Independent auditor's report

To: the shareholder of Boiro Finance B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Boiro Finance B.V. based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Boiro Finance B.V. as at 31 December 2022 and of its result and its cash flows for 2022 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 financial statements comprise:

- The statement of financial position as at 31 December 2022
- The following statements for 2022: the statement of comprehensive income, changes in equity and cash flows
- 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 Boiro Finance B.V. (the Company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Boiro Finance B.V. is incorporated to raise finance through, inter alia, the issuance of Bonds, Notes and other debt instruments, the entering into loan agreements, derivatives and other instruments evidencing indebtedness. The principal activity of the Company is the issue of Notes in series pursuant to a €5,000,000,000 Secured Limited Recourse Note Programme for the issue of Notes and the making of Alternative Investments arranged by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). The attributes of the debt securities issued are mirrored in the investment securities and derivatives held for risk management purposes.

Stichting Boiro Finance is the sole shareholder of the Company. The Company has its tax residency in the Netherlands.

The Company has no employees and relies on the human resources, systems as well as the policies, processes and procedures of the director (Vistra Capital Markets (Netherlands) N.V.) and BBVA. References to executives or (staff) functions in this section concern the executives or functions from the director.

We paid specific attention in our audit to a number of areas driven by the activities of the Company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€7.9 million.
Benchmark applied	0.75% of total assets as at 31 December 2022.
Explanation	We determined materiality based on our understanding of the Company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflects the source of income and repayments to the holders of the debt securities issued by the Company.

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 €0.4 million, 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.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a finance company. We used the work performed by the EY Global member firm in Spain under our instruction and supervision, and included specialists in the areas of income taxes and valuation of financial instruments.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. 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.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes.

We refer to section Principal Risks and Uncertainties of the director's report for board of directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the section Use of estimates and judgements in note 2 (b) to the financial statements. We have also performed procedures to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. We particularly evaluated whether transactions with related parties were accounted for at arm's length and in accordance with contractual agreements.
These risks did however not require significant auditor's attention during our audit.

We did not identify a risk of fraud in revenue recognition.

We considered available information and made enquiries of relevant executives, the auditor of the group and the Company's board of directors.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected correspondence with regulatory authorities, enquired with the auditor of the group and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in the section Going concern in note 2 (a) to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company's ability to continue as a going concern including considerations relating to the financial position of the group in cooperation with the group auditor. 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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 a Company to cease to continue as a going concern.

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 matter to the board of directors. The key audit matter is not a comprehensive reflection of all matters discussed.

Estimation uncertainty in respect to the valuation of Level 2 and Level 3 investment securities, derivatives held for risk management purposes and debt securities issued	
Risk	Investment securities, derivatives held for risk management purposes and debt securities issued are measured at fair value through profit and loss as disclosed in note 5, 6 and 10 to the financial statements. The Company presents fair value changes, including foreign exchange gains and losses and/or interest income and expense as well as fair value changes from changes in the credit risk on investment securities, derivatives held for risk management purposes, on the face of the statement of comprehensive income. The credit risk, concentration risk, liquidity risk and market risks, inter alia due to the derivative attributes, where the return is linked to equity, credit and interest-rate related attributes, as well as other risks are disclosed in note 20 to the financial statements. As investment securities, derivatives held for risk management purposes and debt securities (including embedded derivatives) issued represent the most significant portion of the Company's assets/liabilities and given the inherent complexity of the fair value estimate, we have identified the valuation of the level 2 and level 3 investment securities, derivatives held for risk management purposes and debt securities issued as a key audit matter and significant risk.
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of the Company's accounting policy relating to the valuation of the investment securities, derivatives held for risk management purposes and debt securities issued in accordance with IFRS 13 "Fair Value Measurement" as well as current and emerging industry practices and whether these have been applied consistently. We have obtained an understanding of the valuation process, evaluated the design and tested operating effectiveness of internal controls. This includes those controls within the model validation process and the independent price verification process that address the risk of material misstatements relating to management's assessment of the significant inputs and estimates included in the fair value measurement, specifically related to credit risk. It also included testing of model performance and suitability controls in the current market conditions. Furthermore, we evaluated valuation methodologies and tested the most significant valuation input by comparing the input to independently sourced market data. We also performed substantive procedures on a sample basis to determine that any derivative attributes were identified and correctly recognized based on the underlying documentation. We performed independent testing on fair values with the support of our own valuation specialists. Finally, we evaluated the related disclosures in the financial statements in accordance with IFRS 13 "Fair Value Measurement" and IFRS 7 "Financial Instruments: Disclosures".
Key observations	Based on our procedures performed, we have no material findings on the valuation of the investment securities, derivatives held for risk management purposes and debt securities issued and agree with the board of directors' assessment of the measurement and disclosures in accordance with EU-IFRS.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the board of directors as auditor of Boiro Finance B.V. on 2 June 2023, as of the audit for the year 2022.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors 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. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Building a better working world

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement 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 detect all material errors and fraud during our audit.

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.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.
Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- 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 the board of directors
- 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

Communication

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. In this respect we also submit an additional report to the audit committee of the parent in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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 the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 22 September 2023

Ernst & Young Accountants LLP

signed by P. Sira

Boiro Finance B.V.

Annual Report

for the year ended

31 December 2022

Boiro Finance B.V.
Jupiter Building
Herikerbergweg 88
1101 CM Amsterdam
The Netherlands
Chamber of Commerce number: 34188577

BOIRO FINANCE B.V.

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BOIRO FINANCE B.V.

Directors' and other information

Directors	Vistra Capital Markets (Netherlands) N.V.
Registered Office	Jupiter Building Herikerbergweg 88 1101 CM Amsterdam The Netherlands
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB
Administrator & Company Secretary	Vistra Capital Markets (Netherlands) N.V. Jupiter Building Herikerbergweg 88 1101 CM Amsterdam The Netherlands
Independent Auditor	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP 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 Agent	Banco Bilbao Vizcaya Argentaria, S.A. Sauceda 28, Edificio Asia - Nivel I 28050 Madrid Spain
Tax Advisors	Simmons & Simmons LLP Claude Debussylaan 247 1082 MC Amsterdam The Netherlands

Directors' report

The Board of Directors of Boiro Finance B.V. (the "Company") herewith presents the directors' report and the financial statements for the year ended 31 December 2022.

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 31 March 2003, with limited liability and having its statutory seat in Amsterdam, the Netherlands.

Stichting Boiro Finance is the sole shareholder of the Company.

Principal activities, business review and future developments

The objective of the Company is to raise finance through, inter alia, the issuance of Bonds, Notes and other debt instruments, the entering into loan agreements, derivatives and other instruments evidencing indebtedness.

The principal activity of the Company is the issue of Notes in Series pursuant to a EUR 5,000,000,000 Secured limited recourse note programme (the "Programme") for the issue of notes and the making of 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, 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.

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

The Company limits its exposure to risk by issuing limited recourse debt instruments. The risk of default on these investments is therefore borne by the holders of the issued limited recourse debt instruments in accordance with their respective agreements.

The Investment Securities mainly consist of corporate and government bonds.

The Company is exposed to the Italian and Spanish Markets. Developments in the Italian and Spanish Markets affect the fair value of the investments 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 the intention to do so.

As at 31 December 2022, the Company had in issue 66 series, nominal amounting to EUR 659,937,243 and fair value of EUR 497,678,668 (2021 nominal amount: EUR 688,361,445, fair value amount: EUR 837,832,676).

