



CAPITAL PROTECTED

MAY 2014

The Memory Bonds

Secure Option Growth Option

merrion
SOLUTIONS

STRUCTURED INVESTMENTS

Merrion Solutions is a division of Merrion Stockbrokers Limited. Merrion Stockbrokers Limited is regulated by the Central Bank of Ireland. Merrion Stockbrokers limited is a member of the Irish Stock Exchange and the London Stock Exchange.



Merrion Solutions is a division of Merrion Stockbrokers Limited developed with the needs and objectives of Irish Financial Brokers at the forefront of everything we do.

There are two strands to the business:

- We have combined the expertise of Duggan Asset Management and Merrion Stockbrokers Limited to develop a new and innovative **Structured Investments** business. This business will provide Investment Solutions that empower Financial Brokers and their clients in navigating a course from deposits back to normal investment portfolio construction.
- **myfunds:** We have created a Financial Broker friendly Stockbroking solution that combines Merrion's Investment Management and Stockbroking capability into one low cost, transparent and potentially tax efficient offering.

For more information, please call (01) 2404188, email solutions@merrion-capital.com or visit www.merrionsolutions.com.

Merrion Structured Investments

Merrion Structured Investments is passionate about creating the **leading and most innovative Investment Solutions in the Irish market.**

We will create a series of **exciting new Investment Solutions for Financial Brokers and their clients each calendar quarter.**

Our Investment Strategies and Solutions will be **Research Driven.** By combining the resources of Merrion Investment Managers, Merrion Stockbrokers and other leading international investment experts, our Investment Solutions will have a **strong economic and investment logic** and will represent international best practice in construction.

Merrion Structured Investments operates an **Open Architecture** platform i.e. we will work with a broad range of Irish & International Bank counterparties. We will work with **high quality investment grade counterparties** when selecting partners to provide Capital Protection or other Investment Risk Controlling or Reducing Mechanisms.

We will focus on providing Investment Solutions with **liquidity.** Where possible, we will create the provision for investors to exit their investment prior to maturity should their circumstances change or if investment performance is higher or lower than anticipated.

Our quarterly Investment Solutions will offer a **choice** of:

- 1. Investment Risk Levels:** From 2 to 5.
- 2. Investment Objectives:** Income, Capital Growth, Hedging Strategies etc.
- 3. Taxation Treatment:** Deposit Interest Retention Tax (DIRT), Capital Gains Tax (CGT) and Income Taxable investments.
- 4. Asset Classes:** Traditional Asset Classes such as equities, bonds and property and Alternative Asset Classes such as commodities, currencies, inflation, interest rates etc.
- 5. Investment Techniques:** Traditional Investment Techniques such as long only with Alternative Investment Techniques such as short selling, arbitrage, relative performance etc.

Our Investment Solutions will be available to a **broad range of investor types**, all of whom can invest via our **myfunds** accounts as follows:

- Personal Investors.
- Pension Schemes: Small Self Administered Pension Schemes and Insured Self Directed or Self Invested Plans.
- Post Retirement Plans: Self Administered ARFs & AMRFs and Insured Self Directed or Self Invested ARF & AMRF Plans.
- Self Administered PRSAs.
- Companies, Credit Unions, Charities and other Not for Profit Organisations.
- Institutional Investors.

Our Philosophy will be the implementation of International Best Practice in Structured Investment Techniques for Financial Brokers and their investor clients in Ireland.

1. Executive Summary of Indicative Terms

- The Memory Bond (the Bond) is an innovative new Investment Solution designed for Pension and Post Retirement investors seeking a **Capital Protected alternative to Fixed Term Deposit Accounts**. The Bond is suitable as part of the process of constructing a genuinely diversified investment portfolio.
- There are 2 options for investors in the Bond, the **Secure Option** and the **Growth Option**.
- Investors in the **Secure Option** of the Bond benefit from **100% Capital Protection** and investors in the **Growth Option** of the Bond benefit from **90% Capital Protection** provided by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) at Maturity. This means that you will receive back at least all of the capital invested in the case of the Secure Option and at least 90% of the capital invested in the Growth Option of the Bond. Merrion Solutions considers both Options of the Bond to have a **risk score of 2** (Conservative) on its risk scale.
- Investors in the **Secure Option** benefit from:
 1. **An Elevated Level of Potential Return:** Investors will receive a potential annual return of 4% per annum paid out each year if the 4 underlying shares are above their initial level.
 2. **Memory Feature:** If one of the potential annual payments of 4% is not paid out in any given year or years but the 4 underlying shares are above their initial levels at the end of a subsequent year, the potential annual return of 4% for that subsequent year and the previous years that were missed are also paid out.
- Investors in the **Growth Option** benefit from:
 1. **An Elevated Level of Potential Return: 9% each year.** If all 4 of the underlying shares are above their initial level after 1 year, the Growth Option will **mature early**, investors will receive back their initial investment and a return of 9%. If not, but if all 4 of the underlying shares are above their initial level after 2 years, the Growth Option will mature early, investors will receive back their initial investment and a return of 18%. This process continues at each yearly interval with the return increasing by 9% for each year passed until the return condition is met (i.e. all 4 of the underlying shares are above their initial level) or until Maturity.
 2. **Memory Feature:** If one of the potential annual payments of 9% is not paid out in any given year or years but the 4 underlying shares are above their initial levels at the end of a subsequent year, the potential annual return of 9% for that subsequent year and the previous years that were missed are also paid out and the Growth Option will mature at the end of that subsequent year.
- The **Underlying Investment** of both Options of the Bond is a Note issued by BBVA Global Markets B.V. investing in the **shares of 4 large companies in the Eurostoxx 50 Index** as follows:

AnheuserBusch InBev NV	Philips NV	Volkswagen AG	Airbus Group NV
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- **The Investment Rationale:** The investment rationale for investing in European equities can be summarised as:
 1. **Equities as a long term investment:** Although investing in equities involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.
 2. **Performance/Valuation:** The European stock market has not yet recovered to the same extent as the stock markets of other regions. For example, since the low for European Equities in March 2009, the US stock market has recovered to a level above its pre-crisis level whereas the European market has recovered roughly 70% of its pre-crisis high.

- The Minimum Return of the Secure Option is 0% and Maximum Return is 20%.
- The Minimum Return of the Growth Option is 0% and the Maximum Return is 45%.
- The Bond has a **5 year term**.
- The Bond will be **listed on the Irish Stock Exchange**. **Daily liquidity** will be provided to investors that wish to sell the Bond prior to maturity under normal market conditions and at the discretion of BBVA.
- The **Minimum Investment** in each Option of the Bond is **€25,000**.
- The **Closing Date for applications is 25 July 2014**.
- Taxation: Our understanding is that the returns will be **exempt from taxation** in the case of **Pension and Post Retirement Investors**.

Warning: The Growth Option of the Bond is not Capital Protected. If you invest in the Growth Option of the Bond you can lose 10% of the money you invest.

Warning: This document is provided for information purposes only and is not considered to be an assessment of the suitability or appropriateness for any one investor or group of investors. The suitability or appropriateness of this product to your investment objectives or risk profile should be discussed with your Financial Broker before any investment in this product is made.

Warning: All of the terms outlined in this document are indicative and subject to change. The final terms will not be known until 1 August 2014. Your Financial Broker will confirm the final terms in the Confirmation Certificate issued shortly after the Issue Date on 8 August 2014. If the terms of the Bond have changed significantly on 1 August 2014, your Financial Broker will contact you again requesting a new instruction to proceed with the investment.

Disclaimer: This document has not been reviewed, approved or otherwise endorsed by BBVA or any of its affiliates and BBVA accepts no responsibility in relation to the accuracy, completeness or adequacy of the information included herein. Nothing in this document should be considered to be a representation or warranty by BBVA to any person, including without limitation, any potential investor and any member of the public, regarding whether investing in the product described herein is suitable or advisable for such person.

2. Description of The Memory Bond

Both the Secure Option and Growth Option of the Bond are in the form of a BBVA Note designed for Pension and Post Retirement investors as an alternative to Fixed Term Deposits Accounts. The interest rate available on Fixed Term Deposit Accounts has fallen dramatically in recent years and many investors are now looking for a similarly low risk alternative but with higher return potential. Both the Secure Option and Growth Option of the Bond are suitable as part of the process of constructing a genuinely diversified investment portfolio.

The underlying BBVA Notes will be issued under BBVA's Structured Medium Term Note Programme dated 9 July 2013. Copies of the Programme's base prospectus (which sets out the terms and conditions of the Notes to be completed by the Final Terms or Pricing Supplement) and any supplements there to are available at http://www.ise.ie/debt_documents/Base%20Prospectus_a03e93df-521b-4776-80be-a1cb1db39997.PDF or from your Financial Broker on request.

2.1 Investment Rationale for investing in European Equities

The investment rationale for investing in European equities can be summarised as:

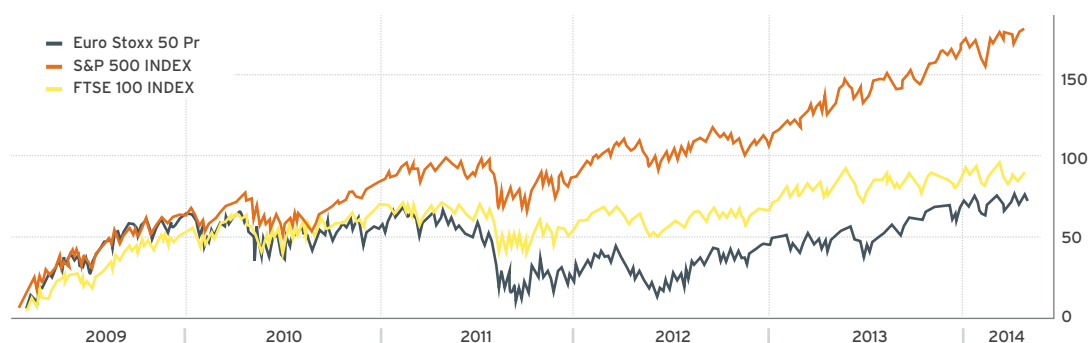
- 1. Equities as a long term investment:** Although investing in equities involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.
- 2. Performance/Valuation:** The European stock market has not yet recovered to the same extent as the stock markets of other regions. For example, since the low for European Equities in March 2009, the US stock market has recovered to a level above its pre-crisis level whereas the European market has recovered roughly 70% of its pre-crisis high.

Equities as a long term investment & Performance/Valuation of European v US/UK equities

Description	Level
Eurostoxx 50 Index all time high on 31 March 2000	5,249.55
Eurostoxx 50 Index pre crisis high on 16 July 2007	4,557.57
Eurostoxx 50 Index crisis low on 9 March 2009	1,809.98
Eurostoxx 50 Index now on 30 April 2014	3,198.39

Source: Bloomberg
(31 March 2000 to 30 April 2014)

The Eurostoxx 50 Index has increased 76.71% (excluding dividends) since the beginning of the stock market recovery in March 2009. The S&P 500 Index (US equities) and the FTSE 100 Index (UK equities) have increased 178.47% and 91.40% respectively (excluding dividends) over the same period as illustrated in the chart below:



Source: Bloomberg (9 March 2009 to 30 April 2014). Excludes dividends.

Warning: Past Performance is not a reliable guide to future performance.

There have been valid reasons for the European stock market to underperform those of other developed regions (e.g. slower economic growth and the European sovereign debt crisis) since 2009. However, this degree of underperformance between Europe's and other developed region's stock markets has not normally occurred in the long term. Therefore there is the potential that Europe's stock market could close the performance gap that has opened in recent years as the sovereign debt crisis and other economic challenges are overcome. Similarly, it could be the case that given the weaker performance since 2009, the European stock market may have greater capacity to increase than the stock markets of other developed regions given the increases already achieved in these regions.

Anheuser-Busch InBev NV

Anheuser-Busch InBev (ABI) is the world's leading brewer operating out of 24 countries. The group is also recognised as being one of the world's top five consumer products companies. Core brands for the company include Stella Artois, Corona and Budweiser. The US is ABI's largest end market, making up c.40% of revenue while Latin America, particularly Brazil makes up c.36%. The remainder of the group's largest markets are spread throughout Western and Eastern Europe and in Asia, notably China. Revenue is forecast to amount to \$47.6 billion in FY 2014 (+10% YoY) adjusted earnings per share are forecast of amount to \$5.27 (+7.3% YoY). The company is expected to benefit from the upcoming sports being held in Latin America, including the upcoming World Cup and the company attracts premium valuation set of multiples given the group's exposure to emerging markets. ABI trades on a 2014 P/E of 20.9x (2015: 18.8x) and on an 2014 EV/EBITDA multiple of 11.7x (2015: 10.8x) while also providing a dividend yield of 2.7%.

Volkswagen AG

Volkswagen is the largest manufacturer of automobiles in Europe and one of the world's leading manufacturers. With one in every four cars (24.4%) in Europe made by Volkswagen revenue totalled €197 billion in 2013 while profits before tax were €12.4 billion in the same year. The group caters to a wide variety of price ranges from entry level brands such as Seat and Skoda all the way to Bentley, Porsche and Bugatti. A key focus of the group is to continue its exposure in to Asia and management have set long term targets to 2018 which will see Asia continue to be the largest end market for the group while nearly doubling the group's operating margin from 3.5% to greater than 6%. Volkswagen currently trade on a P/E of 8.6x 2014 consensus earnings forecast (2015: 7.7x) and on an 2014 EV/EBITDA multiple of 7.2x (2015: 6.6x) and are forecast to provide for a dividend yield of 2.7% next year up from 2.2% in 2013.

Airbus Group NV:

Airbus is Europe's largest manufacturer of aircraft both for commercial and military end markets. The split of commercial exposure to military is roughly 75/25. In terms of commercial aircraft producers, both EADS through Airbus and Boeing in the US control a significant share of the market and are benefitting from strong demand for new fuel efficient aircraft replacing older versions in developed markets as emerging markets are placing significant orders for the first time. Currently EADS has an order book of €642 billion (2014f revenue: +€60 billion) providing visibility in to future years. The shares are currently trading on a 2014 P/E multiple of 16.7x (2015: 13.6x) and a 2014 EV/EBITDA multiples of 6.1x (2015: 5.3x) with a dividend yield of 2.2%.

