

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 51).

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# **BBVA**

## Annual Report

### Financial Statements, Management Report and Audit Report 2015

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Bank in Spain (see Notes 1.2 and 51). In the event of a discrepancy, the Spanish-language version prevails.*

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of  
Banco Bilbao Vizcaya Argentaria, S.A.:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Banco Bilbao Vizcaya Argentaria, S.A. ("the Bank"), which comprise the balance sheet as at 31 December 2015, and the income statement, statement of recognised income and expense, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

#### *Directors' Responsibility for the Financial Statements*

The Bank's directors are responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of the Bank in accordance with the regulatory financial reporting framework applicable to the Bank in Spain (identified in Note 1.2 to the accompanying financial statements) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the entity's directors of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Opinion*

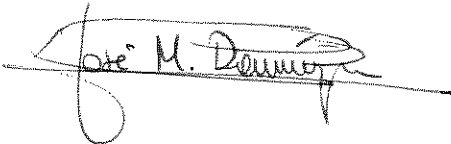
In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of Banco Bilbao Vizcaya Argentaria, S.A. as at 31 December 2015, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Bank and, in particular, with the accounting principles and rules contained therein.

**Report on Other Legal and Regulatory Requirements**

The accompanying directors' report for 2015 contains the explanations which the Bank's directors consider appropriate about the Bank's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2015. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Bank's accounting records.

DELOITTE, S.L.

Registered in R.O.A.C. under N° S0692

A handwritten signature in black ink, appearing to read "José M. Domínguez", written over a horizontal line.

José Manuel Domínguez

3 February 2016

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## Management Report

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**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

**Balance sheets as of December 31, 2015 and 2014**

ASSETS	Notes	Millions of Euros	
		2015	2014(*)
<b>CASH AND BALANCES WITH CENTRAL BANKS</b>	7	<b>11,108</b>	<b>9,262</b>
<b>FINANCIAL ASSETS HELD FOR TRADING</b>	8	<b>58,606</b>	<b>64,495</b>
Loans and advances to credit institutions		-	-
Loans and advances to customers		-	-
Debt securities		14,133	15,590
Equity instruments		3,974	4,264
Trading derivatives		40,499	44,641
Memorandum item: Loaned or advanced as collateral		6,215	7,525
<b>OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	9	-	-
Loans and advances to credit institutions		-	-
Loans and advances to customers		-	-
Debt securities		-	-
Equity instruments		-	-
<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>	10	<b>50,601</b>	<b>53,709</b>
Debt securities		46,583	47,393
Equity instruments		4,018	6,316
Memorandum item: Loaned or advanced as collateral		27,758	34,719
<b>LOANS AND RECEIVABLES</b>	11	<b>226,863</b>	<b>230,724</b>
Loans and advances to credit institutions		25,228	23,813
Loans and advances to customers		197,422	203,865
Debt securities		4,213	3,046
Memorandum item: Loaned or advanced as collateral		30,417	26,689
<b>HELD-TO-MATURITY INVESTMENTS</b>		-	-
<b>FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK</b>	12	<b>54</b>	<b>121</b>
<b>HEDGING DERIVATIVES</b>	12	<b>1,714</b>	<b>2,112</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	13	<b>2,340</b>	<b>2,771</b>
<b>EQUITY METHOD</b>	14	<b>31,599</b>	<b>26,153</b>
Associates		396	261
Jointly controlled entities		18	3,948
Subsidiaries		31,185	21,944
<b>INSURANCE CONTRACTS LINKED TO PENSIONS</b>	21	<b>2,151</b>	<b>2,189</b>
<b>TANGIBLE ASSETS</b>	15	<b>1,521</b>	<b>1,539</b>
Property, plants and equipment		1,516	1,534
For own use		1,516	1,534
Other assets leased out under an operating lease		-	-
Investment properties		5	5
Memorandum item: Loaned or advanced as collateral		-	-
<b>INTANGIBLE ASSETS</b>	16	<b>853</b>	<b>874</b>
Goodwill		-	-
Other intangible assets		853	874
<b>TAX ASSETS</b>	17	<b>8,194</b>	<b>8,385</b>
Current		652	986
Deferred		7,542	7,399
<b>OTHER ASSETS</b>	18	<b>1,699</b>	<b>1,507</b>
<b>TOTAL ASSETS</b>		<b>397,303</b>	<b>403,841</b>

(\*) Presented for comparison purposes only (note 1.3).

The accompanying Notes 1 to 51 and Appendices I to XIII are an integral part of the balance sheet as of December 31, 2015.

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# BBVA

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Balance sheets as of December 31, 2015 and 2014

LIABILITIES AND EQUITY	Notes	Millions of Euros	
		2015	2014(*)
<b>FINANCIAL LIABILITIES HELD FOR TRADING</b>	8	<b>46,973</b>	<b>50,976</b>
Deposits from central banks		-	-
Deposits from credit institutions		-	-
Customer deposits		-	-
Debt certificates		-	-
Trading derivatives		39,720	43,826
Short positions		7,253	7,150
Other financial liabilities		-	-
<b>OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	9	<b>-</b>	<b>-</b>
Deposits from central banks		-	-
Deposits from credit institutions		-	-
Customer deposits		-	-
Debt certificates		-	-
Subordinated liabilities		-	-
Other financial liabilities		-	-
<b>FINANCIAL LIABILITIES AT AMORTIZED COST</b>	19	<b>303,095</b>	<b>305,036</b>
Deposits from central banks		19,642	18,400
Deposits from credit institutions		55,462	58,091
Customer deposits		187,118	187,731
Debt certificates		25,775	26,754
Subordinated liabilities		8,295	7,701
Other financial liabilities		6,803	6,359
<b>FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK</b>	12	<b>-</b>	<b>-</b>
<b>HEDGING DERIVATIVES</b>	12	<b>1,542</b>	<b>1,959</b>
<b>LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE</b>	13	<b>-</b>	<b>-</b>
<b>PROVISIONS</b>	20	<b>6,209</b>	<b>6,157</b>
Provisions for pensions and similar obligations		5,177	5,267
Provisions for taxes and other legal contingencies		-	-
Provisions for contingent exposures and commitments		263	238
Other provisions		769	652
<b>TAX LIABILITIES</b>	17	<b>1,225</b>	<b>1,655</b>
Current		24	29
Deferred		1,201	1,626
<b>OTHER LIABILITIES</b>	18	<b>1,439</b>	<b>1,444</b>
<b>TOTAL LIABILITIES</b>		<b>360,483</b>	<b>367,227</b>

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**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

**Income statements for the years ended December 31, 2015 and 2014.**

	Notes	Millions of Euros	
		2015	2014(*)
INTEREST AND SIMILAR INCOME	32	5,464	6,763
INTEREST AND SIMILAR EXPENSES	32	(2,125)	(3,493)
<b>NET INTEREST INCOME</b>		<b>3,339</b>	<b>3,270</b>
DIVIDEND INCOME	33	2,117	2,848
FEE AND COMMISSION INCOME	34	1,751	1,773
FEE AND COMMISSION EXPENSES	35	(289)	(308)
NET GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES	36	910	1,154
Financial instruments held for trading		150	(8)
Other financial instruments at fair value through profit or loss		-	-
Other financial instruments not at fair value through profit or loss		760	1,162
Rest		-	-
EXCHANGE DIFFERENCES (NET)		224	109
OTHER OPERATING INCOME	37	114	120
OTHER OPERATING EXPENSES	37	(465)	(433)
<b>GROSS INCOME</b>		<b>7,701</b>	<b>8,533</b>
ADMINISTRATION COSTS	38	(3,756)	(3,664)
Personnel expenses		(2,198)	(2,194)
General and administrative expenses		(1,558)	(1,470)
DEPRECIATION AND AMORTIZATION	39	(519)	(517)
PROVISIONS (NET)	40	(651)	(872)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)	41	(1,304)	(1,868)
Loans and receivables		(1,291)	(1,857)
Other financial instruments not at fair value through profit or loss		(13)	(11)
<b>NET OPERATING INCOME</b>		<b>1,471</b>	<b>1,612</b>

(\*) Presented for comparison purposes only (note 1.3).

The accompanying Notes 1 to 51 and Appendices I to XIII are an integral part of the income statement for the year ended December 31, 2015.

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## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Income statements for the years ended December 31, 2015 and 2014.

<b>(Continued)</b>	<b>Notes</b>	<b>Millions of Euros</b>	
		<b>2015</b>	<b>2014(*)</b>
<b>NET OPERATING INCOME</b>		<b>1,471</b>	<b>1,612</b>
IMPAIRMENT LOSSES ON OTHER ASSETS (NET)	42	813	40
Goodwill and other intangible assets		-	-
Other assets		813	40
GAINS (LOSSES) ON DERECOGNIZED ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	43	8	(1)
NEGATIVE GOODWILL		-	-
GAINS (LOSSES) IN NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCONTINUED OPERATIONS	44.1	760	(371)
<b>INCOME BEFORE TAX</b>		<b>3,052</b>	<b>1,280</b>
INCOME TAX	17	(188)	(175)
<b>INCOME FROM CONTINUING TRANSACTIONS</b>		<b>2,864</b>	<b>1,105</b>
INCOME FROM DISCONTINUED TRANSACTIONS (NET)	44.2	-	-
<b>NET INCOME</b>		<b>2,864</b>	<b>1,105</b>

(\*) Presented for comparison purposes only (note 1.3).

The accompanying Notes 1 to 51 and Appendices I to XIII are an integral part of the income statement for the year ended December 31, 2015.

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# BBVA

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Statements of recognized income and expenses for the years ended December 31, 2015 and 2014.

	Millions of Euros	
	2015	2014(*)
<b>NET INCOME RECOGNIZED IN INCOME STATEMENT</b>	<b>2,864</b>	<b>1,105</b>
<b>OTHER RECOGNIZED INCOME (EXPENSES)</b>	<b>(1,310)</b>	<b>1,807</b>
<b>ITEMS NOT SUBJECT TO RECLASSIFICATION TO P&amp;L</b>	<b>(2)</b>	<b>-</b>
Actuarial gains and losses from defined benefit pension plans	(3)	-
Non-current assets available for sale	-	-
Income tax related to items not subject to reclassification to p&l	1	-
<b>ITEMS SUBJECT TO RECLASSIFICATION TO P&amp;L</b>	<b>(1,308)</b>	<b>1,807</b>
<b>Available-for-sale financial assets</b>	<b>(1,890)</b>	<b>2,770</b>
Valuation gains/(losses)	(723)	3,124
Amounts removed to income statement	(1,167)	(354)
Reclassifications	-	-
<b>Cash flow hedging</b>	<b>10</b>	<b>(53)</b>
Valuation gains/(losses)	19	(53)
Amounts removed to income statement	(9)	-
Amounts removed to the initial carrying amount of the hedge	-	-
Reclassifications	-	-
<b>Hedging of net investment in foreign transactions</b>	<b>-</b>	<b>-</b>
Valuation gains/(losses)	-	-
Amounts removed to income statement	-	-
Reclassifications	-	-
<b>Exchange differences</b>	<b>12</b>	<b>16</b>
Valuation gains/(losses)	29	17
Amounts removed to income statement	(17)	(1)
Reclassifications	-	-
<b>Non-current assets held for sale</b>	<b>-</b>	<b>-</b>
Valuation gains/(losses)	-	-
Amounts removed to income statement	-	-
Reclassifications	-	-
<b>Rest of recognized income and expenses</b>	<b>-</b>	<b>-</b>
<b>Income tax relating to items that may be reclassified to profit or (-) loss</b>	<b>560</b>	<b>(926)</b>
<b>TOTAL RECOGNIZED INCOME/EXPENSES</b>	<b>1,554</b>	<b>2,912</b>

(\*) Presented for comparison purposes only (note 1.3).

The accompanying Notes 1 to 51 and Appendices I to XIII are an integral part of the statement of recognized income and expenses for the year ended December 31, 2015

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**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

**Statements of changes in equity for the years ended December 31, 2015 and 2014.**

	Millions of Euros									
	Total Equity Attributed to the Parent Company									Total Equity
	Stockholders' Funds								Valuation Adjustments (Note 26)	
2015	Common Stock (Note 22)	Share Premium (Note 23)	Reserves (Note 24)	Other Equity Instruments	Less: Treasury Stock (Note 25)	Profit for the Year	Less: Dividends and Remunerations	Total Stockholders' Funds		
<b>Balances as of January 1, 2015 (*)</b>	3,024	23,992	7,642	47	(46)	1,105	(841)	34,923	1,691	36,614
Effect of changes in accounting policies (*)	-	-	-	-	-	-	-	-	-	-
Effect of correction of errors	-	-	-	-	-	-	-	-	-	-
<b>Adjusted initial balance</b>	<b>3,024</b>	<b>23,992</b>	<b>7,642</b>	<b>47</b>	<b>(46)</b>	<b>1,105</b>	<b>(841)</b>	<b>34,923</b>	<b>1,691</b>	<b>36,614</b>
<b>Total income/expense recognized</b>	-	-	-	-	-	2,864	-	2,864	(1,310)	1,554
<b>Other changes in equity</b>	<b>96</b>	-	<b>168</b>	<b>(19)</b>	<b>27</b>	<b>(1,105)</b>	<b>(515)</b>	<b>(1,348)</b>	-	<b>(1,348)</b>
Common stock increase	96	-	(96)	-	-	-	-	-	-	-
Common stock reduction	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-
Increase of other equity instruments	-	-	-	16	-	-	-	16	-	16
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-	(1,225)	(1,225)	-	(1,225)
Transactions including treasury stock and other equity instruments (net)	-	-	(1)	-	27	-	-	26	-	26
Transfers between total equity entries	-	-	272	(8)	-	(1,105)	841	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	-	-	-	-	-	-	-	-
Rest of increases/reductions in total equity	-	-	(7)	(27)	-	-	(131)	(165)	-	(165)
<i>Of which:</i>										
Acquisition of the free allotment rights (Note 3)	-	-	-	-	-	-	(131)	(131)	-	(131)
<b>Balances as of December 31, 2015</b>	<b>3,120</b>	<b>23,992</b>	<b>7,810</b>	<b>28</b>	<b>(19)</b>	<b>2,864</b>	<b>(1,356)</b>	<b>36,439</b>	<b>381</b>	<b>36,820</b>

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The accompanying Notes 1 to 51 and Appendices I to XIII are an integral part of the statement of changes in equity for the year ended December 31, 2015.

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**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

**Statements of changes in equity for the years ended December 31, 2015 and 2014.**

	Millions of Euros									Total Equity (*)
	Total Equity Attributed to the Parent Company									
	Stockholders' Funds								Valuation Adjustments (Note 26)	
2014	Common Stock (Note 22)	Share Premium (Note 23)	Reserves (Note 29)	Other Equity Instruments	Less: Treasury Stock (Note 35)	Profit for the Year	Less: Dividends and Remunerations	Total Stockholders' Funds		
<b>Balances as of January 1, 2014 (*)</b>	2,835	22,111	7,244	43	(20)	1,263	(768)	32,708	(116)	32,592
Effect of changes in accounting policies (**)	-	-	(140)	-	-	(143)	-	(283)	-	(283)
Effect of correction of errors	-	-	-	-	-	-	-	-	-	-
<b>Adjusted initial balance</b>	2,835	22,111	7,244	43	(20)	1,263	(768)	32,708	(116)	32,592
<b>Total income/expense recognized</b>	-	-	-	-	-	1,105	-	1,105	1,807	2,912
<b>Other changes in equity</b>	189	1,881	398	4	(26)	(1,263)	(73)	1,110	-	1,110
Common stock increase	189	1,881	(70)	-	-	-	-	2,000	-	2,000
Common stock reduction	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-
Increase of other equity instruments	-	-	-	34	-	-	-	34	-	34
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-	(597)	(597)	-	(597)
Transactions including treasury stock and other equity instruments (net)	-	-	(7)	-	(26)	-	-	(33)	-	(33)
Transfers between total equity entries	-	-	499	(4)	-	(1,263)	768	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	-	-	-	-	-	-	-	-
Rest of increases/reductions in total equity	-	-	(24)	(26)	-	-	(244)	(294)	-	(294)
Of which:										
Acquisition of the free allotment rights (Note 3)	-	-	-	-	-	-	(244)	(244)	-	(244)
<b>Balances as of December 31, 2014</b>	3,024	23,992	7,642	47	(46)	1,105	(841)	34,923	1,691	36,614

(\*) Presented for comparison purposes only (note 1.3).

(\*\*) Balance as of December 31, 2013, previously published (note 1.3)

The accompanying Notes 1 to 51 and Appendices I to XIII are an integral part of the statement of changes in equity for the year ended December 31, 2015.

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# BBVA

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Statements of cash flows for the years ended December 31, 2015 and 2014.

	Notes	Millions of Euros	
		2015	2014(*)
<b>CASH FLOW FROM OPERATING ACTIVITIES (1)</b>	<b>45</b>	<b>4,706</b>	<b>(4,709)</b>
<b>Net income for the year</b>		<b>2,864</b>	<b>1,105</b>
<b>Adjustments to obtain the cash flow from operating activities:</b>		<b>(1,770)</b>	<b>4,749</b>
Depreciation and amortization		519	517
Other adjustments		(2,289)	4,232
<b>Net increase/decrease in operating assets</b>		<b>11,514</b>	<b>(18,714)</b>
Financial assets held for trading		5,889	(7,864)
Other financial assets designated at fair value through profit or loss		-	-
Available-for-sale financial assets		1,564	(10,408)
Loans and receivables		3,861	(201)
Other operating assets		200	(241)
<b>Net increase/decrease in operating liabilities</b>		<b>(8,090)</b>	<b>7,976</b>
Financial liabilities held for trading		(4,003)	7,377
Other financial liabilities designated at fair value through profit or loss		-	-
Financial liabilities at amortized cost		(2,975)	1,250
Other operating liabilities		(1,112)	(651)
<b>Collection/Payments for income tax</b>		<b>188</b>	<b>175</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (2)</b>	<b>45</b>	<b>(2,257)</b>	<b>(1,711)</b>
<b>Investment</b>		<b>5,623</b>	<b>2,194</b>
Tangible assets		211	156
Intangible assets		298	265
Investments		4,113	714
Other business units		-	-
Non-current assets held for sale and associated liabilities		1,001	1,059
Held-to-maturity investments		-	-
Other settlements related to investing activities		-	-
<b>Divestments</b>		<b>3,366</b>	<b>483</b>
Tangible assets		12	14
Intangible assets		-	-
Investments		62	147
Subsidiaries and other business units		-	-
Non-current assets held for sale and associated liabilities		1,249	322
Held-to-maturity investments		-	-
Other collections related to investing activities		2,043	-

(\*) Presented for comparison purposes only (note 1.3).

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# BBVA

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Statements of cash flows for the years ended December 31, 2015 and 2014.

<b>(Continued)</b>	<b>Notes</b>	<b>Millions of Euros</b>	
		<b>2015</b>	<b>2014(*)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES (3)</b>	<b>45</b>	<b>(302)</b>	<b>3,749</b>
<b>Investment</b>		<b>4,124</b>	<b>4,108</b>
Dividends		916	772
Subordinated liabilities		767	678
Common stock amortization		-	-
Treasury stock acquisition		2,297	2,658
Other items relating to financing activities		144	-
<b>Divestments</b>		<b>3,822</b>	<b>7,857</b>
Subordinated liabilities		1,500	3,015
Common stock increase		-	2,000
Treasury stock disposal		2,322	2,623
Other items relating to financing activities		-	219
<b>EFFECT OF EXCHANGE RATE CHANGES (4)</b>		<b>(301)</b>	<b>(152)</b>
<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (1+2+3+4)</b>		<b>1,846</b>	<b>(2,823)</b>
<b>CASH OR CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>9,262</b>	<b>12,085</b>
<b>CASH OR CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>11,108</b>	<b>9,262</b>
<b>Millions of Euros</b>			
<b>COMPONENTS OF CASH AND EQUIVALENT AT END OF THE YEAR</b>	<b>Notes</b>	<b>2015</b>	<b>2014(*)</b>
Cash		825	726
Balance of cash equivalent in central banks		10,283	8,536
Other financial assets		-	-
Less: Bank overdraft refundable on demand		-	-
<b>TOTAL CASH OR CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>7</b>	<b>11,108</b>	<b>9,262</b>

(\*) Presented for comparison purposes only (note 1.3).

