTUD DE LA LEGISLACIÓN FISCAL SOBRE LA RENTA DE LOS ESTADOS UNIDOS, INCLUIDOS LOS LÍMITES PREVISTOS EN LOS ARTÍCULOS 165(j) Y 1287(a) DEL CÓDIGO TRIBUTARIO.</p> <p style="text-align: center;">BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</p> <p style="text-align: center;">(constituida con arreglo a las leyes de España)</p> <p style="text-align: center;">Cédulas Hipotecarias con vencimiento el 1 de octubre de 2027</p> <p style="text-align: center;">por valor de 1.100.000.000 NOK, al 5,62 por ciento</p> <p style="text-align: center;">TÍTULO AL PORTADOR DEFINITIVO REPRESENTATIVO DE UNA CÉDULA HIPOTECARIA</p>	<p>Series Number: Covered Bonds NOK - October 2007</p> <p>NOK 500,000</p> <p>ISIN Code: XS0308135291</p> <p>Common Code: 030813529</p> <p>EDS: 12554981</p> <p>BBG: EG5872866</p> <p>ANY UNITED STATES PERSON WHO HOLDS THIS DEFINITIVE BEARER CERTIFICATE REPRESENTING ONE COVERED BOND (<i>TÍTULO AL PORTADOR DEFINITIVO REPRESENTATIVO DE UNA CÉDULA HIPOTECARIA</i>) WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.</p> <p style="text-align: center;">BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</p> <p style="text-align: center;">(incorporated under the laws of Spain)</p> <p style="text-align: center;">NOK 1,100,000,000 5.62 per cent.</p> <p style="text-align: center;">Covered Bonds (Cédulas Hipotecarias) due 1 October 2027</p> <p style="text-align: center;">DEFINITIVE BEARER CERTIFICATE REPRESENTING ONE COVERED BOND (<i>TÍTULO AL PORTADOR DEFINITIVO REPRESENTATIVO DE UNA CÉDULA HIPOTECARIA</i>)</p>
<p>1. INTRODUCCIÓN</p> <p>El presente Título al Portador Definitivo representa</p>	<p>1. INTRODUCTION</p> <p>This definitive bearer certificate represents one</p>

<p>una cédula hipotecaria con un valor nominal de 500.000 NOK y con vencimiento el 1 de octubre de 2027 (en adelante, la “Cédula Hipotecaria”), perteneciente a una serie de Cédulas Hipotecarias con un valor nominal total de 1.100.000.000 NOK, emitidas por Banco Bilbao Vizcaya Argentaria, S.A. (en adelante, el “Emisor”) el 1 de octubre de 2007 con arreglo a la Ley 2/1981 (en adelante, la “Ley 2/1981”), de 25 de marzo, de regulación del mercado hipotecario, con sus correspondientes reformas, y el Real Decreto 685/1982, de 17 de marzo, que desarrolla determinados aspectos de la Ley 2/1981, de 25 de marzo, de regulación del mercado hipotecario, con sus correspondientes reformas (en adelante, el “Real Decreto 685/1982”).</p>	<p><i>cédula hipotecaria</i> with a nominal value of NOK 500,000 due on 1 October 2027 (the “Covered Bond”), belonging to a series of covered bonds in the aggregate principal amount of NOK 1,100,000,000, issued by Banco Bilbao Vizcaya Argentaria, S.A. (the “Issuer”) on 1 October 2007 pursuant to Law 2/1981, of 25 March 1981, on the Regulation of the Mortgage Market, as amended (the “Law 2/1981”), and Royal Decree 685/1982, of 17 March 1982, which develops certain aspects of Law 2/1981, of 25 March 1981, on the Regulation of the Mortgage Market, as amended (the “Royal Decree 685/1982”).</p>
<p>El Emisor está inscrito en el Registro Mercantil de Vizcaya (España), en el Libro de Sociedades 2.083, Folio 1, Inscripción 1ª, Hoja número BI-17-A. El domicilio social del Emisor está situado en la Plaza de San Nicolás 4, 48005 Bilbao (España), y opera desde el Paseo de la Castellana, 81, 28046 Madrid (España).</p>	<p>The Issuer is registered in the Mercantil Registry of Vizcaya (Spain), in Companies Ledger 2,083, folio 1, inscription 1st, Sheet number BI-17-A. The Issuer's registered office is at Plaza de San Nicolás 4, Bilbao, Spain 48005, and operates out of Paseo de la Castellana, 81, 28046, Madrid, Spain.</p>
<p>Las Cédulas Hipotecarias son objeto de un contrato de agencia de fecha 1 de octubre de 2007 (con las posibles modificaciones o nuevas incorporaciones que pueda sufrir en su momento, el “Contrato de Agencia”) suscrito por el Emisor y Citibank, N.A. en calidad de agente (en adelante, el “Agente”, expresión que incluirá a cualquier agente sucesor nombrado en su momento en relación con las Cédulas Hipotecarias).</p>	<p>The Covered Bonds are the subject of an agency agreement dated 1 October 2007 (as amended or supplemented from time to time, the “Agency Agreement”) and made between the Issuer and Citibank, N.A. as agent (the “Agent”, which expression includes any successor agent appointed from time to time in connection with the Covered Bonds).</p>
<p>Las Cédulas Hipotecarias estarán sujetas a sorteo en una fecha indeterminada en los casos y con arreglo a lo previsto en el Real Decreto 685/1982.</p> <p>Toda referencia hecha en el presente documento a las “Condiciones” se entenderá hecha a los términos y condiciones de las Cédulas Hipotecarias expuestas en la Cláusula 3 (<i>Términos y Condiciones</i>).</p>	<p>The Covered Bonds shall be subject to a draw on an undetermined date in the cases and according to that stated in Royal Decree 685/1982.</p> <p>Any reference herein to the “Conditions” is to the terms and conditions of the Covered Bonds set out in Clause 3 (<i>Terms and Conditions</i>).</p>
<p>2. PROMESA DE PAGO</p> <p>A cambio del valor recibido, el Emisor promete pagar al portador la suma de principal de</p>	<p>2. PROMISE TO PAY</p> <p>The Issuer, for value received, promises to pay to the bearer the principal sum of</p>

<p style="text-align: center;">500.000 NOK</p> <p style="text-align: center;">(QUINIENTAS MIL CORONAS NORUEGAS)</p> <p>el 1 de octubre de 2027 o en aquella fecha o fechas anteriores en las que pueda resultar pagadero de acuerdo con las Condiciones, y abonar los intereses vencidos sobre dicha suma de principal en las fechas y al tipo que se especifican en las Condiciones, junto con cualesquiera cuantías adicionales pagaderas de acuerdo con las Condiciones, todo ello con sujeción a, y de acuerdo con, las Condiciones.</p> <p>Se abonarán intereses sobre la suma de principal anterior a un tipo del 5,62 por ciento anual, que se abonarán a año vencido el 1 de octubre de cada año, todo ello con sujeción a, y de acuerdo con, lo previsto en las Condiciones.</p>	<p style="text-align: center;">NOK 500,000</p> <p style="text-align: center;">(FIVE HUNDRED THOUSAND NORWEGIAN KRONER)</p> <p>on 1 October 2027, or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum in arrear on the dates and at the rate specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.</p> <p>Interest is payable on the above principal sum at the rate of 5.62 per cent. per annum, payable annually in arrear on 1 October in each year, all subject to and in accordance with the Conditions.</p>
<p>3. TÉRMINOS Y CONDICIONES</p> <p>Determinadas disposiciones de las presentes Condiciones son resúmenes del Contrato de Agencia y estarán detalladas en el mismo. Los tenedores de las Cédulas Hipotecarias (en adelante, los “Tenedores”) se encuentran obligados por, y se entiende que han recibido notificación de, todas las disposiciones del Contrato de Agencia que les son de aplicación. Existen copias del Contrato de Agencia a disposición para su examen por parte de los Tenedores durante el horario comercial habitual en el Domicilio Especificado (según definido en el Contrato de Agencia) del Agente, cuyo Domicilio Especificado inicial se expone más adelante.</p>	<p>3. TERMS AND CONDITIONS</p> <p>Certain provisions of these Conditions are summaries of the Agency Agreement and are detailed in said agreement. The holders of the Covered Bonds (the “Holders”) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Holders during normal business hours at the Specified Office (as defined in the Agency Agreement) of the Agent, the initial Specified Office of which is set out below.</p>
<p>3.1 Forma, valor nominal unitario y título</p> <p>Las Cédulas Hipotecarias están numeradas correlativamente, son al portador y su valor nominal unitario es de 500.000 NOK, con cupones incorporados (en adelante, los “Cupones”) en el momento de la emisión. Las Cédulas Hipotecarias son negociables y, en consecuencia, el título sobre las Cédulas Hipotecarias será transmisible mediante entrega. El tenedor de cualquier Cédula Hipotecaria tendrá la consideración (salvo disposición o requisito en contrario en virtud de la legislación aplicable) de propietario absoluto a todos los efectos.</p>	<p>3.1 Form, Denomination and Title</p> <p>The Covered Bonds are serially numbered and in bearer form in the denomination of NOK 500,000 with coupons attached (the “Coupons”) at the time of issue. The Covered Bonds are negotiable and, accordingly, title to the Covered Bonds will pass by delivery. The holder of any Covered Bond shall (except as otherwise required or provided by law) be treated as its absolute owner for all purposes.</p>

<p>3.2 Rango</p> <p>El capital y los intereses de las cédulas hipotecarias del Emisor (incluidas las Cédulas Hipotecarias) están especialmente garantizados, sin necesidad de inscripción registral, por hipoteca sobre todas las que en cualquier tiempo consten inscritas a favor del Emisor, de acuerdo con el régimen establecido en la Ley 2/1981 y en el Real Decreto 685/1982, sin perjuicio de la responsabilidad patrimonial universal del Emisor.</p> <p>En virtud de lo previsto en el artículo 14 de la Ley 2/1981, los tenedores de cédulas hipotecarias tendrán el carácter de acreedores singularmente privilegiados, con la preferencia que señala el número 3 del artículo 1.923 del Código Civil, frente a cualesquiera otros acreedores, con relación a la totalidad de los créditos hipotecarios inscritos a favor del Emisor.</p> <p>En situación de concurso, los tenedores de los cédulas hipotecarias gozarán del privilegio especial establecido en el artículo 90.1.1º de la Ley Concursal.</p>	<p>3.2 Status</p> <p>The principal and interest of the <i>cédulas hipotecarias</i> of the Issuer (including the Covered Bonds) are specially guaranteed by a charge, without the need to register it, over all mortgages that at any time are registered in favour of the Issuer, in accordance with the regime established in Law 2/1981 and in Royal Decree 685/1982, without prejudice to the general liability of the Issuer.</p> <p>Pursuant to article 14 of Law 2/1981, holders of <i>cédulas hipotecarias</i> will be considered specially privileged creditors (<i>acreedores singularmente privilegiados</i>), with the preference set out in number 3 of article 1923 of the Civil Code (Código Civil), against any other creditors, in relation to the whole amount of mortgage loans registered in favour of the Issuer.</p> <p>In a situation of insolvency (<i>concurso</i>), the holders of <i>cédulas hipotecarias</i> shall be recognised as having the benefit of privileged credits (<i>créditos con privilegio especial</i>) set out in article 90.1.1º of the Insolvency Law (<i>Ley Concursal</i>).</p>
<p>3.3 Intereses</p> <p>Las Cédulas Hipotecarias devengarán intereses al tipo del 5,62 por ciento anual, (en adelante, el "Tipo de Interés") pagaderos por anualidades vencidas el 1 de octubre de cada año (en adelante, cada una de ellas, una "Fecha de Pago de Intereses").</p> <p>El primer periodo de interés está comprendido entre la fecha de emisión (1 de octubre de 2007), inclusive, y el 1 de octubre de 2008, exclusive, al Tipo de Interés con sujeción a lo previsto en la Cláusula 7.5 (<i>Pagos</i>).</p> <p>Cada Cédula Hipotecaria dejará de devengar intereses desde la fecha establecida de reembolso a menos que, a su debida presentación, el pago del principal se retrase o deniegue indebidamente, en cuyo caso continuará devengando intereses (con sujeción a todas las disposiciones aplicables de la legislación española vigente) a dicho tipo (tanto antes como después de resolución judicial) hasta aquella fecha que resulte anterior entre: (a) el día en el que</p>	<p>3.3 Interest</p> <p>The Covered Bonds bear interest at the rate of 5.62 per cent. per annum, (the "Rate of Interest") payable in arrear on 1 October in each year (each, an "Interest Payment Date").</p> <p>The first interest period runs from, and including, the issue date (1 October 2007), to, but excluding, 1 October 2008 at the Rate of Interest all subject as provided in Clause 7.5 (<i>Payments</i>).</p> <p>Each Covered Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest (subject to all applicable provisions of Spanish law) at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Holder and (b) the day which is seven days after the Agent has notified the Holders that it</p>