Phillips NV

Phillips is a diversified company serving three core markets, Healthcare, Personal Health and well-being and Lighting. In the company's most recent quarter, the sales split between the divisions was Healthcare (41% of sales), Lighting (34% of sales), Consumer Lifestyle (21% of sales) and Innovation Group and Services (4% of sales). On a profitability basis, the most important division was Healthcare (64% of adjusted EBITA), with Lighting (28% of adjusted EBITA), Consumer Lifestyle (18% of adjusted EBITA) and Innovation Group and Services (-10% of adjusted EBITA) making up the remainder. The company stands to be a beneficiary of increased spending on new light technology both for households and in commercial settings while the healthcare division continues to benefit from structural demand market shifts towards its product offering. Going forward, Phillips is expected to generate adjusted earnings per share of €1.52 in 2014 (2013: €1.58), increasing further to €1.83 in 2015. Phillips is also forecast to provide shareholders with a dividend yield of 3.5%.

2.2 The Secure Option

Elevated Level of Potential Return

Investors will receive a potential annual return of 4% per annum paid out each year if the 4 underlying shares are above their initial level.

Memory Feature

If one of the potential annual payments of 4% is not paid out in any given year or years but the 4 underlying shares are above their initial levels at the end of a subsequent year, the potential annual return of 4% for that subsequent year and the previous years that were missed are also paid out as described in the table below:

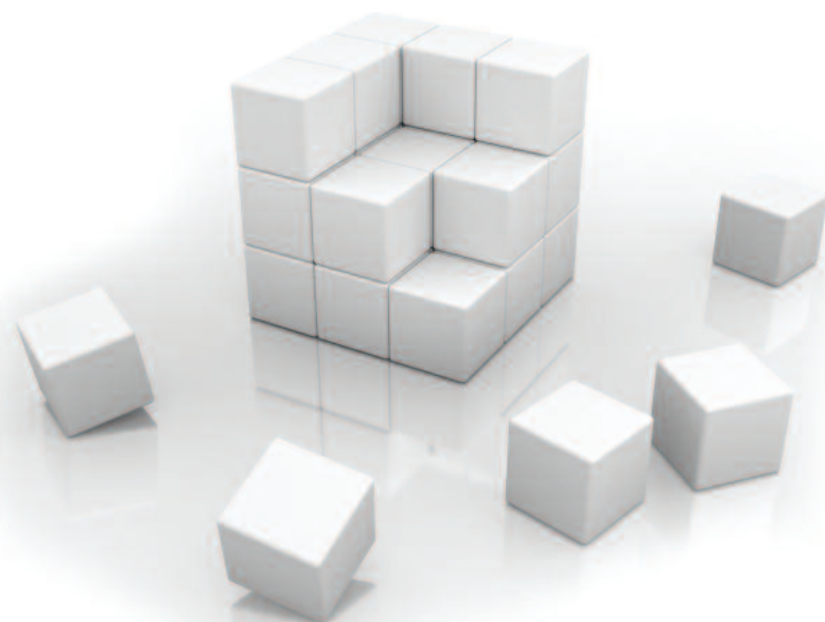
	Scenario 1		Scenario 2		Scenario 3		Scenario 4		Scenario 5		Scenario 6	
	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid
YEAR 1	YES	4%	YES	4%	NO	0%	NO	0%	YES	4%	NO	0%
YEAR 2	NO	0%	YES	4%	NO	0%	YES	8%	NO	0%	NO	0%
YEAR 3	NO	0%	NO	0%	YES	12%	NO	0%	YES	8%	NO	0%
YEAR 4	NO	0%	NO	0%	NO	0%	YES	8%	NO	0%	NO	0%
YEAR 5	NO	0%	NO	0%	NO	0%	NO	0%	YES	8%	YES	20%
TOTAL RETURN		4%		8%		12%		16%		20%		20%

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: Past Performance is not a reliable guide to future performance.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.



Comparison of the Features of the Secure Option and a Fixed Term Deposit Account

Investors in a Fixed Term Deposit Accounts receive a fixed level of pre-defined return for the term of the Deposit Account Bond. For example, a 5 year Fixed Term Deposit Account with an interest rate of 2% attracts interest of 10.41% at the end of the term (5 yearly payments of 2% each rolled up and compounded to the maturity date).

Investors in the Secure Option of the Bond receive a potential return of 4% per annum paid out to investors if applicable. The overall potential return of the Secure Option of the Bond at the end of the term is between 0% and 20% as described above.