The accompanying Notes 1 to 51 and Appendices I to XIII are an integral part of the statement of cash flows for the year ended December 31, 2015.



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**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

## **Notes to the financial statements for the year ended December 31, 2015.**

### **1. Introduction, basis for presentation of the financial statements and internal control of financial information and other information**

#### **1.1 Introduction**

Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter “the Bank” or “BBVA”) is a private-law entity subject to the laws and regulations governing banking entities operating in Spain. It carries out its activity through branches and agencies across the country and abroad.

The Bylaws and other public information are available for consultation at the Bank’s registered address (Plaza San Nicolás, 4 Bilbao) and on its official website: [www.bbva.com](http://www.bbva.com).

In addition to the transactions it carries out directly, the Bank heads a group of subsidiaries, jointly controlled and associated entities which perform a wide range of activities and which together with the Bank constitute the Banco Bilbao Vizcaya Argentaria Group (hereinafter, “the Group” or “the BBVA Group”). In addition to its own individual financial statements, the Bank is therefore obliged to prepare the Group’s consolidated financial statements.

The Bank’s financial statements for the year ended December 31, 2014 were approved by the shareholders at the Bank’s Annual General Meeting (“AGM”) held on March 13, 2015.

The Bank’s financial statements for the year ended December 31, 2015 are pending approval by the Annual General Meeting. However, the Bank’s Board of Directors considers that the aforementioned financial statements will be approved without any changes.

#### **1.2 Basis for the presentation of the financial statements**

The Bank’s financial statements for 2015 are presented in accordance with Bank of Spain Circular 4/2004, dated December 22, and its subsequent amendments, and with any other legislation governing financial reporting applicable to the Bank. Circular 4/2004 implements and adapts the International Financial Reporting Standards (EU-IFRS) to Spanish credit institutions, following stipulations established under Regulation 1606/2002 of the European Parliament and of the Council, dated July 19, 2002, relating to the application of the International Accounting Standards.

The Bank’s financial statements for the year ended December 31, 2015 have been prepared by the Bank’s directors (at the Board of Directors meeting held on February 2, 2016) by applying the accounting policies and valuation criteria described in Note 2, so that they present fairly the Bank’s equity and financial position as of December 31, 2015, together with the results of its operations and cash flows generated during the year ended on that date.

All obligatory accounting standards and valuation criteria with a significant effect in the financial statements were applied in their preparation.

The amounts reflected in the accompanying financial statements are presented in millions of euros, unless it is more convenient to use smaller units. Some items that appear without a total in these financial statements do so because of the size of the units used. Also, in presenting amounts in millions of euros, the accounting balances have been rounded up or down. It is therefore possible that the amounts appearing in some tables are not the exact arithmetical sum of their component figures.

The percentage changes in amounts have been calculated using figures expressed in thousands of euros.

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### 1.3 Comparative information

The information contained in these financial statements for 2014 is presented solely for the purpose of comparison with information relating to December 31, 2015. It does not constitute the Bank's financial statements for 2014.

### 1.4 Seasonal nature of income and expenses

The nature of the most significant operations carried out by the Bank is mainly related to traditional activities carried out by financial institutions, which are not significantly affected by seasonal factors.

### 1.5 Responsibility for the information and for the estimates made

The information contained in the Bank's financial statements is the responsibility of the Bank's Directors.

Estimates have to be made at times when preparing these financial statements in order to calculate the registered amount of some assets, liabilities, income, expenses and commitments. These estimates relate mainly to the following:

- Impairment on certain financial assets (see Notes 5, 6, 10, 11, 12 and 14).
- The assumptions used to quantify certain provisions (see Note 20) for the actuarial calculation of post-employment benefit liabilities and commitments (see Note 21).
- The useful life and impairment losses of tangible and intangible assets (see Notes 13, 15 and 16).
- The fair value of certain unlisted financial assets and liabilities in organized markets (see Notes 5, 6, 8, 9, 10 and 12).

Although these estimates were made on the basis of the best information available as of December 31, 2014 on the events analyzed, future events may make it necessary to modify them (either up or down). This would be done in accordance with applicable regulations and prospectively, recording the effects of changes in the estimates in the corresponding income statement.

### 1.6 Control of the BBVA Group's financial reporting

The description of the BBVA Group's Internal Financial Reporting Control model is described in the management report accompanying the Financial Statements for 2015

### 1.7 Deposit guarantee fund

The Bank is part of the "Fondo de Garantía de Depósitos" (Deposit Guarantee Fund). Adjusting to the previously mentioned accounting criteria modification, the expense incurred by the contributions made to this Agency in 2015 and 2014 amounted to €117 million and €215 million, respectively. These amounts are registered under the heading "Other operating expenses" of the accompanying income statements (see Note 37).

The previously mentioned amount registered in year 2013 includes the extraordinary contribution established by the Royal Decree-Law 6/2013. A one-off Deposit Guarantee Fund contribution, applicable to 3 per thousand of eligible deposits. The first contribution (40%) amounted to 121 million euros paid in 2013. Of the second contribution (remaining 60%) in 2014 a seventh part was paid and according to the new payment schedule established by the Management Committee of the Deposit Guarantee Fund. The remaining part of the previously mentioned second contribution was recognized as a liability as of December 31, 2014 and 50% paid off in June 2015. The remaining 50% of the amount will be paid off in June 30th 2016.

In accordance with the new regulations, in 2015 a contribution was made to Spain's Orderly Banking Resolution Fund (FROB) of €123m, which are registered under the heading "Other Operating Expenses" in the attached income statements (see Note 37). In the coming years, the establishment of a single European resolution fund will mean that these contributions will be made directly to this European fund.

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## 1.8 Consolidated financial statements

The consolidated financial statements of the BBVA Group for the year ended December 31, 2015 have been prepared by the Bank's Directors (at the Board of Directors meeting held on February 3, 2016) in accordance with the International Financial Reporting Standards adopted by the European Union and applicable at the close of 2015, taking into account Bank of Spain Circular 4/2004, dated December 22, and subsequent amendments, and with any other legislation governing financial reporting applicable to the Group.

The management of the Group's operations is carried out on a consolidated basis, independently of the individual allocation of the corresponding equity changes and their related results. Consequently, the Bank's annual financial statements have to be considered within the context of the Group, due to the fact that they do not reflect the financial and equity changes that result from the application of the consolidation policies (full consolidation or proportionate consolidation methods) or the equity method.

These changes are reflected in the consolidated financial statements of the BBVA Group for the year 2015, which the Bank's Board of Directors has also prepared. Appendix I includes the Group's consolidated financial statements. In accordance with the content of these consolidated financial statements prepared following the International Financial Reporting Standards adopted by the European Union, the total amount of the BBVA Group's assets and consolidated equity at the close of 2015 amounted to €750,078 million and €55,439 million, respectively, while the consolidated net profit attributed to the parent company totaled €2,642 million.

## 2. Accounting policies and valuation criteria applied

The Glossary includes the definition of some of the financial and economic terms used in Note 2 and subsequent Notes.

The accounting standards and policies and valuation criteria used in preparing these financial statements are as follows:

### 2.1 Financial instruments

#### Measurement of financial instruments and recognition of changes in subsequent fair value

All financial instruments are initially accounted for at fair value which, unless there is evidence to the contrary, shall be the transaction price.

All the changes in the value of financial instruments, except in trading derivatives, arising from the accrual of interests and similar items are recognized under the headings "Interest and similar income" or "Interest and similar expenses", as appropriate, in the accompanying income statement for the year in which the accrual took place (see Note 32). The dividends paid from other companies, other than associate entities and joint venture entities, are recognized under the heading "Dividend income" in the accompanying income statement for the year in which the right to receive them arises (see Note 33).

The changes in fair value after the initial recognition, for reasons other than those mentioned in the preceding paragraph, are treated as described below, according to the categories of financial assets and liabilities:

#### 2.1.1 "Financial assets held for trading" and "Other financial assets and liabilities designated at fair value through profit or loss"

The assets and liabilities recognized in these chapters of the balance sheets are measured at fair value, and changes in value (gains or losses) are recognized as their net value under the heading "Net gains (losses) on financial assets and liabilities" in the accompanying income statements (see Note 36). However, changes resulting from variations in foreign exchange rates are recognized under the heading "Exchange differences (net)" in the accompanying income statements.

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### 2.1.2 “Available-for-sale financial assets”

Assets recognized under this heading in the balance sheets are measured at their fair value. Subsequent changes in this measurement (gains or losses) are recognized temporarily for their amount net of tax effect under the heading “Valuation adjustments - Available-for-sale financial assets” in the balance sheets (see Note 26).

Changes in the value of non-monetary items resulting from changes in foreign exchange rates are recognized temporarily under the heading “Valuation adjustments - Exchange differences” in the accompanying balance sheets. Changes in foreign exchange rates resulting from monetary items are recognized under the heading “Exchange differences (net)” in the accompanying income statements.

The amounts recognized under the headings “Valuation adjustments - Available-for-sale financial assets” and “Valuation adjustments - Exchange differences” continue to form part of the Bank’s equity until the asset is derecognized from the balance sheet or until an impairment loss is recognized in the financial instrument in question. If these assets are sold, these amounts are derecognized and entered under the headings “Net gains (losses) on financial assets and liabilities” or “Exchange differences (net)”, as appropriate, in the income statement for the year in which they are derecognized (see Note 36).

In the specific case of the sale of equity instruments considered strategic investments and recognized under the heading “Available-for-sale financial assets”, the gains or losses generated are recognized under the heading “Gains (losses) in non-current assets held-for-sale not classified as discontinued operations” in the income statement, even if they had not been classified in a previous balance sheet as non-current assets held for sale, as indicated in Rule 56 of Circular 4/2004 and its subsequent amendments (see Note 44).

The net impairment losses in “Available-for-sale financial assets” over the year are recognized under the heading “Impairment losses on financial assets (net) - Other financial instruments not at fair value through profit or loss” in the income statement for that year (see Note 41).

### 2.1.3 “Loans and receivables”, “Held-to-maturity investments” and “Financial liabilities at amortized cost”

Assets and liabilities recognized under these headings in the accompanying balance sheets are measured once acquired at “amortized cost” using the “effective interest rate” method. This is because the Bank intends to hold such financial instruments to maturity.

Net impairment losses of assets recognized under these headings arising in a particular year are recognized under the heading “Impairment losses on financial assets (net) - Loans and receivables” or “Impairment losses on financial assets (net) - Other financial instruments not valued at fair value through profit or loss” in the income statement for that year (see Note 41).

### 2.1.4 “Hedging derivatives” and “Fair value changes of the hedged items in portfolio hedges of interest-rate risk”

Assets and liabilities recognized under these headings in the accompanying balance sheets are measured at fair value.

Changes that take place subsequent to the designation of the hedging relationship in the measurement of financial instruments designated as hedged items as well as financial instruments designated as hedge accounting instruments are recognized as follows:

- In fair value hedges, the changes in the fair value of the derivative and the hedged item attributable to the hedged risk are recognized under the heading “Net gains (losses) on financial assets and liabilities” in the income statement (see Note 36), with a balancing item under the headings of the balance sheet where hedging items (“Hedging derivatives”) or the hedged items are recognized, as applicable.
- In fair value hedges of interest rate risk of a portfolio of financial instruments (portfolio-hedges), the gains or losses that arise in the measurement of the hedging instrument are recognized in the income statement, and those that arise from the change in the fair value of the hedged item (attributable to the hedged risk) are also recognized in the income statement (in both cases under the heading “Net gains (losses) on financial assets and liabilities”, using, as a balancing item, the headings “Fair value changes of the hedged items in portfolio hedges of interest rate risk” in the balance sheets, as applicable.

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- In cash flow hedges, the gain or loss on the hedging instruments relating to the effective portion are recognized temporarily under the heading "Valuation adjustments - Cash flow hedging" in the balance sheets, with a balancing entry under the heading "Hedging derivatives" of the Assets or Liabilities of the Consolidated Financial Statements as applicable. These differences are recognized in the accompanying income statement at the time when the gain or loss in the hedged instrument affects profit or loss, when the forecast transaction is executed or at the maturity date of the hedged item. Almost all of the hedges used by the Bank are for interest-rate risks. Therefore, the valuation changes are recognized under the headings "Interest and similar income" or "Interest and similar expenses" in the accompanying income statement (see Note 32).
- Differences in the measurement of the hedging items corresponding to the ineffective portions of cash flow hedges are recognized directly under the heading "Net gains (losses) on financial assets and liabilities" in the income statement (see Note 36).
- In hedges of net investments in foreign operations, the differences in the effective portions of hedging items are recognized temporarily under the heading "Valuation adjustments - Hedging of net investments in foreign transactions" in the balance sheets, with counterpart in the headings "Assets - Hedging derivatives" or "Liabilities - Hedging derivatives" as applicable. These differences in valuation are recognized under the heading "Exchange differences (net)" in the income statement when the investment in a foreign operation is disposed of or derecognized.

### 2.1.5 Other financial instruments

The following exceptions are applicable with respect to the above general criteria:

- Equity instruments whose fair value cannot be determined in a sufficiently objective manner and financial derivatives that have those instruments as their underlying asset and are settled by delivery of those instruments remain in the balance sheet at acquisition cost; this may be adjusted, where appropriate, for any impairment loss.
- Valuation adjustments arising from financial instruments classified at balance sheet date as non-current assets held for sale are recognized with a balancing entry under the heading "Valuation adjustments - Non-current assets held for sale" in the accompanying balance sheets (see Note 26).

## 2.2 Impairment losses on financial assets

### 2.2.1 Definition of impaired financial assets

A financial asset is considered to be impaired - and therefore its carrying amount is adjusted to reflect the effect of the impairment - when there is objective evidence that events have occurred which:

- In the case of debt instruments (loans and debt securities), give rise to an adverse impact on the future cash flows that were estimated at the time the transaction was arranged. So they are considered impaired when there are reasonable doubts that the balances will be recovered in full and/or the related interest will be collected for the amounts and on the dates initially agreed.
- In the case of equity instruments, it means that their carrying amount may not be fully recovered.

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to the income statement for the year in which the impairment becomes known, and the recoveries of previously recognized impairment losses are recognized in the income statement for the year in which the impairment is reversed or reduced. Any recovery of previously recognized impairment losses for an investment in an equity instrument classified as financial assets available for sale is not recognized in the income statement, but under the heading "Valuation Adjustments - Available-for-sale financial assets" (see Note 26) in the balance sheet.

In general, amounts collected in relation to impaired loans and receivables are used to recognize the related accrued interest and any excess amount is used to reduce the principal not yet paid.

When the recovery of any recognized amount is considered to be remote, this amount is written-off on the balance sheet, without prejudice to any actions that may be taken in order to collect the amount until the rights extinguish in full either because it is time-barred debt, the debt is forgiven, or for other reasons.

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In the case of particularly significant financial assets, and assets that cannot be classified within similar groups of instruments in terms of risk, the amounts recognized are measured individually. In the case of financial assets for lower amounts that can be classified in standard groups, this measurement is carried out as a group.

According to the Bank's established policy, the recovery of a recognized amount is considered to be remote and, therefore, removed from the balance sheet in the following cases:

- Any loan (except for those carrying an effective guarantee) of a company in bankruptcy and/or in the last phases of a "concurso de acreedores" (the Spanish equivalent of a Chapter 11 bankruptcy proceeding), and
- Financial assets (bonds, debentures, etc.) whose issuer's solvency has undergone a notable and irreversible deterioration.

Additionally, loans classified as non-performing secured loans are written off in the balance sheet within a maximum period of four years from the date on which they are classified as non-performing, while non-performing unsecured loans (such as commercial and consumer loans, credit cards, etc.) are written off within two years of their classification as non-performing.

### Calculation of impairment on financial assets

The impairment on financial assets is determined by type of instrument and other circumstances that could affect it, taking into account the guarantees received by the owners of the financial instruments to assure (in part or in full) the performance of transactions. The Bank recognizes impairment charges directly against the impaired asset when the likelihood of recovery is deemed remote, and uses offsetting or allowance accounts when it registers non-performing loan provisions to cover the estimated loss.

#### 2.2.2 Impairment of debt securities measured at amortized cost

With regard to impairment losses arising from insolvency risk of the obligors (credit risk), a debt instrument is impaired due to insolvency when a deterioration in the ability to pay by the obligor is evidenced, either due to past due status or for other reasons.

BBVA has developed policies, methods and procedures to estimate losses which may be incurred as a result of outstanding credit risk. These policies, methods and procedures are applied in the study, approval and execution of debt instruments and contingent liabilities and commitments; as well as in identifying the impairment and, where appropriate, in calculating the amounts necessary to cover estimated losses.

The amount of impairment losses on debt instruments measured at amortized cost is calculated based on whether the impairment losses are determined individually or collectively. First it is determined whether there is objective evidence of impairment individually for individually significant financial assets, and collectively for financial assets that are not individually significant. In the case where the Group determines that no objective evidence of impairment in the case of assets analyzed individually will be included in a group of assets with similar risk characteristics and collectively impaired is analyzed.

In determining whether there is objective evidence of impairment the Group uses observable data on the following aspects:

- Significant financial difficulties of the debtor.
- Ongoing delays in the payment of interest or principal.
- Refinancing of credit conditions by the counterparty.
- Bankruptcy or reorganization / liquidation are considered likely.
- Disappearance of the active market for a financial asset because of financial difficulties.
- Observable data indicating a reduction in future cash flows from the initial recognition such as adverse changes in the payment status of the counterparty (delays in payments, reaching credit cards limits, etc.)
- National or local economic conditions that are linked to "defaults" (unemployment, falling property prices, etc).

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### Impairment losses determined individually

The amount of the impairment losses incurred on these instruments relates to the positive difference between their respective carrying amounts and the present values of their expected future cash flows. These cash flows are discounted using the original effective interest rate. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract.

As an exception to the rule described above, the market value of quoted debt instruments is deemed to be a fair estimate of the present value of their future cash flows.

The following is to be taken into consideration when estimating the future cash flows of debt instruments:

- All the amounts that are expected to be recovered over the residual life of the instrument; including, where appropriate, those which may result from the collateral and other credit enhancements provided for the instrument (after deducting the costs required for foreclosure and subsequent sale). Impairment losses include an estimate for the possibility of collecting accrued, past-due and uncollected interest.
- The various types of risk to which each instrument is subject.
- The circumstances in which collections will foreseeably be made.

### Impairment losses determined collectively

Impairment losses are calculated collectively, both in the case of certain assets classified as impaired that are not individually significant and are therefore not determined on an individual basis (impaired portfolio), and for asset portfolios that are currently not impaired but that represent a potential loss ("inherent loss") or it is not specifically allocated (non-impaired portfolio), average and substandard risks.

Inherent losses are losses incurred on the date of preparing the financial statements that are still pending allocation to specific transactions. They are therefore estimated using statistical procedures.