<p>todas las cuantías vencidas en relación con dicha Cédula Hipotecaria hasta el día que las reciba el Tenedor de que se trate o que se reciban en nombre del Tenedor de que se trate, o (b) la fecha en la que se hayan cumplido siete días a partir del momento en el que el Agente haya notificado a los Tenedores que ha recibido todas las sumas vencidas en relación con las Cédulas Hipotecarias hasta dicho séptimo día (salvo en la medida en que se produzca cualquier posterior incumplimiento del pago).</p> <p>La cuantía de los intereses pagaderos en cada Fecha de Pago de Intereses (incluida la Primera Fecha de Pago de Intereses) será de 28.100 NOK en relación con cada Cédula Hipotecaria que tenga un valor nominal unitario 500.000 NOK. En caso de que deban abonarse intereses en relación con una Cédula Hipotecaria en cualquier otra fecha, dichos intereses se calcularán aplicando el Tipo de Interés a la cuantía de principal de dicha Cédula Hipotecaria, multiplicándose el producto por la correspondiente Fracción de Recuento de Días y redondeándose la cifra resultante hasta el <i>øre</i> más próximo (redondeándose las mitades de <i>øre</i> al alza), donde:</p> <p>Por el término "Fracción de Recuento de Días" se entenderá, con respecto al cálculo del importe de cualquier periodo de tiempo (un "Periodo de Cálculo"), el número de días en un Periodo de Cálculo dividido por 360 (el número de días a ser calculado sobre la base de un año de 360 días con 12 meses de 30 días (salvo: (i) que el último día del Periodo de Cálculo sea el trigésimo primer día de un mes, pero el primer día del Periodo de Cálculo sea un día distinto al trigésimo o al trigésimo primero de un mes, en cuyo caso el mes que incluya aquel último día no será acortado a un mes de 30 días; o (ii) que el último día del Periodo de Cálculo sea el último día del mes de febrero, en cuyo caso el mes de febrero no será extendido a un mes de 30 días.</p>	<p>has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).</p> <p>The amount of interest payable on each Interest Payment Date (including the First Interest Payment Date) shall be NOK 28,100 in respect of each Covered Bond of NOK 500,000 denomination. If interest is required to be paid in respect of a Covered Bond on any other date, it shall be calculated by applying the Rate of Interest to the principal amount of such Covered Bond, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest <i>øre</i> (half an <i>øre</i> being rounded upwards), where:</p> <p>"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (a "Calculation Period"), the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).</p>
<p>3.4 Amortización y compra</p> <p>(a) <i>Amortización:</i> Salvo que hayan sido objeto de amortización anteriormente, las Cédulas Hipotecarias se amortizarán a cambio de su</p>	<p>3.4 Redemption and Purchase</p> <p>(a) <i>Scheduled redemption:</i> Unless previously redeemed, the Covered Bonds will be redeemed at their principal amount on 1</p>

<p>valor nominal el 1 de octubre de 2027, con sujeción a lo previsto en la Cláusula 3.5 (<i>Pagos</i>).</p> <p>(b) <i>Amortización anticipada:</i> Con arreglo a lo previsto en el artículo 59 del Real Decreto 685/1982, las <i>cédulas hipotecarias</i> emitidas y no vencidas (incluidas las Cédulas Hipotecarias) del Emisor no podrán superar el 90% de una base de cómputo formada por la suma de los capitales no amortizados de todos los créditos hipotecarios de la cartera del Emisor, aptos para servir de cobertura.</p> <p>No obstante, si el límite se traspasa por incrementos en las amortizaciones de los préstamos afectados o por cualquier otra causa, el Emisor deberá reestablecer el equilibrio de acuerdo con lo previsto en el artículo 60 del Real Decreto 685/1982. El equilibrio podrá ser restablecido por el Emisor amortizando las Cédulas Hipotecarias necesarias.</p> <p>(c) <i>Inexistencia de otro tipo de amortización:</i> El Emisor no estará legitimado a rembolsar las Cédulas Hipotecarias salvo de acuerdo con lo previsto en las letras (a) (<i>Amortización</i>) y (b) (<i>Amortización anticipada</i>) anteriores.</p> <p>(d) <i>Compra:</i> El Emisor o cualquiera de sus filiales podrán, en cualquier momento, comprar Cédulas Hipotecarias en el mercado o de otra forma a cambio de cualquier precio, con sujeción a la totalidad de las disposiciones contenidas en la legislación española.</p>	<p>October 2027, subject as provided in Clause 3.5 (<i>Payments</i>).</p> <p>(b) <i>Early Redemption:</i> Pursuant to article 59 of the Royal Decree 685/1982, the outstanding <i>cédulas hipotecarias</i> (including the Covered Bonds) of the Issuer cannot exceed 90% of a computation base made up of the sum of all unrepaid capital under all mortgage loans in the Issuer's portfolio that are suitable as coverage.</p> <p>However, if the limitation is exceeded due to increases in redemptions of the relevant loans or due to any other cause, the Issuer will have to re-establish the ratio in accordance with article 60 of the Royal Decree 685/1982. The ratio may be restored by the Issuer by redeeming the necessary amount of <i>cédulas hipotecarias</i>.</p> <p>(c) <i>No other redemption:</i> The Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in paragraphs (a) (<i>Scheduled Redemption</i>) and (b) (<i>Early Redemption</i>) above.</p> <p>(d) <i>Purchase:</i> The Issuer or any of its subsidiaries may at any time purchase Covered Bonds in the open market or otherwise and at any price, subject to all applicable provisions of Spanish law.</p>
<p>3.5 Pagos</p> <p>(a) <i>Principal e intereses:</i> Los pagos de principal e intereses sólo se efectuarán contra la presentación y (<i>siempre que</i> el pago se efectúe íntegramente) entrega de las Cédulas Hipotecarias en el Domicilio Especificado del Agente fuera de los Estados Unidos mediante un cheque en Coronas Noruegas librado contra y serán efectivos para</p>	<p>3.5 Payments</p> <p>(a) <i>Principal and interest:</i> Payments of principal and interest shall be made only against presentation and (provided that payment is made in full) surrender of the Covered Bonds at the Specified Office of the Agent outside the United States by Norwegian Kroner cheque drawn on and shall be effective to satisfy and discharge the</p>

<p>satisfacer y liberar las correspondientes responsabilidades del Emisor en relación con las Cédulas Hipotecarias.</p> <p>(b) <i>Pagos sujetos a la legislación fiscal:</i> Todos los pagos relativos a las Cédulas Hipotecarias estarán sujetos en todos los casos a las leyes y reglamentos fiscales o de otra naturaleza vigentes en el lugar del pago. No se cobrarán comisiones ni gastos a los Tenedores en relación con dichos pagos.</p> <p>(c) <i>Pagos en días hábiles:</i> En caso de que la fecha de vencimiento del pago de cualquier cuantía en relación con una Cédula Hipotecaria no sea un día hábil en el lugar de la presentación, el tenedor no estará legitimado a percibir el pago en dicho lugar de la cuantía vencida hasta el día hábil inmediatamente siguiente en dicho lugar y no estará legitimado a percibir más intereses u otros pagos en relación con el cambio al día en el que se realice el pago oportuno. A los efectos del presente párrafo, por el término "día hábil" se entenderá, respecto de cualquier lugar de presentación, todo día en el que los bancos estén abiertos para la presentación y pago de valores al portador que reconozcan o creen una deuda y para operaciones con divisas en dicho lugar de presentación y, en el caso de pago mediante transferencia a una cuenta en Coronas Noruegas según se ha hecho referencia anteriormente, en el que puedan llevarse a cabo operaciones con divisas tanto en Oslo como en dicho lugar de presentación y sea un día en el que el sistema TARGET esté operativo.</p> <p>(d) <i>Pagos parciales:</i> En caso de que el Agente efectúe un pago parcial en relación con cualquier Cédula Hipotecaria que se le haya presentado al pago, el Agente endosará a la misma un aviso indicando la cuantía y fecha de dicho pago.</p> <p>(e) <i>Anotación:</i> Cada vez que se efectúe un pago de intereses en relación con el presente</p>	<p>corresponding liabilities of the Issuer in respect of the Covered Bonds.</p> <p>(b) <i>Payments subject to fiscal laws:</i> All payments in respect of the Covered Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.</p> <p>(c) <i>Payments on business days:</i> If the due date for payment of any amount in respect of any Covered Bond is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such change to the date on which the relevant payment is made. In this paragraph, "business day" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Norwegian Kroner account as referred to above, on which dealings in foreign currencies may be carried on in Oslo and in such place of presentation and is a day on which the TARGET system is operating.</p> <p>(d) <i>Partial payments:</i> If the Agent makes a partial payment in respect of any Covered Bond presented to it for payment, the Agent will endorse thereon a statement indicating the amount and date of such payment.</p> <p>(e) <i>Notation:</i> On each occasion on which a payment of interest is made in respect of this Global Bearer Certificate, the Issuer shall procure that the same is noted in Schedule 1 (Payments, Delivery of Definitive Covered Bonds and Cancellation of Covered Bonds) hereto.</p>
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<p>Título Múltiple al Portador, el Emisor procurará que dicho pago se anote en el Anexo 1 (<i>Pagos, Entrega de Cédulas Hipotecarias Definitivas y Cancelación de Cédulas Hipotecarias</i>) que se adjunta al presente documento.</p>	
<p>3.6 Fiscalidad</p> <p>Todos los pagos de principal e intereses en relación con las Cédulas Hipotecarias por o en nombre del Emisor se efectuarán libres de, y sin retención o deducción en concepto o por cuenta de, los posibles impuestos y derechos, liquidaciones o cargas gubernamentales, presentes o futuros, independientemente de su naturaleza, impuestos, gravados, cobrados, retenidos o liquidados por o en nombre del Reino de España o de cualquier subdivisión política del mismo o cualquier autoridad de aquél o éstas que ostente la facultad de gravar impuestos, salvo que la retención o deducción de dichos impuestos, derechos, liquidaciones o cargas gubernamentales resulte necesaria en virtud de la legislación vigente. Ni el Emisor ni el Agente estarán obligados a efectuar pagos adicionales de ninguna clase en relación con dichas cuantías retenidas o deducidas.</p>	<p>3.6 Taxation</p> <p>All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. Neither the Issuer nor the Agent will be obliged to make any additional payments in respect of any such amounts withheld or deducted.</p>
<p>3.7 Sustitución de Cédulas Hipotecarias</p> <p>En caso de que cualquier Cédula Hipotecaria sea objeto de robo, pérdida, mutilación, deterioro o destrucción, podrá ser sustituida en el Domicilio Especificado del Agente, con sujeción a todas las leyes y requisitos bursátiles aplicables, tras el pago por parte del solicitante de los gastos incurridos en relación con dicha sustitución y sobre la base de los términos relativos a la prueba, garantía, indemnización y demás circunstancias que el Emisor requiera razonablemente. Las Cédulas Hipotecarias mutiladas o deterioradas deberán entregarse antes de expedirse los títulos que las sustituyan.</p>	<p>3.7 Replacement of Covered Bonds</p> <p>If any Covered Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be issued.</p>
<p>3.8 El Agente y los Agentes Adicionales</p> <p>Al actuar en virtud del Contrato de Agencia y en relación con las Cédulas Hipotecarias, el Agente y</p>	<p>3.8 Agent and Additional Agents</p> <p>In acting under the Agency Agreement and in connection with the Covered Bonds, the Agent and</p>