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

Business review

During the year:

- The Company did not issue any new series and fully redeemed 2 series;
- The Company did not issue new debt securities (2021: EUR NIL) and redeemed debt securities for an amount of EUR 28,424,202 (2021 : EUR 70,265,309);
- The Company acquired new investment securities of EUR NIL (2021: EUR 200,000,000) and disposed of existing investment securities for an amount of EUR 16,536,603 (2021: EUR 446,890,938);
- The realised loss on investment securities disposed amounted to EUR 534,697 (2021: realised gain of EUR 1,792,149);
- The Company made a profit after tax of EUR 14,097 (2021: EUR 15,459);
- The Company paid a dividend of EUR 15,459 (2021: EUR 14,739) to its sole shareholder;
- Net changes in fair value of investment securities designated at fair value through profit or loss amounted to a gain of EUR -259,344,060 (2021: loss of EUR 90,534,378); and
- Net changes in fair value of debt securities designated at fair value through profit or loss amounted to a loss of EUR 312,079,196 (2021: loss of EUR 206,688,438).

As at 31 December 2022:

- The Company's total indebtedness was EUR 798,750,808 (2021: EUR 1,106,592,805); and
- The cash position at balance sheet date was EUR 86,899 (2021: EUR 96,762).

Directors' report (continued)

Principal risks and uncertainties

The risk appetite of the Company is limited. Risks are monitored on a continuous basis. The Company aims to limit its exposure to material risks, or uncertainties, through (economic) hedging. There has been no change in the risk and business environment of the Company.

For the Company, risk policy is designed to achieve a moderate risk profile, keeping a medium / low risk profile and supported by long-term relationships with customers.

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.

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 the 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 38.50% of the Company's income is generated from investment securities based in Spain (2021: 38.27%) and 36.50% in Italy (2021: 40.06%). 71.03% net income is attributable to the Government (2021: 74.69%). A more detailed breakdown is provided in Note 20.

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

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.

(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 investment securities 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 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 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 being hedged under the currency swap agreement and the asset swap agreement, respectively. These risks are economically hedged, since no hedge accounting is applied.

(a) Currency risk

An 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 Investment's 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.

Directors' report (continued)

Principal risks and uncertainties (continued)

(iv) Asset-specific performance risk

Asset-specific performance risk is related to the risk that a single asset or a group of assets will perform poorly (or not at all).

The Company is legally isolated so the assets in the entity are ring-fenced solely for the benefit of its investors, even in the event of bankruptcy. Any changes in the fair value of the Investment securities and / or Derivative instruments are reflected in the changes in the fair value of the Debt securities and / or Derivative instruments.

(v) Financial reporting and disclosure risk

Governance surrounding financial reporting and disclosure risk promotes the importance of accurate, timely and complete financial reporting, the finance and control department is responsible for financial reporting, both internally (including management information) and externally (including statutory and regulatory reporting). Policies and procedures are in place to reduce subjectivity in terms of measurement and reporting. The director has implemented a Code of Business Conduct and Ethics, a whistleblower policy (Speak Up) and an anti-fraud policy prevent fraud non-compliance with laws and regulations.

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

The Company recorded a profit of EUR 14,097 (2021: EUR 15,459) for the year under review. The result for the year 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.

Going concern

The Company's financial statements for the year ended 31 December 2022 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 2022 will continue in existence for at least more than one year. Based on these, the Directors believe that the going concern basis is appropriate.

Russia-Ukraine conflict

The ongoing war in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Company does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The longer-term impact may also affect trading volumes, cash flows and profitability. Nevertheless, at the date of these financial statements the Company continues to meet its obligations as they fall due, therefore continues to apply the going concern and the Board of Managers continues to monitor the evolving situation and its impact on the financial position of the Company.

Business environment

The global economy has slowed down throughout 2022, in an environment marked by strong inflationary pressures, an aggressive tightening of monetary conditions, the negative impact of the war in Ukraine and lower growth in China.

Despite the moderation trend, the uncertainty about the future evolution of the monetary policy and the recent turmoil in the banking sector in March, 2023, economic growth has exhibited a certain resilience and has generally been higher than expected by most analysts due to previously accumulated savings, the normalization of activity following the restrictions and disruptions generated by the COVID-19 pandemic, as well as the dynamism of the labour markets, which have contributed, in particular, to the performance of private consumption and the services sector.

Inflation has remained at high levels in 2022. However, after surging upwards for most of the year, it has begun to moderate in recent months, in line with the slowdown in aggregate demand, the recent moderation of energy prices and the process of normalization of global supply chains. In annual terms, inflation reached 9.2% in the Eurozone at the end of the year 2022.

In this context of still high inflationary pressures, central banks have continued to tighten monetary conditions. In the Eurozone, the ECB has raised interest rates for its refinancing operations to 2.5% in December (250 basis points higher than the level at the beginning of 2022), it has tightened the conditions of its Tetras (targeted longer-term refinancing operations), which provide financing to credit institutions, and has indicated that it could soon launch an asset selling program. Further adjustments were announced in the coming months, such as the rise in the ECB's target range for funds rate to 3.5%, announced during March, 2023.

In a highly uncertain environment, the baseline scenario of BBVA Research considers that the global economy will continue to slow down in the near future, with possible episodes of recession in the Eurozone. This slowdown in growth is mainly attributable to the significant tightening of monetary conditions (official interest rates are expected to reach around 3.75% in the Eurozone in the coming months, and to remain unchanged until, at least, the end of the year 2023) and still high inflation, which, however, will likely slowdown progressively.

According to BBVA Research, after increasing by 6.3% in 2021 and around 3.3% in 2022, global GDP will grow by just 2.3% in 2023. In the Eurozone, slight drops in GDP are likely in the coming quarters, mainly due to the disruptions created by the war in Ukraine, including the still high gas prices. Annual growth in the region is expected to be around 3.2% in 2022 and -0.1% in 2023.

Directors' report (continued)

Directors, Secretary and their interests.

The Directors and Secretary who held office on 31 December 2022 did not hold any shares in the Company at that date, or during the year. There were no contracts in relation to the business of the Company in which the Directors had any interest at anytime 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 (Vistra Capital Markets (Netherlands) N.V.) are appointed by the shareholder. The composition of the representative within Vistra Capital Markets (Netherlands) N.V. that are responsible for this entity complies with article 2:166 of the Dutch Civil Code (minimum 30% male and 30% female).

During the year under review, there was no remuneration paid to management of the Company.

Audit committee

In accordance to the Company's Articles of Association and pursuant to the Audit Committee Member Agreement dated 27 March 2019, the Company has set up an audit committee and appointed Mr J.H Scholts and Mr J.R Rosman as member of that committee.

The Company paid EUR 12,100 for the remuneration of the members of the audit committee.

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 Jupiter Building, Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands.

Future outlook

The Board of Directors expects the present level of activity to be sustained for the foreseeable future. At this stage it is too soon to estimate if any specific plans in the future will be necessary.

Appropriation of net income for the year

Awaiting the decision of shareholders, the net income for 2022 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 below new Series of Notes have been issued by the Company.

Series 2023-841 EUR 15,000,000 Amortising Secured Limited Recourse Securities due 2048
Series 2023-842 EUR 15,000,000 Amortising Secured Limited Recourse Securities due 2048
Series 2023-843 EUR 8,260,000 Secured Limited Recourse Floating Rate Securities due 2035
Series 2023-844 EUR 15,240,000 Secured Limited Recourse Floating Rate Securities due 2041

At the date of our report, no new series were fully redeemed / matured.