The Bank calculates the inherent loss in relation to the credit risk assumed by Spanish banking institutions by applying the parameters set out in Appendix IX to Bank of Spain Circular 4/2004, which are based on the Bank of Spain's experience of the Spanish banking sector. For the specific case of the real-estate risk provisions existing as of December 31, 2011, the Bank applies the parameters set out in section V of Appendix IX to the Circular, which are a transposition of the provisions of Royal Decree-Law 2/2012, dated February 3, on the restructuring of the financial sector and of Act 8/2012, dated October 30, on the restructuring and sale of real-estate assets in the financial sector.

Following is a description of the methodology used to estimate the collective loss of credit risk corresponding to operations with residents in Spain:

- Impaired financial assets

As a general rule, provided that impaired debt instruments do not have any of the guarantees mentioned below, they are provisioned by applying the percentages indicated to the amount of the outstanding risk, according to the oldest past-due amount, or the date on which the assets are classified as impaired, if earlier:

<b>Age of the Past-due Amount</b>	<b>Allowance Percentage</b>
Up to 180 days	25%
Over 180 days and up to 270 days	50%
Over 270 days and up to 1 year	75%
Over 1 year	100%

- The impairment of debt instruments that have one or more of the guarantees indicated below is calculated by applying the above percentages to the amount of the outstanding risk that exceeds the value of the guarantees, in accordance with the following criteria:

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- Transactions secured by real estate

For the purposes of calculating impairment of financial assets classified as impaired, the value of the real rights received as security will be calculated according to the type of asset secured by the real right, using the following criteria, provided they are first-call and duly constituted and registered in favor of the bank:

- Completed home that is the primary residence of the borrower

Includes homes with a current certificate of habitability or occupancy, issued by the corresponding administrative authority, in which the borrower usually lives and feels more attached to.

The calculation of the value of the rights received as collateral shall be 80% of the cost of the completed home and the appraisal value of its current state, whichever is lower. For these purposes, the cost will be the purchase price declared by the borrower in the public deed. If the deed is manifestly old, the cost may be obtained by adjusting the original cost by an indicator that accurately reflects the average change in price of existing homes between the date of the deed and the calculation date.

- Rural buildings in use, and completed offices, premises and multi-purpose buildings

Includes land not declared as urbanized, and on which construction is not authorized for uses other than agricultural, forest or livestock, as appropriate; as well as multi-purpose buildings, whether or not they are linked to an economic use, that do not include construction or legal characteristics or elements that limit or make difficult their multi-purpose use and thus their easy conversion into cash.

The calculation of the value of the rights received as collateral shall be 70% of the cost of the completed property or multi-purpose buildings and the appraisal value of its current state, whichever is lower. For these purposes, the cost will be the purchase price declared by the borrower in the public deed. If the property was constructed by the borrower himself, the cost shall be calculated by using the price of acquisition of the land declared in the public deed plus the value of work certificates, and including any other necessary expenses and accrued taxes, but excluding financial and business expenses.

- Finished homes (rest)

Includes finished homes that, on the date referred to by the financial statements, have the corresponding current certificate of habitability or occupancy issued by the corresponding administrative authority, but that do not qualify for consideration under above section "Completed home that is the primary residence of the borrower".

The value of the rights received as collateral shall be 60% of the cost of the completed home and the appraisal value of its current state, whichever is lower. The cost will be the purchase price declared by the borrower in the public deed.

In the case of finance for real estate construction, the cost will include the amount declared on the purchase deed for the land, together with any necessary expenses actually paid for its development, excluding commercial and financial expenses, plus the sum of the costs of construction as shown in partial work certificates issued by experts with appropriate professional qualifications, including that corresponding to work completion. In the case of groups of homes that form part of developments partially sold to third parties, the cost shall be that which can be rationally assigned to the homes making up the collateral.

- Land, lots and other real estate assets

The value of the rights received as collateral shall be 50% of the cost of the lot or real-estate asset affected and the appraisal value of its current state, whichever is lower. For these purposes, the cost is made up of the purchase price declared by in the public deed, plus the necessary expenses that have actually been incurred by the borrower for the consideration of the land or lot in question as urban land, as well as those stipulated in the previous section.



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- Transactions secured by other collateral (not real estate):

Transactions that have as collateral any of the pledges indicated below shall be hedged by applying the following criteria:

- Partial cash guarantees: Transactions that have partial cash guarantees shall be hedged by applying the hedging percentages stipulated as general criteria to the difference between the amount for which they are registered in the asset and the current value of the deposits.
- Partial pledges: Transactions that have partial pledges on shares in monetary financial institutions or debt securities issued by the government, credit institutions or financial credit institutions rated in the “negligible risk” class, or other financial instruments traded on active markets, shall be hedged by applying the hedging percentages stipulated as a general rule to the difference between the amount for which they are registered in the asset and 90% of the fair value of these financial instruments.

- Non-impaired portfolio

- Average Risk

Debt instruments, whoever the obligor and whatever the guarantee or collateral, that are not considered impaired are assessed collectively, including the assets in a group with similar credit risk characteristics, including sector of activity of the debtor or the type of guarantee. The applicable hedging percentages are as follows:

Risk	Allowance Range	
Negligible risk	0%	0%
Low risk	0.06%	0.75%
Medium-low risk	0.15%	1.88%
Medium risk	0.18%	2.25%
Medium-high risk	0.2%	2.50%
High risk	0.25%	3.13%

- Substandard Risk

Loans classified in the Substandard Risk category will be analyzed to determine the necessary generic provision, which is the difference between the amount recognized in assets for these instruments and the present value of cash flows expected to be received for the group, discounted at the average contractual interest.

The coverage to be performed for each of the homogeneous groups of debt instruments classified as substandard risks for belonging to a troubled range, will be collectively estimated for assets with similar credit risk characteristics to the group's based on historical loss experience. This historical experience is adjusted on the basis of observable data to reflect the effect of current conditions that did not affect the period that has been extracted from historical experience, and to remove the effects of conditions in the historical period that do not exist today.

- Country risk allowance or provision

On the basis of the countries' economic performance, political situation, regulatory and institutional framework, and payment capacity and record, the Bank classifies all the transactions into different groups, assigning to each group the insolvency provision percentages derived from those analyses.

However, due to the dimension of the Bank and to the proactive management of its country risk exposure, the allowances recognized in this connection are not material with respect to the credit loss allowances recognized (as of December 31, 2015, these country risk allowances represent 0.33% of the credit loss allowances recognized of the Bank).

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### Impairment of other debt instruments classified as financial assets available for sale

The impairment losses on debt securities included in the “Available-for-sale financial asset portfolio are equal to the positive difference between their acquisition cost (net of any principal repayment), after deducting any impairment loss previously recognized in the income statement, and their fair value.

When there is objective evidence that the negative differences arising on measurement of these assets are due to impairment, they are no longer considered as “Valuation adjustments - Available-for-sale financial assets” and are recognized in the income statement.

If all or part of the impairment losses are subsequently recovered, the amount is recognized in the income statement for the year in which the recovery occurred, up to the limit of the amount recognized previously in earnings.

### Impairment of equity instruments

The amount of the impairment in the equity instruments is determined by the category where they are recognized:

- *Equity instruments measured at fair value:* The criteria for quantifying and recognizing impairment losses on equity instruments are similar to those for “Debt instruments”, with the exception that any recovery of previously recognized impairment losses for an investment in an equity instrument classified as available for sale is not recognized in the income statement but under the heading “Valuation adjustments - Available-for-sale financial assets” in the balance sheet (see Note 26).

The Bank considers that there is objective evidence of impairment on equity instruments classified as available-for-sale when significant unrealized losses have existed over a sustained period of time due to a price reduction of at least 40% or over a period of more than 18 months.

When applying this evidence of impairment, the Bank takes into account the volatility in the price of each individual security to determine whether it is a percentage that can be recovered through its sale on the market; other different thresholds may exist for certain securities or specific sectors.

In addition, for individually significant investments, the Bank compares the valuation of the most significant securities against valuations performed by independent experts.

- *Equity instruments measured at cost:* The impairment losses on equity instruments measured at acquisition cost are equal to the difference between their carrying amount and the present value of expected future cash flows discounted at the market rate of return for similar securities. These impairment losses are determined taking into account the equity of the investee (except for valuation adjustments due to cash flow hedges) for the last approved balance sheet, adjusted for the unrealized gains on the measurement date.

Impairment losses are recognized in the income statement for the year in which they arise as a direct reduction of the cost of the instrument. These losses may only be reversed subsequently in the event of the sale of these assets.

### Impairment of holdings in subsidiaries, associates or jointly controlled entities

When evidence of impairment exists in the holdings in subsidiaries, associates or jointly controlled entities, the entity will estimate the amount of the impairment losses by comparing their recoverable amount, which is the fair value minus the necessary sale costs or their value in use, whichever is greater, with their carrying amount. Impairment losses are recognized immediately under the heading “Impairment losses on other assets (net)” in the income statement (see Note 42). Recoveries subsequent to impairment losses recognized previously are recognized under the same heading in the income statement for the period.

### 2.2.3 Transfers and derecognition of financial assets and liabilities

The accounting treatment of transfers of financial assets is determined by the way in which risks and benefits associated with the assets involved are transferred to third parties. Thus, the financial assets are only derecognized from the balance sheet when the cash flows that they generate are extinguished, or when their implicit risks and benefits have been substantially transferred to third parties. In the latter case, the financial asset transferred is derecognized from the balance sheet, and any right or obligation retained or created as a result of the transfer is simultaneously recognized.

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Similarly, financial liabilities are derecognized from the balance sheet only if their obligations are extinguished or acquired (with a view to subsequent cancellation or renewed placement).

The Bank is considered to have transferred substantially all the risks and benefits if such risks and benefits account for the majority of the risks and benefits involved in ownership of the transferred assets. If substantially all the risks and benefits associated with the transferred financial asset are retained:

- The transferred financial asset is not derecognized from the balance sheet and continues to be measured using the same criteria as those used before the transfer.
- A financial liability is recognized at an amount equal to the amount received, which is subsequently measured at amortized cost.

In the specific case of securitizations, this liability is recognized under the heading “Financial liabilities at amortized cost - Customer deposits” in the balance sheets (see Note 19). As these liabilities do not constitute a current obligation, when measuring such a financial liability the Bank deducts those financial instruments owned by it which constitute financing for the entity to which the financial assets have been transferred, to the extent that these instruments are deemed specifically to finance the transferred assets.

- Both the income generated on the transferred (but not derecognized) financial asset and the expenses associated with the new financial liability continue to be recognized.

The criteria followed with respect to the most common transactions of this type made by the Bank are as follows:

- **Purchase and sale commitments:** Financial instruments sold with a repurchase agreement are not derecognized from the balance sheets and the amount received from the sale is considered to be financing from third parties.

Financial instruments acquired with an agreement to subsequently resell them are not recognized in the balance sheets and the amount paid for the purchase is considered to be credit given to third parties.

- **Securitization:** The Bank has applied the most stringent criteria for determining whether or not it retains substantially all the risk and rewards on such assets for all securitizations performed since January 1, 2004. As a result of this analysis, the Bank has concluded that none of the securitizations undertaken since that date meet the prerequisites for derecognizing the securitized assets from the balance sheets (see Note 11 and Appendix VI), as the Bank retains substantially all the expected credit risks and possible changes in net cash flows, while retaining the subordinated loans and lines of credit extended to these securitization funds.

## 2.3 Financial guarantees

Financial guarantees are considered to be those contracts that require their issuer to make specific payments to reimburse the holder for a loss incurred when a specific borrower breaches its payment obligations on the terms - whether original or subsequently modified - of a debt instrument, irrespective of the legal form it may take. Financial guarantees may take the form of a deposit, financial guarantee, insurance contract or credit derivative, among others.

In their initial recognition, financial guarantees provided on the liability side of the balance sheet at fair value, which is generally the present value of the fees, commissions and interest receivable from these contracts over the term thereof, and we simultaneously recognize a credit on the asset side of the balance sheet for the amount of the fees and commissions received at the inception of the transactions and the amounts receivable at the present value of the fees, commissions and interest outstanding.

Financial guarantees, irrespective of the guarantor, instrumentation or other circumstances, are reviewed periodically so as to determine the credit risk to which they are exposed and, if appropriate, to consider whether a provision is required for them. The credit risk is determined by application of criteria similar to those established for quantifying impairment losses on debt instruments measured at amortized cost (see Note 2.2).

The provisions made for financial guarantees considered impaired are recognized under the heading “Provisions - Provisions for contingent risks and commitments” on the liability side in the balance sheets (see Note 20). These provisions are recognized and reversed with a charge or credit, respectively, to “Provisions (net)” in the income statements (see Note 40).

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Income from guarantee instruments is registered under the heading “Fee and commission income” in the income statement and is calculated by applying the rate established in the related contract to the nominal amount of the guarantee (see Note 34).

## **2.4 Non-current assets held for sale and liabilities associated with non-current assets held for sale**

The heading “Non-current assets held-for-sale” in the balance sheets includes the carrying amount of financial or non-financial assets that are not part of the Bank’s operating activities. The recovery of this carrying amount is expected to take place through the price obtained on its disposal (see Note 13).

This heading includes individual items and groups of items (“disposal groups”) that form part of a major operating segment and are being held for sale as part of a disposal plan (“discontinued transactions”). The individual items include the assets received by the Bank from their debtors in full or partial settlement of the debtors’ payment obligations (assets foreclosed or in lieu of repayment of debt and recovery of lease finance transactions), unless the Bank has decided to make continued use of these assets. The Bank has units that specialize in real estate management and the sale of this type of asset.

Symmetrically, the heading “Liabilities associated with non-current assets held for sale” in the balance sheets reflects the balances payable arising from disposal groups and discontinued operations.

Non-current assets held for sale are generally measured at fair value less sale costs, or their carrying amount, calculated on the date of their classification within this category, whichever is lower. Non-current assets held for sale are not depreciated while included under this heading.

The fair value of the non-current assets held for sale from foreclosures or recoveries is mainly based on appraisals or valuations made by independent experts and not more than one year old, or less if there are indications of impairment. The Bank applies the rule that these appraisals may not be older than one year, and their age is reduced if there is an indication of deterioration in the assets. The Spanish entities mainly use the services of the following valuation and appraisal companies. None of them is linked to the BBVA Group and all are entered in the official Bank of Spain register: Sociedad de Tasación, S.A., Valtecnic, S.A., Krata, S.A., Gesvalt, S.A., Alia Tasaciones, S.A., Tasvalor, S.A., Tinsa, S.A., Ibertasa, S.A., Valmesa, S.A., Arco Valoraciones, S.A., Tecnicasa, S.A. and Uve Valoraciones, S.A.

Gains and losses generated on the disposal of assets and liabilities classified as non-current held for sale, and related impairment losses and subsequent recoveries, where pertinent, are recognized under the heading “Gains (losses) on non-current assets held for sale not classified as discontinued transactions” in the income statements (see Note 44). The remaining income and expense items associated with these assets and liabilities are classified within the relevant income statement headings.

Income and expenses for discontinued operations, whatever their nature, generated during the year, even if they have occurred before their classification as discontinued operations, are presented net of the tax effect as a single amount under the heading “Income from discontinued transactions” in the income statement, whether the business remains on the balance sheet or is derecognized from the balance sheet. As long as an Asset remains in this category, it will not be amortized. This heading includes the earnings from their sale or other disposal.

## **2.5 Tangible assets**

### **Property, plants and equipment for own use**

This heading includes the assets under ownership or acquired under lease finance, intended for future or current use by the Bank and that it expects to hold for more than one year. It also includes tangible assets received by the Bank in full or part settlement of financial assets representing receivables from third parties and those assets expected to be held for continuing use.

Property, plants and equipment for own use is recognized in the balance sheets at acquisition cost, less any accumulated depreciation and, where appropriate, any estimated impairment losses resulting from comparing the net carrying amount of each item with its corresponding recoverable value.

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Depreciation is calculated using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand is considered to have an indefinite life and is therefore not depreciated.

The tangible asset depreciation charges are recognized in the accompanying income statements under the heading "Depreciation and amortization" (see Note 39) and are based on the application of the following depreciation rates (determined on the basis of the average years of estimated useful life of the different assets):

Tangible Assets	Annual Percentage
Buildings for own use	1% - 4%
Furniture	8% - 10%
Fixtures	6% - 12%
Office supplies and computerization	8% - 25%

The Bank's criteria for determining the recoverable amount of these assets, in particular the buildings for own use, is based on up-to-date independent appraisals that are no more than 3-5 years old at most, unless there are indications of impairment.

At each accounting close, the Bank analyzes whether there are internal or external indicators that a tangible asset may be impaired. When there is evidence of impairment, the entity then analyzes whether this impairment actually exists by comparing the asset's net carrying amount with its recoverable amount. When the carrying amount exceeds the recoverable amount, the carrying amount is written down to the recoverable amount and future depreciation charges are adjusted to reflect the asset's remaining useful life.

Similarly, if there is any indication that the value of a tangible asset has been recovered, the entities will estimate the recoverable amounts of the asset and recognize it in the income statement, registering the reversal of the impairment loss registered in previous years and thus adjusting future depreciation charges. Under no circumstances may the reversal of an impairment loss on an asset raise its carrying amount above that which it would have if no impairment losses had been recognized in prior years.

Upkeep and maintenance expenses relating to tangible assets held for own use are recognized as an expense in the year they are incurred and recognized in the income statements under the heading "Administration costs - General and administrative expenses - Property, fixtures and equipment" (see Note 38.2).

### Other assets leased out under an operating lease

The criteria used to recognize the acquisition cost of assets leased out under operating leases, to calculate their depreciation and their respective estimated useful lives and to register the impairment losses on them, are the same as those described in relation to tangible assets for own use.

### Investment properties

The heading "Tangible assets - Investment properties" in the balance sheets reflects the net values (purchase cost minus the corresponding accumulated depreciation and, if appropriate, estimated impairment losses) of the land, buildings and other structures that are held either to earn rentals or for capital appreciation through sale and that are neither expected to be sold off in the ordinary course of business nor are destined for own use (see Note 15).

The criteria used to recognize the acquisition cost of investment properties, calculate their depreciation and their respective estimated useful lives and register the impairment losses on them, are the same as those described in relation to tangible assets held for own use.

The Bank's criteria for determining the recoverable amount of these assets is based on up-to-date independent appraisals that are no more than one year old at most, unless there are indications of impairment.

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## 2.6 Intangible assets

These assets may have an indefinite useful life if, based on an analysis of all relevant factors, it is concluded that there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the Bank. In all other cases they have a finite useful life.

Intangible assets with a finite useful life are amortized according to the duration of this useful life, using methods similar to those used to depreciate tangible assets. The depreciation charge for these assets is recognized in the accompanying income statements under the heading "Depreciation and amortization" (see Note 39).

The Bank recognizes any impairment loss on the carrying amount of these assets with charge to the heading "Impairment losses on other assets (net) - Goodwill and other intangible assets" in the accompanying income statements (see Note 42). The criteria used to recognize the impairment losses on these assets and, where applicable, the recovery of impairment losses recognized in prior years, are similar to those used for tangible assets.

## 2.7 Tax assets and liabilities

Expenses on corporation tax applicable to Spanish companies are recognized in the income statement, except when they result from transactions on which the profits or losses are recognized directly in equity, in which case the related tax effect is also recognized in equity.

The total corporate income tax expense is calculated by aggregating the current tax arising from the application of the corresponding tax rate to the tax for the year (after deducting the tax credits allowable for tax purposes) and the change in deferred tax assets and liabilities recognized in the income statement.

