

SERIES INFORMATION MEMORANDUM

DOURO FINANCE B.V.

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

Series 2015-273 EUR 5,000,000 Secured Limited Recourse Floating Rate Securities due 2030

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

The Securities are only intended for highly sophisticated and knowledgeable investors who are capable of understanding and evaluating the risks involved in investing in the Securities and who are required to read the "Risk Factors" section of the Douro Finance B.V. information memorandum dated 30 July 2014.

Arranger and Dealer

Banco Bilbao Vizcaya Argentaria, S.A.

The date of this Series Information Memorandum is 28 July 2015

GENERAL

This Series Information Memorandum dated 28 July 2015 under which the Series 2015-273 EUR 5,000,000 Secured Limited Recourse Floating Rate Securities due 2030 (the **Securities**) are described, is supplemental to the Information Memorandum dated 30 July 2014 (the **Information Memorandum**) relating to the EUR 5,000,000,000 Limited Recourse Secured Debt Issuance Programme (the **Programme**) of Douro Finance B.V. (the **Issuer**) and is issued in conjunction with, and incorporates by reference, the Information Memorandum. This Series Information Memorandum constitutes a prospectus issued in compliance with Directive 2003/71/EC (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the 2010 PD Amending Directive) to the extent such amendments have been implemented in a relevant Member State of the European Economic Area and relevant laws of Ireland. It should be read together with the Information Memorandum as one document. To the extent that the Information Memorandum is inconsistent with this Series Information Memorandum, this Series Information Memorandum shall prevail. Terms defined in the Information Memorandum shall, unless the context otherwise requires, bear the same meanings herein.

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

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

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

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

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

The Securities will not be rated.

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

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

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

This Series Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of the Information Memorandum and this Series Information Memorandum and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer, the Trustee and the relevant Dealer do not and will not represent that the Information Memorandum or this Series Information Memorandum may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by the Issuer, the Trustee or any Dealers (save for the approval of this document as a prospectus by the Central Bank and, in the case of the Information Memorandum only, as may be specified in a Series Information Memorandum relating to any other series of securities of the Issuer) which is intended to permit a public offering of the Securities or distribution of the Information Memorandum or this Series Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither the Information Memorandum nor this Series Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession the Information Memorandum, this Series Information Memorandum or any Securities come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of the Information Memorandum and this Series Information Memorandum and the offer or sale of Securities in the United States, the European Economic Area (including the United Kingdom, the Netherlands, Italy, the Kingdom of Spain and Ireland), Japan and Hong Kong (see the "*Subscription and Sale and Transfer Restrictions*" in the Information Memorandum).

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

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States and the Securities are in bearer form and are subject to U.S. tax law requirements. Consequently, the Securities may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (Regulation S)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws and the Securities forming part of a Non-U.S. Series may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. Persons or to a person who is not a Non-United States Person (as defined in CFTC Rule 4.7 of the United States Commodity Futures Trading Commission). In addition, the Issuer has

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

The Securities have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Series Information Memorandum or the Information Memorandum. Any representation to the contrary is a criminal offence in the United States.

Securities have not been registered under the Securities Act and may not be offered or sold in the United States or to U.S. Persons or to persons who are not Non-United States Persons (as defined in CFTC Rule 4.7 of the United States Commodity Futures Trading Commission).

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

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

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

TABLE OF CONTENTS

	Page
Risk Factors	6
Use of Proceeds	19
Issue Terms	20
Annex: Credit Support Document	27
Form of Swap Transaction Confirmation	31
Subscription and Sale and Transfer Restrictions	36
Description of the Charged Assets and the Obligors under the Charged Assets	49
Description of the Counterparty	50
Incorporation of documents by Reference	53
General Information	54
2014 Audited Financial Statements	57

RISK FACTORS

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

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

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

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

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

Investor suitability

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

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

Independent review and advice

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

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

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

No secondary market

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

Limited recourse

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

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

Credit risk

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

The Issuer will hold cash comprising the Charged Assets in the Cash Deposit Account. Any cash held by the Account Bank on behalf of the Issuer will be held by the Account Bank in its capacity as banker, and not as trustee. The Issuer and the Securityholders will therefore be exposed to the credit risk of the Account Bank on an unsecured basis for the period during which the cash is held by the Account Bank on behalf of the Issuer.

Business relationships

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

Conflicts of Interest

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

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

securities on behalf of, arrange or manage transactions on behalf of, accept deposits from, make loans or otherwise extend credit to and generally engage in any kind of commercial or investment banking or other business with any other person and (c) act with respect to such business in the same manner as if the Securities did not exist, , the Charged Assets, the Securities, or on the position of any other party to the transaction described herein or otherwise.

No Obligations owing by the Calculation Agent

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

Legal opinions

Legal opinions relating to the Securities may be obtained on issue with respect to the laws of England and of the Netherlands and, in the case of a U.S. Series, the federal securities laws of the United States, but no such opinions will be obtained with respect to any other applicable laws and no investigations will be made into the validity or enforceability of the laws of any other jurisdiction in respect of the obligations under the Securities. Any such legal opinions will not be addressed to, and may not be relied on by, Securityholders. In particular, save as aforesaid, no legal opinions will be obtained in relation to:

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

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

Legality of purchase

None of the Issuer, the Dealer(s) or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. However, notwithstanding the lawfulness of any acquisition of the Securities, sales or transfers of Securities that would cause the Issuer to be required to register as an investment company under the 1940 Act will be void *ab initio* and will not be honoured by the Issuer and, where a Security is held by or on behalf of a U.S. Person who is not an Eligible Investor at the time it purchases such Security or by or on behalf of any investor that would cause the Issuer to be required to register as an investment company under the 1940 Act, the Issuer may, in its discretion and at the expense and risk of such holder, (A) redeem such Securities, in whole or in part, to permit the Issuer to avoid registration under the 1940 Act or (B) compel any such holder to transfer the Securities to an Eligible Investor, to a non-U.S. Person outside the United States or to any other investor that would not cause the Issuer to be required to register as an investment company under the 1940 Act, or cause a transfer of the Securities on behalf of such holder.

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

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

Foreign Account Tax Compliance withholding may affect payments on the Securities

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or "**FATCA**") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

While the Securities are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together, the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Securities are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act.*"

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is 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 adopted similar measures (a withholding system in the case of Switzerland).

If 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 any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax.

Financial Transactions Tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's Proposal**") for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT would apply to persons both within and outside of the participating member states. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating member state. A financial institution may be, or be deemed to be, "established" in a participating member state in a broad range of circumstances, including (a) by transacting with a person established in a participating member state or (b) where the financial instrument which is subject to the financial transaction is issued in a participating member state.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities) if it is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Securities and may result in investors receiving less interest or principal than expected. In addition, the Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may also result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

A joint statement issued in May 2014 by ten of the eleven participating member states indicated an intention to implement the FTT progressively, such that it would initially extend to transactions involving shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not available and further changes could be made prior to adoption.

The FTT proposal remains subject to negotiation between the participating member states. It may therefore be altered prior to any implementation. Additional EU member states may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

Modifications to the terms of the Securities

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

Trustee Indemnity

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

Provision of information

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

Market Conditions

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

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

Securityholders, the market value of the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities.

Comparative Returns

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

Eurosystem Eligibility

There may be an intention for certain Securities to be held in a manner which will allow Eurosystem eligibility. This simply means that such Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that such Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Charged Assets

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

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

Illiquid Charged Assets

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

Repo of Charged Assets

If specified in the Issue Terms, the Issuer may enter into one or more Repurchase Agreements in respect of the Charged Assets at any time after the Issue Date. The Issue Terms will specify whether or not the prior consent of Securityholders (or, in the case of a Series of Securities consisting of Non-Fungible Tranches, consent of the holders of one or more specified Non-Fungible Tranches) is required. Securityholders may therefore become subject to the credit risk of a Repurchase Agreement Counterparty (and the other risks described in this section in respect of Repurchase Agreements and Counterparties generally) even in circumstances where their consent is not required at the relevant time or where they have voted contrary to the requisite percentage majority of Securityholders (or the holders of the relevant Non-Fungible Tranche(s)) who have approved the entry into a Repurchase Agreement.

The sale proceeds received pursuant to any such Repurchase Agreement in respect of any Charged Assets to be sold thereunder shall be calculated as the Nominal Value, the Market Value or the Fair Value of such Charged Assets as specified in the Issue Terms or notice to the Securityholders. Any such amount may be less than the redemption amount of such Charged Assets and/or the realisable value of such Charged Assets at the Maturity Date or any other date on which the Issuer would otherwise be required to fund a payment under the Securities from the same.

Margin calls under Swap Agreements with credit support annex and Repurchase Agreements

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

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

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

Credit Risk of Banco Bilbao Vizcaya Argentaria S.A. group entities as a Counterparty and as issuer and/or guarantor of Charged Assets

The Issuer has entered into a Swap Agreement and may enter into a Repurchase Agreement with BBVA as Counterparty. To the extent that BBVA fails to make due and timely payment or delivery under the Swap Agreement or Repurchase Agreement, as the case may be, such agreement may be terminated, the security enforced and the Securities redeemed and a loss of principal or a delay in payment under the Securities may result.

BBVA may act as Counterparty and if the Charged Assets are obligations of BBVA or one of its subsidiaries, investors will be exposed to the credit risk of BBVA group entities both as the Counterparty and as the issuers and/or guarantors of the Charged Assets. In the event of an insolvency of an obligor in respect of the Charged Assets and/or a Counterparty, various insolvency and related laws applicable to such entity(ies) may limit the amount investors may recover and determine or affect when such recovery may be made. In the event that a Counterparty fails to make due and timely payment or delivery under the Swap Agreement or Repurchase Agreement, as the case may be, it is likely that the liquidation proceeds of Charged Assets issued or guaranteed by any entity in the same group at such time are likely to be significantly less than par and may be zero which means that an investor may lose some or all of the money it has invested in the Securities.

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

Due to potential market volatility and other factors, the market value of the Charged Assets at any time will vary, and may vary substantially, from the principal amount of such Charged Assets. To the extent that the nominal amount and/or market value of the Charged Assets (if any) is at any time less than the outstanding

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

Substitution of Charged Assets and Investment or Reinvestment of Charged Assets

The terms of the Securities may provide that the Charged Assets may be substituted in accordance with the terms of Condition 4 (Charged Assets).

Such substitution may either be at the direction of a Counterparty pursuant to Condition 4(b)(i) (Substitution at direction of Counterparty) on a Nominal Basis, Market Value Basis or Fair Value Basis or at the request of Securityholders pursuant to Condition 4(b)(ii) (Substitution at the request of Securityholders). Such substitution may be in whole or in part and may be for cash or other assets. In the event that such request is made by Securityholders representing at least 50 per cent. of the aggregate Outstanding Principal Amount of the Securities, the Securities shall be restructured and amended as set out in Condition 4(b)(ii) (Substitution at the request of Securityholders). All Securityholders are deemed to have accepted Condition 4(b)(ii) (Substitution at the request of Securityholders) and to be bound by the terms thereof even if not Consenting Holders.

Further issues

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

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

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

Early Redemption

The Securities may be redeemed early in certain circumstances, including where there is an event of default in relation to the Securities, following occurrence of an Event Determination Date in respect of the CDS Transaction, where there is an event of default in relation to the Charged Assets, where certain regulatory events occur (which may also lead to an adjustment), where illegality event occurs and where there is a termination under a Swap Agreement or Repurchase Agreement. Prospective purchasers should note that the amount payable on early redemption may be significantly less than the amount that would otherwise have

been payable at maturity of the Securities. Prospective purchasers should note in particular that pursuant to Condition 7(h) (Cessation of interest), on early redemption, interest payable on the Securities will cease to accrue from, and including, the immediately preceding Interest Payment Date or, if none, the Interest Commencement Date or, in the case of early redemption following occurrence of an Event Determination Date in respect of the CDS Transaction, the Interest Payment Date immediately preceding the Event Determination Date.

Physical Delivery

In the case of Securities which provide for physical delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting and/or where Failure to Deliver due to Illiquidity is specified as applying in the Issue Terms, that it is impossible or impracticable to deliver when due some or all of the Relevant Assets due to illiquidity in the relevant market. A Settlement Disruption Event is an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the Issuer in accordance with the Conditions is not practicable. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities and/or lead to cash settlement in whole or in part rather than physical settlement in respect of the Securities.

The Issuer will not be responsible for any such consequences and shall not be obliged to compensate Securityholders. Securityholders will be solely responsible for determining whether they are permitted to hold the Relevant Assets, including under applicable securities laws.

The Issuer may have the right to vary settlement

In the case of Securities which provide for physical delivery, if so indicated in the Issue Terms, the Issuer has an option to vary settlement in respect of such Securities. If exercised by the Issuer, this option will lead to physical delivery Securities being cash settled or cash settled Securities being physically settled. Exercise of such option may adversely affect the value of the Securities.

Currency Risk

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

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

UK Banking Act 2009

The Banking Act 2009 (the "**Banking Act**"), which came into effect on 21 February 2009, includes (amongst other things) provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of a UK bank or building society (such as any UK

bank acting as Principal Paying Agent or Custodian). In particular, in respect of UK banks, such tools include share and property transfer powers (including powers for partial property transfers), certain ancillary powers (including powers to modify certain contractual arrangements in certain circumstances) and two new special insolvency procedures which may be commenced by UK authorities (i.e. bank insolvency and bank administration). It is possible that the extended tools described above could be used prior to the point which an application for insolvency proceedings with respect to a relevant entity could be made.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial systems of the United Kingdom. The Act includes provisions related to compensation in respect of transfer instruments and orders made under it.

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

The Banking Act 2009 (Restriction on Partial Property Transfers) (Amendment) Order 2009 (the "**Safeguards Order**") came into force on 9 July 2009. The Safeguards Order imposes certain controls on the powers set out in the Banking Act and, inter alia, prevents the transfer under an instrument or order of some and not all of the property, rights and liabilities that comprise a "capital market arrangement" and also includes a restriction on the power to amend the terms of a trust if a partial property transfer is made pursuant to an instrument or order under the Banking Act. The issuance of Securities by the Issuer would constitute a "capital market arrangement" and therefore have the benefit of the Safeguards Order. However, Securityholders should note that such protections apply to partial property transfers only and not to all powers that can be carried out under an instrument or order.

Bank Recovery and Resolution Directive

On 6 May 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the **Bank Recovery and Resolution Directive** or **BRRD**). The BRRD was published in the Official Journal of the EU on 12 June 2014 and came into force on 2 July 2014. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

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

Securities to equity (the **general bail-in tool**), which equity could also be subject to any future application of the general bail-in tool.

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

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

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

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

European Market Infrastructure Regulation

European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**) entered into force on 16 August 2012. EMIR provides for certain OTC derivative contracts to be submitted to central clearing and imposes, *inter alia*, margin posting and other risk mitigation techniques, reporting and record keeping requirements. EMIR is a Level 1 regulation and requires secondary rules for full implementation of all elements. Some (but not all) of these secondary rules have been finalised and certain requirements under EMIR are now in effect. These requirements do not include the clearing or margin posting requirements, which requirements are expected only to apply in respect of new swap arrangements entered into from the relevant future effective dates.

If the Issuer is required to comply with certain obligations under EMIR which may give rise to additional costs and expenses for the Issuer, this may in turn reduce amounts available to make payments with respect to the Securities.

USE OF PROCEEDS

The net proceeds of the issue of the Securities, which amount to EUR 5,000,000, will be used by the Issuer to purchase the Charged Assets from the Vendor.

Method of Payment

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

ISSUE TERMS

Issue Terms dated 20 July 2015

Douro Finance B.V.

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

Issue of Series 2015-273 EUR 5,000,000 Secured Limited Recourse Floating Rate Securities due 2030 (the "**Securities**")

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Information Memorandum dated 30 July 2014 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area (the "**Prospectus Directive**"). Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Issue Terms, the Information Memorandum and the Series Information Memorandum in respect of the Series (the "**Series Information Memorandum**"). The Information Memorandum, the Series Information Memorandum and these Issue Terms are available for viewing during normal office hours at the office of the Principal Paying Agent in London and copies may be obtained from the principal office of the Issuer.

Terms of the Securities

The Securities have the "**Terms**" as set out in these Issue Terms, which will complete and modify (i) the Bearer Securities Base Conditions Module, July 2014 Edition and (ii) the General Definitions Module, July 2014 Edition (the "**General Definitions Module**"), both of which are incorporated by reference into these Issue Terms (together, the "**Conditions**") and are set out in full in the Information Memorandum.