<p>cualquier agente adicional actúan exclusivamente en calidad de agentes del Emisor y no asumen obligación alguna ante, ni relación de agencia o fideicomiso a favor de ni con, ninguno de los Tenedores.</p> <p>El Agente inicial y su Domicilio Especificado inicial se indican más adelante. El Emisor se reserva el derecho de modificar o revocar en cualquier momento el nombramiento del Agente y de nombrar uno o varios agentes adicionales o sucesores; teniéndose en cuenta, no obstante, que el Emisor deberá mantener siempre (a) un agente en un Estado Miembro de la EU que no estará obligado a retener o deducir impuestos de conformidad con la Directiva del Consejo CE/2003/48 o cualquier ley que la implemente o la complemente, o introducida de conformidad con dicha Directiva, y (b) en tanto en cuanto las Cédulas Hipotecarias estén admitidas a cotización en el <i>Official List of the Financial Services Authority</i> del Reino Unido y a negociación en el mercado de títulos de deuda pública de primera clase (<i>gilt-edged</i>) y renta fija de la <i>London Stock Exchange plc</i> o estén admitidas a cotización y negociación en cualquier otra bolsa de valores, autoridad de cotización y/o sistema de cotización, un agente con domicilio especificado en Londres o en cualquier otra ciudad que requieran las reglas y reglamentos de esa otra bolsa de valores, autoridad de cotización y/o sistema de cotización.</p> <p>Se remitirá de inmediato a los Tenedores notificación de cualquier cambio que se produzca en el Agente o del nombramiento, o de cualquier cambio en el nombramiento, de cualquier agente adicional o de sus respectivos Domicilios Especificados.</p>	<p>any additional agent, acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders.</p> <p>The initial Agent and its initial Specified Office is listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent and to appoint additional or successor agents; provided, however, that the Issuer shall at all times maintain (a) an agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, and (b) for so long as any Covered Bonds are admitted to listing on the Official List of the Financial Services Authority of the United Kingdom and to trading on the gilt-edged and fixed interest market of the London Stock Exchange plc or admitted to listing and trading on any other stock exchange, listing authority and/or quotation system or an agent with its specified office in London or such other city as may be required by the rules and regulations of such other stock exchange, listing authority and/or quotation system.</p> <p>Notice of any change in the Agent or of the appointment of, or any change in the appointment of, any additional agents or in their Specified Offices shall promptly be given to the Holders</p>
<p>3.9 Emisiones adicionales</p> <p>El Emisor podrá, en todo momento y sin necesidad de consentimiento de los Tenedores, crear y emitir cédulas hipotecarias adicionales cuyos términos y condiciones sean iguales a los de las Cédulas Hipotecarias en todos los aspectos (o en todos los aspectos salvo por lo que se refiere al primer pago de intereses) para que conformen una única serie junto con las Cédulas Hipotecarias.</p>	<p>3.9 Further Issues</p> <p>The Issuer may from time to time, without the consent of the Holders, create and issue further covered bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Covered Bonds.</p>

<p>3.10 Notificaciones</p> <p>Las notificaciones dirigidas a los Tenedores serán válidas en caso de publicarse en un diario escrito en inglés publicado en Londres (que se prevé sea el <i>Financial Times</i>) o, en caso de que dicha publicación no resulte posible, en un diario redactado en inglés de referencia y de circulación general en Europa. Tales notificaciones se entenderán entregadas en la fecha de la primera publicación.</p> <p>No obstante, en tanto en cuanto todas las Cédulas Hipotecarias estén representadas por el presente Título Múltiple al Portador y este Título Múltiple al Portador se deposite en una entidad depositaria común de Euroclear Bank S.A./N.V. ("Euroclear") y Clearstream Banking, société anonyme, Luxemburgo ("Clearstream (Luxemburgo)"), las notificaciones y comunicaciones a los tenedores de cédulas podrán efectuarse mediante la entrega de la notificación correspondiente a Euroclear y Clearstream, (Luxemburgo) y, en cualquier caso, dichas notificaciones se entenderán entregadas a los tenedores de cédulas con arreglo a lo previsto anteriormente en la fecha de entrega a Euroclear y Clearstream (Luxemburgo).</p>	<p>3.10 Notices</p> <p>Notices to the Holders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the <i>Financial Times</i>) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication.</p> <p>Nevertheless, while all the Covered Bonds are represented by a Global Bearer Certificate and such Global Bearer Certificate is deposited with a common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg"), notices to Holders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Holders in accordance with the above on the date of delivery to Euroclear and Clearstream, Luxembourg.</p>
<p>3.11 Redenominación, Renominalización y Reconvención</p> <p>(a) <i>Notificación de redenominación:</i> En caso de que el Reino de Noruega se convierta, o anuncie su intención de convertirse, en un Estado Miembro Participante, el Emisor podrá, sin necesidad de obtener el consentimiento de los Tenedores, previa notificación remitida con una antelación mínima de 30 días a los Tenedores y a los Agentes de Pagos, designar una fecha (en adelante, la "Fecha de Redenominación"), que será una Fecha de Pago de Intereses en virtud de las Cédulas Hipotecarias que caiga en la fecha, o después de la fecha, en la que el Reino de Noruega se convierta en un Estado Miembro Participante.</p> <p>(b) <i>Redenominación:</i> Sin perjuicio del resto de las disposiciones contenidas en las presentes</p>	<p>3.11 Redenomination, Renominalisation and Reconventioning</p> <p>(a) <i>Notice of redenomination:</i> If the Kingdom of Norway becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Holders, on giving at least 30 days' prior notice to the Holders and the Agent, designate a date (the "Redenomination Date"), being an Interest Payment Date under the Covered Bonds falling on or after the date on which the Kingdom of Norway becomes a Participating Member State.</p> <p>(b) <i>Redenomination:</i> Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:</p> <p>(i) the Covered Bonds shall be deemed to be redenominated into Euro in the</p>

Condiciones, y con efectos a partir de la Fecha de Redenominación:

- (i) se entenderá que las Cédulas Hipotecarias han sido objeto de redenominación a euros, con una denominación de 0.01 EUR con una cuantía de principal para cada Cédula Hipotecaria igual a la cuantía de principal de dicha Cédula Hipotecaria en Coronas Noruegas, convertido a euros al tipo de conversión de dicha divisa al euro que establezca el Consejo de la Unión Europea con arreglo al Tratado (incluida la observancia de las reglas relativas al redondeo de acuerdo con la normativa de la Comunidad Europea); *teniéndose en cuenta, no obstante, que*, en caso de que el Emisor determine, con el acuerdo del Agente, que la práctica de mercado en relación con la nueva denominación a 0,01 EUR de los valores ofrecidos internacionalmente resulta distinta a la arriba especificada, dichas disposiciones se entenderán modificadas para ajustarse a dicha práctica de mercado, procediendo de inmediato el Emisor a notificar a los Tenedores, a cada autoridad de cotización, bolsa de valores y/o sistema de cotización (en su caso) en el que las Cédulas Hipotecarias hayan sido entonces admitidas a cotización, negociación y/o contratación y a los Agentes de Pagos de dichas modificaciones;
- (ii) en caso de haberse emitido Cédulas Hipotecarias en formato definitivo:
- (A) todos los Cupones no vencidos denominados en Coronas Noruegas (incorporados a las Cédulas Hipotecarias) devendrán nulos con efectos a partir de

denomination of Euro 0.01 with a principal amount for each Covered Bond equal to the principal amount of that Covered Bond in Norwegian Kroner, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); provided, however, that, if the Issuer determines, with the agreement of the Agent, that market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders, each listing authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation and the Agent of such deemed amendments;

- (ii) if Covered Bonds have been issued in definitive form:

(A) all unmatured Coupons denominated in Norwegian Kroner (attached to the Covered Bonds) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Holders that replacement Covered Bonds denominated in Euro are available for exchange (provided that such Covered Bonds are available) and no payments will be made in

<p>la fecha (en adelante, la "Fecha de Cambio a Euros") en la que el Emisor remita la notificación (en adelante, la "Notificación de Cambio a Euros") a los Tenedores en la que se indique que están a su disposición las Cédulas Hipotecarias denominadas en euros para su canje (<i>siempre que</i> dichas Cédulas Hipotecarias estén disponibles) y no se efectuará pago alguno en relación con los mismos;</p> <p>(B) las obligaciones de pago contenidas en todas las Cédulas Hipotecarias denominadas en Coronas Noruegas devendrán nulas en la Fecha de Cambio a Euros pero la totalidad del resto de las obligaciones del Emisor en virtud de las mismas (incluida la obligación de canjear dichas Cédulas Hipotecarias de acuerdo con lo previsto en la presente Condición) permanecerá plenamente vigente; y</p> <p>(iii) se expedirán las nuevas Cédulas Hipotecarias denominadas en euros a cambio de las Cédulas Hipotecarias denominadas en Coronas Noruegas en la forma que especifique el Agente y se notifique a los Tenedores en la Notificación de Cambio a Euros; y</p> <p>(iv) todos los pagos relativos a las Cédulas Hipotecarias (a excepción de, salvo que la Fecha de Redenominación caiga en, o después de, la fecha en la que la Corona Noruega deje de ser una</p>	<p>respect thereof;</p> <p>(B) the payment obligations contained in all Covered Bonds denominated in Norwegian Kroner will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Covered Bonds in accordance with this Condition) shall remain in full force and effect; and</p> <p>(iii) new Covered Bonds denominated in Euro will be issued in exchange for Covered Bonds denominated in Norwegian Kroner in such manner as the Agent may specify and as shall be notified to the Holders in the Euro Exchange Notice; and</p> <p>(iv) all payments in respect of the Covered Bonds (other than, unless the Redenomination Date is on or after such date as Norwegian Kroner ceases to be a sub-division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in by Euro cheque drawn on, or by credit or transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a country in a city in which banks have access to the TARGET System.</p> <p>(c) <i>Interest:</i> Following redenomination of the Covered Bonds pursuant to this Condition, where Covered Bonds have been issued in definitive form, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate principal amount of the Covered Bonds presented for payment by the relevant</p>
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<p>subdivisión del euro, los pagos de intereses relativos a los periodos que comiencen antes de la Fecha de Redenominación) serán hechos exclusivamente a través de cheques en euros librados contra, o mediante abono o transferencia a una cuenta en euros (u otra cuenta en la que puedan abonarse o transferirse euros) abierta por el beneficiario en, un banco de un país y ciudad en que los bancos tengan acceso al Sistema TARGET.</p> <p>(c) <i>Intereses:</i> Tras la redenominación de las Cédulas Hipotecarias en virtud de lo previsto en la presente Condición, en los casos en que las Cédulas Hipotecarias se hayan emitido en formato definitivo, la cuantía de los intereses vencidos en relación con las Cédulas Hipotecarias se calculará en función de la cuantía de principal total de las Cédulas Hipotecarias presentadas al pago por el tenedor de que se trate.</p> <p>(d) <i>Interpretación:</i> A los efectos de la presente Condición:</p> <p>Por el término "Estado Miembro Participante" se entenderá todo estado miembro de la Unión Europea que adopte el Euro como su moneda de curso legal de acuerdo con lo previsto en el Tratado; y</p> <p>Por el término "Tratado" se entenderá, el Tratado por el que se establece la Comunidad Europea, con sus correspondientes reformas.</p>	<p>holder.</p> <p>(d) <i>Interpretation:</i> In this Condition:</p> <p>"Participating Member State" means a member state of the European Union which adopts the Euro as its lawful currency in accordance with the Treaty; and</p> <p>"Treaty" means the Treaty establishing the European Community, as amended.</p>
<p>3.12 Ley aplicable y jurisdicción</p> <p>(a) <i>Ley aplicable:</i> Las Cédulas Hipotecarias se regirán e interpretarán con arreglo a la legislación española.</p> <p>(b) <i>Juzgados y Tribunales de la ciudad de Madrid:</i> Los juzgados y tribunales de la ciudad de Madrid ostentarán la jurisdicción exclusiva para dirimir cualquier controversia (en adelante, una "Controversia") que pueda surgir de, o en relación con, las Cédulas</p>	<p>3.12 Governing Law and Jurisdiction</p> <p>(a) <i>Governing law:</i> The Covered Bonds are governed by, and shall be construed in accordance with, Spanish law.</p> <p>(b) Courts of the city of Madrid: The courts of the city of Madrid have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Covered Bonds.</p>