Deferred tax assets and liabilities include temporary differences, defined as at the amounts to be payable or recoverable in future fiscal years arising from the differences between the carrying amount of assets and liabilities and their tax bases (the "tax value"), and the tax loss and tax credit carry forwards. These amounts are registered by applying to each temporary difference the tax rates that are expected to apply when the asset is realized or the liability settled (see Note 17).

Deferred tax liabilities in relation to taxable temporary differences associated with investments in subsidiaries, associates or jointly controlled entities are recognized for accounting purposes, except where the Bank can control the timing of the reversal of the temporary difference and it is also unlikely that it will reverse in the foreseeable future.

Deferred tax assets are only recognized if it is considered probable that they will have sufficient tax gains in the future against which they can be made effective.

The deferred tax assets and liabilities recognized are reassessed by the Bank at the close of each accounting period in order to ascertain whether they are still current, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

In those circumstances in which it is unclear how a specific requirement of the tax law applies to a particular transaction or circumstance, and the acceptability of the definitive tax treatment depends on the decisions taken by the relevant taxation authority in future, the entity recognizes current and deferred tax liabilities and assets considering whether it is probable or not that a taxation authority will accept an uncertain tax treatment. Thus, if the entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the entity uses the most likely amount or expected value in determining tax assets.

The income and expenses directly recognized in equity that do not increase or decrease taxable income are accounted for as temporary differences.

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## 2.8 Provisions, contingent assets and contingent liabilities

The heading “Provisions” in the balance sheets includes amounts recognized to cover the Bank’s current obligations arising as a result of past events. These are certain in terms of nature but uncertain in terms of amount and/or extinguishment date. The settlement of these obligations by the Bank is deemed likely to entail an outflow of resources embodying economic benefits (see Note 20). The obligations may arise in connection with legal or contractual provisions, valid expectations formed by Bank companies relative to third parties in relation to the assumption of certain responsibilities or through virtually certain developments of particular aspects of the regulations applicable to the operation of the entities; and, specifically, future legislation to which the Bank will certainly be subject.

The provisions are recognized in the balance sheets when each and every one of the following requirements is met:

- They represent a current obligation that has arisen from a past event;
- At the date referred to by the financial statements, there is more probability that the obligation will have to be met than that it will not;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- The amount of the obligation can be reasonably estimated.

Among other items, these provisions include the commitments made to employees (mentioned in section 2.9), as well as provisions for tax and legal litigation.

Contingent assets are possible assets that arise from past events and whose existence is conditional on, and will be confirmed only by, the occurrence or non-occurrence of events beyond the control of the Bank. Contingent assets are not recognized in the balance sheet or in the income statement; however, they are disclosed in the Notes to the financial statements, provided that it is probable that these assets will give rise to an increase in resources embodying economic benefits (see Note 29).

Contingent liabilities are possible obligations of the Bank that arise from past events and whose existence is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the entity. They also include the existing obligations of the entity when it is not probable that an outflow of resources embodying economic benefits will be required to settle them; or when, in extremely rare cases, their amount cannot be measured with sufficient reliability.

## 2.9 Pensions and other post-employment commitments

Below is a description of the most significant accounting criteria relating to the commitments to employees, in terms of post-employment benefits and other long term commitments assumed by the Bank’s companies in Spain and abroad (see Note 21).

### Commitments’ valuation: assumptions and actuarial gains/losses recognition

The present values of the commitments are quantified based on an individual member data. Costs are calculated using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit/commitment and measures each unit separately to build up the final obligation.

The actuarial assumptions should take into account that:

- They are unbiased, in that they are not unduly aggressive nor excessively conservative.
- They are compatible with each other and adequately reflect the existing economic relations between factors such as inflation, foreseeable wage increases, discount rates and the expected return on plan assets, etc. The expected return on plan assets is calculated by taking into account both market expectations and the particular nature of the assets involved..
- The rate used to discount the commitments is determined by reference to market yields at the date referred to by the financial statements on high quality bonds.

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The Bank recognizes actuarial differences originating in the commitments assumed with staff taking early retirement, benefits awarded for seniority and other similar items under the heading "Provisions (net)" of the income statement for the period (see Note 40) in which these differences occur. The Bank recognizes the actuarial gains or losses arising on all other defined-benefit post-employment commitments directly under the heading "Valuation adjustments" of equity in the accompanying consolidated balance sheets (see Note 26).

## Post-employment benefit commitments

### Pensions

The Bank's post-employment benefit commitments are either defined-contribution or defined-benefit.

- *Defined-contribution commitments:* The amounts of these commitments are established as a percentage of certain remuneration items and/or as a fixed pre-established amount. The contributions made in each period by the Bank's companies for these commitments are recognized with a charge to the heading "Administration costs - Personnel expenses - Defined-contribution plan expense" in the consolidated income statements (see Note 38).
- *Defined-benefit commitments:* The Bank has defined-benefit commitments for permanent disability and death for certain current employees and early retirees, and defined-benefit retirement commitments applicable only to certain groups of serving employees, or early retired employees and retired employees. These commitments are either funded by insurance contracts or registered as internal provisions.

The amounts recognized under the heading "Provisions - Provisions for pensions and similar obligations" (see Note 20) are the differences, at the date of the financial statements, between the present values of the defined-benefit commitments, adjusted by the past service cost, and the fair value of plan assets.

The cost of the benefits provided by Spanish entities in the BBVA Group to active employees are recognized under the heading "Personnel expenses - Other personnel expenses" in the consolidated income statements (see Note 38.1).

### Early retirement

The Bank has offered certain employees in Spain the possibility of taking early retirement before the age stipulated in the collective labor agreement in force and has put into place the corresponding provisions to cover the cost of the commitments acquired for this item. The present values paid for early retirement are quantified based on an individual member data and are recognized under the heading "Provisions - Provisions for pensions and similar obligations" in the accompanying balance sheets (see Note 20).

The early retirement commitments in Spain include the compensation and indemnities and contributions to external pension funds payable during the period of early retirement. The commitments relating to this group of employees after they have reached normal retirement age are dealt with in the same way as pensions.

### Other post-employment welfare benefits

The Bank has welfare benefit commitments whose effects extend beyond the retirement of the employees entitled to the benefits. These commitments relate to certain current employees and retirees, depending on the employee group they belong to.

The present values of post-employment welfare benefits are quantified based on an individual member data and are recognized under the heading "Provisions - Provisions for pensions and similar obligations" in the consolidated balance sheets (see Note 20).

### Other long-term commitments to employees

The Bank is required to provide certain goods and services to groups of employees. The most significant of these, in terms of the type of remuneration and the event giving rise to the commitments, are as follows: loans to employees, life insurance, study assistance and long-service awards.

Some of these commitments are measured using actuarial studies, so that the present values of the vested obligations for commitments with personnel are quantified based on an individual member data. They are recognized under the heading "Provisions - Other provisions" in the balance sheets (see Note 20).



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The cost of these benefits provided by the Bank's Spanish companies to active employees are recognized under the heading "Personnel expenses - Other personnel expenses" in the consolidated income statements (See Note 38).

Other commitments for current employees accrue and are settled on a yearly basis, so it is not necessary to register a provision in this regard.

## 2.10 Equity-settled share-based payment transactions

Provided they constitute the delivery of such instruments following the completion of a specific period of services, equity-settled share-based payment transactions are recognized as an expense for services being provided by employees, by way of a balancing entry under the heading "Stockholders' equity - Other equity instruments" in the balance sheet. These services are measured at fair value, unless this value cannot be calculated reliably. In this case, they are measured by reference to the fair value of the equity instruments committed, taking into account the date on which the commitments were assumed and the terms and other conditions included in the commitments.

When the initial compensation agreement includes what may be considered market conditions among its terms, any changes in these conditions will not be reflected in the income statement, as these have already been accounted for in calculating the initial fair value of the equity instruments. Non-market vesting conditions are not taken into account when estimating the initial fair value of instruments, but they are taken into consideration when determining the number of instruments to be granted. This will be recognized on the income statement with the corresponding increase in equity.

## 2.11 Termination benefits

Termination benefits are recognized in the accounts when the Bank agrees to terminate employment contracts with its employees and has established a detailed plan to do so.

## 2.12 Treasury stock

The value of the equity instruments (basically, shares and derivatives over the Bank's shares held by some Group companies that comply with the requirements for recognition as equity instruments) is recognized under the heading "Stockholders' funds - Treasury stock" in the balance sheets (see Note 25).

These financial assets are recognized at acquisition cost, and the gains or losses arising on their disposal are credited or debited, as appropriate, under the heading "Stockholders' funds - Reserves" in the balance sheets (see Note 24).

## 2.13 Foreign-currency transactions

### Assets, liabilities and futures transactions

The assets and liabilities in foreign currencies, including those of branches abroad, and the unmatured hedging forward foreign currency purchase and sale transactions, are converted to euros at the average exchange rates on the Spanish spot currency market (or based on the price of the U.S. dollar on local markets for the currencies not listed on this market) at the end of each period, with the exception of:

- Non-current investments in securities denominated in foreign currencies and financed in euros or in a currency other than the investment currency, which are converted at historical exchange rates.
- Unmatured non-hedging forward foreign currency purchase and sale transactions, which are converted at the exchange rates on the forward currency market at the end of each period as published by the Bank of Spain for this purpose.

The exchange differences that arise when converting these foreign-currency assets and liabilities (including those of the branches) into euros are recognized under the heading "Exchange differences (net)" in the income statement, except for those differences that arise in non-monetary items classified as available for sale.

The breakdown of the main balances in foreign currencies as of December 31, 2015 and 2014, with reference to the most significant foreign currencies, is set forth in Appendix VIII.

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## Structural currency positions

As a general policy, the Bank's investments in foreign subsidiaries and the endowment funds provided to branches abroad are financed in the same currency as the investment in order to eliminate the future currency risk arising from these transactions. However, the investments made in countries whose currencies do not have a market which permits the obtainment of unlimited, lasting and stable long-term financing are financed in another currency.

## 2.14 Recognition of income and expenses

The most significant criteria used by the Bank to recognize its income and expenses are as follows.

- Interest income and expenses and similar items

As a general rule, interest income and expenses and similar items are recognized on the basis of their period of accrual using the effective interest rate method. The financial fees and commissions that arise on the arrangement of loans (basically origination and analysis fees) must be deferred and recognized in the income statement over the expected life of the loan. The direct costs incurred in arranging these transactions can be deducted from the amount thus recognized. These fees are part of the effective rate for loans. Also dividends received from other companies are recognized as income when the companies' right to receive them arises.

However, when a debt instrument is deemed to be impaired individually or is included in the category of instruments that are impaired because of amounts more than three months past-due, the recognition of accrued interest in the income statement is interrupted. This interest is recognized for accounting purposes as income, as soon as it is received.

- Commissions, fees and similar items

- Income and expenses relating to commissions and similar fees are recognized in the income statement using criteria that vary according to the nature of such items. The most significant items in this connection are:

- Those relating to financial assets and liabilities measured at fair value through profit or loss, which are recognized when collected/paid.
- Those arising from transactions or services that are provided over a period of time, which are recognized over the life of these transactions or services.
- Those relating to single acts, which are recognized when this single act is carried out.

- Non-financial income and expenses

These are recognized for accounting purposes on an accrual basis.

- Deferred collections and payments

These are recognized for accounting purposes at the amount resulting from discounting the expected cash flows at market rates.

## 2.15 Sales and income from the provision of non-financial services

The heading "Other operating income - Sales and income from the provision of non-financial services" in the income statement includes the amount of sales of goods and revenue from the provision of non-financial services (see Note 37).

## 2.16 Leases

Lease contracts are classified as finance from the start of the transaction, if they substantially transfer all the risks and rewards incidental to ownership of the asset forming the subject-matter of the contract. Leases other than finance leases are classified as operating leases.

When the Bank acts as the lessor of an asset in finance leases, the aggregate present values of the lease payments receivable from the lessee plus the guaranteed residual value (usually the exercise price of the lessee's purchase option on expiration of the lease agreement) are recognized as financing provided to third parties and, therefore, are included under the heading "Loans and receivables" in the balance sheets.

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When the Bank acts as lessor of an asset in operating leases, the acquisition cost of the leased assets is recognized under "Tangible assets - Property, plants and equipment - Other assets leased out under an operating lease" in the balance sheets (see Note 15). These assets are depreciated in line with the criteria adopted for items of tangible assets for own use, while the income arising from the lease arrangements is recognized in the income statements on a straight-line basis under the headings "Other operating income - Rest of other operating income" and "Other operating expenses" (see Note 37).

In the case of a fair value sale and leaseback, the profit or loss generated by the sale is recognized in the income statement at the time of sale. If such a transaction gives rise to a finance lease, the corresponding gains or losses are amortized over the lease period.

## 2.17 Entities and branches located in countries with hyperinflationary economies

None of the functional currencies of the branches located abroad relate to hyperinflationary economies as defined by Circular 4/2004 and subsequent amendments. Accordingly, as of December 31, 2015 and 2014 it was not necessary to adjust the financial statements of any branch to correct for the effect of inflation.

## 2.18 Statements of recognized income and expenses

The statements of recognized income and expenses reflect the income and expenses generated each year. They distinguish between income and expenses recognized as results in the income statements and "Other recognized income (expenses)" recognized directly in equity. "Other recognized income (expenses)" include the changes that have taken place in the year in the "Valuation adjustments" broken down by item.

The sum of the changes to the heading "Valuation adjustments" of the total equity and the net income of the year forms the "Total recognized income/expenses of the year".

## 2.19 Statements of changes in equity

The statements of changes in equity reflect all the movements generated in each year in each of the headings of the equity, including those from transactions undertaken with shareholders when they act as such, and those due to changes in accounting criteria or corrections of errors, if any.

The applicable regulations establish that certain categories of assets and liabilities are recognized at their fair value with a charge to equity. These charges, known as "Valuation adjustments" (see Note 26), are included in the Bank's total equity net of tax effect, which has been recognized as deferred tax assets or liabilities, as appropriate.

## 2.20 Statements of cash flows

The indirect method has been used for the preparation of the statement of cash flows. This method starts from the Bank's net income and adjusts its amount for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with cash flows classified as investment or finance. As well as cash, short-term, highly liquid investments subject to a low risk of changes in value, such as cash and deposits in central banks, are classified as cash and cash equivalents.

When preparing these financial statements the following definitions have been used:

- Cash flows: Inflows and outflows of cash and cash equivalents.
- Operating activities: The typical activities of credit institutions and other activities that cannot be classified as investment or financing activities.
- Investing activities: The acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents or in operating activities.
- Financing activities: Activities that result in changes in the size and composition of the Bank's equity and of liabilities that do not form part of operating activities.

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### 3. System of shareholder remuneration

#### Shareholder remuneration system

During 2011, 2012, 2013 and 2014, a shareholder remuneration system called the “Dividend Option” was implemented.

Under this remuneration scheme, BBVA offers its shareholders the opportunity to receive part of their remuneration in the form of new ordinary shares; however, they can still choose to receive it in cash by selling their free allocation rights to BBVA (in execution of the commitment assumed by BBVA to acquire the free allocation rights attributed to the shareholders at a guaranteed fixed price) or by selling their free allocation rights on the market at the prevailing market price at that time.

On March 25, 2015, the Executive Committee approved the execution of the first of the capital increases charged to reserves as agreed by the AGM held on March 13, 2015 to implement the Dividend Option. As a result of this increase, the Bank’s common stock increased by €39,353,896.26 (80,314,074 shares at a €0.49 par value each). 90.31% of shareholders opted to receive their remuneration in the form of ordinary shares of BBVA (see Note 25). The other 9.69% of the right owners opted to sell the rights assigned to them to BBVA, and as a result, BBVA acquired 602,938,646 rights for a total amount of €78,382,023.98; said shareholders were paid in cash at a gross fixed price of €0.13 per right, registered in “Total Equity- Dividends and remuneration” of the consolidated balance sheet as of December 31, 2015.

On September 30, 2015, the Executive Committee approved the execution of the second of the capital increases charged to reserves as agreed by the AGM held on March 13, 2015 to implement the Dividend Option. As a result of this increase, the Bank’s common stock increased by €30,106,631.94 (61,442,106 shares at a €0.49 par value each). 89.65% of shareholders opted to receive their remuneration in the form of shares. The other 10.35% of the right owners opted to sell the rights assigned to them to BBVA, and as a result, BBVA acquired 652,564,118 rights for a total amount of €52,205,129.44, said shareholders were paid in cash at a gross fixed price of €0.08 per right, registered in “Total Equity- Dividends and remuneration” of the consolidated balance sheet as of December 31, 2015

#### Dividends

At its meeting of July 1, 2015, the Board of Directors of BBVA approved the payment of an interim dividend against 2015 earnings of €0.08 gross (€0.0644 net) per outstanding share to be paid on July 16, 2015.

At its meeting of December 22, 2015 the Board of Directors of BBVA approved the second payment of an interim dividend against 2015 earnings of €0.08 gross (€0.0648 net) per outstanding share to be paid on January 12, 2016.

The expected financial statements prepared in accordance with legal requirements evidenced the existence of sufficient liquidity for the distribution of the amounts to the interim dividend, as follows:

Available Amount for Interim Dividend Payments	Millions of Euros	
	May 31, 2015	November 30, 2015
Profit of BBVA, S.A. at each of the dates indicated, after the provision for income tax	1,596	1,981
Less -		
Estimated provision for Legal Reserve	13	19
Acquisition by the bank of the free allotment rights in 2015 capital increase	78	131
Additional Tier I capital instruments remuneration	96	212
Interim dividends for 2015 already paid	-	504
<b>Maximum amount distributable</b>	<b>1,408</b>	<b>1,115</b>
<b>Amount of proposed interim dividend</b>	<b>504</b>	<b>509</b>
<b>BBVA cash balance available to the date</b>	<b>3,360</b>	<b>2,870</b>

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The first amount of the interim dividend which has been paid to the shareholders on 16 July, 2015, amounted to €504 million and was recognized under the heading "Stockholders' funds - Dividends and remuneration" of the balance sheet as of December 31, 2015. The dividend which was paid to the shareholders on January 12, 2016, amounted to €509 million and was recognized under the heading "Stockholders' funds - Dividends and remuneration" charged against "Financial liabilities at amortized cost - Other financial liabilities" of the balance sheet as of December 31, 2015 (see Note 19.5).

The table below shows the allocation of the Bank's earnings for 2015 that the Board of Directors will submit for approval by the General Shareholders' Meeting:

Application of Earnings	Millions of euros
	2015
<b>Net income for year</b>	<b>2,864</b>
<b>Distribution:</b>	
Interim dividends	1,014
Acquisition by the bank of the free allotment rights(*)	131
Additional Tier 1 securities	212
Legal reserve	19
Voluntary reserves	1,488

(\*) Concerning to the remuneration to shareholders who chose to be paid in cash through the "Dividend Option".

## 4. Earnings per share

Earnings per share, basic and diluted are calculated in accordance with the criteria established by IAS 33. For more information see Glossary of terms

The Bank issued additional share capital in 2015 and 2014 (see Note 22). In accordance with IAS 33, when there is a capital increase earnings per share, basic and diluted, should be recalculated for previous periods applying a corrective factor to the denominator (the weighted average number of shares outstanding) This corrective factor is the result of dividing the fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value per share. The basic and diluted earnings per share for December 2014 were recalculated on this basis.