As used herein, the term "**Swap Transaction**" means the swap transaction with an effective date of 20 July 2015 entered into between the Issuer and the Counterparty pursuant to a 2002 ISDA Master Agreement and Schedule thereto (in the form of the Swap Schedule Terms Module, July 2014 Edition) dated as of 2 July 2015 and a 1995 ISDA credit support annex (Bilateral Form-Transfer) (English Law), including paragraph 11 (Elections and Variables), which supplement, form part of, and are subject to the ISDA Master Agreement and Schedule (the "**Credit Support Document**", together with the ISDA Master Agreement and Schedule, the "**Master Agreement**") as supplemented by a swap transaction confirmation each with an effective date of 20 July 2015 as amended and/or restated from time to time (the "**Swap Transaction Confirmation**").

- | | |
|-------------------------------|---|
| 1. Issuer: | Douro Finance B.V. |
| 2. Description of Securities: | Series 2015-273 EUR 5,000,000 Secured Limited Recourse Floating Rate Securities due 2030. |
| 3. Principal Amount: | EUR 5,000,000 |
| (a) Issue Date: | 20 July 2015 |

- (b) Issue Price: 100 per cent. of the Principal Amount
4. Status of the Securities: The Securities will constitute direct, secured, limited recourse obligations of the Issuer and will rank pari passu and without preference among themselves.
5. Type of Securities: Floating Rate Securities.
6. Date of corporate authorisation for issuance of Securities: 7 July 2015

INTEREST

7. Fixed Rate Security Provisions: Not Applicable.
8. Floating Rate Security Provisions: Applicable.

The Securities will pay interest, in arrear, on the Interest Payment Dates set out below and in accordance with Condition 7(b) at the Rate of Interest set out below in paragraph 8(g).

- (a) Interest Rate Basis: Floating Rate.
- (b) Interest Payment Dates: 6 December in each year from and including 6 December 2015 up to and including 6 December 2030.
- (c) Interest Commencement Date: 20 July 2015.
- (d) Interest Periods: The period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the following Interest Payment Date.
- Interest Periods will be unadjusted.*
- (e) Payment Day Convention: Modified Following Payment Day Convention.
- (i) Additional Financial Centre(s): London.
- (f) ISDA Determination: Not Applicable.
- (g) Screen Rate Determination: Applicable.
- Reference Rate: EUR-ISDA-EURIBOR Swap rate (10 years)
- Relevant Screen Page: Bloomberg EIISDA10 Index
- Interest Determination Date: Two Business Days prior the first day of each Interest Period.
- (i) Day Count Fraction: 30/360

- (j) Minimum Rate of Interest: 2.65 per cent per annum.
- (k) Maximum Rate of Interest: 6.00 per cent per annum.
- (l) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions:
- The offered quotation for the Reference Rate which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. Frankfurt time on the relevant Interest Determination Date, all as determined by the Agent Bank.
- If the Reference Rate does not appear on the Relevant Screen Page, the rate for that Interest Determination Date will be determined as if the parties had specified "EUR-Annual Swap Rate-Reference Banks" as the applicable Reference Rate.
- If for any reason the Interest Calculation Agent cannot determine the rate as set out above, the rate shall be determined by the Interest Calculation Agent in such manner as it deems appropriate, acting in good faith and in a commercially reasonable manner.

PROVISIONS RELATING TO REDEMPTION

9. Maturity Date: 6 December 2030.
10. Final Redemption Amount: The principal amount of each Security.
11. Additional Financial Centres: London

PROVISIONS RELATING TO SECURITY

12. Charged Assets:
- EUR 5,000,000 nominal amount of Inflation Linked Securities due 2030 issued by the Bonos y Obligaciones del Estado ISIN Code: ES00000127C8.
- On each date on which redemption proceeds are due in respect of the maturity of the Charged Assets ("**Charged Asset Redemption Proceeds**"), pursuant to the terms of the Swap Transaction, the Issuer shall pay such Charged Asset Redemption Proceeds to the Counterparty. From the time of payment to the Counterparty, such Charged Asset Redemption Proceeds will not form part of the Charged Assets.
13. Net Settlement: Not applicable

14. Substitution of Charged Assets:

- | | |
|--|-----------------|
| (i) At the direction of the Counterparty pursuant to Condition 4(b)(i)
<i>(Substitution at direction of Counterparty):</i> | Not applicable. |
| (ii) Applicable notice period for giving of a Substitution Notice pursuant to Condition 4(b)(i)
<i>(Substitution at direction of Counterparty):</i> | Not applicable. |
| (iii) At the direction of the Securityholders pursuant to Condition 4(b)(ii)
<i>(Substitution at the request of Securityholders):</i> | Not applicable. |
| (iv) Substitution with Cash Collateral pursuant to Condition 4(c)
<i>(Substitution with Cash Collateral)</i> | Applicable. |

15. Charged Agreements:

- | | |
|---------------------|---|
| (a) Counterparty: | Banco Bilbao Vizcaya Argentaria, S.A., Ciudad BBVA c/ Saucedo, 28 Edificio Asia Nivel 1 28050 Madrid. |
| (b) Swap Agreement: | The Master Agreement together with the Swap Transaction Confirmation (the “ Swap Agreement ”). |

Pursuant to the Swap Agreement:

- (1) the Issuer shall pay to the Counterparty each amount of coupon or interest or redemption proceeds payable to the Issuer in respect of the Charged Assets; and
- (2) the Counterparty shall pay to the Issuer all Interest Amounts and Final Redemption Amounts payable by the Issuer under the Securities.

Pursuant to the Credit Support Document (the Counterparty will post eligible collateral to the Issuer to collateralise the Issuer’s exposure (if any) to the Counterparty under the Swap Agreement and the Issuer will post eligible collateral to the Counterparty to collateralise the Counterparty’s exposure (if any) to the Issuer under the Swap Agreement.

*The elections and variables relating to the Credit Support Document are set out in the Annex hereto – Annex: Form of Paragraph 11 to the Credit Support Document. The Calculation Agent under the Swap Agreement shall be the Counterparty (the "**Swap Calculation Agent**").*

- | | | |
|-----|-------------------------------|---|
| 16. | (a) Security Ranking Basis: | Counterparty Priority Basis. |
| | (b) Instructing Creditor: | Swap Agreement Counterparty only. |
| 17. | Custodian's account details: | Clearstream Account No. 18038 or such other account as may be advised by the Custodian from time to time. |
| 18. | Counterparty Account details: | Account No: 14923 held with Banco Bilbao Vizcaya Argentaria, S.A. |
| 19. | Additional Charging Document: | Not applicable. |

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

- | | | |
|-----|--|---|
| 20. | Closing Date and Time: | Close of business on 20 July 2015. |
| 21. | Pre Closing Date and Time: | Not applicable. |
| 22. | Form of Securities: | <p>Bearer Securities.</p> <p>The Securities will be issued in global bearer form, evidenced on issue by a Temporary Bearer Global Security. Beneficial interests in a Temporary Bearer Global Security will be exchangeable for either beneficial interests in a Permanent Bearer Global Security on or after the date which is 40 days after the date on which the Temporary Bearer Global Security is issued and upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations.</p> |
| 23. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D. |
| 24. | Whether Securities are a Non-U.S. Series or a U.S. Series: | Non-U.S. Series. |
| 25. | Specified Currency and Currency of the Issue: | EUR. |
| 26. | Specified Denomination: | EUR 100,000. |

- | | | |
|-----|--|---|
| 27. | Rating: | The Securities will not be rated. |
| 28. | Listing: | Application has been made to the Irish Stock Exchange for the Securities to be listed on the Official List and trading on its regulated market. No assurance is given as to when or whether such listing application will be granted. |
| 29. | Common Code and ISIN: | 125858767 and XS1258587671. |
| 30. | Applicable United States Selling Restrictions: | Regulation S. |
| 31. | Governing law: | English law. |
| 32. | New Global Security: | Yes. |
| 33. | Securities to be held under New Safekeeping Structure: | Not applicable. |
| 34. | Securities intended to be held in a manner which would allow Eurosystem eligibility: | No. |

USE OF PROCEEDS AND NET PROCEEDS

- | | | |
|-----|--|--|
| 35. | Reasons for the offer: | See "Use of Proceeds" in the Information Memorandum. |
| 36. | Dealer fees / commissions / discounts: | Not applicable. |

AGENTS AND OTHER PARTIES

- | | | |
|-----|----------------------------|--|
| 37. | Party and specified office | |
| (a) | Trustee: | Deutsche Trustee Company Limited of Winchester House, 1 Great Winchester Street, London EC2N 2DB. |
| (b) | Principal Paying Agent: | Banco Bilbao Vizcaya Argentaria, S.A., C/ Clara del Rey, 26, 28002 Madrid. |
| (c) | Custodian: | Banco Bilbao Vizcaya Argentaria, S.A., C/ Clara del Rey, 26, 28002 Madrid. |
| (d) | Calculation Agent: | Banco Bilbao Vizcaya Argentaria, S.A., C/ Clara del Rey, 26, 28002 Madrid. |
| (e) | Vendor: | Banco Bilbao Vizcaya Argentaria, S.A., Ciudad BBVA c/ Saucedá, 28 Edificio Asia Nivel 1 28050 Madrid |
| (f) | Account Bank: | Banco Bilbao Vizcaya Argentaria S.A., Ciudad BBVA c/ Saucedá, 28 Edificio Asia Nivel 1 28050 Madrid. |

- | | | |
|-----|--|--|
| (g) | Selling Agent: | Banco Bilbao Vizcaya Argentaria, S.A., C/ Clara del Rey, 26, 28002 Madrid. |
| (h) | Authentication Agent: | Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB. |
| (i) | Common Safekeeper: | Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB. |
| (j) | Issuer's Agent for Service of Process: | Banco Bilbao Vizcaya Argentaria, S.A. at its principal London office, for the time being at One Canada Square, 44 th Floor, London E14 5AA. |

ADDITIONAL TERMS

38. Additional Terms: References to “Charged Assets” in Condition 8(c)(i)(A), (C), (D) and 8(c)(iii) shall be deemed to include the Charged Assets that have been transferred to the Counterparty under the Credit Support Document for the purpose of triggering a mandatory redemption of the Notes only under such Conditions, notwithstanding that they are not Charged Assets during the period in which they have been transferred to the Counterparty and do not form part of the Mortgaged Property during this period.

Signed on behalf of the Issuer:

By: _____

Name:

Title:

ANNEX

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

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

to the ISDA Credit Support Annex

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

("Party A")

("Party B")

(a) Base Currency and Eligible Currency.

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

(b) Credit Support Obligations.

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

Type	Party A	Party B	Valuation Percentage
Inflation Linked Notes due 2030 issued by Bonos y Obligaciones del Estado. ISIN CODE: ES00000127C8.	[X]	[X]	[85]%

(iii) Thresholds.

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

"Independent Amount" means with respect to Party B: Zero

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

"Threshold" means with respect to Party B: Zero

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

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

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

(c) **Valuation and Timing.**

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

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

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

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

(e) **Dispute Resolution.**

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

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

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

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

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

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

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

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

(g) **Address for Transfers.**

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

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

(h) **Other Provisions.**

(i) **Early Termination.**

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

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

(ii) **Transfer of undisputed amounts**

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

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

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

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

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

(j) **Demands and Notices.**

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

If to Party A: BBVA S.A.

Address: Banco Bilbao Vizcaya Argentaria, S.A.
C/ Clara del Rey 26, planta 2ª, 28002 Madrid

Attention: Collateral Department

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

Fax: +34 91 5370988

E-mail: bbvacollaterales@grupobbva.com

If to Party B:	Address:	Douro Finance B.V. De Entrée 99-197 1101 HE Amsterdam Zuidoost The Netherlands
	Attention:	Managing Director
	Telephone:	+ 31 205 554 488
	Fax:	+ 31 205 55 43 08

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

(k) Definitions

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

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

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

By: _____ By: _____

Name: _____ Name: _____

DOURO FINANCE B.V.

By:

NAME:

FORM OF SWAP TRANSACTION CONFIRMATION

AMENDED AND RESTATED SWAP TRANSACTION CONFIRMATION

Date: 6 July 2015 as amended and restated on 20 July 2015

To: Douro Finance B.V.

From: Banco Bilbao Vizcaya Argentaria, S.A.

Our reference: Securities ISIN Code XS1258587671

Re: Series 2015-273 EUR 5,000,000 Secured Limited Recourse Floating Rate Securities due 2030

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

Ladies and Gentlemen:

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

The definitions and provisions contained in the 2006 ISDA Definitions (the "**Definitions**") as published by the International Swaps and Derivatives Association, Inc. are incorporated by reference herein. In the event of any inconsistency between the Definitions and this Confirmation, the provisions of this Confirmation will prevail.

For the purposes of this Confirmation, all references in the Definitions to a "**Swap Transaction**" shall be deemed to apply to the Transaction referred to herein.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of the Trade Date as amended and supplemented from time to time (the "**Agreement**"), entered into by you and us by our execution of the Trust Instrument dated of 20 July 2015 (the "Trust Instrument"), by and among the persons thereto for purposes of constituting **Series 2015-273 EUR 5,000,000 Secured Limited Recourse Floating Rate Securities due 2030** (the "**Securities**") of the Issuer issued under its EUR 5,000,000,000 Limited Recourse Secured Debt Issuance Programme (the "**Programme**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. All terms defined in the Agreement and not otherwise defined herein shall have the meanings assigned in the Agreement. References to the "**Conditions**" in respect of the Securities and any other capitalized term that is used but not defined herein, the Agreement or the Definitions shall have their meanings as given to them in the Trust Instrument and in the event of any inconsistency between words and meaning defined in the Trust Instrument and words and meaning defined in this Confirmation, this Confirmation will prevail.

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

Trade Date:	2 July 2015
Effective Date:	20 July 2015
Termination Date:	6 December 2030.
Termination Currency:	EUR
Business Days:	TARGET and London
Notional Amount:	EUR 5,000,000

1.1 Initial Exchange Amount

On the Effective Date, Party B will pay to Party A an amount equal to EUR 337,500.00

1.2. Variable Amounts - Party A:

Floating Amount **Payer:** **Party A**

Payment Dates: 6 December in each year from and including 6 December 2015 until, and including 6 December 2029 and the Termination Date.

Floating Rate Option: EUR-ISDA-EURIBOR Swap Rate-11:00-Bloomberg, means that the rate for a Reset Date will be the annual swap rate for euro swap transactions with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Bloomberg Screen EIISDA10 Index as of 11:00 a.m. Frankfurt time, on the day that it is two TARGET Settlement Days preceding that Reset Date. If such rate does not appear on the Bloomberg Screen EIISDA10 Index, the rate for that Reset Date will be determined as if the parties had specified "EUR-Annual Swap Rate-Reference Banks" as the applicable Floating Rate Option.

If for any reason the Calculation Agent cannot determine the rate as set out above, the rate shall be determined by the Calculation Agent in such manner as it deems appropriate, acting in good faith and in a commercially reasonable manner.

Designated Maturity: 10 years

Maximum Rate: 6.00% per annum

Minimum Rate: 2.65% per annum

Linear Interpolation: Not applicable

Spread: 0%

Floating Rate Day Count

Fraction: 30/360

Period End Dates: Unadjusted

Reset Days: The first day of each Calculation Period,

provided that, if the Floating Rate is equal to or:

(i) higher than the Maximum Rate, then the Floating Rate shall be deemed to be the Maximum Rate;
or,

(ii) lower than the Minimum Rate, then the Floating Rate shall be deemed to be the Minimum Rate.

1.3. Final Exchange Amount - Party A:

Party A will pay to Party B, EUR 5,000,000 on the Termination Date.

1.4. Variable Amounts – Party B:

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

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

On each date on which redemption proceeds are received in respect of the maturity or redemption of the Charged Assets (each a “**Charged Asset Redemption Date**”), Party B will pay an amount equal to and in the same currency as such redemption proceeds to Party A free and clear of any interest of Party B or the Trustee.

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

2. Account Details

Account Details for Party A: To be advised

Account Details for Party B: To be advised

and/or such other accounts as will be advised by one party to the other as and when necessary.

3. Offices

The Office of Party A for this Transaction is Clara del Rey 26-2^a Planta, 28002 Madrid

The Office of Party B for this Transaction is De Entree 99-197, 1101 HE Amsterdam, Zuidoost, Netherlands.

4. Calculation Agent

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

If any Securities are purchased and cancelled pursuant to Condition 9 (*Purchase*) or any further Securities are issued pursuant to Condition 20 (*Further Issues*) the Calculation Agent will be entitled to make such adjustments to the terms of this Transaction as it determines appropriate to preserve the intended economic effect of the Transaction.