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 22 September 2023

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 law 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 22 September 2023

Statement of financial position
As at 31 December 2022
(before appropriation of result)

	Note (s)	31-Dec-2022 EUR	31-Dec-2021 EUR
Non-current assets			
Investment securities	5	722,576,333	1,010,487,880
Derivatives held for risk management purposes	6	40,483,139	74,423,588
Total non-current assets		763,059,472	1,084,911,468
Current assets			
Cash and cash equivalents	7	86,899	96,762
Investment securities	5	31,095,048	16,036,034
Derivatives held for risk management purposes	6	-	849,431
Other assets	8	7,799,807	7,778,687
Total current assets		38,981,754	24,760,914
Total assets		802,041,226	1,109,672,382
Equity			
Share capital	9	18,000	18,000
Profit for the year (unappropriated net income)		14,097	15,459
Total equity		32,097	33,459
Non-current liabilities			
Derivatives held for risk management purposes	6	301,072,140	268,760,127
Debt securities issued	10	497,678,668	831,806,955
Total non-current liabilities		798,750,808	1,100,567,082
Current liabilities			
Debt securities issued	10	-	6,025,723
Other liabilities	11	3,245,518	3,035,800
Taxation	16	12,803	10,318
Total current liabilities		3,258,321	9,071,841
Total liabilities		802,009,129	1,109,638,923
Total liabilities and equity		802,041,226	1,109,672,382

Approved and authorised for issue

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 22 September 2023

The notes on pages 11 to 35 form an integral part of these financial statements

Statement of comprehensive income
For the year ended 31 December 2022

	Note (s)	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Interest income		18,812,744	15,934,458
Interest expense		(15,873,169)	(35,412,290)
Net interest income / expense		2,939,575	(19,477,832)
Designated as at fair value through profit or loss			
Net loss/ gain from investment securities	12	(257,199,085)	(83,955,000)
Net gain on debt securities issued	13	312,079,196	206,688,339
Net income from derivative financial instruments held for risk management purposes		34,686,867	16,939,969
Net loss from derivative financial instruments held for risk management purposes		(87,073,546)	(133,094,028)
Realised loss on settlement of derivatives		(20,575,889)	(21,379,528)
Realised gain on settlement of derivatives		15,142,882	34,278,080
Operating income		-	-
Other income	14	82,214	110,480
Other expenses	15	(65,629)	(92,292)
Profit on ordinary activities before taxation		16,585	18,188
Taxation - current year	16	(2,488)	(2,729)
Profit for the year		14,097	15,459
Other comprehensive income		-	-
Total comprehensive income for the year		14,097	15,459

All items dealt with in arriving at the profit for the year ended 31 December 2022 and 2021 related to continuing operations.

Approved and authorised for issue

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 22 September 2023

The notes on pages 11 to 35 form an integral part of these financial statements

Statement of cash flows
For the year ended 31 December 2022

	Note (s)	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Cash flows from / (used in) operating activities			
Profit on ordinary activities before taxation		16,585	18,188
Adjustments for:			
Realised loss on settlement of derivatives		20,575,889	21,379,528
Realised gain on settlement of derivatives		(15,142,882)	(34,278,080)
Fair value loss / gain on investment securities	12	259,692,518	90,534,378
Realised loss / gain on investment securities	12	534,697	(1,792,149)
Fair value loss on debt securities	13	(312,079,196)	(206,688,438)
Realised loss / (gain) on debt securities issued	13	-	99
Unrealised gain on revaluation of derivatives		(34,686,867)	(16,939,969)
Unrealised loss on revaluation of derivatives		87,073,546	133,094,028
Other assets and accruals		(8,343)	1,301
Tax paid		(2,648)	(2,567)
Interest income		(18,812,744)	(15,934,458)
Interest expense		15,873,169	35,412,290
Unrealised foreign exchange movement		(3,028,130)	(4,787,229)
Changes in:			
Net movement in other assets and liabilities		(10,991)	(1,266)
Net cash flows generated from operating activities		5,594	16,922
Cash flows from / (used in) investing activities			
Acquisition of investment securities		-	(362,007,941)
Proceeds from maturity / disposal of investment securities		16,001,906	448,683,087
Interest received on investment securities		18,804,147	17,881,578
Receipts in respect of derivatives held for risk management purposes		44,089,876	467,459,798
Payments in respect of derivatives held for risk management purposes		(34,806,053)	(466,836,801)
Net cash flows generated from investing activities		44,089,876	105,179,721
Cash flows from / (used in) financing activities			
Proceeds from issuance of debt securities		-	272,136
Payments on maturity / redemption of debt securities		(28,424,202)	(70,265,308)
Interest paid on debt securities issued		(15,665,674)	(35,186,549)
Dividend paid		(15,457)	(14,739)
Net cash flows used in financing activities		(44,105,333)	(105,194,460)
Net increase in cash and cash equivalents		(9,863)	2,183
Cash and cash equivalents at beginning of year		96,762	94,579
Cash and cash equivalents at end of year		86,899	96,762

The notes on pages 11 to 35 form an integral part of these financial statements

Statement of changes in equity
For the year ended 31 December 2022

	Note	Share capital EUR	Retained loss EUR	Profit for the year EUR	Total EUR
Balance at 1 January 2021		18,000	-	14,739	32,739
Appropriation of profit	9	-	14,739	(14,739)	-
Dividend paid		-	(14,739)	-	(14,739)
Profit for the year		-	-	15,459	15,459
Balance at 31 December 2021		18,000	-	15,459	33,459
Appropriation of profit	9	-	15,459	(15,459)	-
Dividend paid		-	(15,459)	-	(15,459)
Profit for the year		-	-	14,097	14,097
Balance at 31 December 2022		18,000	-	14,097	32,097

Proposed appropriation of result for the 2022 financial year

The net result for the financial year is a profit amounting to EUR 14,097. No decision has been made about the purpose of the result. The appropriation of the result will be proposed by the board of directors to the General Meeting which will be held after the adoption of the financial statements.

The notes on pages 11 to 35 form an integral part of these financial statements

Notes to the financial statements
For the year ended 31 December 2022

1 General information

Boiro 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 31 March 2003.

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

The objectives of the Company are 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 that has been established to issue debt securities under a EUR 5,000,000,000 Secured limited recourse note programme (the "Programme") 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, 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 change 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 mav also be secured on such additional securitv as mav be described in the relevant Issue Terms.

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

The Investment Securities mainly consist of corporate and government bonds.

The Company has no direct employees. The financial statements were authorised for issue by the Board of Directors on 22 September 2023.

The registered office of the Company is at Jupiter Building, Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands and its trade register number is 34188577.

Stichting Boiro Finance is the sole shareholder of the Company.

2 Basis of preparation

(a) Statement of compliance

The financial statements 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 and the state of affairs at end of the year.

Application of New and Revised International Financial Reporting Standards (IFRS)

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 1 January 2017.

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

The following relevant new and revised International Financial Reporting 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.

Minor changes to IFRS Standards (IAS 37 Provisions - Onerous contracts, IAS 16 Property, Plant and Equipment and IFRS 3 Business Combinations) and Annual Improvements to IFRS 2018 - 2020 (IFRS 1 - First application of IFRS, IFRS 9 Financial Instruments, IAS 41 Agriculture and modifications to the illustrative examples of IFRS 16 - Leases) The amendments have had no impact on the Company´s financial statements.