<p>Hipotecarias.</p> <p>(c) <i>Ejecución:</i> En tanto en cuanto las Cédulas Hipotecarias estén incorporadas a un Título Múltiple al Portador depositado en una entidad depositaria común para Euroclear y/o Clearstream (Luxemburgo), todo Tenedor podrá, en cualquier Controversia surgida contra el Emisor o en la que el Tenedor y el Emisor sean partes, proteger y hacer valer en su propio nombre sus derechos en virtud de sus Cédulas Hipotecarias, siempre que haya obtenido: (a) un certificado expedido por su Depositario (i) en el que se indique el nombre y domicilio completos del Tenedor, (ii) en el que se especifique una cuantía de principal total de Cédulas Hipotecarias abonada en la fecha de dicha declaración en la cuenta de valores de dicho Tenedor abierta en dicha entidad Depositaria, y (iii) en el que se confirme que el Depositario ha remitido una notificación a Euroclear o, según el caso, a Clearstream (Luxemburgo) y al Agente en la que se incluya la información prevista en los apartados (i) y (ii) y en el que figuren los reconocimientos de Euroclear o, según el caso, Clearstream (Luxemburgo) y del Agente y (b) una copia del Título Múltiple al Portador de Cédulas Hipotecarias certificado como copia auténtica por un alto cargo debidamente autorizado del Agente. A los efectos de lo anteriormente expuesto, por el término "Depositario" se entenderá cualquier banco u otra institución financiera de reconocido prestigio autorizado/a a llevar a cabo actividades de depósito y custodia de valores en el/la que el Tenedor mantenga abierta una cuenta de valores en relación con cualquier Cédula Hipotecaria, e incluye a Euroclear y Clearstream (Luxemburgo).</p>	<p>(c) <i>Enforcement:</i> For so long as the Covered Bonds are in global bearer form and deposited with a common depository for Euroclear and/or Clearstream, Luxembourg, any Holder may in any Dispute against the Issuer or to which the Holder and the Issuer are parties protect and enforce in its own name its rights arising under its Covered Bonds provided that it has obtained: (a) a certificate issued by its Custodian (i) stating the full name and address of the Holder, (ii) specifying an aggregate principal amount of Covered Bonds credited on the date of such statement to such Holder's securities account maintained with such Custodian, and (iii) confirming that the Custodian has given a written notice to Euroclear or, as the case may be, Clearstream, Luxembourg and the Agent containing the information pursuant to (i) and (ii) and bearing acknowledgments of Euroclear or, as the case may be, Clearstream, Luxembourg and the Agent and (b) a copy of the Global Covered Bond certified as being a true copy by a duly authorised officer of the Agent. For the purposes of the foregoing, "Custodian" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of any Covered Bonds, and includes Euroclear and Clearstream, Luxembourg.</p>
<p>EN TESTIMONIO DE LO CUAL, se incorpora a continuación la firma manuscrita de un representante debidamente autorizado en nombre del Emisor.</p>	<p>AS WITNESS the manual signature of a duly authorised person on behalf of the Issuer.</p>

<p>BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</p> <p>Firmado:</p> <p><i>[SELLO ORDINARIO DEL EMISOR]</i></p>	<p>BANCO BILBAO VIZCAYA ARGENTARIA, S.A.</p> <p>By:</p> <p><i>[COMMON SEAL OF ISSUER]</i></p>
<p>EXPEDIDO el 1 de octubre de 2007</p>	<p>ISSUED on 1 October 2007</p>
<p>AUTENTICADO en nombre y representación de Citibank, N.A. en calidad de agente sin recurso, garantía o responsabilidad</p> <p>Firmado:</p> <p>(debidamente autorizado)</p>	<p>AUTHENTICATED for and on behalf of Citibank, N.A. as agent without recourse, warranty or liability</p> <p>By:</p> <p><i>(duly authorised)</i></p>

Modelo de Cupón	Form of Coupon
<p data-bbox="165 327 456 360"><i>[En la cara del Cupón:]</i></p> <p data-bbox="165 398 804 544">BANCO BILBAO VIZCAYA ARGENTARIA, S.A. Cédulas Hipotecarias por valor de 1.100.000.000 NOK, al 5,62 por ciento, con vencimiento en 2027</p> <p data-bbox="165 577 804 651">Cupón de 28.100 NOK con vencimiento en <i>[fecha de pago de intereses]</i>.</p> <p data-bbox="165 685 804 1200">Dicha cuantía será pagadera, con sujeción a los términos y condiciones (en adelante, las “Condiciones”) endosadas a la Cédula Hipotecaria a que se refiere el presente Cupón (que son vinculantes para el tenedor del presente Cupón independientemente de que en cada momento esté incorporado a dicha Cédula Hipotecaria), contra la presentación y entrega del presente Cupón en el domicilio especificado en cada momento de cualquiera de los agentes indicados en el reverso del presente Cupón (o cualesquiera agentes adicionales o sucesores nombrados en su momento de acuerdo con las Condiciones).</p> <p data-bbox="165 1234 804 1552">TODA PERSONA ESTADOUNIDENSE QUE SEA TENEDOR DE LA PRESENTE CÉDULA HIPOTECARIA ESTARÁ SUJETA A LOS LÍMITES PREVISTOS EN VIRTUD DE LA LEGISLACIÓN FISCAL SOBRE LA RENTA DE LOS ESTADOS UNIDOS, INCLUIDOS LOS LÍMITES PREVISTOS EN LOS ARTÍCULOS 165(j) Y 1287(a) DEL CÓDIGO TRIBUTARIO.</p> <p data-bbox="165 1585 488 1619"><i>[En el reverso del Cupón:]</i></p> <p data-bbox="165 1720 804 1794">Agente: Citibank, N.A., 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.</p>	<p data-bbox="858 327 1206 360"><i>[On the face of the Coupon:]</i></p> <p data-bbox="858 398 1485 544">BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NOK 1,100,000,000 5.62 per cent. Covered Bonds (Cédulas Hipotecarias) due 2027</p> <p data-bbox="858 577 1485 651">Coupon for NOK 28,100 due on <i>[interest payment date]</i>.</p> <p data-bbox="858 685 1485 1043">Such amount is payable, subject to the terms and conditions (the “Conditions”) endorsed on the Covered Bond to which this Coupon relates, against presentation and surrender of the Covered Bond to which this Coupon is attached at the specified office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).</p> <p data-bbox="858 1077 1485 1391">ANY UNITED STATES PERSON WHO HOLDS THE COVERED BOND TO WHICH THIS COUPON IS ATTACHED WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.</p> <p data-bbox="858 1424 1246 1458"><i>[On the reverse of the Coupon:]</i></p> <p data-bbox="858 1559 1485 1632">Agent: Citibank, N.A., 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.</p>

USE OF PROCEEDS

The net proceeds of the issue of the Covered Bonds will be used by the Issuer for general corporate purposes.

DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

History and Development of BBVA

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

BBVA's predecessor bank, Banco Bilbao Vizcaya, S.A., was incorporated as a limited liability company (a *sociedad anónima* or "S.A.") under the Spanish Corporations Law on 1 October 1988. BBVA was formed as the result of a merger by absorption of Argentaria into BBV that was approved by the shareholders of each institution on 18 December 1999 and registered on 28 January 2000. It is registered in the Mercantile Registry of Vizcaya (Spain), in Companies Ledger 2,083, folio 1, inscription 1, Sheet number BI-17-A. It conducts its business under the commercial name "BBVA". It has its registered office at Plaza de San Nicolás 4, Bilbao, Spain, 48005, and operates out of Paseo de la Castellana, 81, 28046, Madrid, Spain, telephone number 34-91-537-9766.

Business Overview

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

Business Areas

In December 2006, the Group adopted a new organizational structure that has begun to implement in 2007, which is designed to streamline the Group's corporate structure and give greater weight and autonomy to its business units. The Group expects to focus its operations on five major business areas: Spain and Portugal; Wholesale Businesses; South America; Mexico and the United States; and Corporate Activities. As part of the reorganization, the Business Banking, Corporate Banking and Institutional Banking units ("BEC") will be included in the Spain and Portugal area (as of 31 December 2006 such units had been included in the Wholesale Businesses area) and the Asset Management unit will form part of the Global Business unit in the Wholesale Businesses area.

The Group expects to focus its operations on five major business areas:

- Spain and Portugal;
- Global Businesses;
- Mexico and the United States;
- South America; and
- Corporate Activities.

The foregoing description of our business areas is consistent with our current internal organization. The financial information for our business areas for the six months ended 30 June 2007 and 2006 presented below has been prepared on a uniform basis, consistent with

the Group's new organizational structure being implemented in 2007. Unless otherwise indicated, the financial information provided below for each business area does not reflect the elimination of transactions between companies within one business area or between different business areas, since BBVA considers these transactions to be an integral part of each business area's activities. However, such intra- and inter-business area transactions are eliminated and the eliminations are generally reflected in the operating results of the Corporate Activities business area.

The following table sets forth information relating to income attributed to the Group for each of its business areas for the six months ended 30 June 2007 and 2006.