This message will be the only form of Confirmation dispatched by us. Please execute and return it to:

Banco Bilbao Vizcaya Argentaria, S.A.

Attention: Pablo Cabanes
Tesorería - Documentación
Clara del Rey 26 - 2º Planta. 28002 Madrid (Spain)
Phone: +34 91 537 8465
Fax: +34 91 537 0955

EXECUTION PAGE OF CONFIRMATION - DOURO FINANCE B.V. SERIES 2015-273

Yours faithfully

for and on behalf of

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

By: By:

Name: Name:

Confirmed as of the date first above written:

DOURO FINANCE B.V.

By:

Name:

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

United States

The following selling restrictions shall apply:

The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Securities in bearer form that are subject to U.S. tax law requirements. Consequently, the Securities forming part of a U.S. Series may not be offered, sold, resold, delivered or transferred within the United States or its possessions or to, or for the account or benefit of, U.S. Persons unless such Securities are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws and the Securities forming part of a Non-U.S. Series may not be offered, sold, resold, delivered or transferred within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S or in the CFTC Interpretive Guidance) or to a person who is not a Non-United States Person (as defined in CFTC Rule 4.7 of the United States Commodity Futures Trading Commission). The Securities have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of the Information Memorandum or this Series Information Memorandum. Any representation to the contrary is a criminal offence in the United States. Prospective purchasers of Securities that are "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") are hereby notified that the seller of such Securities may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A thereof. The minimum aggregate principal amount of Securities which may be purchased by an Eligible Investor is U.S.\$250,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Securities and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4). In addition, the Issuer has not been and will not be registered as an "investment company" under the 1940 Act.

Non-U.S. Series

Securities of a Non-U.S. Series will be subject to the following selling restrictions. The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or, in the case of any bearer securities, deliver any such Securities (i) as part of their distribution at any time or (ii) otherwise within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S or in the CFTC Interpretive Guidance) or to a person who is not a Non-United States Person (as defined in CFTC Rule 4.7 of the United States Commodity Futures Trading Commission), and it will give each dealer to which it sells Securities a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S or in the CFTC Interpretive Guidance) or to a person who is not a Non-United States Person (as defined in CFTC Rule 4.7 of the United States Commodity Futures Trading Commission). Unless indicated herein, terms used in this paragraph have the meaning given to them by Regulation S. See "**Restrictions with respect to Securities in bearer form**" below for a discussion of certain U.S. tax law requirements with respect to Bearer Securities.

Beneficial interests in a Bearer Global Security may not be offered, sold, resold, delivered or transferred within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S or in the CFTC Interpretive Guidance) or to a person who is not a Non-United States Person (as defined in CFTC Rule 4.7 of the United States Commodity Futures Trading Commission). Such beneficial interest may only be transferred upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and that the transferee is not a U.S. person (as defined in Regulation S or in the CFTC Interpretive Guidance) and is a Non-United States Person (as defined in CFTC Rule 4.7 of the United States Commodity Futures Trading Commission).

Global Certificates

If the Issue Terms specify that the Securities are to be issued in the form of Rule 144A Global Certificates or Regulation S Global Certificates, then Securities to be offered and sold in the United States to Eligible Investors or to or for the account or benefit of U.S. Persons who are Eligible Investors will be represented by one or more registered global securities (each, a "**DTC Rule 144A Global Certificate**") which will be deposited with or on behalf of DTC and registered in the name of its nominee in the case of DTC Settled Securities and, in the case of Non-DTC Settled Securities, one or more registered global securities (each, a "**Non-DTC Rule 144A Global Certificate**") which will be deposited with a common depository for and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg (together with the DTC Rule 144A Global Certificate, the "**Rule 144A Global Certificates**"). Any Securities of such a U.S. Series to be offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S will be represented by a registered global security (a "**Regulation S Global Certificate**" deposited with a Common Depository and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg).

Individual Certificates

If the Issue Terms for a U.S. Series specify that the Securities are to be issued in the form of Individual Certificates, then Securities to be offered and sold in the United States or to, or for the account or benefit of, U.S. Persons will be represented by Individual Certificates. Each Individual Certificate will be registered in the name of the registered owner thereof and will bear a restrictive legend in the form set out in the relevant Series Information Memorandum. At no time may an Individual Certificate be beneficially owned in violation of such restrictive legend.

Each prospective purchaser or transferee of the Securities will be required to deliver a completed and duly executed Investment Letter (defined above) and make the representations and warranties set out therein.

Restrictions with respect to Securities in bearer form

Securities issued in bearer form 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Security issued in permanent or definitive bearer form having a maturity of more than 1 year and its related Receipts and Coupons (if any) will bear the following legend: "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".

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and the Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

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

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

European Union

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Information Memorandum as completed by the Issue Terms in relation thereto to the public in that Relevant Member State:

- (a) if the Issue Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State

(a "Non-exempt Offer") following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Issue Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Issue Terms, as applicable;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an **"offer of Securities to the public"** in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **"Prospectus Directive"** means Directive 2003/71/EC and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State. **"2010 PD Amending Directive"** means Directive 2010/73/EU.

United Kingdom

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

- (a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

Spain

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

Ireland

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

- (a) The Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the "2005 Act");
- (b) the Irish Companies Acts 1963 to 2009;
- (c) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland;
- (d) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 34 of the 2005 Act and will assist the issuer in complying with its obligations thereunder; and
- (e) Notice BSD C01/02 dated 12th November, 2002 issued by the Central Bank and Financial Services Authority pursuant to Section 8(2) of the Central Bank Act 1971 (as amended).

Netherlands

Act on Financial Supervision

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

- (a) Individuals or enterprises considered as qualified investors in another Member State pursuant to article 2, first paragraph, part (e) under (iv) alternatively (v), of the Prospectus Directive (the parties under (A) up to and including (G) being qualified investors ("Qualified Investors");
- (b) Subsidiaries of Qualified Investors provided such subsidiaries are subject to supervision on a consolidated basis;
- (c) Legal entities with a balance sheet total of at least EUR 500,000,000 as per the balance sheet as of the year end preceding the date they purchase or acquire the Securities;
- (d) Legal entities or individuals with net equity of at least EUR 10,000,000 as per the balance sheet as of the financial year end preceding the date they purchase or acquire the Securities and who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding such date;

- (e) Legal entities which have a rating of a rating agency that is recognised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or which issue securities that have a rating from such rating agency;
- (f) Legal entities established for the sole purpose of:
 - (i) transactions for the acquisition of receivables that serve as security for securities (to be) offered;
 - (ii) transactions for the investment in sub-participations or derivatives as to the transfer of credit risk that may be settled by transfer of receivables to such legal persons or companies, while the rights pursuant to the sub-participations or derivatives, will be used as security for the securities (to be) offered; or

providing credit for the benefit of Qualified Investors and their subsidiaries as referred to under (b) above.

Savings Certificates Act

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

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

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

Republic of Italy

The offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of the Information

Memorandum or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24th February, 1998, as amended, (the "Financial Services Act") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14th May 1999, as amended from time to time ("Regulation No.11971"); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No.11971.

Any offer, sale or delivery of the Securities or distribution of copies of the Information Memorandum or any other document relating to the Securities in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29th October, 2007 (as amended from time to time) and Legislative Decree No. 385 of 1st September, 1993, as amended (the "Banking Act"); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

France

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Information Memorandum, the relevant Issue Terms or any other offering material relating to the Securities and such offers, sales and distributions have been and shall only be made in France to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Switzerland

The Securities do not constitute a collective investment scheme within the meaning of the Swiss Collective Investment Scheme Act ("**CISA**"). Therefore, they are not subject to authorisation by the Swiss Financial Market Supervisory Authority ("**FINMA**") and potential investors do not benefit from the specific investor protection provided under the CISA.

Portugal

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Information Memorandum has not been and will not be registered or filed with or approved by the Portuguese Securities Exchange Commission (*Comissão do Mercado de Valores Mobiliários*, "**CMVM**") nor has a prospectus recognition procedure been commenced with the CMVM. The Securities may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the *Código dos Valores Mobiliários* (the "**Portuguese Securities Code**") enacted by Decree Law no. 486/99 of 13th November 1999 (as amended and restated from time to time) unless the requirements and provisions applicable to the public offering in Portugal are met and the above mentioned registration, filing, approval or recognition procedure is made in relation to the Securities. In addition, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions or sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Securities in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be; (ii) all offers, sales and distributions by it of the Securities have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code or other securities legislation or regulations, qualify as a private placement of Securities only (*oferta particular*); (iii) it will comply with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation implementing the Prospectus Directive and any applicable CMVM Regulations, determinations and/or opinions and all relevant Portuguese securities laws and regulations, and in any such case that may be applicable to it in respect of any offer or sale of Securities by it in Portugal or to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be, including compliance with the rules and regulations that require the publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

Australia

The Dealer understands that no prospectus or other disclosure document (as defined in the Corporations Act 2001 (the "**Corporations Act**")) in relation to the Programme or Securities has been, or will be, lodged with the Australian Securities and Investments Commission or ASX Limited ("**ASIC**"). The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

- (a) has not made or invited, and will not make or invite, an offer of Securities for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Information Memorandum or any other offering material or advertisement relating to Securities in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

- (ii) the offer does not constitute an offer to a “retail client” as defined for the purposes of Section 761G of the Corporations Act;
- (iii) such action complies with any other applicable laws, regulations or directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

In addition, the Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, in connection with any issue of Securities issued by the Issuer, it will not offer or sell Securities (or any interest in any Securities) to any persons who is known or suspected, by the relevant officer(s) or employee(s) of the Dealer involved in the offer, invitation or sale to be an Offshore Associate of the Issuer or to any person who is notified in writing by the Issuer to it as being an Offshore Associate of the Issuer.

"Offshore Associate" means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) that is either:

- (a) an non-resident of Australia which does not acquire the Securities in the course of carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the Securities in the course of carrying on a business at or through a permanent establishment outside Australia,

which is not acquiring the Securities, or receiving payment under the Securities, in the capacity of a dealer, manager or underwriter in relation to the placement of the Securities or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme.

Taiwan

The Securities may not be sold, offered or issued to Taiwan resident investors or in Taiwan unless they are made available: (i) outside Taiwan for purchase by such investors outside Taiwan so long as no solicitation or other activities take place (A) in Taiwan or (B) otherwise in violation of any applicable Taiwan law or regulation and/or (ii) in Taiwan through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the Taiwan Rules Governing Offshore Structured Products under which rules of the Securities have been registered in Taiwan.

Korea (Republic of Korea)

The Securities have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (the "**FSCMA**"). The Securities may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law (the "**FETL**") and the decrees and regulations thereunder. The Securities may not be resold to Korean residents unless the purchaser of the Securities complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL and its subordinate decrees and regulations) in connection with the purchase of the Securities.

The People's Republic of China

The Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities are not being offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the People's Republic of China (the "**PRC**") (excluding Hong Kong, Macau and Taiwan) in contravention of any applicable laws or (if the Securities are linked to A-Shares (as defined below)) to any Domestic Investor as defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited (the "**Administrative Rules**").

"**A-Share**" means shares of the companies incorporated in the PRC that are listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange and quoted in Renminbi.

The term "**Domestic Investor**" is defined in the Administrative Rules and includes the following:

- (a) PRC citizens resident in the PRC (excluding Hong Kong, Macau and Taiwan);
- (b) PRC citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan; and
- (c) Legal persons registered in the PRC (excluding Hong Kong, Macau and Taiwan).

"**Legal persons registered in the PRC**" excludes foreign entities incorporated or organised in other jurisdictions even though they may have an office (i.e. a branch) in the PRC.

"**PRC citizens**" used in the rules do not include persons who are permanent residents of Hong Kong, Macau or Taiwan.

"**Renminbi**" means the lawful currency of the PRC.

Singapore

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). The Dealer represents and agrees that the Securities may not be offered or sold, nor may the Securities be the subject of an invitation for subscription or purchase, nor may the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Securities be circulated or distributed, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are acquired by persons who are relevant persons in Section 276 of the SFA, namely:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor, the shares, debentures and units of

shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever defined) in that trust shall not be transferable within 6 months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or arising from an offer referred to in Section 276(4)(i)(B) of the SFA (in the case of that trust);
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Thailand

The Information Memorandum has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority of the Kingdom of Thailand. Accordingly, the Securities may not be offered or sold, or the Information Memorandum or any other documents relating to the offer of the Securities be distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

Chile

Neither the Issuer nor the Securities are registered in the Securities Registry maintained by the Chilean Securities and Insurance Superintendency (Superintendencia de Valores y Seguros de Chile, or the "SVS") pursuant to the Chilean Securities Market Law 18,045, as amended and restated, and the supplemental rules enacted thereunder ("**Law 18,045**"). Accordingly, the securities may not be offered in Chile except in circumstances that do not constitute a public offer of securities in Chile within the meaning of Article 4 of Law 18,045.

The Information Memorandum does not constitute an offer to any other person or to the general public in Chile to acquire the securities. Distribution of the Information Memorandum in Chile to any person other than an offeree is unauthorised, and any disclosure of any of the content of the Information Memorandum within Chile without our prior written consent is prohibited.

Each prospective investor in Chile, by accepting the delivery of the Information Memorandum, agrees to the foregoing and will not make photocopies or any other reproduction, either physical or electronic, of the Information Memorandum or any other documents referred to herein.

Colombia

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

The Information Memorandum is for the sole and exclusive use of the addressee as an offeree in Colombia, and the Information Memorandum shall not be interpreted as being addressed to any third party in Colombia

or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

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

Mexico

The Securities have not been, and will not be, registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the "CNBV") and, therefore, the Securities may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the Securities may be offered in Mexico to institutional and qualified investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law.

Peru

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

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

General

The Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Information Memorandum or this Series Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer and nor any of the other Dealers shall have any responsibility therefor.

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

With regard to each Series of Securities, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the relevant Series Information Memorandum.

DESCRIPTION OF THE CHARGED ASSETS AND THE OBLIGORS UNDER THE CHARGED ASSETS

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

A. Description of the Initial Charged Assets

EUR 5,000,000 nominal amount of Inflation Linked Securities due 2030 issued by the Bonos y Obligaciones del Estado ISIN Code: ES00000127C8.

Issuer:	Kingdom of Spain
Guarantor:	Not Applicable
Issue Date:	31 March 2015
Aggregate Principal Amount issued:	EUR 4,087,030,000
Denomination:	EUR 1,000.
First Interest Payment Date:	30 November 2015
Maturity Date:	30 November 2030
Interest Rate:	1 per cent + Eurostat Eurozone HICP Ex-Tobacco (Bloomberg Ticker: CPTFEMU Index) (the "Index")
Interest Payment Dates:	Annual
Charged Asset Business Days:	Target
Business Day Convention:	Modified Following
Clearing System:	Clearstream Lux, Euroclear
ISIN Code:	ES00000127C8

Listing:	MERCADO DE DEUDA PUBLICA EN ANOTACIONES (ESMA MIC : XDPA)
Governing Law:	Spanish law.
Method of Origination/ Creation:	The Charged Asset was created by their issuance by the issuer of the Charged Asset

B. Description of the Underlying Obligors

Name:	Kingdom of Spain
Guarantor:	Not Applicable
Address	Complejo de la Moncloa Avda. Puerta de Hierro Madrid, 28071
Country of Establishment:	Spain
Nature of Business:	Government
Listing:	MERCADO DE DEUDA PUBLICA EN ANOTACIONES (ESMA MIC : XDPA)

C. Description of the Index

Name of the Index	Eurostat Eurozone HICP Ex-Tobacco (Bloomberg Ticker: CPTFEMU Index)
Category	Consumer Price Index
Description of the Index	<p>This sector holds the unrevised numbers initially released by Eurostat. Eurostat may revise their HICP indices, however this sector will not change and will continue to display the initial HICP value as published.</p> <p>On the 28th February 2006, Eurostat rebased the Consumer Price Indices to 2005=100. As a result, this index has been rebased to correctly represent the new reference year. To see the equivalent index which contains revised data as published by Eurostat,</p>

	please use Bloomberg Ticker: CPXTEMU index . To see the previous data under this ticker for base year 1996=100, please use Bloomberg Ticker CPTFEZ96 index.
Source	Eurostat
Country	Eurozone
Performance	the past and the further performance of the index and its volatility can be obtained from Bloomberg Ticker: CPTFEMU Index

DESCRIPTION OF THE COUNTERPARTY

BUSINESS OF THE COUNTERPARTY

Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") is a highly diversified international financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking. It also has a portfolio of investments in some of Spain's leading companies.