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 Basis of preparation (continued)

(a) Statement of compliance (continued)

2.2 New and revised IFRS in issue but not yet effective

The following new International Financial Reporting Standards and Interpretations or amendments had been published at the date of preparation of the financial statements, but are not mandatory as of December 31st , 2022. Although in some cases the IASB allows early adoption before their effective date, the Company has not proceeded with this option for any such new standards. No impact is expected on the Company's financial statements:

IFRS 17	Insurance contracts (applicable to annual reporting periods beginning on or after 1st January, 2023. Endorsed for use in the EU, albeit with an optional exemption from applying the annual cohort requirement)
Amendments to IAS 1	"Presentation of financial statements" (effective for annual reporting periods beginning on or after 1st January, 2023) and not yet endorsed for use in the EU, and IAS 8 - "Accounting policies, changes in accounting estimates and errors" (effective for annual reporting periods beginning on or after 1st January, 2023) and not yet endorsed for use in the EU
Amendments to IAS 12	"Income taxes", endorsed for use in EU
Amendments to IAS 16	"Leases", not yet endorsed for use in the EU

(b) Basis of measurement

The financial statements are prepared on a going concern and historical cost basis except for the following:

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

The methods used to measure fair values through profit and loss 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.

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.

Measurement 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.

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 Basis of preparation (continued)

(b) Basis of measurement (continued)

Measurement of fair values (continued)

Level 2 instruments use 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.

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 of the Company include the following:
- Investment securities;
- Derivative financial instruments held for risk management; and
- Debt securities issued.

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

Investment securities are classified and initially measured at fair value through profit or loss. The investment securities held by the Company have been designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. The investment securities are closely linked to the financial liabilities and the derivatives and therefore, as the derivatives are required to be at fair value through profit or loss investment securities have been designated at fair value to eliminate this accounting mismatch. Subsequent changes in the fair value of investment securities designated at fair value through profit or less are recognised directly in the Statement of comprehensive income.

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.

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.

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 settlement date at which the Company becomes a party to the contractual provisions of the instruments. From settlement 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.

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Financial instruments (continued)

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.

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 use 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.

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Cash and cash equivalents

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.

Share capital

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

Foreign currency transactions

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.

Interest income

Interest income from financial assets designated at fair value through profit or loss is recognised on an accrual basis in the Statement of comprehensive income.

Interest expense

Interest expense from debt securities designated at fair value through profit or loss is recognised on an accrual basis in the Statement of comprehensive income.

Net income 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 income from derivative financial instruments held for risk management purposes

Net income / (loss) from derivative financial instruments held for risk management purposes designated at fair value through profit or loss 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.

Finance expense on debt securities issued designated 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, coupon payments 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 2022

3 Significant accounting policies (continued)

Related party

Stichting Boiro Finance is the sole shareholder of the Company and thus, the parent company is considered to be a related party. In addition, Vistra Capital Markets (Netherlands) N.V. is Managing Director of the Company. The two members of the audit committee are considered to be related parties. The Company has intercompany loans with CID Finance B.V. and Douro Finance B.V.

Impairment

At the end of each reporting year/period, the Company tests whether there is 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 2022, no impairment loss was recognised.

Other income and expenses

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

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 period and the application of these cash and cash equivalents over the course of the year.

4 Financial risk management

Introduction and overview

The Boiro Finance B.V. programme was set up on the 31 March 2003 to issue multiple series of notes. Boiro Finance B.V. can issue various series of notes ranging from AAA to not rated.

Boiro Finance B.V. was set up as a segregated multi issuance Special Purpose Entity. Each Series is governed by a separate Issue Terms. Each Series consists of an investment in investment securities and / or derivative instrument or other contracts from the proceeds of the issuance of debt securities and / or Alternative Investments.

Notes to the financial statements (continued)
For the year ended 31 December 2022

4 Financial risk management (continued)

Introduction and overview (continued)

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 series;
- Any swap transaction entered into by the issuer for a series is separate from any other swap transaction for any other series; and
- For each series of debt securities, only the trustees are entitled to exercise remedies on behalf of the debt security holders.

The Company has, in all Series, entered into Swap Agreements with Banco Bilbao Vizcaya Argentaria, S.A. (refer to note 6). The net proceeds from the issue of the Notes are paid to the Swap Counterparty. The Company pays to the Swap Counterparty amounts equal to the interest received in respect of the "Charged Assets", if any, and on the maturity date of the "Charged Assets" 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 terminates on 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 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) Asset-specific performance 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. As at 31 December 2022, the Company's maximum credit exposure is equal to EUR 802,041,226 (2021: 1,109,672,382).

Notes to the financial statements (continued)
For the year ended 31 December 2022

4 Financial risk management (continued)

Risk management framework (continued)

(i) Credit risk (continued)

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. Concentration risk is disclosed in Note 20.

The risk of default on these assets is borne by the counterparty of the Asset Swap 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.

(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 economically hedged under the currency swap agreement and the asset swap agreement, respectively.

(iv) Asset-specific performance risk

Asset-specific performance risk is related to the risk that a single asset or a group of assets will perform poorly (or not at all).

The Company is legally isolated so the assets in the entity are ring-fenced solely for the benefit of its investors, even in the event of bankruptcy. Any changes in the fair value of the Investment securities and / or Derivative instruments are reflected in the changes in the fair value of the Debt securities and / or Derivative instruments.

5 Investment securities	**31-Dec-2022 EUR**	**31-Dec-2021 EUR**
Nominal amount:		
Opening balance as at 1 January	893,417,699	1,135,521,408
Additions during the year	-	200,000,000
Disposals during the year	(16,536,603)	(446,890,938)
Foreign currency movement	3,028,130	4,787,229
Closing balance as at 31 December	879,909,226	893,417,699

Notes to the financial statements (continued)
For the year ended 31 December 2022

5 Investment securities (continued)

Movement in fair value:		
Opening balance as at 1 January	133,106,215	62,722,515
Additions during the year	-	160,918,078
Disposals during the year	-	(1,792,149)
Net fair value movement during the year	(259,344,060)	(88,742,229)
Closing balance as at 31 December	(126,237,845)	133,106,215
Closing fair value as at 31 December	753,671,381	1,026,523,914

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 (refer to note 6). 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 to eliminate or significantly reduce an "accounting asymmetries".

	Gross contractual value		**Carrying value**	
	31-Dec-2022	**31-Dec-2021**	**31-Dec-2022**	**31-Dec-2021**
Maturity analysis of investment securities is as follows :	**EUR**	**EUR**	**EUR**	**EUR**
Less than one year	30,904,177	16,400,325	31,095,048	16,036,034
Between one and five years	66,521,952	96,672,185	72,499,800	112,841,147
More than five years	782,483,097	780,345,189	650,076,533	897,646,733
	879,909,226	893,417,699	753,671,381	1,026,523,914

6 Derivative held for risk management purposes

	Notional Amount 31-Dec-2022 EUR	**Carrying value 31-Dec-2022 EUR**	**Notional Amount 31-Dec-2021 EUR**	**Carrying value 31-Dec-2021 EUR**
Derivative assets held for risk management purposes	192,281,092	40,483,139	249,098,096	75,273,019
Derivative liabilities held for risk management purposes	467,610,152	(301,072,138)	439,263,350	(268,760,125)
		(260,588,999)		(193,487,106)

The swaps entered by the Company are detailed below .