	Six months ended 30 June,					
	Income/(Loss) Attributed to the Group		% of Subtotal		% of Income/(Loss) Attributed to the Group	
	2007	2006	2007	2006	2007	2006
			(unaudited)			
Spain and Portugal.....	1,172	914	40%	37%	35%	27%
Global Businesses.....	451	426	16%	17%	13%	13%
Mexico and the United States.....	949	825	33%	34%	28%	25%
South America.....	326	281	11%	12%	10%	8%
Subtotal.....	2,898	2,446	100%	100%	86%	73%
Corporate Activities	476	890			14%	27%
Income attributed to the Group	3,374	3,336			100%	100%

In terms of net interest income, the principal markets in which the Group competes, based on the business area which generates the activity, for the six months ended 30 June 2007 and 2006 were as follows:

	Six months ended June 30,	
	Net interest income	
	2007	2006
	(unaudited)	
Spain and Portugal.....	2,057	1,809
Global Businesses.....	25	102
Mexico and the United States.....	1,989	1,664
South America.....	765	627
Subtotal.....	<u>4,836</u>	<u>4,202</u>
Corporate Activities.....	<u>(223)</u>	<u>(151)</u>
Net interest income to the Group.....	<u>4,613</u>	<u>4,051</u>

Spain and Portugal

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

- **Financial services:** Cover business with private individuals and small businesses, and the consumer finance provided by Finanzia and Uno-e;
- **Corporate and business banking:** which manages SMEs, large companies and institutions in the Spanish market, which were joined by wholesale businesses in 2006;
- **European Insurance:** this unit handles insurance business in Spain and Portugal; and
- **BBVA Portugal.**

Global Businesses

The Global Businesses area includes:

- **Global Customers and Markets:** this unit combines the products of investment banking and the markets unit with services for large international companies. It also co-ordinates the corporate banking and markets business in Mexico and South America although its earnings are recorded under the corresponding areas.

- **Asset Management and Private Banking:** this unit designs and manages the products that are marketed through the Group's different branch networks.
- **Business and Real Estate Projects:** this unit contains two businesses: business projects, which includes management of direct and private equity holdings. In this case the Group acts under the Valanza brand; and the second business is real estate projects through Anida.

Mexico and the United States

This area includes Banking Businesses; Pensions and Insurance Businesses in Mexico and the United States (including Puerto Rico).

Proposed Transaction to Acquire Compass Bancshares, Inc.

On 16 February 2007 BBVA entered into a definitive agreement to acquire 100 per cent. of the shares of Compass for a consideration made up of a combination of ordinary shares of BBVA and cash (the "Compass Agreement"). Pursuant to the Compass Agreement, Compass shareholders can elect to receive 2.8 BBVA ordinary shares or American Depositary Shares ("ADS" or "ADSs") or \$71.82 in cash for each Compass share, subject to proration. The transaction was completed on 7 September 2007 with a final price of \$9.1 billion.

The transaction was approved by the Board of Directors of each of BBVA and Compass. On 21 June 2007, BBVA's shareholders approved the increase of BBVA's capital by a nominal sum of €96,040,000 in an issue of 196,000,000 new ordinary shares, excluding pre-emptive subscription rights, in order to fund the acquisition of 100% of the shares representing the capital of Compass. The approval of the shareholder of Compass was obtained in the General Shareholders' Meeting held on 8 August 2007. The aggregate consideration is composed of a fixed number of 196 million ordinary shares of BBVA and approximately \$4.6 billion in cash. As a result of this transaction, BBVA's share capital was increased on 10 September 2007.

BBVA expects that its business in the United States will contribute approximately 10 per cent. of the Group's earnings and that it will become a regional leader across the U.S. Sunbelt. BBVA's U.S. business, upon completion of the proposed transaction, is expected to consist of approximately 622 branches and \$47 billion in assets.

Established in 1970, and based in Birmingham, Alabama, Compass has a presence in the retail, wholesale and private banking segments. Compass shares are traded through the NASDAQ Global Select Market exchange. Compass conducts a general commercial banking and trust business in 415 banking centres, including 164 in Texas, 89 in Alabama, 75 in Arizona, 44 in Florida, 33 in Colorado and 10 in New Mexico, as of 31 December 2006.

For the year ended 31 December 2006, Compass had total assets of \$34 billion, and total shareholders' equity of \$2.8 billion. Net interest income was \$1.1 billion for the year ended 31 December 2006. Net income was \$460 million for the year ended 31 December 2006.

South America

The businesses units included in this area are:

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

Corporate Activities

The Corporate Activities area handles the Group's general management functions. These mainly consist of structural positions for interest rates associated with the euro balance sheet and exchange rates, together with liquidity issues and shareholders' funds.

This area includes two units:

- **Financial Management and Planning. The Assets and Liabilities Committee (ALCO) administers the Group's interest- and exchange-rate structure as well as its overall liquidity and shareholders' funds.**
- **Actively managing exchange-rate exposure on its long-term investments helps BBVA to preserve its capital ratios and bring stability to the Group's income statement whilst controlling impacts on reserves and the costs from this risk management.**
- **Holdings in Industrial and Financial Companies, this unit manages the Group's investment portfolio in industrial and financial companies applying strict criteria for risk-control, economic capital consumption and return on investment, with diversification over different industries. It also applies dynamic monetization and coverage management strategies to holdings.**

Organisational Structure

Below is a simplified organisational chart of BBVA's significant subsidiaries as of 31 December 2006. An additional 277 companies are domiciled in the following countries: Argentina, Belgium, Bolivia, Brazil, Cayman Islands, Channel Islands, Chile, Colombia, Ecuador, France, Ireland, Italy, Luxembourg, Mexico, Netherlands, Antilles, Panama, Paraguay, Peru, Portugal, Puerto Rico, Spain, United Kingdom, United States of America, Dominican Republic, Uruguay and Venezuela.

Subsidiary	Country of Incorporation	Activity	BBVA Voting Power	BBVA Ownership	Total Assets
			(percentages)		(in millions of Euro)
Administradora de Fondos Para el Retiro-Bancomer, S.A. de C.V	Mexico	Financial services	100.00	97.29	204
Administradora de Fondos de Pensiones Provida.....	Chile	Financial services	64.32	64.32	410
Banc Banco Bilbao Vizcaya Panama, S.A	Panama	Bank	98.93	98.93	853
Banco Bilbao Vizcaya Argentaria (Portugal), S.A.....	Portugal	Bank	100.00	100.00	5,286
Banco Bilbao Vizcaya Argentaria Puerto Rico, S.A.....	Puerto Rico	Bank	100.00	100.00	4,797
Banco Bilbao Vizcaya Argentaria Uruguay, S.A.	Uruguay	Bank	100.00	100.00	354
Banco Continental, S.A.	Peru	Bank	92.08	46.04	4,427
Banco de Crédito Local, S.A.....	Spain	Bank	100.00	100.00	11,563
Banco Provincial S.A.-Banco Universal	Venezuela	Bank	55.60	55.60	6,561
BBVA Chile, S.A.....	Chile	Bank	67.84	67.84	6,534
BBVA Banco Francés, S.A.....	Argentina	Bank	76.09	76.07	4,176
BBVA Colombia, S.A.....	Colombia	Bank	95.43	95.43	4,765
Banco Granahorrar, S.A.	Colombia	Bank	98.78	94.21	1,447
BBVA Factoring E.F.C., S.A.....	Spain	Financial services	100.00	100.00	5,468
BBVA Renting, S.A.	Spain	Financial services	100.00	99.95	575
BBVA Ireland Public Limited Company	Ireland	Financial services	100.00	100.00	4,347
BBVA Paraguay, S.A.	Paraguay	Bank	99.99	99.99	330
BBVA Bancomer USA (formerly Valley Bank).....	U.S.A.	Bank	100.00	99.96	84
BBVA Bancomer, S.A. de CV.....	Mexico	Bank	100.00	99.96	54,059
Hipotecaria Nacional, S.A. de CV ...	Mexico	Financial services	100.00	99.96	721
Pensiones Bancomer, S.A. de CV....	Mexico	Insurance	100.00	99.95	1,276
Seguros Bancomer.....	Mexico	Insurance	100.00	99.97	912
Texas State Bank.....	U.S.A.	Bank	100.00	100.00	6,507
BBVA Switzerland.....	Switzerland	Bank	100.00	100.00	539
BBVA Seguros, S.A.....	Spain	Insurance	99.94	99.94	12,285
Finanzia, Banco de Credito, S.A.	Spain	Bank	100.00	100.00	3,573
Uno-e Bank, S.A.....	Spain	Bank	67.00	67.00	1,428
Laredo National Bancshares Inc.	U.S.A.	Bank	100.00	100.00	3,389

Trend Information

The European financial services sector is likely to remain competitive with increasing numbers of providers of financial services and alternative distribution channels. Further consolidation in the sector (through mergers, acquisitions or alliances) is likely as the other major banks look to increase their market share or combine with complementary businesses. It is foreseeable that regulatory changes will take place in the future that will diminish barriers to such consolidation transactions.

The following are the most important trends, uncertainties and events that are reasonably likely to have a material effect on BBVA or that would cause the financial information disclosed herein not to be indicative of its future operating results or financial condition:

- **uncertainties relating to economic growth expectations and interest rate cycles, especially in the United States where the high current account deficit of the U.S. economy may translate into an upward adjustment of risk premium and higher global interest rates. In this scenario, the Spanish economy could perform similarly to how it performed during the recession at the beginning of the 1990s;**
- **the possibility of experiencing a severe slowdown in the U.S. real estate market, which could have pervasive effects in the North American economy and consequently in the global markets;**
- **a downturn in capital markets or a downturn in investor confidence, linked to factors such as geopolitical risk, particularly given the environment in the Middle East. Continued or new crises in the region could cause an increase in oil prices, generating inflationary pressures that will have a negative effect on interest rates and economic growth;**
- **the effect that an economic slowdown may have over Latin American markets and fluctuations in local interest and exchange rates;**
- **a downturn in the Spanish economy or an abrupt adjustment in housing prices, which could affect the credit quality of BBVA's portfolio; and**
- **although it is foreseeable that entry barriers to domestic markets in Europe will be lowered, BBVA plans for expansion into other European markets could be affected by entry barriers in such countries.**

Selected Financial Data

IFRS Data

The historical financial information set forth below has been selected from, and should be read together with, the audited consolidated financial statements of the Issuer as at and for the years ending 31 December 2006, 2005 and 2004 incorporated by reference herein.

Consolidated statement of income data

	Year ended 31 December,		
	2006	2005	2004

	<i>(in millions of Euro)</i>		
Net interest income	8,374	7,208	6,160
Gross income	15,701	13,024	11,121
Net operating income.....	8,883	6,823	5,591
Income attributed to the Group	4,736	3,806	2,923

Consolidated balance sheet data

	Year ended 31 December,		
	2006	2005	2004

	<i>(in millions of Euro)</i>		
Total assets	411,916	392,389	329,441
Loans and receivables	279,855	249,397	196,892
Deposits from other customers	192,374	183,375	150,726
Marketable debt securities and subordinated liabilities	91,271	76,565	57,809
Minority interests	768	971	738
Shareholders' equity	18,210	13,036	10,961

The historical financial information set forth below has been selected from and should be read together with, the interim unaudited financial statements of the Issuer (on a consolidated basis) for the six month periods ended 30 June 2007 (incorporated by reference herein), 2006 and 2005.

Consolidated statement of income data

	Six months ended June 30,		
	2007	2006	2005

	<i>(in millions of euros)</i>		
	<i>(unaudited)</i>		
Net interest income	4,613	4,050	3,366
Gross income	9,272	7,924	6,100
Net operating income	5,719	4,575	3,201
Income attributed to the Group	3,374	3,336	1,813

Consolidated balance sheet data

	At or for the six months		Year ended December, 31
	ended June 30,	2006	
	2007	2005	

	<i>(in millions of euros)</i>		
	<i>(unaudited)</i>		
Total assets	466,443	411,916	392,389
Loans and receivables (net)	322,452	279,855	249,397
Deposits from other creditors	223,793	192,374	183,375
Marketable debt securities and subordinated liabilities	100,844	91,271	76,565
Minority interests	797	768	971
Stockholders' equity	20,076	18,210	13,034

Directors and Senior Management

BBVA is managed by a Board of Directors which, in accordance with its current by-laws (*estatutos*), must consist of no less than nine and no more than 16 members. All members of the board of directors are elected to serve five-year terms.