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

In 2012 BBVA's organisational structure was divided into five business areas (Spain, Eurasia, Mexico, the United States and South America) and, in addition, BBVA continues to have a separate "Corporate Activities" business area which handles BBVA's general management functions. These mainly consist of structural positions for interest rates associated with the euro balance sheet and exchange rates, together with liquidity management and shareholders' funds. This area also books the costs from central units that have a strictly corporate function and makes allocations to corporate and miscellaneous provisions, such as early retirement and others of a corporate nature. It also includes the Industrial and Financial Holdings Unit and the Group's Spanish real estate business.

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

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

INCORPORATION OF DOCUMENTS BY REFERENCE

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

The Information Memorandum dated 30 July 2014 (the **Information Memorandum**) relating to the EUR 5,000,000,000 Limited Recourse Secured Debt Issuance Programme (the **Programme**) of Douro Finance B.V. is hereby incorporated into this Series Information Memorandum.

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

http://www.ise.ie/debt_documents/Base%20Prospectus_7edeb7a4-689e-4ccf-bd29-07347ac76933.pdf

GENERAL INFORMATION

1. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have had in such period a significant effect on the financial position or profitability of the Issuer.
2. No material fees are payable by the Issuer in respect of which the Issuer does not have the right of reimbursement. The estimated total expenses related to the admission to trading on the Irish Stock Exchange are approximately EUR 3,000.
3. The auditors of the Issuer are Deloitte Accountants B.V. Orlyplein 10, 1043 DP Amsterdam, Netherlands. The auditors of the Issuer are Chartered Accountants and members of the Netherlands Institute for Chartered Accountants (*Nederlands Instituut voor Registeraccountants*).
4. The Issuer does not intend to provide any post-issuance information in relation to the Securities. The Issuer does not intend to provide any post-issuance information in relation to the Charged Assets or the Charged Agreements.
5. For the life the document of the Series Information Memorandum, copies of the following documents (together with any other documents specified in this Series Information Memorandum) will, when published (to the extent applicable), be available in physical format for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and from the specified offices of the Paying Agents, Registrar and Transfer Agents (if any) in respect of such Securities:
 - (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) the Trust Instrument relating to such Securities (and the documents incorporated therein, including, *inter alia*, the Agency Agreement, the Charged Agreements and the Sale Agreement);
 - (iii) a copy of the Information Memorandum and this Series Information Memorandum relating to such Securities, together with any other document required or permitted to be published by the Irish Stock Exchange;
 - (iv) the audited annual financial statements of the Issuer for the period from its incorporation up to 31 December, 2013;
 - (v) the audited annual financial statements of the Issuer for the period from 1st January, 2014 up to 31 December, 2014;
 - (vi) any future information memoranda, prospectus, offering circulars and supplements including Issue Terms (save that, any Issue Terms relating to Securities which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer, Paying Agent, Registrar or Transfer Agent as to its holding of Securities and identity) to the Information Memorandum and any other documents incorporated therein by reference.

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

6. Save as disclosed in this prospectus there has been no significant change in the financial or trading position of the Issuer since 31 December 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2014.
7. Banco Bilbao Vizcaya Argentaria, S.A. is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.
8. Any websites referred to herein do not form part of this prospectus.
9. The issue of the Securities was authorised by a resolution of the Board of Directors of the Issuer passed on 7 July 2015.
10. The Calculation Agent is Banco Bilbao Vizcaya Argentaria, S.A. of C/ Clara del Rey, 26, 28002 Madrid. The Calculation Agent is appointed pursuant to the Agency Agreement. The Issuer may terminate the appointment of the Calculation Agent at any time with the prior written approval of the Trustee with 45 days' prior written notice to that effect. Notwithstanding the previous provision, the Calculation Agent may be removed if the Calculation Agent becomes incapable of acting or is adjudged bankrupt or insolvent. In this case, the Issuer must appoint a replacement Calculation Agent.

REGISTERED OFFICE OF THE ISSUER

De Entree 99 -197
1101 HE Amsterdam Zuidoost
Netherlands

ARRANGER AND DEALER

Banco Bilbao Vizcaya Argentaria, S.A.
CIUDAD BBVA c/ Saucedo, 28 28050 Madrid
Spain

TRUSTEE

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

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

Banco Bilbao Vizcaya Argentaria, S.A.
C/ Clara del Rey, 26, 28002 Madrid, Spain.

VENDOR

Banco Bilbao Vizcaya Argentaria, S.A.
CIUDAD BBVA c/ Saucedo, 28 28050 MADRID Spain

THE COUNTERPARTY

Banco Bilbao Vizcaya Argentaria, S.A.
CIUDAD BBVA c/ Saucedo, 28 28050 MADRID Spain

THE AUTHENTICATION AGENT

DEUTSCHE BANK AG, LONDON BRANCH

Winchester House
1 Great Winchester Street
London EC2N 2DB

2014 AUDITED FINANCIAL STATEMENTS

DOURO FINANCE B.V.

Annual Report

For the year ended

31 December 2014

DOURO FINANCE B.V.

Table of contents	Page (s):
Directors and other information	1
Directors' report	2 - 5
Statement of Directors' responsibilities in respect of directors' report and the financial statements.	6
Financial statements	
- Statement of financial position	7
- Statement of profit or loss and other comprehensive income	8
- Statement of cash flows	9
- Statement of changes in equity	10
- Notes to the financial statements	11 - 31
Other information	
- Statutory rules concerning appropriation of results	32
- Appropriation of net income for the year	32
- Subsequent events	32 - 33
Independent auditor's report	34 - 35

DOURO FINANCE B.V.

Directors and other information

Directors	Deutsche International Trust Company N.V.
Registered Office	De Entree 99 1101 HE Amsterdam The Netherlands
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB
Administrator & Company Secretary	Deutsche International Trust Company N.V. De Entree 99 1101 HE Amsterdam The Netherlands
Independent Auditor	Deloitte Accountants B.V. Gustav Mahlerlaan 2970 1081 LA Amsterdam The Netherlands
Arranger, Issue Agent, Principal Paying Agent, Custodian & Registrar, Swap Counterparty	Banco Bilbao Vizcaya Argentaria, S.A. Sauceda 28, Edificio Asia - Nivel I 28050 Madrid Spain
Listing Agents	Banco Bilbao Vizcaya Argentaria, S.A. Sauceda 28, Edificio Asia - Nivel I 28050 Madrid Spain
Tax Advisor	Simmons & Simmons Zuidplein 100 1077 XV Amsterdam The Netherlands

DOURO FINANCE B.V.

Directors' report

The Board of Directors of Douro Finance B.V. (the "Company") herewith presents the Directors' report and the audited financial statements for the year ended 31 December 2014.

The accounting year of the Company begins on 1 January and terminates on 31 December of each year.

Incorporation

The Company was incorporated under the laws of the Netherlands on 11 June 2012, with limited liability and having its statutory seat in Amsterdam, the Netherlands.

Stichting Douro Finance is the sole shareholder of the Company.

Principal activities, business review and future developments

The principal activity of the Company is the issue of Notes (the "Notes") in series pursuant to a EUR 5,000,000,000 Limited Recourse Secured Debt Issuance Programme (the "Programme") for the issue of Notes and the making of Alternative Investments (the "Alternative Investments") arranged by Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA").

The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, priority of payments, and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in issue terms (each "Issue Terms").

The Notes of each Series will be secured in the manner set out in the terms and conditions of the Notes, including a charge on and/or assignment of and/or other security interest over or in respect of the charged assets as defined in the Issue Terms and the Master Trust Deed (as defined in the Terms and Conditions of the Notes) and all sums held from time to time by the Custodian and/or the Issuing and Principal Paying Agent in so far as such sums relate to that Series. Each Series may also be secured on such additional security as may be described in the relevant Issue Terms.

The Company is exposed to the Spanish market. Developments in the Spanish markets affect the fair value of the investment securities going forward. Due to the structure of the Company, these are fully borne by the holders of the debt securities and hence it will not have an impact on the Company as such.

Due to the nature of the activities of the Company, the Company does not have any intention to change the number of staff (now: zero).

The Company does not have any activities in the field of research and development, nor has it any intention to do so.

At 31 December 2014, the Company had in issue 176 series, nominal amounting to EUR 1,125,549,852 and fair value amount of EUR 1,177,795,005.

The Company does not anticipate any significant changes in the activities for the next financial year.

Business review

During the year/period:

- The Company made a profit after tax of EUR 170,331 (period ended 31 December 2013: EUR 145,800).
- Net changes in fair value of investment securities designated at fair value through profit or loss amounted to EUR 31,989,779 (period ended 31 December 2013: EUR 33,741,076).
- Net changes in fair value of deposits designated at fair value through profit or loss amounted to EUR (8,636,101) (period ended 31 December 2013: EUR Nil).
- Net changes in fair value of debt securities designated at fair value through profit or loss amounted to EUR (60,642,426) (period ended 31 December 2013: EUR (20,131,946)).
- The Company paid EUR 150,000 as dividend (period ended 31 December 2013 : EUR Nil).

As at 31 December 2014:

- The Company's total indebtedness was EUR 1,220,827,834 (2013: EUR 643,419,635).

Principal risks and uncertainties

The principal risks and uncertainties facing the Company relate to the debt securities issued, investment securities and derivative instruments held by the Company for risk management purposes.

Directors' report (continued)

Principal risks and uncertainties (continued)

The Company has exposure to the following risks from its use of financial instruments and does not have any externally imposed capital requirements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each investment security. However, management also considers the demographics of the security base, including the default risk of the industry and country in which the investment security is located, as these factors may have an influence on the credit risk of the Company.

Approximately 78.35% of the Company's income is generated from investment securities based in Spain and 79.32% of net income is attributable to the banking industry. A more detailed breakdown is provided in Note 22.

The risk of default on these assets is borne by the holders of the debt securities of the relevant series.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities as they fall due.

The Company's obligation to the Noteholders of a particular series is limited to the net proceeds upon realisation of the mortgaged property of that series (the Mortgaged Property"). Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders and the Swap Counterparty according to established priorities as per legal documentations.

The expediency and proceed amounts from realising the collateral of each series is subject to market conditions.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments and receivable under total return swap.

Foreign exchange risk and interest rate risk are being hedged under the currency swap agreement and the asset swap agreement, respectively.

(a) Currency risk

Investment in Notes or Alternative Investments denominated and payable in a foreign currency entails significant risks to a Noteholder or party to Alternative Investments that would not be involved if a similar investment were made in Notes or Alternative Investments denominated and payable in such Noteholder's or party to Alternative Investments' home currency. These risks include, without limitation, the possibility of significant changes in rates of exchange between the foreign currency and such Noteholder's or party to Alternative Investments' home currency and generally depend on economic and political events over which the issuer has no control.

(b) Interest rate risk

The Company, through the use of the swap and terms of the Notes, has transferred all interest rate risk to the Swap Counterparty and the Noteholders.

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

Further quantitative disclosures are included in Note 22 of these financial statements.

The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All administration functions have been outsourced by the Company.

Results and dividends for the year/period

The Company recorded a profit of EUR 170,331 for the year under review. The result for the period is set out on page 8. Profits of the Company are at the disposal of the Annual General Meeting. The Company may distribute a dividend only if, and to the extent that, its shareholders' equity is greater than the aggregate of the paid and called-up part of the issued capital.

Directors' report (continued)

Going concern

The Company's financial statements for the year ended 31 December 2014 have been prepared on a going concern basis. The assets and derivative transactions are referenced to the Notes in issue and any loss derived will ultimately be borne by the noteholders. The Directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due. The Notes in issue at 31 December 2014 will continue in existence for at least more than one year. Based on these, the Directors believe that the going concern basis is appropriate.

Business environment

The economic crisis in recent years affected many financial institutions and banks, BBVA amongst others. The deposits and derivative instruments held by the Company for risk management purposes have BBVA as counterparty.

BBVA has a worldwide presence with around 7,360 branches in over 31 countries with an asset based of around EUR 673 Billion and over 50.66 million customers. In February 2014, Moody's upgraded its long-term rating outlook for BBVA from negative to stable. A month later it announced a rating upgrade of one notch to Baa2, changed the outlook to positive and on 15 March 2015, it announced another rating upgrade to Baa1, change the outlook from positive to stable. In May 2014 Fitch announced to upgrade BBVA's rating by one notch to A-, maintaining a stable outlook. In June 2014, Standard & Poors (S&P) upgraded BBVA's rating from BBB- to BBB, also maintaining a stable outlook. BBVA is continuously monitoring the economic and market developments and new reforms and measures are being adopted in order to further improve its current situation. Rating agencies recognise BBVA's strong financial profile; solid competitive positioning and franchises in Spain, Mexico and South America; high, recurrent and predictable earnings due to its retail business model and geographic diversification; strong pre-provision earnings allowing the bank to absorb credit costs while continuing to build its capital base and conservative risk management and low risk position.

Diversification is essential for ensuring resilience in any environment. BBVA's model offers a highly balanced mix in terms of geographical areas, businesses and segments. This diversification has enabled it to maintain a high level of recurrent revenues, despite the adverse conditions of the environment and the economic cycles. In 2014, 59% of the Group's gross income generated by its business areas has originated in emerging countries. These results demonstrate BBVA's ability to generate earnings and strengthening its capacity to grow, despite being in a complex environment.

Directors, Secretary and their interests.

The Directors and Secretary who held office on 31 December 2014 did not hold any shares in the Company at that date, or during the year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest at any time during the year.

Personnel

During the year under review, the Company had no employees other than its Managing Directors. The Company has no Board of Supervisory Directors.

The Directors (Deutsche International Trust Company) are appointed by the shareholder. The composition of the representative within Deutsche International Trust Company that are responsible for this entity does not comply with article 2:166 of the Dutch Civil Code (minimum 30% male and 30% female). The above-mentioned requirement can only be met when there are new vacancies within Deutsche International Trust Company and if candidates are equally suitable.

Audit committee

The Company is not required to have an audit committee since it meets the definition of a securitisation vehicle under Dutch Law.

Accounting records

The Directors believe that they have complied with the legal requirements for the financial statements as included in Part 9 of Book 2 of the Dutch Civil Code by engaging accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at De Entree 99, 1101 HE Amsterdam, the Netherlands.

Subsequent events

Except for the below, there were no significant post balance events that would affect the presentation and disclosure in the current year.

At the date of our report, the Company had issued the following new Series of Notes:

Series 218 Tranche 2 - EUR 90,000,000 Senior Secured Floating rate Limited Recourse Securities due 2032
Series 228 - EUR 10,000,000 Secured Limited Recourse Credit-Linked Securities due 2020
Series 229 - EUR 5,000,000 Secured Limited Recourse Index-Linked Securities due 2024
Series 231 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 232 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 233 - EUR 3,583,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 234 - EUR 5,000,000 Secured Limited Recourse Index Linked Securities due 2020
Series 235 - EUR 28,750,000 Secured Limited Recourse Index Linked Securities due 2020
Series 236 - EUR 20,550,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 237 - EUR 2,000,000 Secured Limited Recourse Equity-Linked Securities due 2020

Directors' report (continued)

Subsequent events (continued)

Series 238 - EUR 2,500,000 Callable Secured Limited Recourse Credit-Linked Securities due 2025
Series 239 - EUR 1,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 240 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016
Series 241 - EUR 13,500,000 Secured Limited Recourse Fixed Rate Securities due 2041
Series 242 - EUR 20,000,000 Secured Limited Recourse Floating Rate Securities due 2027
Series 243 - EUR 20,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 244 - EUR 2,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 245 - EUR 4,010,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 246 - EUR 20,000,000 Secured Limited Recourse Floating Rate Securities due 2027
Series 247 - EUR 8,100,000 Secured Limited Recourse Index Linked Securities due 2020
Series 248 - EUR 4,000,000 Secured Limited Recourse Equity Linked Securities due 2020
Series 249 - EUR 1,000,000 Secured Limited Recourse Index Linked Securities due 2018
Series 250 - EUR 1,000,000 Secured Limited Recourse Index Linked Securities due 2018
Series 251 - EUR 12,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 252 - EUR 6,400,000 Secured Limited Recourse Index Linked Securities due 2020
Series 253 - EUR 5,650,000 Secured Limited Recourse Index Linked Securities due 2020
Series 254 - EUR 3,000,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 256 - EUR 1,000,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 257 - EUR 2,500,000 Secured Limited Recourse Index Linked Securities due 2020
Series 258 - EUR 14,150,000 Secured Limited Recourse Index Linked Securities due 2020
Series 259 - EUR 3,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2040
Series 260 - EUR 2,600,000 Secured Limited Recourse Index Linked Securities due 2020
Series 261 - EUR 1,350,000 Secured Limited Recourse Index Linked Securities due 2020
Series 262 - EUR 11,100,000 Secured Limited Recourse Index Linked Securities due 2020
Series 263 - EUR 10,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2040
Series 264 - EUR 8,750,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 265 - EUR 10,000,000 Secured Limited Recourse Securities due 2044
Series 266 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016

At the date of our report, the below Series of Notes were fully redeemed/matured:

Series 51 - EUR 2,000,000 3.80% Secured Limited Recourse Credit-Linked Securities due 2015
Series 70 - EUR 3,000,000 2.25% Secured Limited Recourse Credit-Linked Securities due 2015
Series 71 - USD 2,100,000 2.25% Secured Limited Recourse Credit-Linked Securities due 2015
Series 79 - EUR 3,400,000 Secured Limited Recourse Index- Linked Interest and Credit-Linked Securities due 2015
Series 133 - EUR 1,600,000 5.15% Secured Limited Recourse Credit - Linked Securities due 2017
Series 138 - EUR 20,000,000 Secured Limited Recourse Securities due 2041
Series 156 - EUR 6,500,000 Secured Limited Recourse Index Linked Securities due 2018
Series 169 - USD 10,000,000 Secured Limited Recourse Credit Linked Securities due 2021
Series 174 - USD 10,000,000 Callable Secured Limited Recourse Credit-Linked Securities due 2021
Series 183 - EUR 14,200,000 Secured Limited Recourse Index Linked Securities due 2019
Series 184 - EUR 4,000,000 Secured Limited Recourse Index Linked Securities due 2016
Series 185 - USD 20,000,000 Callable Secured Limited Recourse Credit-Linked Securities due 2021
Series 188 - EUR 2,000,000 Secured Limited Recourse Credit Linked Securities due 2017
Series 189 - EUR 8,750,000 Secured Limited Recourse Credit Linked Securities due 2019
Series 206 - EUR 11,450,000 Secured Limited Recourse Index Linked Securities due 2019
Series 207 - EUR 2,000,000 Secured Limited Recourse Equity Linked Securities due 2016
Series 216 - EUR 5,050,000 Secured Limited Recourse Index Linked Securities due 2019
Series 220 - EUR 1,000,000 Secured Limited Recourse Variable Redemption Amount Securities due 2017
Series 231 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 240 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016

On behalf of the Board of Directors

Deutsche International Trust Company N.V.