Feature	Memory Bond (Secure Option)	Fixed Term Deposit Account
Capital Protection	Yes	Yes
Investment Return	Potential Return of 4% per annum Minimum Return: 0% Maximum Return: 20%	Fixed Return (example 2% per annum Minimum Return: 10.41% Maximum Return: 10.41%
Liquidity	Daily: Investors can sell the Bond during the term.	None: Investors must hold the deposit for the full 5 year term.
Taxation	Exempt for Pension and Post Retirement investors	Exempt for Pension and Post Retirement investors
Timing of Payment of Return	Potential Return is paid out to investors at the end of each year where applicable	Fixed Return is paid out to investors at Maturity only

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: Past Performance is not a reliable guide to future performance.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Who is the Secure Option suitable for?

- The Bond has been designed for investors seeking a higher level of potential annual returns (dependent on the performance of 4 leading European stocks) than the fixed level of return paid by fixed term deposit accounts.
- Investors requiring Capital Protection.
- The Bond is a suitable investment as part of the process of constructing a genuinely diversified investment portfolio.

2.3 The Growth Option

- Investors in the Growth Option benefit from:
 - An Elevated Level of Potential Return: 9% each year.**
 - Memory Feature:** If one of the potential annual payments of 9% is not paid out in any given year or years but the 4 underlying shares are above their initial levels at the end of a subsequent year, the potential annual return of 9% for that subsequent year and the previous years that were missed are also paid out and the Growth Option will mature at the end of that subsequent year.

Elevated Level of Potential Return

Investors will receive a potential annual return of 9% per annum. If all 4 of the underlying shares are above their initial level after 1 year, the Growth Option will mature early, investors will receive back their initial investment and a return of 9%. If not, but if all 4 of the underlying shares are above their initial level after 2 years, the Growth Option will mature early, investors will receive back their initial investment and a return of 18%. This process continues at each yearly interval with the return increasing by 9% for each year passed until the return condition is met (i.e. all 4 of the underlying shares are above their initial level) or until Maturity.

Memory Feature

If one of the potential annual payments of 9% is not paid out in any given year or years but the 4 underlying shares are above their initial levels at the end of a subsequent year, the potential annual return of 9% for that subsequent year and the previous years that were missed are also paid out and the Growth Option will mature at the end of that subsequent year as described in the table below:

	Scenario 1		Scenario 2		Scenario 3		Scenario 4		Scenario 5		Scenario 6 shares fall - 10% or more	
	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid	Condition Satisfied	Coupon Paid
YEAR 1	YES	9%	NO	0%	NO	0%	NO	0%	NO	0%	NO	0%
YEAR 2			YES	18%	NO	0%	NO	0%	NO	0%	NO	0%
YEAR 3					YES	27%	NO	0%	NO	0%	NO	0%
YEAR 4							YES	36%	NO	0%	NO	0%
YEAR 5									YES	45%	NO	0%
TOTAL RETURN		9%		18%		27%		36%		45%		-10%

Warning: The Growth Option of the Bond is not Capital Protected. If you invest in the Growth Option of the Bond you can lose 10% of the money you invest.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: Past Performance is not a reliable guide to future performance.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Comparison of the Features of the Growth Option and a Fixed Term Deposit Account

Investors in a Fixed Term Deposit Accounts receive a fixed level of pre-defined return for the term of the Deposit Account Bond. For example, a 5 year Fixed Term Deposit Account with an interest rate of 2% attracts interest of 10.41% at the end of the term (5 yearly payments of 2% each rolled up and compounded to the maturity date).

Investors in the Growth Option of the Bond receive a potential return of 9% per annum paid out to investors if applicable. The overall potential return of the Growth Option of the Bond at the end of the term is between 0% and 45% as described above.

Feature	Memory Bond (Secure Option)	Fixed Term Deposit Account
Capital Protection	90% of initial capital	Yes
Investment Return	Potential Return of 9% per annum and early maturity Minimum Return: 0% Maximum Return: 45%	Fixed Return (example 2% per annum Minimum Return: 10.41% Maximum Return: 10.41%
Liquidity	Daily: Investors can sell the Bond during the term.	None: Investors must hold the deposit for the full 5 year term.
Taxation	Exempt for Pension and Post Retirement investors	Exempt for Pension and Post Retirement investors
Timing of Payment of Return	Potential Return is paid out to investors at the end of each year where applicable	Fixed Return is paid out to investors at Maturity only

Warning: The Growth Option of the Bond is not Capital Protected. If you invest in the Growth Option of the Bond you can lose 10% of the money you invest.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: Past Performance is not a reliable guide to future performance.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Who is the Growth Option suitable for?

- The Bond has been designed for investors seeking a higher level of potential annual returns (dependent on the performance of 4 leading European stocks) than the fixed level of return paid by fixed term deposit accounts.
- Investors requiring Capital Protection but who are prepared to lose up to 10% of the amount invested.
- The Bond is a suitable investment as part of the process of constructing a genuinely diversified investment portfolio.