The Board of Directors has created the Executive Committee, the Audit and Compliance Committee, the Appointments and Compensation Committee and the Risk Committee. All the Board of Directors Committees were formed on 28 June 2002.

BBVA's Board of Directors is assisted in fulfilling its responsibilities by the Executive Committee (Comisión Delegada Permanente) of the Board of Directors, which, under BBVA's Regulations of the Board of Directors, must be comprised of at least half plus one independent director. The Board of Directors delegates all management functions, except those that it must retain due to legal or statutory requirements, to the Executive Committee.

Board of Directors

The Board of Directors of BBVA is currently comprised of 14 members. The business address of the Directors of BBVA is Paseo de la Castellana 81, 28046 Madrid.

The following table sets forth the names of the members of the Board of Directors as of the date of this Offering Circular, their date of appointment and re-election, if applicable, their current positions and their present principal outside occupation and five-year employment history.

BBVA may, from time to time, enter into transactions in the ordinary course of its business, and on an arms-length basis, with the Directors.

BBVA's Regulations for the Board of Directors include rules which are designed to prevent situations where a potential conflict of interest may arise. These Regulations provide, among other matters, that Directors with a potential conflict of interest may not participate in meetings at which those situations are being considered. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the Directors and their duties to BBVA.

Name	Current Position	Date Nominated	Date Re-elected	Present Principal Outside Occupation and Five-Year Employment History(*)
-	-	-	-	-
Francisco González Rodríguez ⁽¹⁾	Chairman and Chief Executive Officer	18 December 1999	26 February 2005	Chairman, Argentaria, May 1996 – January 2000; Chairman, BBVA, since January 2000; Director of BBVA Bancomer Servicios, S.A.; Grupo Financiero BBVA Bancomer, S.A. C.V. and BBVA Bancomer S.A.

Name	Current Position	Date Nominated	Date Re-elected	Present Principal Outside Occupation and Five-Year Employment History(*)
-	-	-	-	-
José Ignacio Goirigolzarri Tellaeché⁽¹⁾	President and Chief Operating Officer	18 December 2001	1 March 2003	Director, Telefónica. S.A., April 2000-April 2003; Vice President, Repsol YPF, S.A., 2002 – 2003; Director, BBVA Bancomer Servicios, S.A.; Director, Grupo Financiero BBVA Bancomer and BBVA Bancomer, S.A.; President and Chief Operating Officer, BBVA, since 2001.
Tomás Alfaro Drake⁽²⁾	Independent Director	18 March 2006		Director of Business Management and Administration and Business Sciences programmes at Universidad Francisco de Vitoria, since 1998.
Juan Carlos Álvarez Mezquíriz⁽¹⁾⁽³⁾	Independent Director	18 December 1999	18 March 2006	Managing Director, Grupo Eulen; Director, Bodegas Vega Sicilia, S.A.
Rafael Bermejo Blanco⁽²⁾⁽⁴⁾	Independent Director	16 March 2007		Technical Secretary General of Banco Popular, 1999-2004.
Richard C. Breeden	Independent Director	29 October 2002	28 February 2004	Chairman, Richard C. Breeden & Co.
Ramón Bustamante y de la Mora⁽²⁾⁽⁴⁾	Independent Director	18 December 1999	26 February 2005	Director, Ctra. Inmo. Urba. Vasco Aragonesa, S.A.
José Antonio Fernández Rivero⁽⁴⁾	Independent Director	28 February 2004		Appointed Group General Manager, 2000 2003; from 2003 to 2005: Deputy Chairman of Telefónica and Member of its Audit and Regulation Committees. Member of the Board and Executive Committee of Iberdrola, Director of Banco de Crédito Local and Chairman of Adquira.
Ignacio Ferrero Jordi⁽¹⁾⁽³⁾	Independent Director	18 December 1999	26 February 2005	Chairman, Nutrexpa, S.A.; Chairman, La Piara S.A
Román Knörr Borrás⁽¹⁾	Independent Director	28 May 2002	1 March 2003	Chairman, Carbónicas Alavesas, S.A.; Director, Mediasal 2000, S.A. and President of the Alava Chamber of Commerce; Chairman, Confebask (Basque Business Confederation) from 1999 to 2005; Director of Aguas de San Martín de Veri, S.A. until January 2006. Plenary member and Chairman of the Training Committee of the Supreme Council of Chamber of Commerce.
Carlos Loring Martínez de Irujo⁽²⁾⁽³⁾	Independent Director	28 February 2004	18 March 2006	He was a partner of J&A Garrigues, from 1977 until 2004; Director of the Department of Mergers and Acquisitions, of Banking and Capital Markets, Member of the Management Committee since 1985.

Name	Current Position	Date Nominated	Date Re-elected	Present Principal Outside Occupation and Five-Year Employment History(*)
-	-	-	-	-
José Maldonado Ramos ⁽⁴⁾⁽⁵⁾	Director and General Secretary	18 December 1999	28 February 2004	Director, Telefónica S.A., February 1999 April 2003; Secretary of the Board of Directors and Director and General Secretary, Argentaria since May 1997-2000; Director and General Secretary, BBVA, since January 2000.
Enrique Medina Fernández ⁽¹⁾⁽⁴⁾	Independent Director	18 December 1999	28 February 2004	Director and Secretary, Sigma Enviro, S.A.
Susana Rodríguez Vidarte ⁽²⁾⁽³⁾	Independent Director	28 May 2002	1 March 2003	Dean of Deusto "La Comercial" University since 1996.

(*) Telefónica de España, S.A. and Mr. Ricardo Lacasa Suárez each left their respective position on the Board of Directors on 16 March 2007 and 28 March 2007, respectively

(**) Where no date is provided, positions are currently held

- (1) Member of the Executive Committee
- (2) Member of the Audit and Compliance Committee
- (3) Member of the Appointment and Compensation Committee
- (4) Member of the Risk Committee
- (5) Secretary of the Board of Directors

Major Shareholders

As far as BBVA is aware as of the date of this Prospectus, no shareholder or other person, corporation or government holds beneficially, directly or indirectly, more than five per cent. of BBVA's shares, other than international custodian companies (nominees). BBVA's major shareholders do not have voting rights which are different from those held by the rest of its shareholders. To the extent known to it, BBVA is not controlled, directly or indirectly, by any other corporation, government or any other natural or legal person. As at 25 September 2007, there were 886,797 registered holders of BBVA's shares, with a total of 985,865,554 shares held by 190 shareholders with registered addresses in the United States. Since certain of such shares and ADRs are held by nominees, the foregoing figures are not representative of the number of beneficial holders. BBVA's directors and executive officers did not own any ADRs as at 30 June 2007.

However, Mr. Manuel Jove announced on 24 July 2007 his intention to buy up to 5% of the share capital of BBVA, subject to the approval of Bank of Spain.

Legal Proceedings

On March 15, 2002, the Bank of Spain announced that it was opening an administrative proceeding against BBVA and certain individuals who have served as members of BBVA's Board of Directors or as executive officers. This announcement was the result of BBVA's voluntary disclosure to the Bank of Spain on January 19, 2001 that BBVA funds then amounting to approximately Ptas. 37,427 million (approximately €225 million) had been held in offshore accounts and not been reflected in its financial statements. These funds had been

generated largely as a result of capital gains realized on transactions in BBV and Argentaria shares and were included in BBVA's financial statements in 2000. The Bank of Spain subsequently conducted a confidential investigation which led to the commencement of its administrative proceeding. The Bank of Spain's administrative proceeding was suspended upon commencement of the proceeding initiated by the National Criminal Court (discussed below) and has been recently recommenced once there has been a definitive judicial resolution.

At the time the Bank of Spain proceeding was suspended, no formal charges had been made by the Bank of Spain relating to the facts and events under investigation. BBVA is therefore unable to determine what, if any, charges will be made by the Bank of Spain and to what conduct any such charges may relate. However, based on BBVA's assessment of the probable charges and penalties that could be imposed by the Bank of Spain and that since the initiation of the Bank of Spain proceeding, BBVA has continued to be engaged regularly in extending commercial and other types of credit and accepting demand and other types of deposits, BBVA believes that the resolution of such proceeding would not have a material adverse effect on BBVA or its consolidated financial position or results of operations.

Criminal Proceedings

On April 9, 2002, Spain's National Criminal Court (*Audiencia Nacional*) commenced a criminal proceeding regarding the previously unreported funds and suspended the administrative proceeding initiated by the Bank of Spain. The National Criminal Court proceeding was subsequently split into two separate proceedings. One proceeding, relating to the use of the unreported funds to create pension accounts, was in the first instance resolved by the National Criminal Court in 2005, with just one person indicted from the former five people charged. The High Court of Spain (*Tribunal Supremo*) in November 2006 resolved on this case by acquitting this person of any responsibility and establishing that no criminal offence took place. In the second proceeding, which generally relates to the unreported funds, the National Criminal Court resolved on the 7th of May 2007 that there is no ground to continue with the criminal proceeding. This resolution puts an end to the criminal proceedings commenced regarding the previously unreported funds and allows the suspended administrative proceedings to be restarted.

Spanish National Market Commission (the "CNMV")

On May 22, 2002, the Spanish securities market regulator, the CNMV, instituted administrative proceedings against BBVA for alleged violations of the Securities Markets Act in connection with the same events being investigated by the Bank of Spain. As with the Bank of Spain proceeding, the National Criminal Court requested that the CNMV suspend its proceedings until resolution of the criminal proceedings described above. The CNMV proceeding was suspended on January 7, 2003 and has remained suspended pending completion of the proceeding initiated by the National Criminal Court. Based on BBVA's assessment of the probable charges and penalties that could be imposed by the CNMV, and the fact that since the initiation of the CNMV proceeding the CNMV has not restricted BBVA from continuing to be actively involved in capital markets transactions in Spain, including by conducting offerings of its own debt and equity securities, BBVA believes that once the

CNMV proceeding is recommenced after the conclusion of the criminal proceeding, resolution of such proceeding would not have a material adverse effect on BBVA or its consolidated financial position or results of operations.

Other Proceedings

BBVA Privanza Bank Ltd. (Jersey)

A proceeding was initiated alleging that certain employees of BBVA Privanza Bank Ltd. Jersey) cooperated in the creation of accounts and financial products in Jersey which were allegedly used by Spanish individuals to avoid Spanish tax obligations. The proceedings also included an allegation of a tax offence due to the purported non-consolidation of a fully-owned subsidiary. This proceeding is ongoing and charges have not been brought against any BBVA employee or director. In light of the surrounding events and circumstances, BBVA's legal advisers do not expect that the proceedings described above will have a material effect on BBVA.