Assets swap

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.

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 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.

Notes to the financial statements (continued)
For the year ended 31 December 2022

6 Derivative held for risk management purposes (continued)

Assets swap (continued)

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.

As at 31 December 2022, the Company had the following asset swaps:
- Currency swap amounting to EUR -32,703,223 (2021: EUR 96,377,448)
- Interest rate swap amounting to EUR -220,735,869 (2021: EUR -238,333,532)

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.

As at 31 December 2022, the Company had the following derivative instruments:
- Interest rate option amounting to EUR -7,149,907 (2021: EUR -6,531,022)

7 Cash and cash equivalents

	31-Dec-2022 EUR	31-Dec-2021 EUR
Cash at bank	86,899	96,762

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

8 Other assets

	31-Dec-2022 EUR	31-Dec-2021 EUR
Interest income receivable from investment securities	7,715,389	7,706,794
Other receivables	63,848	53,971
Taxes paid in advance	20,570	17,922
	7,799,807	7,778,687

9 Share capital

	31-Dec-2022 EUR	31-Dec-2021 EUR
Authorised, issued and fully paid		
180 ordinary shares of EUR 100 each.	18,000	18,000

At 31 December 2022, Stichting Boiro Finance held 100% of the shares of the Company and is entitled to dividend payments and carry voting rights. During the financial year, the Company paid a dividend of EUR 15,459 (being a dividend of EUR 85.88 per share) (2021: EUR 81.88 per share) to Stichting Boiro Finance.

Notes to the financial statements (continued)
For the year ended 31 December 2022

10 Debt securities issued

	31-Dec-2022 EUR	31-Dec-2021 EUR
Nominal amount:		
Opening balance as at 1 January	688,361,445	758,626,754
Disposals / principal repayments during the year	(28,424,202)	(70,265,309)
Closing balance as at 31 December	659,937,243	688,361,445
Movement in fair value:		
Opening balance as at 1 January	149,471,232	356,159,670
Movement during the year	(312,079,196)	(206,688,438)
Closing balance as at 31 December	(162,258,575)	149,471,232
Closing fair value as at 31 December	497,678,668	837,832,677

Maturity analysis of debt securities is as follows :	Gross contractual value		Carrying value	
	31-Dec-2022 EUR	31-Dec-2021 EUR	31-Dec-2022 EUR	31-Dec-2021 EUR
Less than one year	-	6,000,000	-	6,025,723
Between one and five years	5,855,097	12,197,097	5,591,120	12,188,327
More than five years	654,082,146	670,164,348	492,087,548	819,618,628
	659,937,243	688,361,445	497,678,668	837,832,678

Debt securities issued for a particular series are designated at fair value through profit or loss as the related investment securities and derivatives are fair valued.

The outstanding notional amount of the financial liabilities designated at fair value through profit or loss as at 31 December 2022 was EUR 659,937,243 (2021: EUR 688,361,445).

The Company's obligations under debt securities issued and related derivative financial instruments are secured by collateral purchased as described in Notes 5. 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 6%. 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.

11 Other liabilities

	31-Dec-2022 EUR	31-Dec-2021 EUR
Interest payable on debt securities issued	3,119,103	2,910,920
Accruals	109,141	107,606
Loan from CID Finance B.V.	13,825	13,825
Loan from Douro Finance B.V.	3,449	3,449
	3,245,518	3,035,800

The loans from CID Finance B.V. and Douro Finance B.V. are unsecured, interest free and are repayable on demand.

Notes to the financial statements (continued)
For the year ended 31 December 2022

12 Net loss from investment securities

	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Designated as at fair value through profit or loss		
Net change in fair value during the year	(259,692,518)	(90,534,378)
Realised (loss) / gain on investment securities	(534,697)	1,792,149
Unrealised exchange gain on revaluation of investment securities	3,028,130	4,787,229
	(257,199,085)	(83,955,000)

13 Net gain on debt securities issued

	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Designated as at fair value through profit or loss		
Net change in fair value during the year	312,079,196	206,688,438
Realised (loss) on debt securities issued	-	(99)
	312,079,196	206,688,339

14 Other income

	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Arranger income	82,214	110,480

15 Other expenses

	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Audit fees	(33,387)	(60,932)
Administration fees	(12,470)	(12,470)
Professional fees	(12,100)	(12,100)
Bank charges	(2,992)	(2,851)
Tax advisory fees	(4,681)	(3,847)
Filing fees	-	(92)
	(65,630)	(92,292)

The Company has no employees. The fees to Vistra Capital Markets (Netherlands) N.V. 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:

					Year ended	Year ended
	EY Accountants N.V.	Other EY Network Firms	Total EY Network Firms	KPMG Accountants N.V.	Other KPMG Network Firms	Total KPMG Network Firms
	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2021 EUR
Current year audit fees	50,000	-	50,000	21,538	23,332	44,870

Notes to the financial statements (continued)
For the year ended 31 December 2022

16 Taxation

	Profit for the Year EUR	Year ended 31-Dec-2022 EUR	Profit for the Year EUR	Year ended 31-Dec-2021 EUR
Tax on profit on ordinary activities*	16,585	2,488	18,188	2,729

If the taxable amount is EUR 395,000 or less, the corporate income tax rate is 15%. If the taxable amount is more than EUR 395,000, the corporate income tax rate is EUR 59,250 plus 25,8% for the taxable amount exceeding EUR 395,000 (2021: 15% on the first EUR 245,000 and 25% above EUR 245,000).

There are no differences between the effective and applicable tax rate.

17 Related party transactions

Stichting Boiro 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 Boiro Finance from the profits made available to the Stichting Boiro Finance by the Company through dividend payments.

The Company paid EUR 12,100 for the remuneration of the members of the audit committee.

18 Charges

The Notes issued by the Company are secured by way of 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.

19 Accounting classifications and fair values of financial assets and liabilities

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

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

Notes to the financial statements (continued)
For the year ended 31 December 2022

19 Accounting classifications and fair values of financial assets and liabilities (continued)

	Carrying value 31-Dec-2022 EUR	Gross contractual amount 31-Dec-2022 EUR	Carrying value 31-Dec-2021 EUR	Gross contractual amount 31-Dec-2021 EUR
Assets				
Cash and cash equivalents	86,899	86,899	96,762	96,762
Investment securities	753,671,381	879,909,226	1,026,523,914	893,417,699
Derivative assets held for risk management purposes	40,483,139	192,281,092	75,273,019	249,098,096
Other assets	7,799,807	7,799,807	7,778,687	7,778,687
	802,041,226	1,080,077,024	1,109,672,382	1,665,709,291
Liabilities				
Derivatives liabilities held for risk management purposes	301,072,138	467,610,152	268,760,125	439,263,350
Debt securities issued	497,678,668	659,937,243	837,832,678	688,361,445
Other liabilities	3,245,518	3,245,518	3,035,800	3,035,800
	801,996,324	1,130,792,913	1,109,628,603	1,010,150,263

* The gross contractual amounts of the derivatives for the year ended 2020 have been adjusted for comparison purposes.