2.4 Indicative Investment Terms of the Bond

Secure Option

While the final terms of the underlying BBVA Note will not be known until 1 August 2014, based on market conditions on 13 May 2014, the underlying BBVA Note is expected to have the following Key Investment Terms:

Indicative Key Feature	Description
Note Issuer	BBVA Global Markets B.V.
Guarantor	Banco Bilbao Vizcaya Argentaria, S.A.
Dealer	Banco Bilbao Vizcaya Argentaria, S.A.
Investment Term	5 years
Capital Protection	100%
Underlying Investments	AnheuserBusch InBev NV (Bloomberg: ABI BB) Philips NV (Bloomberg: PHIA NA) Volkswagen AG (Bloomberg Ticker: VOW3 GY) Airbus Group NV (Bloomberg: AIR FP)
Potential Return	4% per annum paid out each year if the 4 underlying shares are above their initial level.
Minimum Return	0%
Maximum Return	20%
Minimum Investment	€25,000
Closing Date	25 July 2014
Strike Date	1 August 2014
Issue Date	8 August 2014
Redemption Valuation Date	1 August 2019
Maturity Date	8 August 2019
Listing	Irish Stock Exchange
Liquidity	Daily, under normal market conditions and at the discretion of Banco Bilbao Vizcaya Argentaria, S.A.
Taxation	Exempt from taxation in the case of Pension and Post Retirement Investors.

Growth Option

While the final terms of underlying BBVA Note will not be known until 1 August 2014, based on market conditions on 13 May 2014, the underlying BBVA Note is expected to have the following Key Investment Terms:

Indicative Key Feature	Description
Note Issuer	BBVA Global Markets B.V.
Guarantor	Banco Bilbao Vizcaya Argentaria, S.A.
Dealer	Banco Bilbao Vizcaya Argentaria, S.A.
Investment Term	5 years
Capital Protection	90%
Underlying Investments	AnheuserBusch InBev NV (Bloomberg: ABI BB) Philips NV (Bloomberg: PHIA NA) Volkswagen AG (Bloomberg Ticker: VOW3 GY) Airbus Group NV (Bloomberg: AIR FP)
Potential Return	9% each year. If all 4 of the underlying shares are above their initial level after 1 year, the Growth Option will mature early, investors will receive back their initial investment and a return of 9%. If not, but if all 4 of the underlying shares are above their initial level after 2 years, the Growth Option will mature early, investors will receive back their initial investment and a return of 18%. This process continues at each yearly interval with the return increasing by 9% for each year passed until the return condition is met (i.e. all 4 of the underlying shares are above their initial level) or until the Redemption Valuation Date.

Minimum Return	0%
Maximum Return	45%
Minimum Investment	€25,000
Closing Date	25 July 2014
Strike Date	1 August 2014
Issue Date	8 August 2014
Redemption Valuation Date	1 August 2019
Maturity Date	8 August 2019
Listing	Irish Stock Exchange
Liquidity	Daily, under normal market conditions and at the discretion of Banco Bilbao Vizcaya Argentaria, S.A.
Taxation	Exempt from taxation in the case of Pension and Post Retirement Investors.

Warning: The Growth Option of the Bond is not Capital Protected. If you invest in the Growth Option of the Bond you can lose 10% of the money you invest.

Warning: All of the terms outlined in this Brochure are indicative and subject to change. The final terms will not be known until 1 August 2014.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

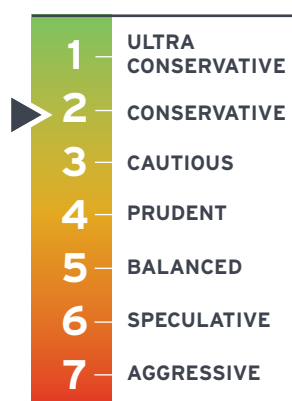
Warning: The above information represents our understanding of the taxation treatment of the Bond but does not constitute tax advice. Investors should satisfy themselves independently of the taxation treatment of the Bond in their particular circumstances.

Warning: Investors should satisfy themselves independently in relation to revenue reporting requirements and the implications of non-disclosure where required.

Warning: Tax rates and the Revenue's policy in relation to the taxation treatment of this instrument are subject to change without notice.

2.5 Investment Risk

Merrion Solutions considers both Options of the Bond to have a risk score of 2 on its risk scale as follows:



Warning: The Growth Option of the Bond is not Capital Protected. If you invest in the Growth Option of the Bond you can lose 10% of the money you invest.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment can go down as well as up.

2.6 Liquidity

The underlying BBVA Note will be listed on the Irish Stock Exchange and is a tradable investment (subject to the Warnings below), issued by BBVA Global Markets B.V.

Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) will endeavour to make a secondary market in the Note, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Note such as, but not limited to, the remaining time to the Maturity Date, the outstanding principal amount, the Issuer's or, if applicable, the Guarantor's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads and any incidental costs etc. To the extent Banco Bilbao Vizcaya Argentaria, S.A. holds Notes that it can offer and subject to it being satisfied that normal market conditions prevail, such prices will have a bid-offer spread no greater than 1.00%.

Banco Bilbao Vizcaya Argentaria, S.A. may determine a bid and offer price in a different manner than other market participants and prices can vary. Sometimes this variance may be substantial. Banco Bilbao Vizcaya Argentaria, S.A. may be the only market maker in the Note which may affect liquidity.

Therefore, investors will, in normal market conditions be able to sell the Note at any time during the term. The price at which the Note can be sold will be the open market value determined by Banco Bilbao Vizcaya Argentaria, S.A. which will take fees and charges into account and can be lower than the initial amount invested.

Warning: No representation is made as to the existence of a market for the underlying BBVA Notes. Banco Bilbao Vizcaya Argentaria, S.A. will endeavour to make a secondary market in the Notes, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Notes such as, but not limited to, the remaining time to the Maturity Date, the outstanding principal amount, the Issuer's or, if applicable, the Guarantor's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads, and any incidental costs etc.

Warning: Banco Bilbao Vizcaya Argentaria, S.A. may determine a bid and offer price in a different manner than other market participants and prices can vary. Sometimes this variance may be substantial. Banco Bilbao Vizcaya Argentaria, S.A. may be the only market maker in the Notes which may affect liquidity.

Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells the underlying BBVA Notes prior to the end of the 5 Year term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment can go down as well as up.

2.7 Fees & Charges

The Fees & Charges associated with the Bond are fully reflected in the terms. This means that they are built into the price paid for the Bond. Merrion Solutions is expected to receive an indicative commission of 1.5% in relation to its production of the Bond. Financial Brokers do not receive a commission in relation to the advice they provide to Pension and Post Retirement investors in the Bond.

The total indicative commission payable to the parties involved in the Bond is 1.5% of the amount initially invested (based on market conditions on 13 May 2014). This commission amount will be reflected in the quoted price of the Bond if sold prior to maturity.

Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells the Bond prior to the end of the 5 Year term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested.

2.8 Administrative Process

All of the Key Features outlined in this document are indicative and the final investment terms will not be known until 1 August 2014. Investors will be advised of the final terms in the Confirmation Certificate issued within 5 business days of the Issue Date on 8 August 2014. Your investment will only proceed if the Potential Annual Return is at or above 3.75% in the case of the Secure Option and 8% in the case of the Growth Option.

The Bond has been designed for Pension and Post Retirement Investors. Pension and Post Retirement Investors can invest via the following types of schemes:

- Self Invested Pension Schemes.
- Self Invested Approved Retirement Funds (ARFs) and Approved Minimum Retirement Funds (AMRFs).
- Self Invested Pre Retirement Bonds.

Investors must complete and sign the Application Forms below. Your Financial Broker will assist you in completing your Application Form and in submitting the required documentation.

2.9 What happens if I die before the Bond Matures?

In the event of death of a sole investor or a surviving joint investor, the Bond may be held by the administrators of the estate until maturity. Alternatively, the Bond may be sold prior to Maturity, subject to normal probate regulations, at its realisable value which may be lower than the original amount invested and lower than the Capital Protected amount. The proceeds from the sale of the Bond as a result of death will be paid to the investing life company.

Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells the Bond prior to the end of the 5 Year term as a result of death, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested.

2.10 Taxation

It is our understanding that any return will be exempt from taxation for Pension and Post Retirement Investors. However, the taxation treatment of the Bond will be based on Revenue's policy at the time of the realising of any gain and on the individual circumstances of each investor.

Warning: The above information represents our understanding of the taxation treatment of the Bond but does not constitute tax advice. Investors should satisfy themselves independently of the taxation treatment of the Bond in their particular circumstances.

Warning: Investors should satisfy themselves independently in relation to revenue reporting requirements and the implications of non-disclosure where required.

Warning: Tax rates and the Revenue's policy in relation to the taxation treatment of this instrument are subject to change without notice.

3. General Risk Warnings

Warning: If BBVA defaults or goes bankrupt you may lose some or all of your investment and because you are investing in a Note issued by BBVA Global Markets B.V. and not a bank deposit, you will not be eligible for compensation under any Deposit Guarantee or Deposit Compensation Scheme.

Warning: The Growth Option of the Bond is not Capital Protected. If you invest in the Growth Option of the Bond you can lose 10% of the money you invest.

Warning: Investors will benefit from the Potential Return if the predefined return condition is met. Investors will not benefit from any additional positive investment performance generated by the Underlying Investments over and above the Potential Return level provided in advance. Investors will not benefit from any dividends on the Underlying Investments.