TAXATION AND DISCLOSURE OF HOLDER INFORMATION IN CONNECTION WITH PAYMENTS OF DISTRIBUTIONS

The following is a general description of certain Spanish tax considerations relating to the Preferred Securities. It does not purport to be a complete analysis of all tax considerations relating to the Preferred Securities. Prospective purchasers of Preferred Securities should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Preferred Securities and receiving any payments under the Preferred Securities. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Offering Circular:

- (a) of general application, Additional Provision two of Law 13/1985, of 25 May 1985, on investment ratios, own funds and information obligations of financial intermediaries, as promulgated by Law 19/2003, of 4 July 2003, on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures and Law 23/2005, of 18 November 2005, on certain measures to promote productivity. Consideration has also been given to Royal Decree 2281/1998, of 23 October 1998, developing certain disclosure obligations to the tax authorities, as amended by Royal Decree 1778/2004, of 30 July 2004, establishing information obligations in relation to preferred securities and other debt instruments and certain income obtained by individuals resident in the European Union and other tax rules;
- (b) for individuals with tax residency in Spain which are Individual Income Tax (IRPF) taxpayers, Personal Income Tax Law 35/2006, of 28 November 2006 and Royal Decree 439/2007, of 30 March 2007, promulgating the Individual Income Tax Regulations, along with Law 19/1991, of 6 June 1991, on Wealth Tax and Law 29/1987, of 18 December 1987, on Inheritance and Gift Tax;
- (c) for legal entities resident for tax purposes in Spain which are Corporation Tax taxpayers, Royal Legislative Decree 4/2004, of 5 March 2004, promulgating the Consolidated Text of the Corporation Tax Law, and Royal Decree 439/2007, of 30 March 2007, promulgating the Corporation Tax Regulations; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are Non Resident Income Tax taxpayers, Royal Legislative Decree 5/2004, of 5 March 2004, promulgating the Consolidated Text of the Non-Resident Income Tax Law, and Royal Decree 1776/2004, of 30 July 2004, promulgating the Non-Resident Income Tax Regulations, along with Law 19/1991, of 6 June 1991, on Wealth Tax and Law 29/1987, of 18 December 1987, on Inheritance and Gift Tax.

Whatever the nature and residence of the holder of Preferred Securities, the acquisition and transfer of the Preferred Securities will be exempt from indirect taxes in Spain, i.e. exempt

from Capital Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September 1993, and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December 1992, regulating such tax.

TAXATION

The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Covered Bonds. It does not purport to be a complete analysis of all tax consequences relating to the Covered Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Covered Bonds and receiving any payments under the Covered Bonds. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date. References in this section to Holders include the beneficial owners of the Covered Bonds.

Acquisition of the Covered Bonds

The issue of, subscription for, transfer and acquisition of the Covered Bonds is exempt from Transfer and Stamp Tax (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) and Value Added Tax (*Impuesto sobre el Valor Añadido*).

Taxation on the income and transfer of the Covered Bonds

The tax treatment of the acquisition, holding and subsequent transfer of the Covered Bonds is summarised below and is based on the tax regime applicable to the Covered Bonds pursuant to Royal Legislative Decree 4/2004 of 5 March 2004 approving the consolidated text of the Corporate Income Tax Law (*Impuesto sobre Sociedades*), Law 35/2006 of 28 November 2006 approving the Individuals Income Tax Law (*Impuesto sobre la Renta de las Personas Físicas*), Royal Legislative Decree 5/2004 of 5 March 2004 approving the consolidated text of the Non-Resident Income Tax Law (*Impuesto sobre la Renta de los no Residentes*), Law 19/1991 of 6 June 1991 approving the Wealth Tax Law (*Impuesto sobre el Patrimonio*) and Law 29/1987 of 18 December 1987 approving the Inheritance and Gift Tax Law. Consideration has also been given to the rules for the implementation of such regulations (Royal Decree 1777/2004 of 30 July 2004 approving the Corporate Income Tax Regulations, Royal Decree 439/2007 of 30 March 2007 approving the Individuals Income Tax Regulations and Royal Decree 1776/2004 of 30 July 2004 approving the Non-Resident Income Tax Regulations).

On 6 July 2003, new legislation came into force in Spain relating to, *inter alia*, the issuance of preferred securities and debt securities issued by Spanish financial and non-financial listed entities, either directly or through a subsidiary (Additional Provision Two of Law 13/1985 of 25 May 1985 on investment ratios, own funds and information obligations of financial intermediaries, as amended by Law 19/2003 of 4 July 2003 on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures and Law 23/2005 of 18 November 2005 on certain measures to promote productivity). Consideration has also been given to Royal Decree 2281/1998 of 23 October 1998 developing certain disclosure obligations to the tax authorities, as amended by Royal Decree 1778/2004 of 30 July 2004 establishing information obligations in relation to preferred

securities and other debt instruments and certain income obtained by individuals resident in the European Union and other tax rules.

Individuals or entities with tax residency in Spain

Individuals Income Tax

Income obtained by Holders who are Individuals Income Tax payers, both as interest and in connection with the transfer, redemption or repayment of the Covered Bonds, shall be considered income on investments obtained from the assignment of own capital to third parties, as defined in Section 23.2 of Individuals Income Tax Law ("IRPF") and therefore will be taxed as savings income at the current rate of 18 per cent.

In this sense, in the event of revenues derived from receipt of Covered Bonds, the aggregate income shall be determined by the amount of interest received, including the withholding tax made, as the case may be.

Furthermore, in the event of transfer, redemption or repayment of the Covered Bonds, the income on investment shall be deemed to be the difference between the transfer, redemption or repayment value (less properly supported ancillary disposal expenses) and the acquisition or subscription value (plus properly supported ancillary acquisition expenses). Expenses corresponding to discretionary or individual portfolio management are not computed for these purposes.

Both types of income received shall be subject to an 18 per cent. withholding tax on account of the individuals' final IRPF tax liability.

Corporate Income Tax

Income obtained both as interest and in connection with the transfer, redemption or repayment of the Covered Bonds by Corporate Income Tax payers, shall be computed as taxable income in accordance with the rules set out in Title IV of the Corporate Income Tax Law and will therefore be taxed at the current rate of 32.5 per cent. in 2007 and 30 per cent. in 2008 and subsequent years.

The aforesaid income shall not be subject to withholding tax as provided by Section 59(s) of the Corporate Income Tax Regulations, to the extent that the Covered Bonds satisfy the requirements – as Covered Bonds issued under the Programme are expected to do – laid down by the reply to the consultation of the Directorate General for Taxation (*Dirección General de Tributos*), on 20 July 2004, indicating that in the case of issues made by entities resident in Spain, as with the Issuer, application of the exemption requires that the Covered Bonds be placed outside Spain in another OECD country and traded on organised markets in OECD countries.

Individuals or entities with no tax residency in Spain

Income obtained by Holders who are Non-Resident Income Tax payers, both on interest and in connection with the transfer, repayment or redemption of the Covered Bonds, whether or not through a permanent establishment, shall be considered Spanish source income and

therefore subject to taxation in Spain under Legislative Royal Decree 5/2004 of 5 March 2004 approving the Consolidated Non-Resident Income Tax Law, without prejudice to the provisions contained in any applicable tax treaty for the avoidance of double taxation (DTT).

Income obtained through a permanent establishment in Spain

The holding of Covered Bonds by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

Income obtained by Non Spanish resident holders acting through a permanent establishment in Spain will be taxed under the rules provided by Chapter III of the Non-Resident Income Tax Law. These Holders will be subject to taxation substantially in the same manner as has been set out for Spanish Corporate Income Tax payers.

Income not obtained through a permanent establishment in Spain

Income obtained by Holders who are not tax resident in Spain acting for these purposes without a permanent establishment within Spain are exempt from such Non-Resident Income Tax, except if such income is obtained through countries or territories considered as Tax Havens pursuant to Royal Decree 1080/1991 of 5 July 1991 in which case such income will be subject to Non-Resident Income Tax in Spain at the rate of 18 per cent. to be withheld by the Issuer.

For these purposes it is necessary to fulfil certain disclosure obligations relating to the identity and tax residence of the Holders, as described below under "*Disclosure of Holder information in connection with interest payments*", in accordance with Section 12 of Royal Decree 2281/1998 of 23 October 1998 developing certain disclosure obligations to the tax authorities, as amended by Royal Decree 1778/2004 of 30 July 2004 establishing information obligations in relation to preferred securities and other debt instruments and certain income obtained by individuals resident in the European Union and other tax rules. If these disclosure obligations are not complied with in the required manner, the Issuer will apply a withholding of 18 per cent. and will not, as a result, be under any obligation to pay additional amounts.

Wealth Tax

Spanish Wealth Tax (*Impuesto sobre el Patrimonio*) is levied on the net worth of an individual's assets at rates ranging between 0.2 per cent and 2.5 per cent. Individuals who are resident in Spain for tax purposes and who hold Covered Bonds at 31st December of each year would be subject to tax, taking into account the Covered Bonds for the purposes of calculating their tax liability.

Non-Spanish residents (other than those holding their Covered Bonds through a Tax Haven) whose income is exempt in regard to Non-Resident Income Tax, on the terms set forth above, shall be exempt from Wealth Tax on the Covered Bonds.

Legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax

The transfer of the Covered Bonds to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*) even if title passes outside Spain and neither the heir nor the beneficiary, as the case may be, is resident in Spain for tax purposes, without prejudice to the provisions of any DTT signed by Spain.

The applicable tax rates, after applying all relevant factors, range between 7.65 per cent and 81.6 per cent.

In the event that the beneficiary is an entity other than a natural person, the income obtained shall be subject to Corporate Income Tax or Non-Resident Income Tax, as the case may be, and without prejudice, in the latter event, to the provisions of any DTT that may apply.

Tax Havens

Pursuant to Royal Decree 1080/1991 of 5 July 1991 the following are each considered to be a tax haven:

Principality of Andorra, Netherlands Antilles, Aruba, Kingdom of Bahrain, Sultanate of Brunei, Republic of Cyprus, Gibraltar, Hong-Kong, The Island of Anguila, Islands of Antigua and Barbuda, The Bahamas, The Island of Barbados, The Bermuda Islands, Cayman Islands, The Cook Islands, The Republic of Dominica, Grenada, Fiji Islands,	Channel Islands (Jersey and Guernsey), Jamaica, Falkland Islands, Isle of Man, Marianas Islands, Mauritius, Montserrat, Republic of Nauru, Solomon Islands, Saint Vincent & the Grenadines, Saint Lucia, Republic of Trinidad and Tobago, Turks and Caicos Islands, Republic of Vanuatu, British Virgin Islands, Virgin Islands (of the United States),	Hashemite Kingdom of Jordan, Republic of Lebanon, Republic of Liberia, Principality of Liechtenstein, Grand Duchy of Luxembourg Area (as regards the income received by the Companies referred to in paragraph 1 of Protocol annexed Avoidance of Double Taxation Treaty, dated 3rd June, 1986), Macao, Principality of Monaco, Sultanate of Oman, Republic of Panama, Republic of San Marino, Republic of Seychelles, Republic of Singapore
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Disclosure of Holder Information in connection with Interest Payments

The procedure summarised below is subject to review and amendment by the European Clearing Systems as well as to further requirements of the Spanish tax authorities. Holders must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Covered Bonds. None of the Issuer, the Manager, the Agent or the European Clearing Systems assume any responsibility therefore.

Therefore, each Holder is deemed to be aware of the obligations set out below regarding the disclosure of Holder information and the consequences of non-compliance. Specifically, Holders are deemed to be aware of the application of Spanish withholding tax if certain information is not provided in a timely manner.

Legal Entities with Tax Residence in Spain subject to Spanish Corporate Income Tax

The Agent must be provided with a list of those investors who are Spanish Corporate Income Tax payers together with their name, address, Tax Identification Number, ISIN code of the relevant Series, number of Covered Bonds of the relevant Series held at each interest payment date, gross income and amount withheld. All of the records mentioned should be provided in the form set out in Annex III below.