The calculation of earnings per share of the BBVA Group is as follows:

Basic and Diluted Earnings per Share	2015	2014 (*)
<b>Numerator for basic and diluted earnings per share (millions of euros)</b>		
Profit attributable to parent company	2,642	2,618
Adjustment: Mandatory convertible bonds interest expenses (1)	(212)	(126)
<b>Profit adjusted (millions of euros) (A)</b>	<b>2,430</b>	<b>2,492</b>
<b>Profit from discontinued operations (net of non-controlling interest) (B)</b>	<b>-</b>	<b>-</b>
<b>Denominator for basic earnings per share (number of shares outstanding)</b>		
Weighted average number of shares outstanding (2)	6,290	5,905
Weighted average number of shares outstanding x corrective factor (3)	6,290	6,059
<b>Adjusted number of shares - Basic earning per share (C)</b>	<b>6,290</b>	<b>6,059</b>
<b>Adjusted number of shares - diluted earning per share (D)</b>	<b>6,290</b>	<b>6,059</b>
<b>Basic earnings per share from continued operations (Euros per share)A-B/C</b>	<b>0.39</b>	<b>0.41</b>
<b>Diluted earnings per share from continued operations (Euros per share)A-B/D</b>	<b>0.39</b>	<b>0.41</b>

(1) Remuneration in the period related to contingent convertible securities (See Note 19.4)

(2) Weighted average number of shares outstanding (millions of euros), excluded weighted average of treasury shares during the period.

(3) Corrective factor, due to the capital increase with pre-emptive subscription right, applied for the previous years.

(\*) Data recalculated due to the mentioned corrective factor

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As of December 31, 2015 and 2014 there were no other financial instruments or share option commitments with employees that could potentially affect the calculation of the diluted earnings per share for the years presented. For this reason the basic and diluted earnings are matched.

## 5. Risk management

### 5.1 General risk management and control model

BBVA has an overall control and risk management model (hereinafter 'the model') tailored to their business, their organization and the geographies in which it operates, allowing them to develop their activity in accordance with their strategy and policy control and risk management defined by the governing bodies of the Bank and adapt to a changing economic and regulatory environment, tackling management globally and adapted to the circumstances of each instance.

This model is applied comprehensively in the BBVA and consists of the basic elements listed below::

- Governance and organization
- Risk appetite
- Decisions and processes
- Assessment, monitoring and reporting
- Infrastructure

BBVA encourages the development of a risk culture to ensure consistent application of the control and risk management model in the Group, and to ensure that the risk function is understood and assimilated at all levels of the organization.

#### 5.1.1 Governance and organization

The governance model for risk management at BBVA is characterized by a special involvement of its corporate bodies, both in setting the risk strategy and in the ongoing monitoring and supervision of its implementation.

Thus, as developed below, the corporate bodies are the ones that approve this risk strategy and corporate policies for the different types of risk, being the risk function responsible for the management, its implementation and development, reporting to the governing bodies.

The responsibility for the daily management of the risks lies on the businesses which abide in the development of their activity to the policies, standards, procedures, infrastructure and controls, based on the framework set by the governing bodies, which are defined by the function risk.

To perform this task properly, the risk function in the BBVA Group is configured as a single, comprehensive and independent role of commercial areas.

#### Corporate governance system

BBVA has developed a corporate governance system that is in line with the best international practices and adapted to the requirements of the regulators in the countries in which its different business units operate.

The Board of Directors (hereinafter also referred to as "the Board") approves the risk strategy and supervises the internal control and management systems. Specifically, the strategy approved by the Board includes, at least, the Group's Risk Appetite statement, the fundamental metrics and the basic structure of limits by geographies, types of risk and asset classes, as well as the bases of the control and risk management model. The Board ensures that the budget is in line with the approved risk appetite.

On the basis established by the Board of Directors, the Executive Committee approves specific corporate policies for each type of risk. Furthermore, the committee approves the Group's risk limits and monitors them, being informed of both limit excess occurrences and, where applicable, the appropriate corrective measures taken.

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Lastly, the Board of Directors has set up a Board committee specializing in risks, the Risk Committee ("RC"). This committee is responsible for analyzing and regularly monitoring risks within the remit of the corporate bodies and assists the Board and the SC in determining and monitoring the risk strategy and the corporate policies, respectively. Another task of special relevance it carries out is detailed control and monitoring of the risks that affect the Group as a whole, which enables it to supervise the effective integration of the risk strategy management and the application of corporate policies approved by the corporate bodies.

The head of the risk function in the executive hierarchy is the Group's Chief Risk Officer (CRO), who carries out its functions with independence, authority, capacity and resources to do so. He is appointed by the Board of Directors of the Bank as a member of its senior management, and has direct access to its corporate bodies (Board of Directors, Executive Standing Committee and Risk Committee), who reports regularly on the status of risks to the Group.

The Chief Risk Officer, for the utmost performance of its functions, is supported by a cross composed set of units in corporate risk and the specific risk units in the geographical and / or business areas of the Group structure. Each of these units is headed by a Risk Officer for the geographical and/or business area who, within his/her field of competence, carries out risk management and control functions and is responsible for applying the corporate policies and rules approved at Group level in a consistent manner, adapting them if necessary to local requirements and reporting to the local corporate bodies.

The Risk Officers of the geographical and/or business areas report both to the Group's Chief Risk Officer and to the head of their geographical and/or business area. This dual reporting system aims to ensure that the local risk management function is independent from the operating functions and that it is aligned with the Group's corporate risk policies and goals.

## Organizational structure and committees

The risk management function, as defined above, consists of risk units from the corporate area, which carry out cross-cutting functions, and risk units from the geographical and/or business areas.

- The corporate area's risk units develop and present the Group's risk appetite proposal, corporate policies, rules and global procedures and infrastructures to the Group's Chief Risk Officer (CRO), within the action framework approved by the corporate bodies, ensure their application, and report either directly or through the Group's Chief Risk Officer (CRO) to the Bank's corporate bodies. Their functions include:
  - Management of the different types of risks at Group level in accordance with the strategy defined by the corporate bodies.
  - Risk planning aligned with the risk appetite principles.
  - Monitoring and control of the Group's risk profile in relation to the risk appetite approved by the Bank's corporate bodies, providing accurate and reliable information with the required frequency and in the necessary format.
  - Prospective analyses to enable an evaluation of compliance with the risk appetite in stress scenarios and the analysis of risk mitigation mechanisms.
  - Management of the technological and methodological developments required for implementing the Model in the Group.
  - Design of the Group's Internal Risk Control model and definition of the methodology, corporate criteria and procedures for identifying and prioritizing the risk inherent in each unit's activities and processes.
  - Validation of the models used and the results obtained by them in order to verify their adaptation to the different uses to which they are applied.
- The risk units in the business units develop and present to the Risk Officer of the geographical and/or business area the risk appetite proposal applicable in each geographical and/or business area, independently and always within the Group's risk appetite. They also ensure that the corporate policies and rules approved consistently at a Group level are applied, adapting them if necessary to local requirements; they are provided with appropriate infrastructures for managing and controlling their risks; and they report to their corporate bodies and/or to senior management, as appropriate.

The local risk units thus work with the corporate area risk units in order to adapt to the risk strategy at Group level and share all the information necessary for monitoring the development of their risks.

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The risk function has a decision-making process to perform its functions, underpinned by a structure of committees, where the Global Risk Management Committee (GRMC) acts as the highest committee within Risk. It proposes, examines and, where applicable, approves, among others, the internal risk regulatory framework and the procedures and infrastructures needed to identify, assess, measure and manage the material risks faced by the Group in its businesses. The members of this Committee are the Group's Chief Risk Officer and the heads of the risk units of the corporate area and of the most representative geographical and/or business areas.

The Global Risk Management Committee (GRMC) carries out its functions assisted by various support committees which include:

- Global Technical Operations Committee: It is responsible for decision-making related to wholesale credit risk admission in certain customer segments.
- Monitoring, Assessment & Reporting Committee: It guarantees and ensures the appropriate development of aspects related to risk identification, assessment, monitoring and reporting, with an integrated and cross-cutting vision.
- Asset Allocation Committee: The executive body responsible for analysis and decision-making on all credit risk matters related to the processes intended for obtaining a balance between risk and return in accordance with the Group's risk appetite.
- Technology and Methodologies Committee: It determines the need for new models and infrastructures and channels the decision-making related to the tools needed for managing all the risks to which the Group is exposed.
- Corporate Technological Risks and Operational Control Committee: It approves the Technological Risks and Operational Control Management Frameworks in accordance with the General Risk Management Model's architecture and monitors metrics, risk profiles and operational loss events.
- Global Market Risk Unit Committee: It is responsible for formalizing, supervising and communicating the monitoring of trading desk risk in all the Global Markets business units.
- Corporate Operational and Outsourcing Risk Admission Committee: It identifies and assesses the operational risks of new businesses, new products and services, and outsourcing initiatives.

Each geographical and/or business area has its own risk management committee (or committees), with objectives and contents similar to those of the corporate area, which perform their duties consistently and in line with corporate risk policies and rules.

Under this organizational scheme, the risk management function ensures the risk strategy, the regulatory framework, and standardized risk infrastructures and controls are integrated and applied across the entire Group. It also benefits from the knowledge and proximity to customers in each geographical and/or business area, and transmits the corporate risk culture to the Group's different levels.

## **Internal Risk Control and Internal Validation**

BBVA has a specific Internal Risk Control unit whose main function is to ensure there is an adequate internal regulatory framework in place, together with a process and measures defined for each type of risk identified in the Bank, (and for other types of risk that could potentially affect the Bank, to oversee their application and operation, and to ensure that the risk strategy is integrated into the Bank's management. The Internal Risk Control unit is independent from the units that develop risk models, manage running processes and controls. Its scope is global both geographically and in terms of type of risk.

The Director of Group Internal Control Risk is responsible for the function, and reports its activities and work plans to the CRO and the Risk Committee of the Board, besides attending to it on issues deemed necessary.

For this purpose, the Risk area also has a Technical area independent from the units that develop risk models, manage running processes and controls, which gives the Commission the necessary technical support to better perform their functions.



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The unit has a structure of teams at both corporate level and in the most relevant geographical areas in which the Group operates. As in the case of the corporate area, local units are independent of the business areas that execute the processes, and of the units that execute the controls. They report functionally to the Internal Risk Control unit. This unit's lines of action are established at Group level, and it is responsible for adapting and executing them locally, as well as for reporting the most relevant aspects.

Additionally, the Group has an Internal Validation unit, also independent from the units that develop risk models and of those who use them to manage. Its functions include, among others, review and independent validation, internally, of the models used for the control and management of the Group's risks.

BBVA Group's internal control system is based on the best practices developed in "Enterprise Risk Management - Integrated Framework" by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and in the "Framework for Internal Control Systems in Banking Organizations" by the Bank for International Settlements (BIS).

The control model has a system with three lines of defense:

- The first line is made up of the Group's business units, which are responsible for control within their area and for executing any measures established by higher management levels.
- The second line consists of the specialized control units (Legal Compliance, Global Accounting & Information Management/Internal Financial Control, Internal Risk Control, IT Risk, Fraud & Security, Operations Control and the Production Divisions of the support units, such as Human Resources, Legal Services, etc.). This line supervises the control of the various units within their cross-cutting field of expertise, defines the necessary improvement and mitigating measures, and promotes their proper implementation. The Corporate Operational Risk Management unit also forms part of this line, providing a methodology and common tools for management.
- The third line is the Internal Audit unit, which conducts an independent review of the model, verifying the compliance and effectiveness of the corporate policies and providing independent information on the control model.

### 5.1.2 Risk appetite

The Group's risk appetite, approved by the Board of Directors, determines the risks (and their level) that the Group is willing to assume to achieve its business targets. These are expressed in terms of capital, liquidity, profitability, recurrent earnings, cost of risk or other metrics. The definition of the risk appetite has the following goals:

- To express the Group's strategy and the maximum levels of risk it is willing to assume, at both Group and geographical and/or business area level.
- To establish a set of guidelines for action and a management framework for the medium and long term that prevent actions from being taken (at both Group and geographical and/or business area level) which could compromise the future viability of the Group.
- To establish a framework for relations with the geographical and/or business areas that, while preserving their decision-making autonomy, ensures they act consistently, avoiding uneven behavior.
- To establish a common language throughout the organization and develop a compliance-oriented risk culture.
- Alignment with the new regulatory requirements, facilitating communication with regulators, investors and other stakeholders, thanks to an integrated and stable risk management framework.

Risk appetite is expressed through the following elements:

- Risk appetite statement: sets out the general principles of the Group's risk strategy and the target risk profile.
- BBVA's risk policy aims to maintain the risk profile set out in the Group's risk appetite statement, which is reflected in a series of metrics (fundamental metrics and limits).
- Fundamental metrics: they reflect, in quantitative terms, the principles and the target risk profile set out in the risk appetite statement.

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- Limits: they establish the risk appetite at geographical and/or business area, legal entity and risk type level, or any other level deemed appropriate, enabling its integration into management.

The corporate risk area works with the various geographical and/or business areas to define their risk appetite, which will be coordinated with and integrated into the Group's risk appetite to ensure that its profile fits as defined.

The BBVA Group assumes a certain degree of risk to be able to provide financial services and products to its customers and obtain attractive returns for its shareholders. The organization must understand, manage and control the risks it assumes.

The aim of the organization is not to eliminate all risks, but to assume a prudent level of risks that allows it to generate returns while maintaining acceptable capital and fund levels and generating recurrent earnings.

BBVA's risk appetite expresses the levels and types of risk that the bank is willing to assume to be able to implement its strategic plan with no relevant deviations, even in situations of stress.

## Fundamental metrics

Those metrics that characterize the bank's objective behavior (as defined in the statement), enabling the expression of the risk culture at all levels in a structured and understandable manner. They summarize the bank's goals, and are therefore useful for communication to the stakeholders.

The fundamental metrics are strategic in nature. They are disseminated throughout the Group, understandable and easy to calculate, and objectifiable at business and/or geographical area level, so they can be subject to future projections.

## Limits

Metrics that determine the bank's strategic positioning for the different types of risk: credit, ALM, liquidity, markets, operational. They differ from the fundamental metrics in the following respects:

- They are levers, not the result. They are a management tool related to a strategic positioning that must be geared toward ensuring compliance with the fundamental metrics, even in an adverse scenario.
- Risk metrics: a higher level of specialization, they do not necessarily have to be disseminated across the Group.
- Independent of the cycle: they can include metrics with little correlation with the economic cycle, thus allowing comparability that is isolated from the specific macroeconomic situation.

Thus, they are levers for remaining within the thresholds defined in the fundamental metrics and are used for day-to-day risk management. They include tolerance limits, sub-limits and alerts established at the level of business and/or geographical areas, portfolios and products.

### 5.1.3 Decisions and processes

The transfer of risk appetite to ordinary management is supported by three basic aspects:

- A standardized set of regulations
- Risk planning
- Integrated management of risks over their life cycle

## Standardized regulatory framework

The corporate GRM area is responsible for proposing the definition and development of the corporate policies, specific rules, procedures and schemes of delegation based on which risks decisions should take within the Group.

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This process aims for the following objectives:

- Hierarchy and structure: well-structured information through a clear and simple hierarchy creating relations between documents that depend on each other.
- Simplicity: an appropriate and sufficient number of documents.
- Standardization: a standardized name and content of document.
- Accessibility: ability to search for, and easy access to, documentation through the corporate risk management library.

The approval of corporate policies for all types of risks corresponds to the corporate bodies of the Bank, while the corporate risk area endorses the remaining regulations.

Risk units of geographical and / or business areas continue to adapt to local requirements the regulatory framework for the purpose of having a decision process that is appropriate at local level and aligned with the Group policies. If such adaptation is necessary, the local risk area must inform the corporate GRM area, which must ensure the consistency of the set of regulations at the level of the entire Group, and thus must give its approval prior to any modifications proposed by the local risk areas.

## Risk planning

Risk planning ensures that the risk appetite is integrated into management, through a cascade process for establishing limits, in which the function of the corporate area risk units and the geographical and/or business areas is to guarantee the alignment of this process against the Group's risk appetite.

It has tools in place that allow the risk appetite defined at aggregate level to be assigned and monitored by business areas, legal entities, types of risk, concentrations and any other level considered necessary.

The risk planning process is present within the rest of the Group's planning framework so as to ensure consistency among all of them.

## Daily risk management

All risks must be managed integrally during their life cycle, and be treated differently depending on the type.

The risk management cycle is composed of 5 elements:

- Planning: with the aim of ensuring that the Bank's activities are consistent with the target risk profile and guaranteeing solvency in the development of the strategy.
- Assessment: a process focused on identifying all the risks inherent to the activities carried out by the Bank.
- Formalization: includes the risk origination, approval and formalization stages.
- Monitoring and reporting: continuous and structured monitoring of risks and preparation of reports for internal and/or external (market, investors, etc.) consumption.
- Active portfolio management: focused on identifying business opportunities in existing portfolios and new markets, businesses and products.

### 5.1.4 Assessment, monitoring and reporting

Assessment, monitoring and reporting is a cross-cutting element that should ensure that the Model has a dynamic and proactive vision to enable compliance with the risk appetite approved by the corporate bodies, even in adverse scenarios. The materialization of this process covers all the categories of material risks and has the following objectives:

- Assess compliance with the risk appetite at the present time, through monitoring of the fundamental management metrics and limits.
- Assess compliance with the risk appetite in the future, through the projection of the risk appetite variables, in both a baseline scenario determined by the budget and a risk scenario determined by the stress tests.

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- Identify and assess the risk factors and scenarios that could compromise compliance with the risk appetite, through the development of a risk repository and an analysis of the impact of those risks.
- Act to mitigate the impact in the Bank of the identified risk factors and scenarios, ensuring this impact remains within the target risk profile.
- Monitor the key variables that are not a direct part of the risk appetite, but that condition its compliance. These can be either external or internal.

The following phases need to be developed for undertaking this process:

- Identification of risk factors: Aimed at generating a map with the most relevant risk factors that can compromise the Group's performance in relation to the thresholds defined in the risk appetite.
- Impact evaluation: This involves evaluating the impact that the materialization of one (or more) of the risk factors identified in the previous phase could have on the risk appetite metrics, through the occurrence of a given scenario.
- Response to undesired situations and realignment measures: Exceeding the parameters will trigger an analysis of the realignment measures to enable dynamic management of the situation, even before it occurs.
- Monitoring: The aim is to avoid losses before they occur by monitoring the Group's current risk profile and the identified risk factors.
- Reporting: This aims to provide information on the assumed risk profile by offering accurate, complete and reliable data to the corporate bodies and to senior management, with the frequency and completeness appropriate to the nature, significance and complexity of the risks.

### 5.1.5 Infrastructure

The infrastructure is an element that must ensure that the Group has the human and technological resources needed for effective management and supervision of risks in order to carry out the functions set out in the Group's risk Model and the achievement of their objectives.

With respect to human resources, the Group's risk function will have an adequate workforce, in terms of number, skills and experience.

With regards to technology, the Group ensures the integrity of management information systems and the provision of the infrastructure needed for supporting risk management, including tools appropriate to the needs arising from the different types of risks for their admission, management, assessment and monitoring.

The principles that govern the Bank risk technology are:

- Standardization: the criteria are consistent across the Group, thus ensuring that risk handling is standardized at geographical and/or business area level.
- Integration in management: the tools incorporate the corporate risk policies and are applied in the Group's day-to-day management.
- Automation of the main processes making up the risk management cycle.
- Appropriateness: provision of adequate information at the right time.

Through the "Risk Analytics" function, the Bank has a corporate framework in place for developing the measurement techniques and models. It covers all the types of risks and the different purposes and uses a standard language for all the activities and geographical/business areas and decentralized execution to make the most of the Group's global reach. The aim is to continually evolve the existing risk models and generate others that cover the new areas of the businesses that develop them, so as to reinforce the anticipation and proactiveness that characterize the Group's risk function.