			31-Dec-2022			31-Dec-2021
Assets	Before netting EUR	Netting EUR	After netting EUR	Before netting EUR	Netting EUR	After netting EUR
Derivative assets held for risk management purposes	588,618,452	(548,135,313)	40,483,139	1,244,850,964	(1,169,577,945)	75,273,019
Liabilities						
Derivative liabilities held for risk management purposes	(745,709,548)	548,135,313	(301,072,138)	(1,438,338,070)	1,169,577,945	(268,760,125)

20 Financial instruments

(i) Credit risk

The Swap Counterparty and the holders of the debt securities bear 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-2022 EUR	31-Dec-2021 EUR
Assets		
Investment securities	753,671,381	1,026,523,914
Cash and cash equivalents	86,899	96,762
Derivative assets held for risk management purposes	40,483,139	75,273,019
Other assets	7,799,807	7,778,687
	802,041,226	1,109,672,382
Liabilities		
Derivatives liabilities held for risk management purposes	(301,072,138)	(268,760,125)
Debt securities issued	(497,678,668)	(837,832,678)
Other liabilities	(3,245,518)	(3,035,800)
	(801,996,324)	(1,109,628,603)

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

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

Rating	Rating agency	31-Dec-2022	31-Dec-2021
Aaa	Moody's	5.66%	4.49%
Aaau	Moody's	0.27%	0.22%
Aa1	Moody's	3.62%	2.99%
Aa2	Moody's	0.51%	0.39%
Aa3	Moody's	0.11%	0.09%
A1	Moody's	0.41%	0.19%
A2	Moody's	2.51%	1.88%
A3	Moody's	1.98%	3.33%
A3 *-	Moody's	0.23%	0.00%
Baa1	Moody's	17.74%	15.70%
Baa2	Moody's	1.40%	1.67%
Baa2u	Moody's	0.14%	0.00%
Baa3	Moody's	0.59%	0.00%
Baa3u	Moody's	30.50%	33.15%
A	S&P	0.73%	0.62%
BBB	S&P	0.00%	0.84%
A-	Fitch	0.03%	0.04%
BBBu	Fitch	0.76%	0.00%
Not rated		32.81%	34.40%
		100.00%	100.00%

(a) Concentration risk

For management purposes, the Company is organised into one main operating segment, which invests 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.

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(i) Credit risk (continued)

(a) Concentration risk (continued)

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 been 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 Italy and Spain due to concentration risk in these markets, amongst others resulting from exposure to BBVA. The deteriorating current developments in the Italian and 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.

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-2022	31-Dec-2021
Country of origin:		
Spain	38.50%	38.27%
Italy	36.50%	40.06%
United States of America	9.76%	8.41%
Germany	4.89%	3.72%
Ireland	4.67%	3.62%
France	1.60%	1.57%
Austria	0.24%	0.16%
Rest of the world	3.84%	4.19%
	100.00%	100.00%

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-2022	31-Dec-2021
Industry type:		
Government	71.03%	74.69%
Bank	10.08%	9.18%
Financial	9.32%	8.17%
Others	9.57%	7.96%
	100.00%	100.00%

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-2022	31-Dec-2021
Counterparty concentration:		
Banco Bilbao Vizcaya Argentaria, S.A.	1.38%	1.14%
Other counterparties	98.62%	98.86%
	100.00%	100.00%

(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.

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(ii) Liquidity risk (continued)

The maturity profile of financial assets as at 31 December 2022 is as follows:

	Carrying amount EUR	Gross contractual cash flow EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Investment securities	753,671,381	879,909,226	31,095,048	72,499,800	650,076,533
Derivative assets held for risk management purposes	40,483,139	192,281,092	-	5,591,120	34,892,019
Cash at bank	86,899	86,899	86,899	-	-
Other assets	7,799,807	7,799,807	7,799,807	-	-
	802,041,226	1,080,077,024	38,981,754	78,090,920	684,968,552

The maturity profile of financial liabilities as at 31 December 2022 is as follows:

	Carrying amount EUR	Gross contractual cash flow EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Debt securities issued	497,678,668	659,937,243	-	5,591,120	492,087,548
Derivative liabilities held for risk management purposes	301,072,138	467,610,152	-	-	301,072,138
Other liabilities	3,245,518	3,245,518	3,245,518	-	-
	801,996,324	1,130,792,913	3,245,518	5,591,120	793,159,686

The maturity profile of financial assets as at 31 December 2021 is as follows:

	Carrying amount EUR	Gross contractual cash flow EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Investment securities	1,026,523,914	893,417,699	16,036,034	112,841,147	897,646,733
Derivative assets held for risk management purposes	75,273,019	249098096.2	849,431	12,188,327	62,235,261
Cash at bank	96,762	96,762	96,762	-	-
Other assets	7,778,687	7,778,687	7,778,687	-	-
	1,109,672,382	1,665,709,291	24,760,914	125,029,474	959,881,994

The maturity profile of financial liabilities as at 31 December 2021 is as follows:

	Carrying amount EUR	Gross contractual cash flow EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Debt securities issued	837,832,678	688,361,445	6,025,723	12,188,327	819,618,628
Derivative liabilities held for risk management purposes	268,760,125	439,263,350	-	-	268,760,125
Other liabilities	3,035,800	3,035,800	3,035,800	-	-
	1,109,628,603	1,010,150,263	9,061,523	12,188,327	1,088,378,753

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(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 US Dollar (USD), UK Pound Sterling (GBP), Japanese Yen (JPY).

The Company's exposure to foreign currency risk as at 31 December 2022 is as follows:

In source currency	**EUR**	**GBP**	**USD**	**JPY**	**Total**
In reporting currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Cash and cash equivalents	86,899	-	-	-	86,899
Investment securities	655,526,836	1,771,123	83,776,999	12,596,423	753,671,381
Derivative assets held for risk management purposes	40,483,139	-	-	-	40,483,139
Other assets	5,925,961	99,212	1,739,542	35,092	7,799,807
	702,022,835	1,870,335	85,516,541	12,631,515	802,041,226
Derivatives liabilities held for risk management purposes	(301,072,138)	-	-	-	(301,072,138)
Debt securities issued	(497,678,668)	-	-	-	(497,678,668)
Other liabilities	(3,245,518)	-	-	-	(3,245,518)
	(801,996,324)	-	-	-	(801,996,324)
Net position	(99,973,489)	1,870,335	85,516,541	12,631,515	44,902

The following significant exchange rates applied during the year ended 31 December 2022:

	Average rate	**Closing rate**
USD	0.9512	0.9341
GBP	1.1727	1.1295
JPY	0.0072	0.0071

The Company's exposure to foreign currency risk as at 31 December 2021 is as follows:

In source currency	**EUR**	**GBP**	**USD**	**JPY**	**Total**
In reporting currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Cash and cash equivalents	96,762	-	-	-	96,762
Investment securities	915,184,347	3,815,059	93,663,421	13,861,087	1,026,523,914
Derivative assets held for risk management purposes	75,273,019	-	-	-	75,273,019
Other assets	5,985,932	104,400	1,642,319	46,036	7,778,687
	996,540,060	3,919,459	95,305,740	13,907,123	1,109,672,382
Derivatives liabilities held for risk management purposes	(268,760,125)	-	-	-	(268,760,125)
Debt securities issued	(837,832,678)	-	-	-	(837,832,678)
Other liabilities	(3,035,800)	-	-	-	(3,035,800)
	(1,109,628,603)	-	-	-	(1,109,628,603)
Net position	(113,088,543)	3,919,459	95,305,740	13,907,123	43,779

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(iii) Market risk (continued)

(a) Currency risk (continued)

The following significant exchange rates applied during the year ended 31 December 2021:

	Average rate	Closing rate
USD	0.8458	0.8773
GBP	1.1432	1.1243
JPY	0.0077	0.0082

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

(b) Interest rate risk

This risk arises as a result of changes in market interest rates. 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. Interest rate changes have no net impact on the statement of comprehensive income account of the Company.