Warning: The Note underlying the Bond is a debt obligation of BBVA Global Markets B.V. and all payments on the Bond, including the repayment of principal, are subject to the credit risk of BBVA. Credit ratings can be a useful way to compare the credit risk associated with different product providers and related investments. Credit ratings are assigned by independent companies known as ratings agencies and reviewed regularly. The guarantor, BBVA's long term credit rating as at 30 April 2014 is Baa2 from Moody's (its equivalent rating by Standard and Poor's is BBB- and from Fitch is BBB+). You should note that Moody's rate companies from Aaa (Most Secure/Best) to C (Most Risky/ Worst), while Standard & Poor's and Fitch rate companies from AAA (Most Secure/Best) to D (Most Risky/ Worst). Each of Moody's, Standard & Poor's and Fitch are independent ratings agencies. These credit ratings are reviewed on a regular basis and are subject to change by these agencies.

Warning: The Bond is for Distribution by way of a Private Offer in the Republic of Ireland only.

Warning: Investors in the Bond will not benefit from dividends or coupons from the Underlying Index and do not directly invest in the shares making up the index.

Warning: The Underlying Investments can be volatile.

Warning: Investors should not read this document alone but should also read the associated prospectus which is obtainable from Merrion Solutions or from your Financial Broker where the Terms & Conditions and a full list of Warnings are provided.

Warning: Merrion Solutions has not provided any financial, legal, regulatory, tax, accounting or investment advice and does not accept any responsibility for the appropriateness or suitability of the Bond for any investor.

Warning: This product may be affected by changes in currency exchange rates.

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Bond and to review the Base Prospectus.

Complaints Procedure

Merrion Solutions aims to provide the highest quality of customer service at all times. If you have any complaint, please contact Merrion Compliance, Block C, The Sweepstakes Centre, Dublin 4.

If you are dissatisfied with the outcome of our efforts to resolve your complaint you may refer your complaint to the Financial Services Ombudsman's Bureau, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2.

Lo Call: 1890 88 20 90; Telephone (01) 6620899; Fax (01) 6620890. e-mail: enquiries@financialombudsman.ie

Bond Application Form

Please note that by signing this Application Form, you are confirming that you have read and understood the material in this Brochure, the base prospectus and have received advice from your Financial Broker in relation to the suitability of this investment for you. If you are unclear about any of the information presented in this Brochure, the base prospectus, the Merriion Stockbrokers Terms of Business or about the suitability of this investment for you, please seek further advice before completing this Application Form.

Please complete this document in BLOCK CAPITALS and return along with your cheque/draft made payable to your pension provider to your Financial Broker.
Please complete the following document in BLOCK CAPITALS.

I/We hereby apply for the Memory Bond in the name(s) of:

Scheme/Plan Name:

Pre or Post Retirement:

Scheme/Plan Provider Name:

Plan Type: (e.g. Self Invested or Self Directed Plan)

Scheme/Plan Number:

I/We wish to invest € _____ in the Secure Option

€ _____ in the Growth Option

(€25,000 minimum in each Option in denominations of €1,000).

Investor type (please tick the appropriate box):

- ☐ Personal Plan
☐ Executive Plan
☐ Approved Retirement Fund (ARF)
☐ Approved Minimum Retirement Fund (AMRF)
☐ Pre Retirement Bond

Investor Declaration: I/We declare that (i) the details above are correct, that I/We are over 18 and confirm that I/We understand and accept the Indicative Key Features of the Bond set out in this Brochure and the base prospectus. I/We confirm that the Indicative Key Features of the Bond are consistent with my/our Investment Objectives and Risk Profile. I/We confirm that I/we understand that if I/we invest in the Growth Option of the Bond, I/we can lose 10% of the amount invested. I/We understand that the indicative terms outlined in this document are subject to change and that the final terms will not be known until 18 July 2014. I/We understand that the investment will not be deemed to have been made until the application has been accepted and that, if and when accepted, the investment will commence on 25 July 2014.

Primary Signature:

Date:

Secondary Signature:

Date:

Warning: The Growth Option of the Bond is not Capital Protected. If you invest in the Growth Option of the Bond you can lose 10% of the money you invest.

Warning: If you cash in your investment before 8 August 2019 you may lose some or all of the money you invest.

Warning: The value of your investment can go down as well as up.

Financial Broker Declaration: I/We confirm the following:

Having conducted a full review of this investor's financial circumstances, that this Bond is consistent with the investor's Investment Objectives and Risk Profile. We have complied in full with the Anti Money Laundering (AML) and combating terrorist system that applies to all designated bodies with effect from 15 July 2010. Where an investor has been identified as potentially vulnerable (e.g. over 60 years of age) we have followed our internal procedures in this regard.

Firm Name:

Print Financial Broker Name:

Date:

Financial Broker Signature:



Merrion Solutions,
Block C, The Sweepstakes Centre,
Ballsbridge, Dublin 4.

www.merriionsolutions.com

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