Also the risk units of geographical and / or business areas shall ensure that they have sufficient means from the point of view of resources, structures and tools to develop a risk management in line with the corporate model.

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### 5.1.6 Risk culture

BBVA considers risk culture to be an essential element for consolidating and integrating the other components of the Model. The culture transfers the implications that are involved in the Group's activities and businesses to all the levels of the organization. The risk culture is organized through a number of levers, including the following:

- **Communication:** promotes the dissemination of the Model, and in particular the principles that must govern risk management in the Group, in a consistent and integrated manner across the organization, through the most appropriate channels. GRM has a number of communication channels to facilitate the transmission of information and knowledge among the various teams in the function and the Group, adapting the frequency, formats and recipients based on the proposed goal, in order to strengthen the basic principles of the risk function. The risk culture and the management model thus emanate from the Group's corporate bodies and senior management and are transmitted throughout the organization.
- **Training:** its main aim is to disseminate and establish the model of risk management across the organization, ensuring standards in the skills and knowledge of the different persons involved in the risk management processes.

Well defined and implemented training ensures continuous improvement of the skills and knowledge of the Bank's professionals, and in particular of the GRM area, and is based on four aspects that aim to develop each of the needs of the GRM group by increasing its knowledge and skills in different fields such as: finance and risks, tools and technology, management and skills, and languages.

- **Motivation:** the aim in this area is for the incentives of the risk function teams to support the strategy for managing those teams and the function's values and culture at all levels. Includes compensation and all those elements related to motivation - working environment, etc... which contribute to the achievement Model objectives.

## 5.2 Risk events

As mentioned earlier, BBVA has processes in place for identifying risks and analyzing scenarios that enable the Group to manage risks in a dynamic and proactive way.

The risk identification processes are forward-looking to ensure the identification of emerging risks and take into account the concerns of both the business areas, which are close to the reality of the different geographical areas, and the corporate areas and senior management.

Risks are captured and measured consistently using the methodologies deemed appropriate in each case. Their measurement includes the design and application of scenario analyses and stress testing and considers the controls to which the risks are subjected.

As part of this process, a forward projection of the risk appetite variables in stress scenarios is conducted in order to identify possible deviations from the established thresholds. If any such deviations are detected, appropriate measures are taken to keep the variables within the target risk profile.

To this extent, there are a number of emerging risks that could affect the Bank's business trends. These risks are described in the following main blocks:

- **Macroeconomic and geopolitical risks**
  - The slowdown in economic growth in emerging countries and potential difficulties in the recovery of European economies is a major focus for the Bank.
  - In addition, financial institutions are exposed to the risks of political and social instability in the countries in which they operate, which can have significant effects on their economies and even regionally.

In this regard the Group's diversification is a key to achieving a high level of recurring revenues, despite environmental conditions and economic cycles of the economies in which it operates.

- **Regulatory, legal, tax and reputational risks**

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- Financial institutions are exposed to a complex and ever-changing regulatory and legal environment defined by governments and regulators. This can affect their ability to grow and the capacity of certain businesses to develop, and result in stricter liquidity and capital requirements with lower profitability ratios. The Bank constantly monitors changes in the regulatory framework that allow for anticipation and adaptation to them in a timely manner, adopt best practices and more efficient and rigorous criteria in its implementation.
  - The financial sector is under ever closer scrutiny by regulators, governments and society itself. Negative news or inappropriate behavior can significantly damage the Group's reputation and affect its ability to develop a sustainable business. The attitudes and behaviors of the group and its members are governed by the principles of integrity, honesty, long-term vision and best practices through, inter alia, internal control model, the Code of Conduct and Responsible Business Strategy of the Bank.
  - The financial sector is exposed to increased litigation, so that financial institutions face a large number of proceedings whose economic consequences are difficult to predict. The Group constantly manages and monitors these proceedings in order to defend their interests, making the adequate provisions in respect of such legal proceedings, when necessary, following the expert judgment of internal and external lawyers responsible for the legal aspects in accordance to the applicable regulations.
- Business and operational risks
    - New technologies and forms of customer relationships: Developments in the digital world and in information technologies pose significant challenges for financial institutions, entailing threats (new competitors, disintermediation...) but also opportunities (new framework of relations with customers, greater ability to adapt to their needs, new products and distribution channels...).
    - Technological risks and security breaches: The financial entities are exposed to new threats such as cyber-attacks, theft of internal and customer databases, fraud in payment systems, etc. that require major investments in security from both the technological and human point of view. The Bank gives great importance to the active operational and technological risk management and control. One example was the early adoption of advanced models for management of these risks (AMA - Advanced Measurement Approach).

### 5.3 Credit risk

Credit risk arises from the probability that one party to a financial instrument will fail to meet its contractual obligations for reasons of insolvency or inability to pay and cause a financial loss for the other party.

It is the most important risk for the Group and includes counterparty risk, issuer risk, settlement risk and country risk management.

The principles underpinning credit risk management in BBVA are as follows:

- Availability of basic information for the study and proposal of risk, and supporting documentation for approval, which sets out the conditions required by the relevant body.
- Sufficient generation of funds and asset solvency of the customer to assume principal and interest repayments of loans owed.
- Establishment of adequate and sufficient guarantees that allow effective recovery of the operation, this being considered a secondary and exceptional method of recovery when the first has failed.

Credit risk management in the Bank has an integrated structure for all its functions, allowing decisions to be taken objectively and independently throughout the life cycle of the risk.

- At Group level: frameworks for action and standard rules of conduct are defined for handling risk, specifically, the circuits, procedures, structure and supervision.
- At the business area level: they are responsible for adapting the Group's criteria to the local realities of each geographical area and for direct management of risk according to the decision-making circuit:

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- Retail risks: in general, the decisions are formalized according to the scoring tools, within the general framework for action of each business area with regard to risks. The changes in weighting and variables of these tools must be validated by the corporate GRM area.
- Wholesale risks: in general, the decisions are formalized by each business area within its general framework for action with regard to risks, which incorporates the delegation rule and the Group's corporate policies.

### 5.3.1 Credit risk exposure

BBVA maximum credit risk exposure (see definition below) by headings in the balance sheet as of December 31, 2015 and 2014 is provided below. It does not consider the availability of collateral or other credit enhancements to guarantee compliance with payment obligations. The details are broken down by financial instruments and counterparties.

Maximum Credit Risk Exposure	Notes	Millions of Euros	
		2015	2014
<b>Financial assets held for trading</b>	8	<b>18,107</b>	<b>19,854</b>
Debt securities		14,133	15,590
Debt securities		3,974	4,264
<b>Available-for-sale financial assets</b>	10	<b>49,945</b>	<b>51,164</b>
Debt securities		45,515	45,392
Debt securities		4,430	5,772
<b>Loans and receivables</b>	11	<b>234,346</b>	<b>239,434</b>
Loans and advances to credit institutions		25,227	23,786
Loans and advances to customers		204,900	212,598
Government		23,183	25,915
Agriculture		1,192	1,298
Industry		22,724	20,780
Real estate and construction		27,027	28,709
Trade and finance		25,982	34,139
Loans to individuals		84,875	87,434
Other		19,917	14,323
Debt securities		4,219	3,050
<b>Held-to-maturity investments</b>		<b>-</b>	<b>-</b>
<b>Derivatives (trading and hedging)</b>	8	<b>35,535</b>	<b>44,383</b>
<b>Total financial assets risk</b>		<b>337,933</b>	<b>354,835</b>
Financial guarantees	28	39,850	45,137
Drawable by third parties	28	47,751	44,306
Other contingent commitments	28	10,504	9,662
<b>Total Contingent Risks and Commitments</b>		<b>98,105</b>	<b>99,105</b>
<b>Total maximum credit exposure</b>		<b>436,038</b>	<b>453,940</b>

The maximum credit exposure of the table above is determined by type of financial asset as explained below:

- In the case of financial assets recognized in the bank's balance sheets, exposure to credit risk is considered equal to its gross carrying amount, not including certain valuation adjustments (impairment losses, hedges and others), with the sole exception of trading and hedging derivatives.
- The maximum credit risk exposure on financial guarantees granted is the maximum that the Group would be liable for if these guarantees were called in, and that is their carrying amount.
- Our calculation of risk exposure for derivatives is based on the sum of two factors: the derivatives fair value and their potential risk (or "add-on").

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- The first factor, market value, reflects the difference between original commitments and market values on the reporting date (mark-to-market). As indicated in Note 2.2.1 to the consolidated financial statements, derivatives are accounted for as of each reporting date at fair value in accordance with IAS 39.
- The second factor, potential risk ('add-on'), is an estimate of the maximum increase to be expected on risk exposure over a derivative market value (at a given statistical confidence level) as a result of future changes in the fair value over the remaining term of the derivatives.

The consideration of the potential risk ("add-on") relates the risk exposure to the exposure level at the time of a customer's default. The exposure level will depend on the customer's credit quality and the type of transaction with such customer. Given the fact that default is an uncertain event which might occur any time during the life of a contract, the BBVA Group has to consider not only the credit exposure of the derivatives on the reporting date, but also the potential changes in exposure during the life of the contract. This is especially important for derivatives, whose valuation changes substantially throughout their terms, depending on the fluctuation of market prices.

### 5.3.2 Mitigation of credit risk, collateralized credit risk and other credit enhancements

In most cases, maximum credit risk exposure is reduced by collateral, credit enhancements and other actions which mitigate the Group's exposure. The BBVA Group applies a credit risk hedging and mitigation policy deriving from a banking approach focused on relationship banking. The existence of guarantees could be a necessary but not sufficient instrument for accepting risks, as the assumption of risks by the Group requires prior evaluation of the debtor's capacity for repayment, or that the debtor can generate sufficient resources to allow the amortization of the risk incurred under the agreed terms.

The policy of accepting risks is therefore organized into three different levels in the BBVA Group:

- Analysis of the financial risk of the operation, based on the debtor's capacity for repayment or generation of funds;
- The constitution of guarantees that are adequate, or at any rate generally accepted, for the risk assumed, in any of the generally accepted forms: monetary, secured, personal or hedge guarantees; and finally,
- Assessment of the repayment risk (asset liquidity) of the guarantees received.

The procedures for the management and valuation of collaterals are set out in the Corporate Policies (retail and wholesale), which establish the basic principles for credit risk management, including the management of collaterals assigned in transactions with customers.

The methods used to value the collateral are in line with the best market practices and imply the use of appraisal of real-estate collateral, the market price in market securities, the trading price of shares in mutual funds, etc. All the collaterals assigned must be properly drawn up and entered in the corresponding register. They must also have the approval of the Group's legal units.

The following is a description of the main types of collateral for each financial instrument class:

- Financial instruments held for trading: The guarantees or credit enhancements obtained directly from the issuer or counterparty are implicit in the clauses of the instrument.
- Trading and hedging derivatives: In derivatives, credit risk is minimized through contractual netting agreements, where positive- and negative-value derivatives with the same counterparty are offset for their net balance. There may likewise be other kinds of guarantees, depending on counterparty solvency and the nature of the transaction.
- Other financial assets designated at fair value through profit or loss and Available-for-sale financial assets: The guarantees or credit enhancements obtained directly from the issuer or counterparty are inherent to the structure of the instrument.
- Loans and receivables:
  - Loans and advances to credit institutions: These usually only have the counterparty's personal guarantee.



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- Loans and advances to customers: Most of these operations are backed by personal guarantees extended by the counterparty. There may also be collateral to secure loans and advances to customers (such as mortgages, cash guarantees, pledged securities and other collateral), or to obtain other credit enhancements (bonds, hedging, etc.).
- Debt securities: The guarantees or credit enhancements obtained directly from the issuer or counterparty are inherent to the structure of the instrument.

Collateralized loans granted by the Group as of December 31, 2015 and 2014 excluding balances deemed impaired, is broken down in the table below:

Collateralized Credit Risk	Millions of Euros	
	2015	2014
<b>Mortgage loans</b>	<b>83,249</b>	<b>87,159</b>
Operating assets mortgage loans	1,810	1,636
Home mortgages	70,540	73,181
Non-home mortgages	10,899	12,342
<b>Secured loans, except mortgage</b>	<b>2,672</b>	<b>2,810</b>
Cash guarantees	70	59
Secured loan (pledged securities)	418	309
Rest of secured loans	2,184	2,442
<b>Total</b>	<b>85,921</b>	<b>89,969</b>

- Financial guarantees, other contingent risks and drawable by third parties: These have the counterparty's personal guarantee.

### 5.3.3 Financial instrument netting

Financial assets and liabilities may be netted, i.e. they are presented for a net amount on the balance sheet only when the Group's entities comply with the provisions of IAS 32-Paragraph 42, so they have both the legal right to net recognized amounts, and the intention of settling the net amount or of realizing the asset and simultaneously paying the liability.

In addition, the Bank has unnetted assets and liabilities on the balance sheet for which there are master netting arrangements in place, but for which there is neither the intention nor the right to settle. The most common types of events that trigger the netting of reciprocal obligations are bankruptcy of the entity, swifter accumulation of indebtedness, failure to pay, restructuring and dissolution of the entity.

In the current market context, derivatives are contracted under different framework contracts being the most widespread developed by the International Swaps and Derivatives Association (ISDA) and, for the Spanish market, the Framework Agreement on Financial Transactions (CMOF). Almost all portfolio derivative transactions have been concluded under these framework contracts, including in them the netting clauses mentioned in the preceding paragraph as "Master Netting Agreement", greatly reducing the credit exposure on these instruments. Additionally, in contracts signed with professional counterparts, the collateral agreement annexes called Credit Support Annex (CSA) are included, thereby minimizing exposure to a potential default of the counterparty.

Moreover, in transactions involving assets purchased or sold under a purchase agreement there has greatly increased the volume transacted through clearing houses that articulate mechanisms to reduce counterparty risk, as well as through the signature of various master agreements for bilateral transactions, the most widely used being the Global Master Repurchase Agreement (GMRA), published by ICMA (International Capital Market Association), to which the clauses related to the collateral exchange are usually added within the text of the master agreement itself.

The assets and liabilities subject to contractual netting rights at the time of their settlement are presented below as of December 31, 2015.

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2015	Importe bruto reconocido (A)	Importe compensado en balance (B)	Importe neto presentado en balance (C=A-B)	Millones de euros		
				Importe relativo a instrumentos financieros reconocidos	Colaterales (Incluyendo efectivo)	Importe neto (E=C-D)
Derivados de negociación y de cobertura	50,019	7,805	42,214	31,552	4,838	5,824
Adquisición temporal de activos y similares	16,847		16,847	17,230	24	-408
<b>Total Activo</b>	<b>66,865</b>	<b>7,805</b>	<b>59,060</b>	<b>48,782</b>	<b>4,862</b>	<b>5,416</b>
Derivados de negociación y de cobertura	49,685	8,423	41,263	31,552	9,155	556
Cesión temporal de activos y similares	44,533		44,533	45,568	106	-1,142
<b>Total Pasivo</b>	<b>94,218</b>	<b>8,423</b>	<b>85,796</b>	<b>77,120</b>	<b>9,261</b>	<b>-585</b>

The amount of recognized financial instruments within derivatives includes the effect in case of compensation with counterparties with which the bank holds netting agreements, while, for repos, it reflects the market value of the collateral associated with the transaction.

Information on risk concentration by activity and geography is in Appendix XII, and the concentration of risks in the real estate sector in Spain in Appendix XI.

### 5.3.4 Credit quality of financial assets that are neither past due nor impaired

The BBVA Group has tools (“scoring” and “rating”) that enable it to rank the credit quality of its operations and customers based on an assessment and its correspondence with the probability of default (“PD”) scales. To analyze the performance of PD, the Group has a series of tracking tools and historical databases that collect the pertinent internally generated information, which can basically be grouped together into scoring and rating models.

#### Scoring

Scoring is a decision-making model that contributes to both the arrangement and management of retail loans: consumer loans, mortgages, credit cards for individuals, etc. Scoring is the tool used to decide to originate a loan, what amount should be originated and what strategies can help establish the price, because it is an algorithm that sorts transactions by their credit quality. This algorithm enables the BBVA Group to assign a score to each transaction requested by a customer, on the basis of a series of objective characteristics that have statistically been shown to discriminate between the quality and risk of this type of transactions. The advantage of scoring lies in its simplicity and homogeneity: all that is needed is a series of objective data for each customer, and this data is analyzed automatically using an algorithm.

There are three types of scoring, based on the information used and on its purpose:

- Reactive scoring: measures the risk of a transaction requested by an individual using variables relating to the requested transaction and to the customer’s socio-economic data available at the time of the request. The new transaction is approved or rejected depending on the score.
- Behavioral scoring: scores transactions for a given product in an outstanding risk portfolio of the entity, enabling the credit rating to be tracked and the customer’s needs to be anticipated. It uses transaction and customer variables available internally. Specifically, variables that refer to the behavior of both the product and the customer.
- Proactive scoring: gives a score at customer level using variables related to the individual’s general behavior with the entity, and to his/her payment behavior in all the contracted products. The purpose is to track the customer’s credit quality and it is used to pre-grant new transactions.

#### Rating

Rating tools, as opposed to scoring tools, do not assess transactions but focus on the rating of customers instead: companies, corporations, SMEs, public authorities, etc. A rating tool is an instrument that, based on a detailed financial study, helps determine a customer’s ability to meet his/her financial obligations. The final rating is usually a combination of various factors: on one hand, quantitative factors, and on the other hand, qualitative factors. It is a middle road between an individual analysis and a statistical analysis.

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The main difference between ratings and scorings is that the latter are used to assess retail products, while ratings use a wholesale banking customer approach. Moreover, scorings only include objective variables, while ratings add qualitative information. And although both are based on statistical studies, adding a business view, rating tools give more weight to the business criterion compared to scoring tools.

For portfolios where the number of defaults is very low (sovereign risk, corporates, financial entities, etc.) the internal information is supplemented by "benchmarking" of the external rating agencies (Moody's, Standard & Poor's and Fitch). To this end, each year the PDs compiled by the rating agencies at each level of risk rating are compared, and the measurements compiled by the various agencies are mapped against those of the BBVA master rating scale.

Once the probability of default of a transaction or customer has been calculated, a "business cycle adjustment" is carried out. This is a means of establishing a measure of risk that goes beyond the time of its calculation. The aim is to capture representative information of the behavior of portfolios over a complete economic cycle. This probability is linked to the Master Rating Scale prepared by the BBVA Group to enable uniform classification of the Group's various asset risk portfolios.

The table below shows the abridged scale used to classify the BBVA Group's outstanding risk as of December 31, 2015:

External rating Standard&Poor's List	Internal rating Reduced List (22 groups)	Probability of default (basic points)		
		Average	Minimum from >=	Maximum
AAA	AAA	1	-	2
AA+	AA+	2	2	3
AA	AA	3	3	4
AA-	AA-	4	4	5
A+	A+	5	5	6
A	A	8	6	9
A-	A-	10	9	11
BBB+	BBB+	14	11	17
BBB	BBB	20	17	24
BBB-	BBB-	31	24	39
BB+	BB+	51	39	67
BB	BB	88	67	116
BB-	BB-	150	116	194
B+	B+	255	194	335
B	B	441	335	581
B-	B-	785	581	1,061
CCC	CCC+	1,191	1,061	1,336
CCC	CCC	1,500	1,336	1,684
CCC	CCC-	1,890	1,684	2,121
CCC	CC+	2,381	2,121	2,673
CCC	CC	3,000	2,673	3,367
CCC	CC-	3,780	3,367	4,243

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The table below outlines the distribution of exposure, including derivatives, by internal ratings, to corporates, financial entities and institutions (excluding sovereign risk), of the main BBVA Group entities as of December 31, 2015:

Credit Risk Distribution by Internal Rating	Millions of Euros	%
A	56,092	23.96%
BBB+	39,835	17.01%
BBB	21,618	9.23%
BBB-	30,114	12.86%
BB+	16,386	7.00%
BB	11,114	4.75%
BB-	4,932	2.11%
B+	4,307	1.84%
B	3,168	1.35%
B-	2,561	1.09%
CCC/CC	16,678	7.12%
<b>Total</b>	<b>234,134</b>	<b>100.00%</b>

These different levels and their probability of default were calculated by using as a reference the rating scales and default rates provided by the external agencies Standard & Poor's and Moody's. These calculations establish the levels of probability of default for the BBVA's Master Rating Scale. Although this scale is common to the entire Group, the calibrations (mapping scores to PD sections/Master Rating Scale levels) are carried out at tool level.