Date: 30 June 2015

Statement of Directors' responsibilities in respect of Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable laws and regulations.

The Directors consider that, in preparing the financial statements, the Company has used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Financial Reporting Standards as adopted by the European Union and requirements of Part 9 of Book 2 of the Dutch Civil Code which they consider to be applicable have been followed.

The Company's financial statements are required by law to give a true and fair view of the financial position of the Company and of its financial performance for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with International Financial Reporting Standards ("IFRS") as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' report that complies with the requirements of Part 9 of Book 2 of the Dutch Civil Code in the Netherlands.

On behalf of the Board of Directors

Deutsche International Trust Company N.V.

Date: 30 June 2015

DOURO FINANCE B.V.

Statement of financial position

As at 31 December 2014

(Before appropriation of profit)

	Note	31-Dec-2014 EUR	31-Dec-2013 EUR
Non-current assets			
Investment securities	5	683,884,288	570,222,912
Deposits	6	156,401,543	-
Derivatives held for risk management purposes	7	146,185,570	16,151,067
Notes Receivable		49,500,000	-
Total non-current assets		<u>1,035,971,401</u>	<u>586,373,979</u>
Current assets			
Investment securities	5	67,034,511	44,364,213
Deposits	6	23,923,331	-
Notes Receivable		77,000,000	-
Derivatives held for risk management purposes	7	10,505,646	2,933,076
Cash and cash equivalents	8	248,749	3,857
Other assets	9	15,103,617	14,006,492
Total current assets		<u>193,815,854</u>	<u>61,307,638</u>
Total assets		<u>1,229,787,255</u>	<u>647,681,617</u>
Equity			
Share capital	10	18,000	18,000
Retained earnings		(4,200)	-
Profit for the year/period (unappropriated net income)		170,331	145,800
Total equity		<u>184,131</u>	<u>163,800</u>
Non-current liabilities			
Derivatives held for risk management purposes	7	42,772,102	50,735,153
Debt securities issued	11	1,104,505,626	546,576,154
Total non-current liabilities		<u>1,147,277,728</u>	<u>597,311,307</u>
Current liabilities			
Debt securities issued	11	73,289,379	44,626,454
Derivatives held for risk management purposes	7	260,727	1,481,874
Other liabilities	12	8,705,797	4,061,732
Taxation	13	69,493	36,450
Total current liabilities		<u>82,325,396</u>	<u>50,206,510</u>
Total liabilities		<u>1,229,603,124</u>	<u>647,517,817</u>
Total liabilities and equity		<u>1,229,787,255</u>	<u>647,681,617</u>

Approved and authorised for issue

On behalf of the Board of Directors

Deutsche International Trust Company N.V.

Date: 30 June 2015

The notes on pages 11 to 31 form an integral part of these financial statements

DOURO FINANCE B.V.

Statement of profit or loss and other comprehensive income For the year ended 31 December 2014

	Note	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR
Interest income		20,924,045	16,238,576
Interest expense		(35,038,456)	(15,351,518)
<i>Designated as at fair value through profit or loss</i>			
Net gain from investment securities	14	50,117,232	30,339,827
Net loss from deposits	15	(7,685,921)	-
Net loss on debt securities issued	16	(96,554,074)	(5,954,461)
Net income from derivative financial instruments held for risk management purposes		64,217,452	9,756,661
Net loss from derivative financial instruments held for risk management purposes		(26,928,704)	(23,365,791)
Realised gain on settlement of derivatives		82,312,028	1,174,033
Realised loss on settlement of derivatives		(51,363,602)	(12,837,327)
Operating income		-	-
Other income	17	349,343	284,817
Other expenses	18	(122,235)	(102,567)
Profit on ordinary activities before taxation		227,108	182,250
Taxation	13	(56,777)	(36,450)
Profit for the year/period		170,331	145,800
Other comprehensive income		-	-
Total comprehensive income for the year/period		<u>170,331</u>	<u>145,800</u>

All items dealt with in arriving at the profit for the year ended 31 December 2014 related to continuing operations.

Approved and authorised for issue

On behalf of the Board of Directors

Deutsche International Trust Company N.V.

Date: 30 June 2015

The notes on pages 11 to 31 form an integral part of these financial statements

DOURO FINANCE B.V.

Statement of cash flows

For the year ended 31 December 2014

	Note	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR
Cash flows from operating activities			
Profit on ordinary activities before taxation		227,108	182,250
Realised gain on settlement of derivatives		(82,312,028)	(1,174,033)
Realised loss on settlement of derivatives		51,363,602	12,837,327
Realised (gain) / loss on investment securities	14	(8,158,288)	2,695,496
Fair value gain on investment securities	14	(31,989,779)	(33,741,076)
Unrealised exchange (gain) / loss on revaluation of investment securities	14	(9,969,165)	705,753
Realised gain on deposits	15	(26,175)	-
Fair value loss on deposits	15	8,636,101	-
Unrealised exchange gain on revaluation of deposits	15	(924,005)	-
Realised loss / (gain) on debt securities issued	16	3,137,028	(617,535)
Fair value loss on debt securities	16	60,642,426	20,131,946
Unrealised exchange loss / (gain) on revaluation of debt securities issued	16	32,774,620	(13,559,950)
Unrealised gain on revaluation of derivatives		(64,217,452)	(9,756,661)
Unrealised loss on revaluation of derivatives		26,928,704	23,365,791
Other assets and liabilities		167,784	(196,393)
Interest received and receivable on investment securities		(20,924,045)	(16,238,576)
Interest paid and payable on debt securities		35,038,456	15,351,518
Net cash flows used in operating activities		394,892	(14,143)
Cash flows used in investing activities			
Acquisition of investment securities		(421,997,397)	(747,914,561)
Acquisition of deposits		(192,715,770)	-
Proceeds from maturity / disposal of investment securities and deposits		331,547,600	156,788,600
Proceeds from maturity / disposal of deposits		4,704,975	-
Interest received on investment securities		24,216,435	9,360,673
Net receipts in respect of derivatives held for risk management purposes		47,466,717	7,860,460
Net cash flows used in investing activities		(206,777,440)	(573,904,828)
Cash flows from financing activities			
Proceeds from share capital issue		-	18,000
Dividend paid		(150,000)	-
Proceeds from issuance of debt securities		524,593,785	663,161,704
Payments on maturity / redemption of debt securities		(287,555,463)	(77,913,557)
Interest paid on debt securities issued		(30,260,882)	(11,343,319)
Net cash flows generated from financing activities		206,627,440	573,922,828
Net increase in cash and cash equivalents		244,892	3,857
Cash and cash equivalents at beginning of year/period		3,857	-
Cash and cash equivalents at end of year/period		248,749	3,857

The notes on pages 11 to 31 form an integral part of these financial statements

DOURO FINANCE B.V.

Statement of changes in equity For the year ended 31 December 2014

	Note	Share capital EUR	Profit for the year/period EUR	Total EUR
Share capital issued on 11 June 2012	10	18,000	-	18,000
Profit for the period		-	145,800	145,800
Balance at 31 December 2013		<u>18,000</u>	<u>145,800</u>	<u>163,800</u>
Profit for the year		-	170,331	170,331
Dividend paid during the year		-	(150,000)	(150,000)
Balance at 31 December 2014		<u>18,000</u>	<u>166,131</u>	<u>184,131</u>

The notes on pages 11 to 31 form an integral part of these financial statements

DOURO FINANCE B.V.

Notes to the financial statements

For the year ended 31 December 2014

1 General information

Douro Finance B.V. (the "Company"), a corporation with limited liability, having its statutory seat in Amsterdam, the Netherlands, was incorporated under the law of the Netherlands on 11 June 2012.

The accounting year of the Company begins on 1 January and terminates on 31 December of each year.

The objective of the Company is to raise finance, through the issuance of bonds, notes and other debt instruments, entering into loan agreements, derivatives and other instruments evidencing indebtedness and receiving deposits, to invest the funds raised in bonds, notes, loan and other debt instruments, shares, warrants, derivatives and other similar financial assets.

The Company is a special purpose entity ("SPE") that has been established to issue debt securities under a €5,000,000,000 Limited Recourse Secure Debt Issuance programme (the "Programme") arranged by Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA").

The Company has no direct employees. The financial statements were authorised for issue by the directors on 30 June 2015.

The registered office of the Company is De Entree 99, 1101 HE Amsterdam, the Netherlands.

Stichting Douro Finance is the sole shareholder of the Company.

2 Basis of preparation

(a) Statement of compliance

The financial statements for the year ended 31 December 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. The accounting policies have been applied throughout the year.

Going concern

These financial statements have been prepared on a going concern basis because the directors consider, in the circumstances of the arrangement established when the Company was formed and based on the nature of the Company's activities, that this is a fair basis for presenting the results of the accounting year/period and the state of affairs at end of the year/period.

Application of New and Revised International Financial Reporting Standards

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 11 June 2012.

2.1 Mandatory Standards, amendments and interpretations with no material effect on the financial statements

The following relevant new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any material effect on the amounts reported in these financial statements, other than additional disclosures in the financial statements, but may affect the accounting for future transactions or arrangements.

IAS 32 Financial Instruments: Presentation (Offsetting Financial Assets and Financial Liabilities)

IFRS 10 Consolidated Financial Statements establishes a new control-based model for consolidation that replaces the existing requirements of both IAS 27 and SIC-12 Consolidation - Special Purpose Entities

2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standard and Interpretations were in issue but effective on the respective dates as indicated:

IAS 1 Disclosure Initiative (effective 1 January 2016)

IAS 39 Financial Instruments: Recognition and Measurement - Amendments for novation of derivatives (effective 1 January 2018)

Notes to the financial statements (continued)

For the year ended 31 December 2014

2 Basis of preparation (continued)

(a) Statement of compliance (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

IAS 39 Financial Instruments: Recognition and Measurement- Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception. (effective 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Amendments requiring disclosures about the initial application of IFRS 9 (effective 1 January 2015)

IFRS 7 Financial Instruments: Disclosures – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. (effective 1 January 2018)

IFRS 9 Financial Instruments: Classification and Measurement of Financial Assets (effective 1 January 2018)

IFRS 9 Financial Instruments: Deferral for mandatory effective date of IFRS 9 and Amendments to transition disclosures (effective 1 January 2018)

IFRS 9 Financial Instruments: Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective 1 January 2018)

IFRS 9 Financial Instruments : Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)

IFRS 15 Revenue from contracts with customers - Original issue May 2014 (effective 1 January 2017)

The Directors anticipate that all of the above amendments will be applied in the Company's financial statements at the above effective dates. The future impacts of the adoption of these standards have not been analysed to date.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value;
- Investment securities designated at fair value through profit or loss are measured at fair value; and
- Debt securities issued are measured at fair value.

The methods used to measure fair values are discussed further in Note 3.

Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in Euro and the debt securities issued are also primarily denominated in Euro. The Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

Except as otherwise indicated, all financial information are presented in Euro.

Notes to the financial statements (continued)

For the year ended 31 December 2014

2 Basis of preparation (continued)

(b) Basis of measurement (continued)

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Estimation of fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

Fair values of financial assets and financial liabilities that are traded in active markets, level 1, are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Level 2 prices uses widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that use only observable market data. Observable prices and model inputs are available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives, e.g. interest rate swaps. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex level 3 instruments proprietary valuation models are used which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over the counter derivatives and certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

Estimation of fair values

Any change in the pricing assumptions for those assets which use level 3 valuation techniques would not have an impact on the overall financial position of the Company due to the limited recourse nature of the notes in issue. The variability in pricing of such assets would directly impact the noteholders in each specific series but does not alter the underlying risk faced by each noteholder or the ultimate return on the transaction.

3 Significant accounting policies

Financial instruments

The financial instruments held by the Company include the following:

- Investment securities;
- Derivative financial instruments held for risk management;
- Financial assets and liabilities; and
- Debt securities issued.

Notes to the financial statements (continued)

For the year ended 31 December 2014

3 Significant accounting policies (continued)

Financial instruments (continued)

Classification

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss.

Investment securities

All investment securities held by the Company are designated as at fair value through profit or loss on initial recognition when they eliminate or significantly reduce an accounting mismatch.

Derivative financial instruments held for risk management purposes

Derivative financial instruments held for risk management purposes include all derivative assets and liabilities that are used to economically hedge the derivatives of each series from any interest rate and market fluctuations affecting the relevant collateral assets. Such derivatives are not however, formally designated into a qualifying hedge relationship and, therefore, all changes in their fair value are recognised immediately in profit or loss. The fair values of the derivative financial instruments are presented in the statement of financial position inclusive of interest.

Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at bank, deposits with credit institutions and other assets. Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables.

Debt securities issued

The debt securities issued are initially measured at fair value and are designated as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch or contain an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Recognition

The Company initially recognises all financial assets and liabilities on the effective date at which the Company becomes a party to the contractual provisions of the instruments. From effective date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities designated as at fair value through profit or loss are recorded in the profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Notes to the financial statements (continued)

For the year ended 31 December 2014

3 Significant accounting policies (continued)

Financial instruments (continued)

Fair value measurement principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like options and interest rate and currency swaps.

For more complex instruments, the Company uses proprietary models, which usually are developed from recognised valuation models. Some or all of the inputs into these models may not be market observable, and are derived from market prices or rates or are estimated based on assumptions.

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cash flows etc and, therefore, cannot be determined with precision.

Financial liability and equity

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exist, these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are distributions from the net income attributable to equity holders and are recorded directly in equity.

Notes to the financial statements (continued)

For the year ended 31 December 2014

3 Significant accounting policies (continued)

Cash and cash equivalent

Cash and cash equivalents consist of cash at bank and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value.

Cash and cash equivalents and bank overdraft are carried at amortised cost in the statement of financial position.

Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss and are included under net gain/(loss) from investment securities, derivatives held for risk management and debt securities issued depending on which of them it relates to.

Unrealised gains and losses on exchange are accounted as an adjusting item in the statement of cash flows under operating activities. Realised portions are allocated accordingly to their respective items / transactions in the statement of cash flows.

Revenue recognition

Interest income is recognised on an accrual basis using an effective interest rate, unless collectibility is in doubt.

Net gain / (loss) from investment securities

Net income / (loss) from investment securities designated at fair value through profit or loss relates to investments in corporate bonds and receivables under total return swaps, and includes realised and unrealised fair value changes, and foreign exchange differences.