Individuals and Legal Entities which are Non Tax Residents in Spain

The information requirements to be complied with in order to apply the exemption are those established by Section 12 of the Royal Decree 2281/1998 (Section 12) as set out in Royal Decree 1778/2004, being the following:

The Issuer must make a return on a yearly basis to the Spanish tax authorities enclosing the following information related to the Covered Bonds and the investors:

- The identity and country of residence of the recipient of the income. When the income is received on behalf of a third party, then the identity and country of residence of that third party must be provided too;
- The amount of income received; and
- Identification of the Covered Bonds involved.

In addition, the following supporting documentation drafted in Spanish must be obtained in respect of each payment of income evidencing the identity and residence of each Holder:

- (a) If the non-resident Holder (beneficial owner) acts on its behalf and is a Central Bank, or any other public law institution, an International Organisation, a bank or a credit or financial entity, including Collective Investment Institutions, Pension Funds and Insurance Entities, resident in an OECD country or in a country or territory having a double tax treaty with Spain (including an information exchange clause), the mentioned entity should certify its name and tax residence as is established by Annex I of the Ministerial Order of 16 September 1991 (see Annex I below).
- (b) In the case of transactions in which any of the entities referred to in (a) above acts as an intermediary, it has to certify according to its own records, the name and tax residence of each Holder as is established by Annex II of the Ministerial Order of 16 September 1991 (see Annex II below).
- (c) In the case of transactions channelled through a securities clearing and deposit entity recognised for these purposes by Spanish law or by one of an OECD country, the mentioned entity should, in accordance with the information contained in its own

records, certify the name and tax residence of each Holder as is established by Annex II of the Order of 16 September 1991 (see Annex II below).

- (d) In other cases, the tax residence should be evidenced by submission of the certificate of tax residence issued by the tax authorities of the country of residence of the Holder. These certificates will be valid for one year from the date of issuance and shall be the original ones.

Further, for the purpose of applying the withholding tax exemption for non-resident investors when the specific information required by Section 12 is provided, the following procedure must also be followed:

- On each Interest Payment Date, the Issuer or the Agent on its behalf must transfer the net amount (82 per cent. of the entitled amount) to the entities referred to in the above paragraphs (a), (b) and (c). If the above mentioned supporting documentation has been received prior to the Interest Payment Date, then the Issuer or the Agent shall gross up the 18 per cent. withheld.

If a beneficial owner intends to benefit from a withholding tax exemption, the above supporting documentation should be provided to the Agent following the procedures established in the Agency Agreement. Copies of the Agency Agreement may be obtained as set out under "General Information". The Issuer may from time to time appoint an agent other than the Agent to intermediate with the European Clearing Systems in the provision of such information. Details of any such appointment and any amended procedures will be set out in the applicable Final Terms.

- If the Agent does not receive complete supporting documentation in respect of a Holder by an Interest Payment Date, such holder may obtain a refund of the full amount of withholding tax by ensuring the supporting documentation described above has been received by the Agent no later than 10:00 a.m. (Central European time) on second business day prior to the 10th calendar day of the month following the Interest Payment Date (the "Refund Deadline").
- Holders entitled to a refund but in respect of whom relevant supporting documentation has not been provided to the Agent on or before the Refund Deadline may apply for a full refund of the withholding tax directly to the Spanish tax authorities (by means of the standard refund procedure).

Set out below are Annexes I, II and III. Sections in English have been translated from the original Spanish for information purposes. In the event of any discrepancy, the Spanish version shall prevail.

Annex I

Modelo de certificación en inversiones por cuenta propia

Form of Certificate for Own Account Investments

(nombre) (name)

(domicilio) (address)

.....

.....

(NIF) (fiscal ID number)

(en calidad de) , en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 12.3.a) del Real Decreto 2281/1998, modificado por el Real Decreto 1778/2004

(function) , in the name and on behalf of the Entity indicated below, for the purposes of article 12.3.a) of Royal Decree 2281/1998, as amended by Royal Decree 1778/2004

CERTIFICO:

CERTIFY:

1. Que el nombre o razón social de la Entidad que represento es:
that the name of the Entity I represent is:

2. Que su residencia fiscal es la siguiente:
that its residence for tax purposes is:

3. Que la Entidad que represento está inscrita en el Registro de
that the institution I represent is recorded in the Register of
(pais, estado, ciudad), con el número
(country, state, city), under number

4. Que la Entidad que represento está sometida a la supervisión de (Organo supervisor)
that the institution I represent is supervised by..... (Supervision body)
en virtud de (normativa que lo regula)
under(governing rules).

Todo ello en relación con:

All the above in relation to:

Identificación de los valores poseidos por cuenta propia

Identification of securities held on own account:

Importe de los rendimientos

Amount of income

Lo que certifico en..... a de de 20

I certify the above in on the of of 20.....

Annex II

Modelo de certificación en inversiones por cuenta ajena

Form of Certificate for Third Party Investments

(nombre) (name)

(domicilio) (address)

.....

.....

(NIF) (fiscal ID number)

(en calidad de) , en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 12.3.b) y c) del Real Decreto 2281/1998, modificado por el Real Decreto 1778/2004

(function) , in the name and on behalf of the Entity indicated below, for the purposes of article 12.3.b) and c) of Royal Decree 2281/1998, as amended by Royal Decree 1778/2004

CERTIFICO:

CERTIFY:

1. Que el nombre o razón social de la Entidad que represento es:
that the name of the Entity I represent is:

2. Que su residencia fiscal es la siguiente:
that its residence for tax purposes is:

3. Que la Entidad que represento está inscrita en el Registro de
that the institution I represent is recorded in the Register of
(país, estado, ciudad), con el número
(country, state, city), under number

4. Que la Entidad que represento está sometida a la supervisión de (Organo supervisor)
that the institution I represent is supervised by..... (Supervision body)
en virtud de (normativa que lo regula)
under(governing rules).

5. Que, de acuerdo con los registros de la Entidad que represento, la relación de titulares adjunta a la presente certificación, comprensiva del nombre de cada uno de los titulares no residentes, su país de residencia y el importe de los correspondientes rendimientos, es exacta, y no incluye personas o Entidades residentes en España o en los países o territorios que tienen en España la consideración de paraíso fiscal de acuerdo con las normas reglamentarias en vigor.
That, according to the records of the Entity I represent, the list of beneficial owners hereby attached, including the names of all the non-resident holders, their country of residence and the amounts of the corresponding income is accurate, and does not include person(s) or

institution(s) resident either in Spain or in tax haven countries or territories as defined under Spanish applicable regulations.

Lo que certifico en..... a de de 20

I certify the above in on the of of 20.....

RELACIÓN ADJUNTA A CUMPLIMENTAR:

TO BE ATTACHED:

Identificación de los valores:

Identification of the securities

Listado de titulares:

List of beneficial owners:

Nombre / País de residencia / Importe de los rendimientos

Name / Country of residence / Amount of income

Annex III

Modelo de certificación para hacer efectiva la exclusión de retención a los sujetos pasivos del Impuesto sobre Sociedades y a los establecimientos permanentes sujetos pasivos del Impuesto sobre la Renta de No Residentes

Certificate for application of the exemption on withholding to Spanish Corporate Income Tax payers and to permanent establishments of non-resident income tax taxpayers

(nombre) (name)

(domicilio) (address)

.....

.....

(NIF) (fiscal ID number)

(en calidad de), en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 59.s) del Real Decreto 1777/2004,

(function), in the name and on behalf of the Entity indicated below, for the purposes of article 59.s) of Royal Decree 1777/2004,

CERTIFICO:

CERTIFY:

1. **Que el nombre o razón social de la Entidad que represento es:**
that the name of the Entity I represent is:
2. **Que su residencia fiscal es la siguiente:**
that its residence for tax purposes is:
3. **Que la Entidad que represento está inscrita en el Registro de**
that the institution I represent is recorded in the Register of
(pais, estado, ciudad), con el número
(country, state, city), under number
4. **Que la Entidad que represento está sometida a la supervisión de (Organo supervisor)**
that the institution I represent is supervised by..... (Supervision body)
en virtud de (normativa que lo regula)
under(governing rules).
5. **Que, a través de la Entidad que represento, los titulares incluidos en la relacion adjunta, sujetos pasivos del Impuesto sobre Sociedades y establecimientos permanentes en España de sujetos pasivos del Impuesto sobre la Renta de no Residentes, son perceptores de los rendimientos indicados.**
That, through the Entity I represent, the list of holders hereby attached, are Spanish Corporate Income Tax payers and permanent establishment in Spain of Non-Resident Income Tax taxpayers, and are recipients of the referred income.

6. **Que la Entidad que represento conserva, a disposición del emisor, fotocopia de la tarjeta acreditativa del número de identificación fiscal de los titulares incluidos en la relación.**
That the Entity I represent keeps, at the disposal of the Issuer, a photocopy of the card evidencing the Fiscal Identification

Number of the holders included in the attached list.

Lo que certifico en..... a de de 20

I certify the above in on the of of 20.....

**RELACION ADJUNTA
TO BE ATTACHED**

**Identificación de los valores:
Identification of the securities**

Razón social / Domicilio / Número de identificación fiscal / Número de valores / Rendimientos brutos / Retención al 18%

Name / Domicile / Fiscal Identification Number / Number of securities / Gross income / Amount withheld at 18%.

SUBSCRIPTION AND SALE

UBS Limited (the "Manager") has, in a subscription agreement dated 26 September 2007 (the "Subscription Agreement") and made between the Issuer and the Manager upon the terms and subject to the conditions contained therein agreed to subscribe for the Covered Bonds at their issue price of 100 per cent. of their principal amount.

1. United States of America

The Covered Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

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

The Manager has agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered the Covered Bonds, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Covered Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it has sent to each dealer to which it sells Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Covered Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

2. Selling Restrictions Addressing United Kingdom Securities Laws

The Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any 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 Covered Bonds in circumstances in which section 21(1) of the FSMA does not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Covered Bonds in, from or otherwise involving the United Kingdom.

3. Spain

The Manager has acknowledged that the Covered Bonds must not be offered, distributed or sold in Spain in the primary market. No publicity of any kind shall be made in Spain.

4. General

The Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Covered Bonds or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Manager shall have any responsibility therefor.

Neither the Issuer nor the Manager represents that the Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Covered Bonds has been authorised by a resolution of the Board of Directors of the Issuer dated 26 September 2006.

Legal and Arbitration Proceedings

2. The Issuer is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or of the Issuer and its consolidated subsidiaries.

Significant or Material Change

3. There has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since 30 June 2007 and no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2006.

Auditors

4. The annual financial statements of the Issuer have been audited without qualification for the years ended 2005 and 2006 by Deloitte, S.L., Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid, registered as auditors in the *Registro Oficial de Auditores de Cuentas*.

Documents on Display

5. Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the registered office of the Issuer and at the specified office of the Agent for 12 months from the date of this Prospectus:
 - (a) the bylaws of the Issuer;
 - (b) the Subscription Agreement;
 - (c) the Agency Agreement; and
 - (d) the audited consolidated financial statements of the Issuer for the years ended 31 December 2006 and 2005.

Yield

- 6. On the basis of the issue price of the Covered Bonds of 100 per cent. of their principal amount, the gross real yield of the Covered Bonds is 5.62 per cent. on an annual basis.**

Legend Concerning US Persons

- 7. The Covered Bonds and any Coupons appertaining thereto bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."**

ISIN and Common Code

- 8. The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0308135291 and the common code is 030813529. In addition, the Covered Bonds have an EDS of 12554981 and a BBG of EG5872866.**

Estimated Expenses of Admission to Trading

- 9. The total expenses related to the admission to trading of the Covered Bonds on the London Stock Exchange's gilt-edged and fixed interest market equal approximately £4,600.**

THE ISSUER

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TO THE MANAGER**

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