### 5.3.5 Financial assets past due but not impaired

The table below provides details of financial assets past due as of December 31, 2015 and 2014, but not considered to be impaired, listed by their first past-due date:

Financial Assets Past Due but Not Impaired	Millions of Euros					
	2015			2014		
	Less than 1 Month Past-Due	1 to 2 Months Past-Due	2 to 3 Months Past-Due	Less than 1 Month Past-Due	1 to 2 Months Past-Due	2 to 3 Months Past-Due
Loans and advances to credit institutions	-	-	-	-	-	-
Loans and advances to customers	373	52	32	797	73	44
Government	150	2	1	28	1	3
Other sectors	223	50	31	769	72	41
Debt securities	-	-	-	-	-	-
<b>Total</b>	<b>373</b>	<b>52</b>	<b>32</b>	<b>797</b>	<b>73</b>	<b>44</b>

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### 5.3.6 Impaired assets and impairment losses

The table below shows the composition of the impaired financial assets and risks as of December 31, 2015 and 2014, broken down by heading in the accompanying balance sheet:

<b>Impaired Risks. Breakdown by Type of Asset and by Sector</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Asset Instruments Impaired</b>		
Available for sale financial assets	27	27
Debt securities	27	27
Loans and receivables	16,559	19,102
Loans and advances to credit institutions	21	23
Loans and advances to customers	16,533	19,074
Debt securities	5	5
<b>Total 'Asset Instruments Impaired (1)</b>	<b>16,586</b>	<b>19,129</b>
<b>Contingent Risks Impaired</b>		
Contingent Risks Impaired (2)	431	371
<b>Total Impaired Risks (1)+(2)</b>	<b>17,017</b>	<b>19,500</b>
Of which:		
Government	178	178
Credit institutions	43	44
Other sectors	16,365	18,907
Contingent Risks Impaired	431	371
<b>Total impaired risks (1) + (2)</b>	<b>17,017</b>	<b>19,500</b>

The changes in the year ended December 31, 2015 and 2014 in the impaired financial assets and contingent risks are as follows:

<b>Changes in Impaired Financial Assets and Contingent Risks</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Balance at the beginning</b>	<b>19,500</b>	<b>22,358</b>
Additions (1)	4,471	4,252
Recoveries (2)	(3,968)	(4,569)
<b>Net additions (1)+(2)</b>	<b>503</b>	<b>(317)</b>
Transfers to write-off	(2,880)	(2,566)
Exchange differences and others	(107)	25
<b>Balance at the end</b>	<b>17,017</b>	<b>19,500</b>
<b>Recoveries on entries (%)</b>	<b>89</b>	<b>107</b>

Below are the details of the impaired financial assets as of December 31, 2015 and 2014, classified by geographical area and by the time since their oldest past-due amount or the period since they were deemed impaired:

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#### Impaired Assets by Geographic Area and Time

2015	Millions of Euros				Total
	Less than 6 Months Past-Due	6 to 9 Months Past-Due	9 to 12 Months Past-Due	More than 12 Months Past-Due	
Spain	9,182	476	451	6,343	16,452
Rest of Europe	56	-	-	72	128
Rest of the world	6	-	-	-	6
<b>Total</b>	<b>9,244</b>	<b>476</b>	<b>451</b>	<b>6,415</b>	<b>16,586</b>

#### Impaired Assets by Geographic Area and Time

2014	Millions of Euros				Total
	Less than 6 Months Past-Due	6 to 9 Months Past-Due	9 to 12 Months Past-Due	More than 12 Months Past-Due	
Spain	8,517	612	743	9,008	18,880
Rest of Europe	172	-	-	71	243
Rest of the world	6	-	-	-	6
<b>Total</b>	<b>8,695</b>	<b>612</b>	<b>743</b>	<b>9,079</b>	<b>19,129</b>

Below are details of the impaired financial assets as of December 31, 2015 and 2014, classified by type of loan according to its associated guarantee, and by the time elapsed since their oldest past-due amount or the period since they were deemed impaired:

#### Impaired Assets by Guarantee and by the Time since they were Deemed Impaired.

2015	Millions of Euros				Total
	Less than 6 Months Past-Due	6 to 9 Months Past-Due	9 to 12 Months Past-Due	More than 12 Months Past-Due	
Unsecured loans	5,246	127	128	612	6,113
Mortgage	3,819	349	323	5,803	10,294
Residential mortgage	2,124	138	139	1,369	3,770
Commercial mortgage (rural properties in operation and offices, and industrial buildings)	833	80	53	1,216	2,182
property of the borrower	407	67	59	1,467	2,000
Plots and other real state assets	455	64	72	1,751	2,342
Other partially secured loans	-	-	-	-	-
Others	179	-	-	-	179
<b>Total</b>	<b>9,244</b>	<b>476</b>	<b>451</b>	<b>6,415</b>	<b>16,586</b>

#### Impaired Assets by Guarantee and by the Time since they were Deemed Impaired.

2014	Millions of Euros				Total
	Less than 6 Months Past-Due	6 to 9 Months Past-Due	9 to 12 Months Past-Due	More than 12 Months Past-Due	
Unsecured loans	3,225	144	198	1,251	4,818
Mortgage	5,275	468	545	7,828	14,116
Residential mortgage	2,209	200	172	1,802	4,383
Commercial mortgage (rural properties in operation and offices, and industrial buildings)	944	119	115	1,409	2,587
Rest of residential mortgage	770	86	112	2,103	3,071
Plots and other real state assets	1,352	63	146	2,514	4,075
Other partially secured loans	-	-	-	-	-
Others	195	-	-	-	195
<b>Total</b>	<b>8,695</b>	<b>612</b>	<b>743</b>	<b>9,079</b>	<b>19,129</b>

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Below is the accumulated financial income accrued as of December 31, 2015 and 2014 with origin in the impaired assets that, as mentioned in Note 2.2, are not recognized in the accompanying income statements as there are doubts as to the possibility of collection:

	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Financial Income from Impaired Assets</b>	<b>2,041</b>	<b>2,340</b>

The changes in 2015 and 2014 in financial assets derecognized from the accompanying balance sheet as their recovery is considered unlikely (hereinafter “write-offs”) is shown below:

	<b>Millions of Euros</b>	
<b>Changes in Impaired Financial Assets Written-Off from the Balance Sheet</b>	<b>2015</b>	<b>2014</b>
<b>Balance at the beginning</b>	<b>16,431</b>	<b>14,460</b>
<b>Increase:</b>	<b>4,948</b>	<b>4,111</b>
Assets of remote collectability	2,880	2,566
Past-due and not collected income	2,068	1,545
Contributions by mergers	-	-
<b>Decrease:</b>	<b>(4,454)</b>	<b>(2,144)</b>
Cash recovery	(380)	(310)
Foreclosed assets	(105)	(61)
Definitive derecognitions	(3,969)	(1,773)
Cancellation	(3,019)	(1,247)
Expiry of rights and other causes	(950)	(526)
<b>Net exchange differences</b>	<b>(20)</b>	<b>4</b>
<b>Balance at the end</b>	<b>16,905</b>	<b>16,431</b>

As indicated in Note 2.2, although they have been derecognized from the balance sheet, the Bank continues to attempt to collect on these write-offs, until the rights to receive them are fully extinguished, either because it is time-barred debt, the debt is forgiven, or other reasons.

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### 5.3.7 Impairment losses

Below is a breakdown of the provisions registered on the accompanying balance sheets to cover estimated impairment losses as of December 31, 2015 and 2014 in financial assets and contingent risks, according to the different headings under which they are classified in the balance sheet:

Impairment losses and provisions for contingent risks	Notes	Millions of Euros	
		2015	2014
<b>Available-for-sale portfolio</b>	10.1	<b>83</b>	<b>20</b>
<b>Loans and receivables</b>		<b>8,588</b>	<b>10,178</b>
Loans and advances to customers	11.2	8,561	10,146
Loans and advances to credit institutions	11.1	21	28
Debt securities	11.3	6	4
<b>Held to maturity investment</b>			<b>-</b>
<b>Impairment losses</b>		<b>8,671</b>	<b>10,198</b>
<b>Provisions for Contingent Risks and Commitments</b>	20	<b>263</b>	<b>238</b>
<b>Total</b>		<b>8,934</b>	<b>10,436</b>
Of which:			
For impaired portfolio		8,701	10,203
For current portfolio non impaired		233	233

Below are the changes in 2015 and 2014 in the estimated impairment losses, broken down by the headings in the accompanying balance sheet:

Changes in the year 2015: Impairment losses provisions (*)	Notes	Millions of Euros				
		Held to maturity investment	Available-for-sale portfolio	Loans and receivables	Contingent risks	Total
<b>Balance at the beginning</b>		-	<b>20</b>	<b>10,178</b>	<b>238</b>	<b>10,436</b>
Increase in impairment losses charged to income		-	57	2,763	35	2,855
Decrease in impairment losses credited to income		-	(4)	(1,092)	(6)	(1,102)
<b>Impairment losses (net)</b>	40-41	-	<b>53</b>	<b>1,671</b>	<b>29</b>	<b>1,753</b>
Transfers to written-off loans		-	-	(2,880)	-	(2,880)
Losses due to merger transactions		-	-	-	-	-
Exchange differences and other		-	10	(381)	(4)	(375)
<b>Balance at the end</b>		-	<b>83</b>	<b>8,588</b>	<b>263</b>	<b>8,934</b>

(\*) Includes impairment losses on financial assets (Note 41) and the provisions for contingent risks (Note 40).

Changes in the year 2014: Impairment losses provisions (*)	Notes	Millions of Euros				
		Held to maturity investment	Available-for-sale portfolio	Loans and receivables	Contingent risks	Total
<b>Balance at the beginning</b>		-	<b>20</b>	<b>10,833</b>	<b>221</b>	<b>11,074</b>
Increase in impairment losses charged to income		-	2	8,269	38	8,309
Decrease in impairment losses credited to income		-	(2)	(6,103)	(21)	(6,126)
<b>Impairment losses (net) (*)</b>	40-41	-	<b>-</b>	<b>2,166</b>	<b>17</b>	<b>2,183</b>
Transfers to written-off loans		-	(1)	(2,566)	-	(2,567)
Losses due to merger transactions		-	-	-	-	-
Exchange differences and other		-	1	(255)	-	(254)
<b>Balance at the end</b>		-	<b>20</b>	<b>10,178</b>	<b>238</b>	<b>10,436</b>

(\*) Includes impairment losses on financial assets (Note 41) and the provisions for contingent risks (Note 40).



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## 5.4 Market risk

### 5.4.1 Trading portfolio activities

Market risk originates as a result of movements in the market variables that impact the valuation of traded financial products and assets. The main risks generated can be classified as follows:

- **Interest-rate risk:** This arises as a result of exposure to movements in the different interest-rate curves involved in trading. Although the typical products that generate sensitivity to the movements in interest rates are money-market products (deposits, interest-rate futures, call money swaps, etc.) and traditional interest-rate derivatives (swaps and interest-rate options such as caps, floors, swaptions, etc.), practically all the financial products are exposed to interest-rate movements due to the effect that such movements have on the valuation of the financial discount.
- **Equity risk:** This arises as a result of movements in share prices. This risk is generated in spot positions in shares or any derivative products whose underlying asset is a share or an equity index. Dividend risk is a sub-risk of equity risk, arising as an input for any equity option. Its variation may affect the valuation of positions and it is therefore a factor that generates risk on the books.
- **Exchange-rate risk:** This is caused by movements in the exchange rates of the different currencies in which a position is held. As in the case of equity risk, this risk is generated in spot currency positions, and in any derivative product whose underlying asset is an exchange rate. In addition, the quanto effect (operations where the underlying asset and the instrument itself are denominated in different currencies) means that in certain transactions in which the underlying asset is not a currency, an exchange-rate risk is generated that has to be measured and monitored.
- **Credit-spread risk:** Credit spread is an indicator of an issuer's credit quality. Spread risk occurs due to variations in the levels of spread of both corporate and government issues, and affects positions in bonds and credit derivatives.
- **Volatility risk:** This occurs as a result of changes in the levels of implied price volatility of the different market instruments on which derivatives are traded. This risk, unlike the others, is exclusively a component of trading in derivatives and is defined as a first-order convexity risk that is generated in all possible underlying assets in which there are products with options that require a volatility input for their valuation.

The metrics developed to control and monitor market risk in BBVA Group are aligned with best practices in the market and are implemented consistently across all the local market risk units.

Measurement procedures are established in terms of the possible impact of negative market conditions on the trading portfolio of the Group's Global Markets units, both under ordinary circumstances and in situations of heightened risk factors.

The standard metric used to measure market risk is Value at Risk (VaR), which indicates the maximum loss that may occur in the portfolios at a given confidence level (99%) and time horizon (one day). This statistic is widely used in the market and has the advantage of summing up in a single metric the risks inherent to trading activity, taking into account how they are related and providing a prediction of the loss that the trading book could sustain as a result of fluctuations in equity prices, interest rates, foreign exchange rates and commodity prices. In addition, for some positions other risks also need to be considered, such as credit spread risk, basis risk, volatility risk and correlation risk.

Most of the headings on the bank's balance sheet subject to market risk are positions whose main metric for measuring their market risk is VaR.

With respect to the risk measurement models used in BBVA Group, the Bank of Spain has authorized the use of the internal model to determine bank capital requirements deriving from risk positions on the BBVA S.A. and BBVA Bancomer trading book, which jointly account for around 80% of the Group's trading-book market risk. For the rest of the geographical areas (South America and Compass), bank capital for the risk positions in the trading book is calculated using the standard model.

The current management structure includes the monitoring of market-risk limits, consisting of a scheme of limits based on VaR (Value at Risk), economic capital (based on VaR measurements) and VaR sub-limits, as well as stop-loss limits for each of the Group's business units.

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The model used estimates VaR in accordance with the "historical simulation" methodology, which involves estimating losses and gains that would have taken place in the current portfolio if the changes in market conditions that took place over a specific period of time in the past were repeated. Based on this information, it infers the maximum expected loss of the current portfolio within a given confidence level. This model has the advantage of reflecting precisely the historical distribution of the market variables and not assuming any specific distribution of probability. The historical period used in this model is two years.

VaR figures are estimated following two methodologies:

- VaR without smoothing, which awards equal weight to the daily information for the previous two years. This is currently the official methodology for measuring market risks for the purpose of monitoring compliance with risk limits.
- VaR with smoothing, which gives a greater weight to more recent market information. This metric supplements the previous one.

In the case of South America, a parametric methodology is used to measure risk in terms of VaR.

At the same time, and following the guidelines established by the Spanish and European authorities, BBVA incorporates metrics in addition to VaR with the aim of meeting the Bank of Spain's regulatory requirements with respect to the calculation of bank capital for the trading book. Specifically, the new measures incorporated in the Group since December 2011 (stipulated by Basel 2.5) are:

- VaR: In regulatory terms, the charge for VaR Stress is added to the charge for VaR and the sum of both (VaR and VaR Stress) is calculated. This quantifies the loss associated with movements in the risk factors inherent in market operations (interest rate, FX, equity, credit, etc.). Both VaR and Stressed VaR are re-scaled by a regulatory multiplication factor, set at 3 and by the square root of 10, to calculate the capital charge.
- Specific Risk: IRC. Quantification of the risks of default and rating downgrade of the bond and credit derivative positions on the trading book. The specific risk capital IRC is a charge exclusively for those geographical areas with an approved internal model (BBVA S.A. and Bancomer). The capital charge is determined based on the associated losses (at 99.9% over a time horizon of 1 year under the constant risk assumption) resulting from the rating migration and/or default status of the asset's issuer. Also included is the price risk in sovereign positions for the indicated items.
- Specific Risk: Securitizations and Correlation Portfolios. Capital charge for securitizations and for the correlation portfolio to include the potential losses associated with the rating level of a given credit structure (rating). Both are calculated using the standardized approach. The perimeter of the correlation portfolios is referred to FTD-type market operations and/or market CDO tranches, and only for positions with an active market and hedging capacity.

Validity tests are performed regularly on the risk measurement models used by the Group. They estimate the maximum loss that could have been incurred in the positions with a certain level of probability (backtesting), as well as measurements of the impact of extreme market events on risk positions (stress testing). As an additional control measure, backtesting is conducted at trading desk level in order to enable more specific monitoring of the validity of the measurement models.

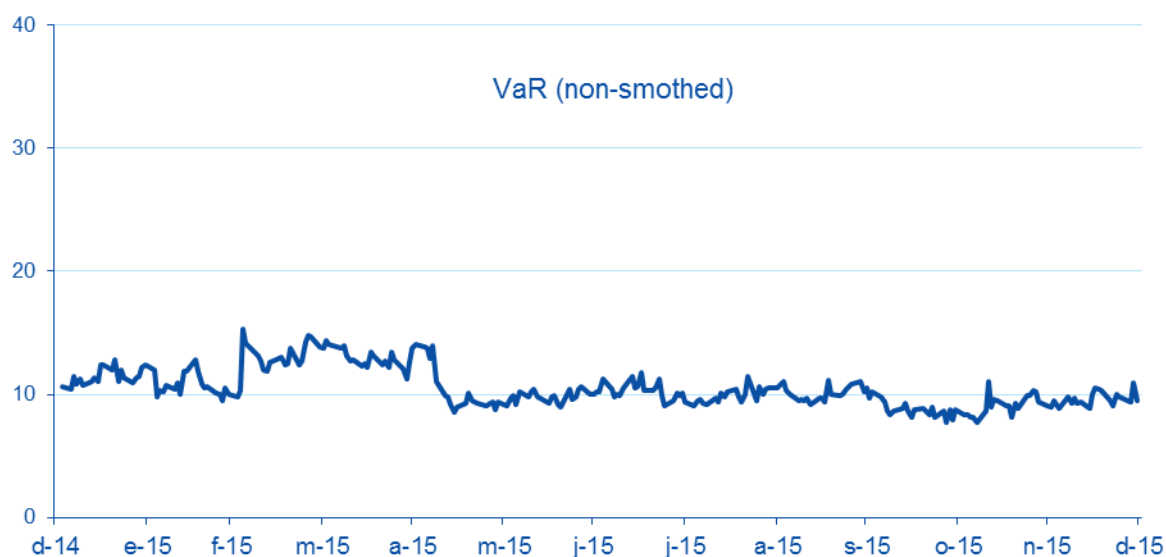
## Market risk in 2015

The Group's market risk remains at low levels compared with the aggregates of risks managed by BBVA, particularly in the case of credit risk. This is due to the nature of the business and the Group's policy of minimal proprietary trading. In 2015, the market risk of trading book increase slightly versus the previous year and, in terms of VaR, stood at €9 million at the close of the period.