Net gain / (loss) from derivative financial instruments held for risk management purposes

Net income / (loss) from derivative financial instruments held for risk management purposes relates to the fair value movements on swaps held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

Net gain / (loss) on debt securities issued at fair value through profit or loss

Finance expense on debt securities issued designated at fair value through profit or loss relates to debt securities issued and includes realised and unrealised fair value changes, and foreign exchange differences.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss except to the extent that it relates to items recognised directly in Equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantively enacted at the end of the reporting date, and adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the financial statements (continued)

For the year ended 31 December 2014

3 Significant accounting policies (continued)

Related party

Stichting Douro Finance is the sole shareholder of the Company and thus, the parent company is considered to be a related party.

Impairment

At the end of each reporting year/period, the Company tests whether there are any indication of receivables being subject to impairment. If any such indications are present, the recoverable amount of the receivable is determined. A receivable is subject to impairment if its carrying amount exceeds its recoverable amount. An impairment loss is directly recognised as an expense in the statement of comprehensive income. As at 31 December 2014, no impairment loss was recognised.

Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Other income and expenses

All other income and expenses are accounted for on an accrual basis.

Share capital

Share capital is issued in Euro. Dividends are recognised and deducted from equity when declared.

Carrying value

The carrying value is the same as the fair value of the assets and liabilities. The gross contractual amount of the assets and liabilities approximates their outstanding notional amount or amortised cost.

Statement of cash flows

The cash flow statement, based on the indirect method of calculation, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year.

4 Financial risk management

Introduction and overview

The Douro Finance B.V. Programme was set up on the 11 June 2012 to issue multiple series of notes, with the rating on each series independent of the other (if applicable). The Company can issue various series of notes with credit rating ranging from AAA to not rated.

The Company was set up as a segregated multi issuance SPE. Each Series is governed by a separate Issue Terms. Each Series consists of an investment in Charged Assets and / or derivative instrument or other contracts from the proceeds of the issuance of debt securities and / or Alternative Investments.

The Programme offers investors the opportunity to invest in a portfolio of investments (the "investment securities") and alter the risk profile of the portfolio through the use of derivative instruments.

This ensures that if one series defaults, the holders of that series do not have the ability to reach other assets of the issuer, resulting in the issuer's bankruptcy and the default of the other series of notes. The segregation criteria include the following:

- The Company is a bankruptcy remote SPE, organised in the Netherlands;
- The Company issues separate series of debt obligations;
- Assets relating to any particular series of debt securities are held separate and apart from the assets relating to any other
- Any swap transaction entered into by the issuer for a series is separate from any other swap transaction for any other series;
- For each series of debt securities, only the trustees are entitled to exercise remedies on behalf of the debt security holders.

Notes to the financial statements (continued)

For the year ended 31 December 2014

4 Financial risk management (continued)

The Company has, in most Series, entered into asset swap agreements with Banco Bilbao Vizcaya Argentaria, S.A. The net proceeds from the issue of the Notes are paid to the Swap Counterparty to purchase the portfolio of collateral plus any interest accrued thereon. During the term of the asset swap, the Company pays to the Swap Counterparty amounts equal to the interest received in respect of the collateral, and on the maturity date of the collateral, the Company will deliver the portfolio or the proceeds of its redemption to the Swap Counterparty.

The Swap Counterparty delivers the Charged Assets to the account of the Company and pays the Company amounts equal to the interest payable under the debt securities, and if the swap agreement has not terminated prior to the maturity date of the respective notes, a sum equal to the redemption amount payable on the debt securities.

The proceeds from the issue of Notes, which form part of the so-called synthetic structures, are used to invest directly in swaps (paid to the Swap Counterparty). Both the Notes and the derivatives are carried at fair value through profit or loss.

The ultimate amount repaid to the Noteholders of these debt securities will depend on the proceeds from the Charged Assets and any payment that the Swap Counterparty is obliged to make under the terms of the swap agreement. The Company is obliged to provide for the payment or physical delivery of the deliverable obligations to the Swap Counterparty and to the holders of debt securities. This obligation is determined by the Calculation Agent in accordance with the terms of the swap agreement.

In case of the synthetic structures, the Swap Counterparty will provide the Company the amount to repay the Noteholders, as per the terms of the swap agreement.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks relating to the investment securities and derivatives held for risk management are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk;
- (ii) Liquidity risk;
- (iii) Market risk; and
- (iv) Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included in note 22 to these financial statements.

The Company does not have any externally imposed capital requirements.

- (i) Credit risk

Credit risk is the risk of the financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's credit linked assets.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each investment security. However, management also considers the demographics of the security base, including the default risk of the industry and country in which the investment security is located, as these factors may have an influence on the credit risk of the Company, particularly in the currently deteriorating economic circumstances.

The risk of default on these assets is borne by the counterparty of the asset or total return swap if available, or the holders of the debt securities of the relevant series.

The risks factors, backing each Series issued, are already defined in the agreements. The Notes issued by the Company are limited recourse such that the Company has entered into agreements to hedge any risks arising on the Series. Any event affecting the investment securities and derivative instruments held will not impact the continuity of the Company.

In addition to the limited recourse character of the Notes, all the parties have signed non-petition provisions. The continuity of the Company does not depend on the quality of the collaterals backing the Series.

Notes to the financial statements (continued)
For the year ended 31 December 2014

4 Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities as they fall due.

The Company's obligation to the Noteholders of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders and the Swap Counterparty according to established priorities.

The expediency and proceed amounts from realising the collateral of each series is subject to market conditions.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments and receivable under total return swap.

Foreign exchange risk and interest rate risk are hedged under the currency swap agreement and the asset swap agreement, respectively.

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company was incorporated with the purpose of engaging in those activities outlined in the preceeding paragraphs. All administration functions have been outsourced by the Company.

5 Investment securities	31-Dec-2014 EUR	31-Dec-2013 EUR
<i>Nominal amount:</i>		
Opening balance as at 01 January	612,317,354	-
Additions during the year/period	405,988,992	772,507,203
Disposals during the year/period	(323,389,312)	(159,484,096)
Foreign currency movement	9,969,165	(705,753)
Closing balance as at 31 December	<u>704,886,199</u>	<u>612,317,354</u>
	31-Dec-2014 EUR	31-Dec-2013 EUR
<i>Movement in fair value:</i>		
Opening balance as at 01 January	2,269,771	-
Additions during the year/period	11,773,050	(31,471,305)
Movement during the year/period	31,989,779	33,741,076
Closing balance as at 31 December	<u>46,032,600</u>	<u>2,269,771</u>
Closing fair value as at 31 December	<u>750,918,799</u>	<u>614,587,125</u>

The carrying value of the assets of the Company represents their maximum exposure to credit risk. The credit risk is eventually transferred to the Swap Counterparty or Noteholders through the credit default swap. The investment securities are held as collateral for the debt securities by the Company.

Investment securities are designated at fair value through profit or loss, upon initial recognition when the Company holds related derivatives at fair value through profit or loss.

	Gross contractual value 31-Dec-2014 EUR	Carrying value 31-Dec-2014 EUR	Gross contractual value 31-Dec-2013 EUR	Carrying value 31-Dec-2013 EUR
<i>Maturity analysis of investment securities is as follows:</i>				
Less than one year	65,850,095	67,034,511	43,714,932	44,364,213
Between one and five years	329,190,554	353,505,729	-	454,866,537
More than five years	309,845,550	330,378,559	568,602,422	115,356,375
	<u>704,886,199</u>	<u>750,918,799</u>	<u>612,317,354</u>	<u>614,587,125</u>

DOURO FINANCE B.V.

Notes to the financial statements (continued) For the year ended 31 December 2014

6	Deposits	31-Dec-2014 EUR	31-Dec-2013 EUR
	<i>Nominal amount:</i>		
	Opening balance as at 01 January	-	-
	Additions during the year/period	192,715,770	-
	Disposals during the year/period	(4,678,800)	-
	Foreign currency movement	924,005	-
	Closing balance as at 31 December	<u>188,960,975</u>	<u>-</u>
		31-Dec-2014 EUR	31-Dec-2013 EUR
	<i>Movement in fair value:</i>		
	Opening balance as at 01 January	-	-
	Movement during the year/period	(8,636,101)	-
	Closing balance as at 31 December	<u>(8,636,101)</u>	<u>-</u>
	Closing fair value as at 31 December	<u>180,324,874</u>	<u>-</u>

The Company has entered into deposit agreements in respect of Series 122, 149, 154, 156, 157, 165, 177, 178, 193, 199, 218, 224 and Schuldschein 2 with the entire or part of proceeds of each Note issued being placed on deposit as collateral.

All the deposits held with Banco Bilbao Vizcaya Argentaria, S.A are non-interest bearing and receivable on their corresponding payment dates.

	Gross contractual value 31-Dec-2014 EUR	Carrying value 31-Dec-2014 EUR	Gross contractual value 31-Dec-2013 EUR	Carrying value 31-Dec-2013 EUR
<i>Maturity analysis of investment securities is as follows:</i>				
Less than one year	-	-	-	-
Between one and five years	163,547,700	156,401,543	-	-
More than five years	25,413,275	23,923,331	-	-
	<u>188,960,975</u>	<u>180,324,874</u>	<u>-</u>	<u>-</u>

7	Derivative held for risk management purposes	Notional Amount 31-Dec-2014 EUR	Carrying Value 31-Dec-2014 EUR	Average Interest Rate 31-Dec-2014	Notional Amount 31-Dec-2013 EUR	Carrying Value 31-Dec-2013 EUR	Average Interest Rate 31-Dec-2013
	Derivative assets held for risk management purposes	1,134,087,202	156,691,216	1.85%	599,656,837	19,084,143	2.71%
	Derivative liabilities held for risk management purposes	719,816,494	(43,032,829)	4.87%	626,073,920	(52,217,027)	2.45%
			<u>113,658,387</u>			<u>(33,132,884)</u>	

The swaps entered by the Company are detailed below.

Interest rate and exchange rate swaps

Pursuant to an ISDA master agreement for each new series of Notes issued, the Company has entered into a swap agreement with the Swap Counterparty.

Under the swap agreements the Company pays the Swap Counterparty amounts equal to the net subscription moneys for the Notes and sums equal to the interest and principal amounts receivable by the company in respect of the investment securities. In return the Swap Counterparty pays the Company amounts equal to the net sum payable by the Company for the purchase of the investment securities or cash deposits (with the exception of those series where specific swaps are entered into, as stated below) and sums equal to the interest and principal payable to the Noteholders under the Notes.

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

7 Derivative held for risk management purposes (continued)

The effect on the financial statements is that for all investment security and cash deposit income and Note interest expense there is an equal and opposite amount paid and received from the Swap Counterparty. In the statement of financial position there is an amount payable to the Swap Counterparty equal to the fair value of the investment, and there is an amount receivable equal to the fair value of the amount payable to Noteholders. The overall swap position is presented on a net basis in the statement of financial position as a net receivable or payable, since the Swap Counterparty is party to both sides of the swap transactions.

The overall maturity of the swaps is based on the maturity dates of their corresponding Series and debt securities issued; such that upon maturity of the Note, the corresponding shall be terminated.

Credit default, total return, index option, share option, equity basket and foreign exchange option swaps

The Company has also entered into credit default swaps in respect of a number of credit linked Notes Series. Under the terms of these swap agreements the Company is liable to the Swap Counterparty should a credit event with respect to the reference obligations in the swap agreements take place. In such event, it is the Noteholders who will bear the economic risk and will absorb the loss by partial or full impairment of that Note.

Under the terms of the swap agreements, the Company paid out to the Swap Counterparty the proceeds from the Notes issued. The Noteholder has taken on the economic return to the performance of reference obligations and indices.

In respect of all swaps mentioned above, under the terms of the swap agreements, the swaps terminate on the maturity date of the Notes and also under any of the following circumstances:

- If at any time the Notes become payable in accordance with specific conditions prior to the maturity date;
- At the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or perform any obligation under the relevant swap agreement;
- If withholding taxes are imposed on payments made by the Company to the Swap Counterparty under the relevant swap agreement or if it becomes illegal for either party to perform its obligations under the swap agreement.

8 Cash and cash equivalents	31-Dec-2014 EUR	31-Dec-2013 EUR
Cash at bank	248,749	3,857

Cash and cash equivalents consists of cash at bank. The cash at bank balance is at the free disposal of the company.

9 Other assets	31-Dec-2014 EUR	31-Dec-2013 EUR
Interest income receivable from investment securities	14,930,295	13,756,566
Other receivables	157,635	239,926
Loan to CID II Finance B.V.	11,678	10,000
Loan to Boiro B.V.	3,449	-
Loan to Atlanteo B.V.	560	-
	<u>15,103,617</u>	<u>14,006,492</u>

The advances to CID II Finance B.V., Boiro B.V. And Atlanteo B.V. are unsecured, interest free and repayable on demand.

10 Share capital	31-Dec-2014 EUR	31-Dec-2013 EUR
Issued and fully paid 180 ordinary shares of EUR 100 each.	18,000	18,000

At 31 December 2014, Stichting Douro Finance held 100% of the shares of the Company and is entitled to dividend payments and carry voting rights. During the year ended 31 December 2014, the Company did not declare any dividend.

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

11	Debt securities issued		31-Dec-2014 EUR	31-Dec-2013 EUR	
	Designated at fair value through profit or loss		1,177,795,005	591,202,608	
	Nominal amount:				
	Opening balance as at 01 January		595,648,638	-	
	Additions during the year/period		781,545,029	687,739,680	
	Disposals / principal repayments during the year/period		(284,418,435)	(78,531,092)	
	Foreign currency movement		32,774,620	(13,559,950)	
	Closing balance as at 31 December		1,125,549,852	595,648,638	
	Movement in fair value:				
	Opening balance as at 01 January		(4,446,030)	-	
	Issues during the year/period		(3,951,243)	(24,577,976)	
	Movement during the year/period		60,642,426	20,131,946	
	Closing balance as at 31 December		52,245,153	(4,446,030)	
	Closing fair value as at 31 December		1,177,795,005	591,202,608	
		Gross contractual value 31-Dec-2014 EUR	Carrying value 31-Dec-2014 EUR	Gross contractual value 31-Dec-2013 EUR	Carrying value 31-Dec-2013 EUR
	Maturity analysis of investment securities is as follows :				
	Less than one year	72,405,785	73,289,379	44,604,698	44,626,454
	Between one and five years	543,367,173	545,890,950	331,930,353	344,552,960
	More than five years	509,776,894	558,614,676	219,113,587	202,023,194
		1,125,549,852	1,177,795,005	595,648,638	591,202,608

Debt securities issued for a particular series are designated at fair value through profit or loss when the related investment securities and derivatives are fair valued or when they contain embedded derivatives that significantly modify cash flows that otherwise would be required to be separated.

The outstanding notional amount of the financial liabilities designated at fair value through profit or loss as at 31 December 2014 was EUR 1,125,549,852 (2013: EUR 595,648,638).

The Company's obligations under debt securities issued and related derivative financial instruments are secured by collateral purchased and deposit entered into as described in Note 5 and Note 6 respectively. The investors' recourse per series is limited to the assets of that particular series.

Most of the debt securities issued are interest-bearing Notes which bear interest at rates ranging between 1% and 12%. The debt securities issued may be redeemable at their scheduled maturity dates or at the option of the Noteholder.

In the event that the accumulated losses prove not to be recoverable during the life of the Company, then this will reduce the obligation to the holders of the debt securities issued by the Company, i.e., contractual amounts at maturity by an equivalent amount.

12 Other liabilities	31-Dec-2014 EUR	31-Dec-2013 EUR
Interest payable on debt securities issued	8,537,350	4,008,199
Accrual on audit fees	90,947	53,533
Interest free loan from CID Finance BV	77,500	-
	8,705,797	4,061,732
13 Taxation	Profit for the year EUR	Tax for the year / period ended EUR
Tax on profit on ordinary activities for 2013	182,250	36,450
Tax on profit on ordinary activities for 2014	227,108	56,777

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

13 Taxation (continued)

The corporate income tax charged is based on the agreement with the Dutch Tax Authorities, dated 17 July 2012, that the Company should earn a minimal income that will be taxable at the normal statutory tax rates in the Netherlands.

The corporate income tax rate for 2014 is 20% on the first EUR 200,000 or 25% above EUR 200,000.