(iv) Asset-specific performance risk

Asset-specific performance risk is related to the risk that a single asset or a group of assets will perform poorly (or not at all).

The Company is legally isolated so the assets in the entity are ring-fenced solely for the benefit of its investors, even in the event of bankruptcy. Any changes in the fair value of the Investment securities and / or Derivative instruments are reflected in the changes in the fair value of the Debt securities and / or Derivative instruments.

(v) 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. Their fair values together with carrying amounts shown in the statement of financial position.

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.

As of 31 December 2022, the floating interest rate deposits at the Parent Company are related to the Company's debt instruments, the return on which is based on floating interest rates as appropriate.

From BBVA levelling criteria, even if the securities issued are listed, they have no prices from an active market to guarantee its classification as Level 1. The fair value levelling is referred to the implied note and the inputs applied in its valuations.

In the following breakdown, the financial instruments classified as "Fair value (Level 2)"are those, which have been measured with techniques using inputs drawn from observable market data. Referring to the instruments that are included in "Fair value (Level 3)"are those which values are based on models and unobservable inputs.

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(v) 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 in the below disclosure note have been disclosed at dirty prices.

31-Dec-2022	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Investment securities	601,940,821	100,188,821	59,257,128	761,386,770
Derivative assets held for risk management purposes	-	40,483,139	-	40,483,139
Derivative liabilities held for risk management purposes	-	(202,040,063)	(99,032,075)	(301,072,138)
Debt securities	-	(529,568,915)	28,771,144	(500,797,771)
	601,940,821	(590,937,018)	(11,003,803)	-

31-Dec-2021	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Investment securities	579,631,196	436,982,737	17,616,773	1,034,230,706
Derivative assets held for risk management purposes	-	75,273,019	-	75,273,019
Derivative liabilities held for risk management purposes	-	(176,203,011)	(92,557,114)	(268,760,125)
Debt securities	-	(834,803,087)	(5,940,513)	(840,743,600)
	579,631,196	(498,750,342)	(80,880,854)	-

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.

31-Dec-2022	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Cash and cash equivalents	86,899	-	-	86,899
Other assets	6,398,774	1,127,810	273,223	7,799,807
Other liabilities	-	(3,231,856)	(13,662)	(3,245,518)
	6,485,673	(2,104,046)	259,561	4,641,188
31-Dec-2021				
Cash and cash equivalents	96,762	-	-	96,762
Other assets	6,247,038	1,321,382	210,267	7,778,687
Other liabilities	-	(3,022,282)	(13,518)	(3,035,800)
	6,343,800	(1,700,900)	196,749	4,839,649

The valuation techniques used in fair value measurement of the Level 2 and Level 3 positions are showed as follows:

ASSETS

Long and short term deposits due from Parent	Valuation technique(s)	Observable inputs	Unobservable inputs
Investment securities	Present-value method (Discounted future cash flows)	- Prepayment rates - Issuer's credit risk - Current market interest rates	- Prepayment rates
Interest rate derivatives	Interest rate products (Interest rate swaps, Call money Swaps and FRA): Discounted cash flows Caps/Floors: Black, Hull-White and SABR Bond options: Black Swaptions: Black, Hull-White and LGM Other Interest rate options: Black, Hull-White and LGM Constant Maturity Swaps: SABR	- Exchange rates - Current market interest rates - Underlying assets prices: shares, funds, etc.	- Beta - Implicit correlations between tenors - Interest rates volatility
Equity derivatives	Equity Options: Local Volatility, Black, Momentum adjustment, Heston Stochvol model.	- Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- Volatility of Volatility - Implicit assets correlations - Long term Implicit correlations - Implicit dividends and Long-term repos - Correlation default
Credit derivatives	Credit Derivatives: Default model and Gaussian copula		- Credit spread - Recovery rates - Interest rate yield - Default volatility

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(v) Fair values (continued)

* Derivatives relative to coupons linked to equity risk factors should be valued at fair value through mark to model.

LIABILITIES

Long and short term debt securities issued	Valuation technique(s)	Observable inputs	Unobservable inputs
Debt securities	Present-value method (Discounted future cash flows)	- Prepayment rates - Issuer's credit risk - Current market interest rates	- Prepayment rates
Interest rate derivatives	Interest rate products (Interest rate swaps, Call money Swaps and FRA): Discounted cash flows Caps/Floors: Black, Hull-White and SABR Bond options: Black Swaptions: Black, Hull-White and LGM Other Interest rate options: Black, Hull-White and LGM Constant Maturity Swaps: SABR	- Exchange rates - Current market interest rates - Underlying assets prices: shares, funds, etc.	- Beta - Implicit correlations between tenors - Interest rates volatility
Equity derivatives	Equity Options: Local Volatility, Black, Momentum adjustment, Heston Stochvol model.	- Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations	- Volatility of Volatility - Implicit assets correlations - Long term Implicit correlations - Implicit dividends and Long-term repos - Correlation default
Credit derivatives	Credit Derivatives: Default model and Gaussian copula		- Credit spread - Recovery rates - Interest rate yield - Default volatility

There has not been any significant changes in the valuation techniques in the current year for any class of assets or liabilities.

Main valuation techniques

The main techniques used for the assessment of the majority of the financial instruments classified in level 3, and its main unobservable inputs, are described below:

- The net present value (net present value method): This technique uses the future cash flows of each financial instrument, which are established in the different contracts, and discounted to their present value. This technique often includes many observable inputs, but may also include unobservable inputs, as described below:

(a) Credit Spread: This input represents the difference in yield of a debt security and the reference rate, reflecting the additional return that a market participant would require to take the credit risk of that debt security. Therefore, the credit spread of the debt security is part of the discount rate used to calculate the present value of the future cash flows.

(b) Recovery rate: This input represents the percentage of principal and interest recovered from a debt instrument that has defaulted.

- Comparable prices (similar asset prices): This input represents the prices of comparable financial instruments and benchmarks used to calculate a reference yield based on relative movements from the entry price or current market levels. Further adjustments to account for differences that may exist between financial instrument being valued and the comparable financial instrument may be added. It can also be assumed that the price of the financial instrument is equivalent to the comparable instrument.

- Net asset value: This technique utilizes certain assumptions to use net asset value as representative of fair value, which is equal to the total value of the assets and liabilities of a fund published by the managing entity.

- Gaussian copula: This model is used to integrate default probabilities of credit instruments referenced to more than one underlying CDS (Credit Default Swaps). The joint density function used to value the instrument is constructed by using a Gaussian copula that relates the marginal densities by a normal distribution, usually extracted from the correlation matrix of events approaching default by CDS issuers.

- Black 76: variant of Black Scholes model, whose main application is the valuation of bond options, cap floors and Swaptions where the behaviour of the Forward and not the Spot itself, is directly modelled.

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(v) Fair values (continued)

Main valuation techniques (continued)

- Black Scholes: The Black Scholes model postulates log-normal distribution for the prices of securities, so that the expected return under the risk neutral measure is the risk free interest rate. Under this assumption, the price of vanilla options can be obtained analytically, so that inverting the Black- Scholes formula, the implied volatility for process of the price can be calculated.