14 Net gain from investment securities

Designated as at fair value through profit or loss

	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR
Net changes in fair value during the year/period	31,989,779	33,741,076
Realised gain/(loss) on investment securities	8,158,288	(2,695,496)
Unrealised exchange gain/(loss) on revaluation of investment securities	9,969,165	(705,753)
	<u>50,117,232</u>	<u>30,339,827</u>

15 Net loss from deposits

Designated as at fair value through profit or loss

	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR
Net changes in fair value during the year/period	(8,636,101)	-
Realised gain on investment securities	26,175	-
Unrealised exchange gain on revaluation of investment securities	924,005	-
	<u>(7,685,921)</u>	<u>-</u>

16 Net loss on debt securities issued

Designated as at fair value through profit or loss

	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR
Net changes in fair value during the year/period	(60,642,426)	(20,131,946)
Realised (loss)/gain on debt securities issued	(3,137,028)	617,535
Unrealised exchange (loss)/gain on revaluation of debt securities issued	(32,774,620)	13,559,950
	<u>(96,554,074)</u>	<u>(5,954,461)</u>

17 Other income

Arranger income

	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR
Arranger income	<u>349,343</u>	<u>284,817</u>

18 Other expenses

Audit fees
Tax advisory fees
Legal fees
Bank charges
Filing fees

	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR
Audit fees	106,758	98,424
Tax advisory fees	-	1,763
Legal fees	13,656	1,325
Bank charges	1,821	929
Filing fees	-	126
	<u>122,235</u>	<u>102,567</u>

The Company has no employees. The fees to Deutsche International Trust Company N.V. ("DITC") relate solely to the remuneration for its services as administrators of the Company.

Audit fees relate solely to fees payable for the audit of the annual accounts. The audit fees (exclusive of VAT) is segregated as follows:

	Deloitte Accountants B.V.	Other Deloitte Network Firms	Total Deloitte Network Firms	Deloitte Accountants B.V.	Other Deloitte Network Firms	Total Deloitte Network Firms
	31-Dec-2014 EUR	31-Dec-2014 EUR	31-Dec-2014 EUR	Period ended 31-Dec-2013 EUR	Period ended 31-Dec-2013 EUR	Period ended 31-Dec-2013 EUR
Audit fees	<u>38,197</u>	<u>52,750</u>	<u>90,947</u>	<u>20,000</u>	<u>26,550</u>	<u>46,550</u>

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

19 Related party transactions

Stichting Douro Finance is the sole shareholder of the Company. As at year end, no transaction took place. During the year under review, there was no remuneration paid to management of the Company. The remuneration of management is paid by Stichting Douro from the profits made available to the Stichting Douro Finance by the Company through dividend payments.

20 Charges

The Notes issued by the Company are secured by way of mortgage over the collateral purchased in respect of each Note, and by assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreement for each series.

21 Accounting classifications and fair values of financial assets and liabilities

Assets	Categories of financial assets
Investment securities	Fair value through profit or loss
Deposits	Fair value through profit or loss
Derivative assets held for risk management purposes	Fair value through profit or loss
Notes Receivable	Fair value through profit or loss
Cash and cash equivalents	Loan and receivables
Other assets	Loan and receivables

Liabilities	Categories of financial liabilities
Debt securities issued	Fair value through profit or loss
Derivatives liabilities held for risk management purposes	Fair value through profit or loss
Other liabilities	Amortised cost

	Carrying value 31-Dec-2014 EUR	Gross Contractual Amount 31-Dec-2014 EUR	Carrying value 31-Dec-2013 EUR	Gross Contractual Amount 31-Dec-2013 EUR
Assets				
Investment securities	750,918,799	704,886,199	614,587,125	612,317,354
Notes Receivable	126,500,000	126,500,000	-	-
Deposits	180,324,874	188,960,975	-	-
Derivative assets held for risk management purposes	156,691,216	1,134,087,202	19,084,143	599,656,837
Cash and cash equivalents	248,749	248,749	3,857	3,857
Other assets	15,103,617	15,103,617	14,006,492	14,006,492
	<u>1,229,787,255</u>	<u>2,169,786,742</u>	<u>647,681,617</u>	<u>1,225,984,540</u>

	Carrying value 31-Dec-2014 EUR	Gross Contractual Amount 31-Dec-2014 EUR	Carrying value 31-Dec-2013 EUR	Gross Contractual Amount 31-Dec-2013 EUR
Liabilities				
Debt securities issued	1,177,795,005	1,125,549,852	591,202,608	595,648,638
Derivatives liabilities held for risk management purposes	43,032,829	719,816,494	52,217,027	626,073,920
Other liabilities	8,705,797	8,705,797	4,061,732	4,061,732
	<u>1,229,533,631</u>	<u>1,854,072,143</u>	<u>647,481,367</u>	<u>1,225,784,290</u>

The table below shows the gross amounts of the derivatives that are set off in compliance with the IFRS 7.13 which indicated that the entity shall disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position.

	Before netting EUR	Netting EUR	31-Dec-2014 After netting EUR	Before netting EUR	Netting EUR	31-Dec-2013 After netting EUR
Assets						
Derivative assets held for risk management	788,839,220	(632,148,004)	156,691,216	480,461,556	(461,377,413)	19,084,143
Liabilities						
Derivative liabilities held for risk management	(675,180,833)	632,148,004	(43,032,829)	(513,594,440)	461,377,413	(52,217,027)

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

22 Financial instruments

(i) Credit risk

The Swap Counterparty bears all the credit risks of the Company, in respect of the deposits, investment securities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

	31-Dec-2014 EUR	31-Dec-2013 EUR
Assets		
Investment securities	750,918,799	614,587,125
Notes Receivable	126,500,000	-
Deposits	180,324,874	-
Derivative assets held for risk management purposes	156,691,216	19,084,143
Cash and cash equivalents	248,749	3,857
Other assets	15,103,617	14,006,492
	<u>1,229,787,255</u>	<u>647,681,617</u>
Liabilities		
Debt securities issued	1,177,795,005	591,202,608
Derivatives liabilities held for risk management purposes	43,032,829	52,217,027
Other liabilities	8,705,797	4,061,732
	<u>1,229,533,631</u>	<u>647,481,367</u>

At the reporting date, the credit quality of the Company's investments securities was as follows:

Rating	Rating agency	31-Dec-2014	31-Dec-2013
A1	Moody's	1.27%	1.32%
A2	Moody's	1.26%	0.00%
A3	Moody's	1.23%	0.00%
Aa1	Moody's	5.07%	6.08%
Aa2	Moody's	0.47%	0.00%
Aa3	Moody's	2.55%	0.24%
Aaa	Moody's	2.12%	1.02%
Ba2	Moody's	2.25%	0.00%
Ba3	Moody's	0.09%	0.00%
Baa1	Moody's	2.70%	1.71%
Baa2	Moody's	63.73%	77.58%
Baa3	Moody's	0.42%	0.15%
A-	S&P	0.00%	0.16%
Aa-	S&P	0.00%	2.92%
Bbb+	S&P	0.00%	0.96%
Bbb-	S&P	0.00%	1.11%
Not rated		16.84%	6.75%
		<u>100.00%</u>	<u>100.00%</u>

Concentration risk

For management purposes, the Company is organised into one main operating segment, which invest in debt instruments, deposits and related derivatives. All the entities activities are inter-related, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the entity as one segment. The financial results from this segment are equivalent to the financial statements of the entity as a whole.

The Company is exposed to BBVA Group as a counterparty for derivatives and cash deposits and hence dependent on the financial performance of the BBVA Group as a whole. Management is of the opinion that this counterparty risk has properly being reflected in the current fair value measurement applied.

Assets of the Company (derivatives, deposits and investment securities) and their fair value might be affected by the developments in the economic situation, in particular Spain due to concentration risk in this market, amongst others resulting from exposure to BBVA. The deteriorating current developments in the Spanish Markets affect the fair value of the assets going forward but are fully borne by the holders of the debt securities and hence it will not have an impact on the Company as such.

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

22 Financial instruments (continued)

(i) Credit risk (continued)

The following table analyses the entity's operating income per geographical location. The basis for attributing the operating income is the place of incorporation of the instruments counterparty.

	31-Dec-2014	31-Dec-2013
Country of origin:		
Spain	78.35%	84.16%
USA	6.79%	0.00%
Germany	4.36%	4.98%
France	2.28%	0.00%
Austria	1.82%	2.92%
Curacao	1.59%	2.34%
Other	4.81%	5.60%
	<u>100.00%</u>	<u>100.00%</u>

The table below analyses the entity's operating income per industry. The basis for attributing the operating income is the industry in which the issuer of the instruments operate.

	31-Dec-2014	31-Dec-2013
Industry type:		
Banking	79.32%	80.64%
Government national	14.72%	13.37%
Special purpose	3.67%	2.96%
Financial	2.19%	0.27%
Other	0.10%	2.76%
	<u>100.00%</u>	<u>100.00%</u>

The table below analyses the entity's counterparty concentration. The basis for attributing the operating income is the counterparty in which the issuer invested into.

	31-Dec-2014	31-Dec-2013
Counterparty Concentration:		
Banco Bilbao Vizcaya Argentaria	51.16%	73.02%
Other counterparties	48.84%	26.98%
	<u>100.00%</u>	<u>100.00%</u>

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's obligation to the Noteholders is limited to the net proceeds upon realisation of the collateral. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders and the swap counterparties according to the established priorities.

The maturity profile of financial assets are as follows:

31 December 2014					
	Gross Contractual Amount EUR	Carrying value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Assets					
Investment securities	704,886,199	750,918,799	67,034,511	353,505,729	330,378,559
Notes Receivables	126,500,000	126,500,000	77,000,000	49,500,000	-
Deposits	188,960,975	180,324,874	-	156,401,543	23,923,331
Derivative assets held for risk management purposes	1,134,087,202	156,691,216	10,505,646	116,888,261	29,297,309
Cash and cash equivalents	248,749	248,749	248,749	-	-
Other assets	15,103,617	15,103,617	15,103,617	-	-
	<u>2,169,786,742</u>	<u>1,229,787,255</u>	<u>169,892,523</u>	<u>676,295,533</u>	<u>383,599,199</u>
31 December 2013					
	Gross Contractual Amount EUR	Carrying value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Assets					
Investment securities	612,317,354	614,587,125	44,364,213	454,866,537	115,356,375
Derivative assets held for risk management purposes	599,656,837	19,084,143	2,933,076	5,124,701	11,026,366
Cash and cash equivalents	3,857	3,857	3,857	-	-
Other assets	14,006,492	14,006,492	14,006,492	-	-
	<u>1,225,984,540</u>	<u>647,681,617</u>	<u>61,307,638</u>	<u>459,991,238</u>	<u>126,382,741</u>

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

22 Financial instruments (continued)

(ii) Liquidity risk (continued)

The maturity profile of financial liabilities as at 31 December 2014 is as follows:

Liabilities	Gross Contractual Amount EUR	Carrying value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Debt securities issued	1,125,549,852	1,177,795,005	73,289,379	545,890,950	558,614,676
Derivative liabilities held for risk management purposes	719,816,494	43,032,829	260,727	6,704,731	36,067,371
Other liabilities	8,705,797	8,705,797	8,705,797	-	-
	<u>1,854,072,143</u>	<u>1,229,533,631</u>	<u>82,255,903</u>	<u>552,595,681</u>	<u>594,682,047</u>

The maturity profile of financial liabilities as at 31 December 2013 is as follows:

Liabilities	Gross Contractual Amount EUR	Carrying value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Debt securities issued	595,648,638	591,202,608	44,626,454	344,552,960	202,023,194
Derivative liabilities held for risk management purposes	626,073,920	52,217,027	1,481,874	16,520,157	34,214,996
Other liabilities	4,061,732	4,061,732	4,061,732	-	-
	<u>1,225,784,290</u>	<u>647,481,367</u>	<u>50,170,060</u>	<u>361,073,117</u>	<u>236,238,190</u>

(iii) Market risk

Market risk is the potential adverse change in earnings or the value of net worth arising from movements in interest rates, foreign exchange rates or other market prices.

(a) Currency risk

The Company limits its exposure to currency risk by operating bank accounts in other currencies than its functional currency for receipts and payments in other currencies than its functional currencies. The Company is exposed to movement in exchange rates between EUR, its functional currency, and certain foreign currencies namely United States dollar (USD) and Japanese Yen (JPY).

The Company's exposure to foreign currency risk as at 31 December 2014 is as follows:

	EUR	USD	JPY	Total
Investment securities	646,404,982	101,727,315	2,786,502.00	750,918,799
Notes Receivables	126,500,000	-	-	126,500,000
Deposits	171,794,890	8,529,984	-	180,324,874
Derivative assets held for risk management purposes	148,476,270	8,214,946	-	156,691,216
Cash and cash equivalents	248,749	-	-	248,749
Other assets	13,301,342	1,751,262	51,013.00	15,103,617
	<u>1,106,726,233</u>	<u>120,223,507</u>	<u>2,837,515</u>	<u>1,229,787,255</u>
Derivatives liabilities held for risk management purposes	(18,552,894)	(24,479,935)	-	(43,032,829)
Debt securities issued	(895,735,463)	(282,059,542)	-	(1,177,795,005)
Other liabilities	(8,220,374)	(485,423)	-	(8,705,797)
	<u>(922,508,731)</u>	<u>(307,024,900)</u>	<u>-</u>	<u>(1,229,533,631)</u>
Net position	<u>184,217,502</u>	<u>(186,801,393)</u>	<u>2,837,515</u>	<u>253,624</u>

The following significant exchange rates applied during the year ended 31 December 2014:

	Average Rate	Closing Rate
USD	0.7540	0.8266
JPY	0.0071	0.0069

DOURO FINANCE B.V.

Notes to the financial statements (continued) For the year ended 31 December 2014

22 Financial instruments (continued)

(iii) Market risk (continued)

The Company's exposure to foreign currency risk as at 31 December 2013 is as follows:

	EUR	USD	Total
Investment securities	594,633,917	19,953,208	614,587,125
Derivative assets held for risk management purposes	18,708,456	375,687	19,084,143
Cash and cash equivalents	3,857	-	3,857
Other assets	14,006,492	-	14,006,492
	<u>627,352,722</u>	<u>20,328,895</u>	<u>647,681,617</u>
Derivatives liabilities held for risk management purposes	(23,229,632)	(28,987,395)	(52,217,027)
Debt securities issued	(407,261,497)	(183,941,111)	(591,202,608)
Other liabilities	(4,061,732)	-	(4,061,732)
	<u>(434,552,861)</u>	<u>(212,928,506)</u>	<u>(647,481,367)</u>
Net position	<u>192,799,861</u>	<u>(192,599,611)</u>	<u>200,250</u>

The following significant exchange rates applied during the year ended 31 December 2013:

USD	Average Rate	Closing Rate
	0.7669	0.7277

(b) Sensitivity Analysis

The impact of any change in the exchange rates and interest rate on the investment securities relating to any series is offset by the foreign exchange rate and interest rate changes on the debt securities issued under the series. Any difference is borne by the Swap Counterparty and thus the exchange rate and interest rate changes have no net impact on the statement of comprehensive income of the Company.

(c) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of investment securities held by the Company will be borne by the Swap Counterparties and/or Noteholders.

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to Deutsche International Trust Company N.V.

(v) Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders. The capital structure of the Company consists of debt securities and equity comprising of issued capital and reserves.

(vi) Fair values

The Company's investment securities, derivative financial instruments and debt securities issued are carried at fair value on the statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities at the reporting date approximated their fair values.

The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year/period.

Notes to the financial statements (continued)
For the year ended 31 December 2014

22 Financial instruments (continued)

(vi) Fair values (continued)

At the reporting date, the carrying amounts of financial assets and financial liabilities issued by the Company which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

The fair values as at 31 December 2014 in the below disclosure note have been disclosed at dirty prices.

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Investment securities	567,885,532	182,963,562	15,000,000	765,849,094
Derivative assets held for risk management purposes	-	156,649,419	41,797	156,691,216
Deposits	-	180,324,874	-	180,324,874
Notes Receivable	-	126,500,000	-	126,500,000
Debt securities	-	(1,072,554,715)	(113,777,640)	(1,186,332,355)
Derivative liabilities held for risk management purposes	-	(32,145,593)	(10,887,236)	(43,032,829)
	<u>567,885,532</u>	<u>(458,262,453)</u>	<u>(109,623,079)</u>	<u>-</u>

The directors consider the carrying amounts of financial assets and financial liabilities (other than those categorised as fair value through profit or loss) recognised in the financial statements to approximate their fair values.

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Cash and cash equivalents	248,749	-	-	248,749
Other assets	13,477,691	1,585,918	40,008	15,103,617
Other liabilities	-	(9,101,147)	395,350	(8,705,797)
	<u>13,726,440</u>	<u>(7,515,229)</u>	<u>435,358</u>	<u>6,646,569</u>

The fair values as at 31 December 2013 in the below disclosure note have been disclosed at dirty prices.

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Investment securities	540,880,709	87,462,982	-	628,343,691
Derivative assets held for risk management purposes	-	19,078,520	5,623	19,084,143
Debt securities	-	(551,606,535)	(43,604,272)	(595,210,807)
Derivative liabilities held for risk management purposes	-	(51,137,065)	(1,079,962)	(52,217,027)
	<u>540,880,709</u>	<u>(496,202,098)</u>	<u>(44,678,611)</u>	<u>-</u>

The directors consider the carrying amounts of financial assets and financial liabilities (other than those categorised as fair value through profit or loss) recognised in the financial statements to approximate their fair values.

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Cash and cash equivalents	3,857	-	-	3,857
Other assets	13,140,159	866,333	-	14,006,492
Other liabilities	-	(2,791,893)	(1,269,839)	(4,061,732)
	<u>13,144,016</u>	<u>(1,925,560)</u>	<u>(1,269,839)</u>	<u>9,948,617</u>

BBVA continuously carries out an analysis and a review of different drivers. The main ones being:

- Liquidity indicators: the trading frequency and the trading volume of the securities, the number of contributors which support a quoted market price, the existence of an active market, the volatility of the quoted prices.
- Credit indicators: the credit rating of the collaterals, the concentration of the collaterals

These kind of analysis provides the Company relevant information to detect which securities are able to be transferred from one level to another level within the categories of fair value described in the Note 2 "Basis of preparation".

According to the classification levels :

- The movement of securities into Level 1 are those that now have observable liquid prices in the market.
- The movement into level 2 securities are those that do not have observable liquid prices anymore. So their theoretical prices are derived from observable market inputs.
- The movement into level 3 are those securities where some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions.

DOURO FINANCE B.V.

Notes to the financial statements (continued)

For the year ended 31 December 2014

22 Financial instruments (continued)

(vi) Fair values (continued)

The transfers between the fair value hierarchy classification levels for financial assets and financial liabilities classified as fair value through profit or loss during the year were as follows:

	Level 1		Level 2		Level 3	
	Transfers in EUR	Transfers out EUR	Transfers in EUR	Transfers out EUR	Transfers in EUR	Transfers out EUR
Investment securities	17,760,601	-	-	(17,760,601)	-	-
Derivative liabilities held for risk management purposes	-	-	-	5,921	(5,921)	-
Debt securities				220,048	(220,048)	

The changes in financial instruments measured at fair value using significant Level 3 inputs are reflected below :

	Opening Balance EUR	Purchases EUR	Sales EUR	Realised and Unrealised Gains/(Losses), net EUR	Transfers In and/or Out of Level 3, net EUR	Ending Balance December 31 EUR
31-Dec-2014						
Investment securities	-	15,000,000	-	-	-	15,000,000
Derivative assets held for risk management purposes	5,623	(1,100,000)	1,096,800	39,374	-	41,797
Derivative liabilities held for risk management purposes	(1,079,962)	(87,317,888)	85,903,260	(8,386,725)	(5,921)	(10,887,236)
Debt securities	(43,604,272)	(87,000,060)	25,164,817	(8,118,077)	(220,048)	(113,777,640)
31-Dec-2013						
Derivative assets held for risk management purposes	-	-	-	5,623	-	5,623
Derivative liabilities held for risk management purposes	-	-	-	(1,079,962)	-	(1,079,962)
Debt securities	-	(41,899,127)	-	(1,705,145)	-	(43,604,272)

(vii) Significant accounting policies

Details of the significant accounting policies and method adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised are disclosed in Note 3 of these financial statements.

23 Subsequent events

Except for the below, there were no significant post balance events that would affect the presentation and disclosure in the current year.

At the date of our report, the Company had issued the following new Series of Notes:

Series 218 Tranche 2 - EUR 90,000,000 Senior Secured Floating rate Limited Recourse Securities due 2032
 Series 228 - EUR 10,000,000 Secured Limited Recourse Credit-Linked Securities due 2020
 Series 229 - EUR 5,000,000 Secured Limited Recourse Index-Linked Securities due 2024
 Series 231 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
 Series 232 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
 Series 233 - EUR 3,583,000 Secured Limited Recourse Equity-Linked Securities due 2020
 Series 234 - EUR 5,000,000 Secured Limited Recourse Index-Linked Securities due 2020

Notes to the financial statements (continued)

For the year ended 31 December 2014

23 Subsequent events (continued)

Series 235 - EUR 28,750,000 Secured Limited Recourse Index Linked Securities due 2020
Series 236 - EUR 20,550,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 237 - EUR 2,000,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 238 - EUR 2,500,000 Callable Secured Limited Recourse Credit-Linked Securities due 2025
Series 239 - EUR 1,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 240 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016
Series 241 - EUR 13,500,000 Secured Limited Recourse Fixed Rate Securities due 2041
Series 242 - EUR 20,000,000 Secured Limited Recourse Floating Rate Securities due 2027
Series 243 - EUR 20,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 244 - EUR 2,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 245 - EUR 4,010,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 246 - EUR 20,000,000 Secured Limited Recourse Floating Rate Securities due 2027
Series 247 - EUR 8,100,000 Secured Limited Recourse Index Linked Securities due 2020
Series 248 - EUR 4,000,000 Secured Limited Recourse Equity Linked Securities due 2020
Series 249 - EUR 1,000,000 Secured Limited Recourse Index Linked Securities due 2018
Series 250 - EUR 1,000,000 Secured Limited Recourse Index Linked Securities due 2018
Series 251 - EUR 12,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 252 - EUR 6,400,000 Secured Limited Recourse Index Linked Securities due 2020
Series 253 - EUR 5,650,000 Secured Limited Recourse Index Linked Securities due 2020
Series 254 - EUR 3,000,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 256 - EUR 1,000,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 257 - EUR 2,500,000 Secured Limited Recourse Index Linked Securities due 2020
Series 258 - EUR 14,150,000 Secured Limited Recourse Index Linked Securities due 2020
Series 259 - EUR 3,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2040
Series 260 - EUR 2,600,000 Secured Limited Recourse Index Linked Securities due 2020
Series 261 - EUR 1,350,000 Secured Limited Recourse Index Linked Securities due 2020
Series 262 - EUR 11,100,000 Secured Limited Recourse Index Linked Securities due 2020
Series 263 - EUR 10,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2040
Series 264 - EUR 8,750,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 265 - EUR 10,000,000 Secured Limited Recourse Securities due 2044
Series 266 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016

At the date of our report, the below Series of Notes were fully redeemed/matured:

Series 51 - EUR 2,000,000 3.80% Secured Limited Recourse Credit-Linked Securities due 2015
Series 70 - EUR 3,000,000 2.25% Secured Limited Recourse Credit-Linked Securities due 2015
Series 71 - USD 2,100,000 2.25% Secured Limited Recourse Credit-Linked Securities due 2015
Series 79 - EUR 3,400,000 Secured Limited Recourse Index- Linked Interest and Credit-Linked Securities due 2015
Series 133 - EUR 1,600,000 5.15% Secured Limited Recourse Credit - Linked Securities due 2017
Series 138 - EUR 20,000,000 Secured Limited Recourse Securities due 2041
Series 156 - EUR 6,500,000 Secured Limited Recourse Index Linked Securities due 2018
Series 169 - USD 10,000,000 Secured Limited Recourse Credit Linked Securities due 2021
Series 174 - USD 10,000,000 Callable Secured Limited Recourse Credit-Linked Securities due 2021
Series 183 - EUR 14,200,000 Secured Limited Recourse Index Linked Securities due 2019
Series 184 - EUR 4,000,000 Secured Limited Recourse Index Linked Securities due 2016
Series 185 - USD 20,000,000 Callable Secured Limited Recourse Credit-Linked Securities due 2021
Series 188 - EUR 2,000,000 Secured Limited Recourse Credit Linked Securities due 2017
Series 189 - EUR 8,750,000 Secured Limited Recourse Credit Linked Securities due 2019
Series 206 - EUR 11,450,000 Secured Limited Recourse Index Linked Securities due 2019
Series 207 - EUR 2,000,000 Secured Limited Recourse Equity Linked Securities due 2016
Series 216 - EUR 5,050,000 Secured Limited Recourse Index Linked Securities due 2019
Series 220 - EUR 1,000,000 Secured Limited Recourse Variable Redemption Amount Securities due 2017
Series 231 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 240 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016

On behalf of the Board of Directors

Deutsche International Trust Company N.V.

Date: 30 June 2015

Other information

For the year ended 31 December 2014

Statutory rules concerning the appropriation of results

The appropriation of profit is governed by Article 21 of the articles of association. The profit is at free disposal of the general meeting. The general meeting may decide to pay dividend only after adoption of the annual accounts and if profit so permits.

Appropriation of net income for the year

Awaiting the decision of shareholders, the net income for the year ended 2014 is separately included in the shareholders equity as unappropriated net income.

Subsequent events

Except for the below, there were no significant post balance events that would affect the presentation and disclosure in the current year.

At the date of our report, the Company had issued the following new Series of Notes:

Series 218 Tranche 2 - EUR 90,000,000 Senior Secured Floating rate Limited Recourse Securities due 2032
Series 228 - EUR 10,000,000 Secured Limited Recourse Credit-Linked Securities due 2020
Series 229 - EUR 5,000,000 Secured Limited Recourse Index-Linked Securities due 2024
Series 231 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 232 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 233 - EUR 3,583,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 234 - EUR 5,000,000 Secured Limited Recourse Index Linked Securities due 2020
Series 235 - EUR 28,750,000 Secured Limited Recourse Index Linked Securities due 2020
Series 236 - EUR 20,550,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 237 - EUR 2,000,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 238 - EUR 2,500,000 Callable Secured Limited Recourse Credit-Linked Securities due 2025
Series 239 - EUR 1,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 240 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016
Series 241 - EUR 13,500,000 Secured Limited Recourse Fixed Rate Securities due 2041
Series 242 - EUR 20,000,000 Secured Limited Recourse Floating Rate Securities due 2027
Series 243 - EUR 20,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 244 - EUR 2,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 245 - EUR 4,010,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 246 - EUR 20,000,000 Secured Limited Recourse Floating Rate Securities due 2027
Series 247 - EUR 8,100,000 Secured Limited Recourse Index Linked Securities due 2020
Series 248 - EUR 4,000,000 Secured Limited Recourse Equity Linked Securities due 2020
Series 249 - EUR 1,000,000 Secured Limited Recourse Index Linked Securities due 2018
Series 250 - EUR 1,000,000 Secured Limited Recourse Index Linked Securities due 2018
Series 251 - EUR 12,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2044
Series 252 - EUR 6,400,000 Secured Limited Recourse Index Linked Securities due 2020
Series 253 - EUR 5,650,000 Secured Limited Recourse Index Linked Securities due 2020
Series 254 - EUR 3,000,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 256 - EUR 1,000,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 257 - EUR 2,500,000 Secured Limited Recourse Index Linked Securities due 2020
Series 258 - EUR 14,150,000 Secured Limited Recourse Index Linked Securities due 2020
Series 259 - EUR 3,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2040
Series 260 - EUR 2,600,000 Secured Limited Recourse Index Linked Securities due 2020
Series 261 - EUR 1,350,000 Secured Limited Recourse Index Linked Securities due 2020
Series 262 - EUR 11,100,000 Secured Limited Recourse Index Linked Securities due 2020
Series 263 - EUR 10,000,000 Secured Limited Recourse Variable Coupon Amount Securities due 2040
Series 264 - EUR 8,750,000 Secured Limited Recourse Equity-Linked Securities due 2018
Series 265 - EUR 10,000,000 Secured Limited Recourse Securities due 2044
Series 266 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016

At the date of our report, the below Series of Notes were fully redeemed/matured:

Series 51 - EUR 2,000,000 3.80% Secured Limited Recourse Credit-Linked Securities due 2015
Series 70 - EUR 3,000,000 2.25% Secured Limited Recourse Credit-Linked Securities due 2015
Series 71 - USD 2,100,000 2.25% Secured Limited Recourse Credit-Linked Securities due 2015
Series 79 - EUR 3,400,000 Secured Limited Recourse Index- Linked Interest and Credit-Linked Securities due 2015
Series 133 - EUR 1,600,000 5.15% Secured Limited Recourse Credit - Linked Securities due 2017
Series 138 - EUR 20,000,000 Secured Limited Recourse Securities due 2041
Series 156 - EUR 6,500,000 Secured Limited Recourse Index Linked Securities due 2018
Series 169 - USD 10,000,000 Secured Limited Recourse Credit Linked Securities due 2021
Series 174 - USD 10,000,000 Callable Secured Limited Recourse Credit-Linked Securities due 2021
Series 183 - EUR 14,200,000 Secured Limited Recourse Index Linked Securities due 2019
Series 184 - EUR 4,000,000 Secured Limited Recourse Index Linked Securities due 2016
Series 185 - USD 20,000,000 Callable Secured Limited Recourse Credit-Linked Securities due 2021

DOURO FINANCE B.V.

Other information

For the year ended 31 December 2014

Subsequent events (continued)

Series 188 - EUR 2,000,000 Secured Limited Recourse Credit Linked Securities due 2017
Series 189 - EUR 8,750,000 Secured Limited Recourse Credit Linked Securities due 2019
Series 206 - EUR 11,450,000 Secured Limited Recourse Index Linked Securities due 2019
Series 207 - EUR 2,000,000 Secured Limited Recourse Equity Linked Securities due 2016
Series 216 - EUR 5,050,000 Secured Limited Recourse Index Linked Securities due 2019
Series 220 - EUR 1,000,000 Secured Limited Recourse Variable Redemption Amount Securities due 2017
Series 231 - EUR 1,153,000 Secured Limited Recourse Equity-Linked Securities due 2020
Series 240 - MXN 20,000,000 Secured Limited Recourse Equity-Linked Securities due 2016

DOURO FINANCE B.V.

Independent auditor's report to the shareholders of Douro Finance B.V.

Independent auditor's report

To: the General Meeting of Douro Finance B.V.

Report on the Audit of the Financial Statements 2014

Our Opinion

We have audited the accompanying financial statements 2014 of Douro Finance B.V., based in Amsterdam.

In our opinion, the company financial statements give a true and fair view of the financial position of Douro Finance B.V. as at December 31, 2014, and of its result and its cash flows for 2014 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements comprise:

1. the company statement of financial position as at December 31, 2014;
2. the following statements for 2014: statements of comprehensive income, changes in shareholder's equity and cash flows for the year then ended;
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of Douro Finance B.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.



Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 12.297.873. The materiality is based on 1% of the total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of EUR 601.463, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial assets measured against amortized cost

The risk associated with the possible impairment of the deposits, which are measured against amortized cost, and the disclosure of the fair value of these deposits. Given the way the entity is structured a fair value movement in these financial assets will be absorbed by the bondholders.

We obtained the audited financial statement of BBVA Group S.A. where the deposits are held and based on the information received we evaluated the impairment analysis of Management. For the fair value disclosures we challenged Management assumptions used when determination of the fair value, with the support of financial instruments valuation experts.

Based on the work performed, as mentioned above, we observed that the impairment analysis for these deposits is appropriate. We also determined that the disclosure of the fair value in relation to these deposits is appropriate.

Valuation of financial assets measured against fair value

The risk associated with the valuation and the disclosure of financial instruments measured against fair value relates to the complexity of the instrument characteristics, lack of observable inputs, degree of Management judgment when determining appropriate valuation algorithms and the model assumptions used when determining the fair value of these financial assets. Given the way the entity is structured a fair value movement in these financial assets will be absorbed by the bondholders

We tested the design and implementation of procedures related to the fair value measurement of these financial instruments. We challenged Management assumptions in the determination of the valuation algorithms and the model assumptions, with the support of internal financial instruments valuation experts.



Based on the work performed, as mentioned above, we observed that the fair value measurement for these financial instruments is appropriate. We also determined that the disclosure of the fair value in relation to these financial instruments is appropriate.

Responsibilities of the Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Director's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, Management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management should prepare the financial statements using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud. Please refer to Appendix A for a summary of our responsibilities.

Report on other legal and regulatory requirements

The Director's Report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Director's Report and other information):

- We have no deficiencies to report as a result of our examination whether the Director's Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the Director's Report, to the extent we can assess, is consistent with the financial statements.



Engagement

We were engaged by the Board of Directors as auditor of Douro Finance B.V. for 2014 on February 24, 2015, and we have been the auditor of Douro Finance B.V. as of year 2012.

Amsterdam, June 30, 2015

Deloitte Accountants B.V.

Signed on the original: A. den Hertog

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Concluding on the appropriateness of Management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, when non-mentioning is in the public interest.