- Heston: This model, typically applied to equity OTC options, assumes stochastic behaviour of volatility. According to which, the volatility follows a process that reverts to a long-term level and is correlated with the underlying equity instrument. As opposed to local volatility models, in which the volatility evolves deterministically, the Heston model is more flexible, allowing it to be similar to that observed in the short term today.

- Libor market model: This model assumes that the dynamics of the interest rate curve can be modelled based on the set of forward contracts that compose the underlying interest rate. The correlation matrix is parameterized on the assumption that the correlation between any two forward contracts decreases at a constant rate, beta, to the extent of the difference in their respective due dates. The input "Credit default volatility" is a volatility input of the credit factor dynamic applied in rate/credit hybrid operative. The multifactorial frame of this model makes it ideal for the valuation of instruments sensitive to the slope or curve, including interest rate option.

- Local Volatility: In the local volatility models, the volatility, instead of being static, evolves deterministically over time according to the level of moneyness (i.e. probability that the option has a positive value on its date of expiration) of the underlying, capturing the existence of volatility smiles. The volatility smile of an option is the empirical relationship observed between its implied volatility and its strike price. These models are appropriate for options whose value depends on the historical evolution of the underlying which use Monte Carlo simulation technique for their valuation.

Unobservable inputs

Quantitative information of unobservable inputs used to calculate level 3 valuations is presented below as of 31 December 2022 and 2021:

Unobservable inputs, December 2022

Financial instrument	Valuation technique(s)	Significant unobservable inputs	Min	Average	Max	Units
Debt Securities	Present value method	Credit spread	0	111	1,538	bp
		Recovery rate	0%	39%	40%	%
	Comparable Pricing		2%	94%	139%	%
Loans and advances	Present value method					
Credit Derivatives	Gaussian Copula	Correlation default	26%	44%	58%	%
	Black 76	Price volatility	0	0	0	Vegas
Equity Derivatives	Option models on equities, baskets of equity, funds	Dividends (1)				
		Correlations	(93 %)	59%	99%	%
		Volatility	7.81	32.62	98.71	Vegas
FX Derivatives	Option models on FX underlyings	Volatility	5.32	11.93	20.73	Vegas
IR Derivatives	Option models on IR underlyings	Beta	0.25%	2%	18%	%
		Correlation rate/credit	(100 %)		100%	%
		Correlation rate/inflation	51%	66%	76%	%

(1) The range of unobservable dividends is too wide range to be relevant.

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(v) Fair values (continued)

Unobservable inputs (continued)

Unobservable inputs, December 2021

Financial instrument	Valuation technique(s)	Significant unobservable inputs	Min	Average	Max	Units
Debt Securities	Present value method	Credit spread	3	125	2,374	bp
		Recovery rate	0%	37%	40%	%
	Comparable Pricing		0.1%	97%	144%	%
Loans and advances	Present value method					
Credit Derivatives	Gaussian Copula	Correlation default	35%	43%	53%	%
	Black 76	Price volatility	-	-	-	Vegas
Equity Derivatives	Option models on equities, baskets of equity, funds	Dividends (1)				
		Correlations	(88%)	60%	99%	%
		Volatility	5.57	26.30	62.00	Vegas
FX Derivatives	Option models on FX underlyings	Volatility	3.96	9.71	16.34	Vegas
IR Derivatives	Option models on IR underlyings	Beta	0.25%	2%	18%	%
		Correlation rate/credit	(100%)		100%	%
		Credit default volatility	-	-	-	Vegas

(1) The range of unobservable dividends is too wide range to be relevant.

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”.

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

(v) Fair values (continued)

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.

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	204,934,650	(31,858,424)	30,913,132	(252,114,928)	53,035,123	(4,909,553)
Derivative assets held for risk management purposes	-	-	-	-	-	-
Derivative liabilities held for risk management purposes	-	-	-	-	-	-
Debt securities	-	-	(3,032,968)	-	-	3,032,968

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

31-Dec-2022	Beginning Balance January 1 EUR	Purchases / Issues EUR	Sales / Redemptions EUR	Realised and Unrealised Gains / (Losses), net EUR	Transfers In and/or Out of Level 3, net EUR	Ending Balance December 31 EUR
Investment securities	17,616,773	-	-	(6,485,215)	48,125,570	59,257,128
Derivative assets held for risk management purposes	-	-	-	-	-	-
Derivative liabilities held for risk management purposes	(92,557,114)	-	-	(6,474,961)	-	(99,032,075)
Debt securities	(5,940,513)	-	-	31,678,689	3,032,968	28,771,144
31-Dec-2021						
Investment securities	13,349,458	-	-	(364,367)	4,631,682	17,616,773
Derivative assets held for risk management purposes	22,136,069	-	-	(22,136,069)	-	-
Derivative liabilities held for risk management purposes	(100,498,244)	-	-	17,748,486	(9,807,356)	(92,557,114)
Debt securities	(235,362,682)	-	-	85,860,808	143,561,361	(5,940,513)

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Financial instruments (continued)

The sensitivity analysis performed by BBVA on unobservable inputs for Level 3 financial assets and financial liabilities for the year ended 31 December 2022 concluded to the following impact:

	Potential impact on Income Statement	
	Most favourable hypothesis EUR	Least favourable hypothesis EUR
ASSETS		
Investment securities	180,000	(180000)
LIABILITIES		
Debt securities	-	-

(vi) 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 is disclosed in Note 3 of these financial statements.

21 Additional links to information on business environment for BBVA

(a) The published condensed interim consolidated financial statements of the Group for the three month period ending on 31 March 2023 (including the auditors' limited review report thereon).
(https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/27042023InformeResultados1Q23_ENG.pdf).

(b) The English translations of the audited consolidated annual financial statements of BBVA for the financial year ended on 31 December 2022 (which includes for comparison purposes financial data for the years ended on 31 December 2022 and 2021) and the audit report issued in respect thereof, prepared in accordance with EU-IFRS, which are available on BBVA's website (https://accionistaseinversores.bbva.com/microsites/cuentasanuales2022/en/index.html) and have been filed with the Central Bank of Ireland. The Spanish version of which was filed with the Spanish Securities Market Commission (the "CNMV") and can be also consulted on their website (www.cnmv.es).

22 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 below new Series of Notes have been issued by the Company.

Series 2023-841 EUR 15,000,000 Amortising Secured Limited Recourse Securities due 2048
Series 2023-842 EUR 15,000,000 Amortising Secured Limited Recourse Securities due 2048
Series 2023-843 EUR 8,260,000 Secured Limited Recourse Floating Rate Securities due 2035
Series 2023-844 EUR 15,240,000 Secured Limited Recourse Floating Rate Securities due 2041

At the date of our report, no new series were fully redeemed / matured.

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 22 September 2023

Other information
For the year ended 31 December 2022

Statutory rules concerning the appropriation of results

The appropriation of profit is governed by Article 25 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.

Independent auditor’s report

Reference is made to the Independent auditor's report as included hereinafter.

Result appropriation according to the articles of association

Article 17 of the articles of association stipulates the following with regard to the appropriation of the result:

17.1 The authority to decide over the allocation of profits determined by the adoption of the annual accounts and to make distributions is vested in the General Meeting, with due observance of the limitations prescribed by law.
17.2 The authority to the General Meeting to make distributions applies to both distributions at the expense of non-appropriated profits and distributions at the expense of any reserves, and to both distributions on the occasion of the adoption of the annual accounts and interim distributions.

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

Independent auditor's report to the shareholders of Boiro Finance B.V. (continued)