The average VaR for 2015 stood at €11 million, in comparison with the €10 million registered in 2014, with a high for the year on day March 4 at €15 million.

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By type of market risk assumed by the Bank's trading portfolio, the main risk factor in the Group is linked to volatility and correlation risk, accounting for 46% of the total weight at the end of 2015, increasing its relative weight (vs. 20% at the end of 2014). Interest rates (this figure includes the spread risk) amounts 39%, its relative weight is lower than the figure at the end of 2014 (70%). Exchange-rate risk accounts for 10%, an increase on the figure 12 months prior (5%), while equity risk maintain the same level (5%).

<b>Millions of euros</b>		
<b>Market risk by risk factor</b>	<b>2014</b>	<b>2013</b>
<b>Interest + credit spread</b>	17	9
Exchange rate	1	1
Equity	1	1
Volatility	5	9
<b>Diversification effect (*)</b>	(12)	(11)
<b>Total</b>	<b>12</b>	<b>9</b>
<b>Average VaR</b>	<b>10</b>	<b>11</b>
<b>Maximum VaR</b>	<b>15</b>	<b>21</b>
<b>Minimum VaR</b>	<b>7</b>	<b>7</b>

(\*) The diversification effect is the difference between the sum of the average individual risk factors and the total VaR figure that includes the implied correlation between all the variables and scenarios used in the measurement.

## Validation of the model

The internal market risk model is validated on a regular basis by backtesting in both BBVA S.A. and Bancomer.

The aim of backtesting is to validate the quality and precision of the internal model used by BBVA Group to estimate the maximum daily loss of a portfolio, at a 99% level of confidence and a 250-day time horizon, by comparing the Group's results and the risk measurements generated by the model. These tests showed that the internal market risk model of both BBVA, S.A. and Bancomer is adequate and precise.

Two types of backtesting have been carried out in 2015:

- "Hypothetical" backtesting: the daily VaR is compared with the results obtained, not taking into account the intraday results or the changes in the portfolio positions. This validates the appropriateness of the market risk metrics for the end-of-day position.

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- "Real" backtesting: the daily VaR is compared with the total results, including intraday transactions, but discounting the possible minimum charges or fees involved. This type of backtesting includes the intraday risk in portfolios.

In addition, each of these two types of backtesting was carried out at the level of risk factor or business type, thus making a deeper comparison of the results with respect to risk measurements.

In 2015, it was carried out the backtesting of the internal VaR calculation model, comparing the daily results obtained with the estimated risk level estimated by the VaR calculation model. At the end of the year the comparison showed the model was working correctly, within the "green" zone (0-4 exceptions), thus validating the model, as has occurred each year since the internal market risk model was approved for the Group.

## Stress test analysis

A number of stress tests are carried out on BBVA Group's trading portfolios. First, global and local historical scenarios are used that replicate the behavior of an extreme past event, such as for example the collapse of Lehman Brothers or the "Tequilazo" crisis. These stress tests are complemented with simulated scenarios, where the aim is to generate scenarios that have a significant impact on the different portfolios, but without being anchored to any specific historical scenario. Finally, for some portfolios or positions, fixed stress tests are also carried out that have a significant impact on the market variables affecting these positions.

## Historical scenarios

The historical benchmark stress scenario for the BBVA Group is Lehman Brothers, whose sudden collapse in September 2008 led to a significant impact on the behavior of financial markets at a global level. The following are the most relevant effects of this historical scenario:

- Credit shock: reflected mainly in the increase of credit spreads and downgrades in credit ratings.
- Increased volatility in most of the financial markets (giving rise to a great deal of variation in the prices of different assets (currency, equity, debt)).
- Liquidity shock in the financial systems, reflected by a major movement in interbank curves, particularly in the shortest sections of the euro and dollar curves.

## Simulated scenarios

Unlike the historical scenarios, which are fixed and therefore not suited to the composition of the risk portfolio at all times, the scenario used for the exercises of economic stress is based on Resampling methodology. This methodology is based on the use of dynamic scenarios are recalculated periodically depending on the main risks held in the trading portfolios. On a data window wide enough to collect different periods of stress (data are taken from January 1, 2008 until today), a simulation is performed by resampling of historic observations, generating a loss distribution and profits to analyze most extreme of births in the selected historical window. The advantage of this methodology is that the period of stress is not predetermined, but depends on the portfolio maintained at each time, and making a large number of simulations (10,000 simulations) allows a richer information for the analysis of expected shortfall than what is available in the scenarios included in the calculation of VaR.

The main features of this approach are: a) The generated simulations respect the correlation structure of the data, b) Flexibility in the inclusion of new risk factors and c) allows to introduce a lot of variability in the simulations (desirable to consider extreme events).

## 5.4.2 Structural risk

### Structural interest-rate risk

The structural interest-rate risk (SIRR) is related to the potential impact that variations in market interest rates have on an entity's net interest income and equity. In order to properly measure SIRR, BBVA takes into account the main sources that generate this risk: reprising risk, yield curve risk, option risk and basis risk, which are analyzed from two complementary points of view: net interest income (short term) and economic value (long term).

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BBVA's structural interest-rate risk management control and monitoring is based on a set of metrics and tools that enable the Entity's risk profile to be monitored correctly. A wide range of scenarios are measured on a regular basis, including sensitivities to parallel movements in the event of different shocks, changes in slope and curve, as well as delayed movements. Other probabilistic metrics based on statistical scenario-simulating methods are also assessed, such as income at risk (IaR) and economic capital (EC), which are defined as the maximum adverse deviations in net interest income and economic value, respectively, for a given confidence level and time horizon. Impact thresholds are established on these management metrics both in terms of deviations in net interest income and in terms of the impact on economic value. The process is carried out separately for each currency to which the Group is exposed, and the diversification effect between currencies and business units is considered after this.

In order to guarantee its effectiveness, the model is subjected to regular internal validation, which includes backtesting. In addition, interest-rate risk measurements are subjected to stress testing in order to reveal balance sheet vulnerabilities under extreme scenarios. This testing includes an analysis of adverse macroeconomic scenarios designed specifically by BBVA Research, together with a wide range of potential scenarios that aim to identify interest-rate environments that are particularly damaging for the Entity. This is done by generating extreme scenarios of a breakthrough in interest rate levels and historical correlations, giving rise to sudden changes in the slopes and even to inverted curves.

The model is necessarily underpinned by an elaborate set of hypotheses that aim to reproduce the behavior of the balance sheet as closely as possible to reality. Especially relevant among these assumptions are those related to the behavior of "accounts with no explicit maturity", for which stability and remuneration assumptions are established, consistent with an adequate segmentation by type of product and customer, and prepayment estimates (implicit optionality). The hypotheses are adapted regularly to signs of changes in behavior, kept properly documented and reviewed on a regular basis in the internal validation processes.

The impacts on the metrics are assessed both from a point of view of economic value (gone concern) and from the perspective of net interest income, for which a dynamic model (going concern) consistent with the corporate assumptions of earnings forecasts is used.

In 2015, the expansionary monetary policies in Europe were intensified with has led interest rates to stand at negative levels in several sections of the rate curve. whereas in the United States and Mexico there were the first increase in interest rates by the end of the year. The main economies of South America also initiated the upward cycle of interest rates during the second half of the year.

The BBVA Group in all its Balance Sheet Management Units ("BSMUs") maintains a positive sensitivity in its net interest income to an increase in interest rates. The entry of Turkey, has helped to diversify the Group's net exposure due to the opposite direction of its position on Europe. The higher sensitivities in the net interest income, relatively speaking, are observed in mature markets (Europe and USA), where, however, the negative sensitivity in their net interest income to decrease in interest rates is limited by the plausible downward trend in interest rates. The Group maintains a moderate risk profile, according to its target risk, through effective management of its balance sheet structural risk.

## Structural equity risk

BBVA's exposure to structural equity risk stems basically from investments in industrial and financial companies with medium- and long-term investment horizons. This exposure is mitigated through net short positions held in derivatives of their underlying assets, used to limit portfolio sensitivity to potential falls in prices.

Structural management of equity portfolios is the responsibility of the Group's units specializing in this area. Their activity is subject to the corporate risk management policies for equity positions in the equity portfolio. The aim is to ensure that they are handled consistently with BBVA's business model and appropriately to its risk tolerance level, thus enabling long-term business sustainability.

The Group's risk management systems also make it possible to anticipate possible negative impacts and take appropriate measures to prevent damage being caused to the Entity. The risk control and limitation mechanisms are focused on the exposure, annual operating performance and economic capital estimated for each portfolio. Economic capital is estimated in accordance with a corporate model based on Monte Carlo simulations, taking into account the statistical performance of asset prices and the diversification existing among the different exposures.

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Backtesting is carried out on a regular basis on the risk measurement model used.

As for the market, in 2015, the strength of the US dollar continued the trend that began in 2014, along with the weakness of the currencies of emerging economies, which have depreciated sharply against the dollar, affected by falling prices in raw materials, especially oil, and uncertainty about the growth in these economies after the change of monetary policy of the Federal Reserve and the slowdown in China. As a result of these factors, there was also an upturn in volatility in foreign exchange markets in emerging markets. Also it is noteworthy the significant adjustment in the Argentina's currency, affected by imbalances in its economy.

The Group's structural exchange-rate risk exposure level has decreased sharply during 2015 as a result of the sale of participations in the Citic Group.

Stress tests and analyses of sensitivity to different simulated scenarios are carried out periodically to analyze the risk profile in more depth. They are based on both past crisis situations and forecasts made by BBVA Research. This checks that the risks are limited and that the tolerance levels set by the Group are not at risk.

## 5.5 Liquidity risk

Management of liquidity and structural finance within the BBVA Group is based on the principle of the financial autonomy of the entities that make it up. This approach helps prevent and limit liquidity risk by reducing the Group's vulnerability in periods of high risk. This decentralized management avoids possible contagion due to a crisis that could affect only one or various BBVA Group entities, which must cover their liquidity needs independently in the markets where they operate. Liquidity Management Units have been set up for this reason in the geographical areas where the main foreign subsidiaries operate, and also for the parent BBVA S.A. within the Euro currency scope, specifically BBVA Portugal and the recent Catalunya Banc acquisition.

Thus a core principle of the BBVA Group's liquidity management is the financial independence of its banking subsidiaries. This aims to ensure that the cost of liquidity is correctly reflected in price formation. Accordingly, a liquidity pool is maintained at an individual entity level, both in Banco Bilbao Vizcaya Argentaria, S.A. and in the banking subsidiaries, including BBVA Compass, BBVA Bancomer and the Latin American subsidiaries.

The table below shows the liquidity available by instrument as of December 31, 2015 for the most significant entities:

2015	BBVA Eurozone (1)
Cash and balances with central banks	10,939
Assets for credit operations with central banks	51,811
Central governments issues	31,314
Of Which: Spanish government securities	25,317
Other issues	20,497
Loans	-
Other non-eligible liquid assets	5,760
<b>ACCUMULATED AVAILABLE BALANCE</b>	<b>68,510</b>
<b>AVERAGE BALANCE</b>	<b>67,266</b>

(1) Includes Banco Bilbao Vizcaya Argentaria, S.A., Catalunya Banc, S.A. and Banco Bilbao Vizcaya Argentaria (Portugal), S.A.

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The Finance Division, through Balance Sheet Management, manages BBVA Group's liquidity and funding. It plans and executes the funding of the long-term structural gap of each Liquidity Management Unit (LMUs) and proposes to ALCO the actions to adopt in this regard in accordance with the policies and limits established by the Standing Committee.

The Bank's target behavior, in terms of liquidity and funding risk is characterized through the Loan to Stable Customer Deposits (LtSCD) ratio. The aim is to preserve a stable funding structure in the medium term for each of the LMUs making up BBVA Group, taking into account that maintaining an adequate volume of stable customer funds is key to achieving a sound liquidity profile.

For the purpose of establishing the (maximum) target levels for LtSCD in each LMU and providing an optimal funding structure reference in terms of risk appetite, GRM-Structural Risks identifies and assesses the economic and financial variables that condition the funding structures in the various geographical areas.

The second core element in liquidity and funding risk management is to achieve proper diversification of the wholesale funding structure, avoiding excessive reliance on short-term funding and establishing a maximum level of short-term wholesale borrowing.

The third element promotes the short-term resilience of the liquidity risk profile, making sure that each LMU has sufficient collateral to address the risk of wholesale markets closing. Basic Capacity is the short-term liquidity risk management and control metric that is defined as the relationship between the available explicit assets and the maturities of wholesale liabilities and volatile funds, at different terms, with special relevance being given to 30-day maturities.

The above metrics are completed with a series of indicators and thresholds that aim to avoid the concentration of wholesale funding by product, counterparty, market and term, as well as to promote diversification by geographical area. In addition, reference thresholds are established on a series of advance indicators that make it possible to anticipate stress situations in the markets and adopt, if necessary, preventive actions.

Stress analyses are also a basic element of the liquidity and funding risk monitoring system, as they help anticipate deviations from the liquidity targets and limits set out in the risk appetite. They also play a key role in the design of the Liquidity Contingency Plan and in defining the specific measures for action for realigning the risk profile. For each of the scenarios, a check is carried out whether the Bank has a sufficient stock of liquid assets to ensure the ability to meet the liquidity commitments/outflows in the different periods analyzed. The analysis considers four scenarios, one core and three crisis-related: systemic crisis; unexpected internal crisis with a considerable rating downgrade and/or affecting the ability to issue in wholesale markets and the perception of business risk by the banking intermediaries and the bank's customers; and a mixed scenario, as a combination of the two aforementioned scenarios. Each scenario considers the following factors: liquidity existing on the market, customer behavior and sources of funding, impact of rating downgrades, market values of liquid assets and collateral, and the interaction between liquidity requirements and the performance of the bank's asset quality. The results of these stress analyses carried out regularly reveal that BBVA has a sufficient buffer of liquid assets to deal with the estimated liquidity outflows in a scenario such as a combination of a systemic crisis and an unexpected internal crisis with a major downgrade in the bank's rating (by up to three notches).

In 2015, both long and short-term wholesale funding markets continued to be stable thanks to the positive trend in sovereign risk premiums and the setting of negative rates by the ECB for the marginal deposit facility, in an environment marked by greater uncertainty on growth in the Eurozone, which has led to new actions by the ECB.

Long and short term wholesale funding markets were stable in 2015. The ECB carried out quarterly targeted longer-term refinancing operations (TLTRO) with the aim of boosting channeled lending and improving financial conditions for the whole European economy. At these auctions the Euro LMU took €8 billion in 2015 (see Note 7).

The liquidity position of all the subsidiaries outside Europe has continued to be comfortable, maintaining a solid liquidity position in all the jurisdictions in which the Group operates.

In this context of improved access to the market, BBVA has maintained its objective of strengthening the funding structure of the different Group entities based on growing their self-funding from stable customer funds, while guaranteeing a sufficient buffer of fully available liquid assets, diversifying the various sources of funding available, and optimizing the generation of collateral available for dealing with stress situations in the markets. The liquidity risk exposure has been kept within the risk appetite and the limits approved by the Board of Directors.

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## 5.6 Encumbered Assets

As of December 31, 2015, the encumbered (given as collateral for certain liabilities) and unencumbered assets are broken down as follows:

December 2015 Assets	Millions of Euros			
	Encumbered assets		Unencumbered assets	
	Book value of Encumbered assets	Market value of Encumbered assets	Book value of non-encumbered assets	Market value of non-encumbered assets
<b>Assets</b>	<b>106,029</b>		<b>292,081</b>	
Equity instruments	2,680	2,680	5,312	5,312
Debt Securities	23,493	23,569	41,435	41,520
Loans and Advances and other assets	79,856		245,334	

These assets are mainly linked to covered bonds. Such assets relate mainly to loans linked to the issue of mortgage bonds, covered bonds or long term securitized bonds (see Note 19); to debt securities that are committed in repurchase agreements; collateral pledged and also loans or debt instruments, in order to access to financing transactions with central banks. The encumbered assets caption also includes any type of collateral pledged to derivative transactions.

As of December 31, 2015 collateral pledge mainly due to repurchase agreements and securities lending, and those which could be committed in order to obtain funding are provided below:

December 2015 Collateral received	Millions of Euros		
	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance	Nominal amount of collateral received or own debt securities issued not available for encumbrance
<b>Collateral received</b>	<b>12,317</b>	<b>7,236</b>	-
Equity instruments	-	-	-
Debt securities	12,317	7,236	-
Loans and Advances and other assets	-	-	-
<b>Own debt securities issued other than own covered bonds or ABSs</b>	<b>6</b>	<b>142</b>	-

As of December 31, 2015, financial liabilities issued were as follows:

December 2015 Sources of encumbrance	Millions of Euros	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
<b>Book value of financial liabilities</b>	<b>101,779</b>	<b>118,352</b>



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## 5.7 Residual maturity

Below is a breakdown by contractual maturity of the balances of certain headings in the accompanying consolidated balance sheets, excluding any valuation adjustments or impairment losses:

Millions of Euros							
2015	Demand	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
<b>ASSETS -</b>							
Cash and balances with central banks	11,108	-	-	-	-	-	11,108
Loans and advances to credit institutions	2,942	6,455	1,642	9,512	2,913	1,763	25,227
Loans and advances to customers	21,727	18,915	12,439	22,821	51,155	77,843	204,900
Debt securities	-	1,682	1,287	10,665	23,481	27,249	64,364
OTC derivatives	-	1,245	1,774	3,825	11,925	23,444	42,213
<b>LIABILITIES-</b>							
Deposits from central banks	1	2,853	2,668	848	13,257	-	19,627
Deposits from credit institutions	2,176	28,049	6,391	9,100	6,191	3,479	55,386
Deposits from customers	83,412	20,464	22,473	38,062	19,498	3,109	187,018
Debt certificates (including bonds)	-	2,018	1,990	91	9,694	10,111	23,904
Subordinated liabilities	-	-	-	208	1,611	6,449	8,268
Short positions	7,253	-	-	-	-	-	7,253
Other financial liabilities	5,422	916	200	131	69	65	6,803
OTC derivatives	-	1,205	1,640	4,199	12,104	22,114	41,262
<b>CONTINGENT LIABILITIES</b>							
Financial guarantees	3,121	1,375	1,936	3,071	8,191	3,264	20,958

Millions of Euros							
2014	Demand	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
<b>ASSETS -</b>							
Cash and balances with central banks	9,262	-	-	-	-	-	9,262
Loans and advances to credit institutions	2,210	16,116	640	1,819	1,137	1,864	23,786
Loans and advances to customers	21,439	21,534	14,507	27,859	44,698	82,561	212,598
Debt securities	28	547	1,676	5,498	27,392	30,091	65,232
OTC derivatives	-	1,835	2,180	4,098	11,317	27,324	46,754
<b>LIABILITIES-</b>							
Deposits from central banks	2	4,839	6,812	1,483	5,256	-	18,392
Deposits from credit institutions	2,856	31,884	4,960	6,740	8,876	2,670	57,986
Deposits from customers	72,830	26,941	12,039	45,412	29,219	983	187,424
Debt certificates (including bonds)	-	18	3,521	153	11,920	8,743	24,355
Subordinated liabilities	-	-	-	63	1,546	6,036	7,645
Short positions	7,150	-	-	-	-	-	7,150
Other financial liabilities	501	5,724	59	71	2	2	6,359
OTC derivatives	-	2,142	2,238	4,044	11,466	25,895	45,785
<b>CONTINGENT LIABILITIES</b>							
Financial guarantees	3,024	3,748	685	7,746	7,924	2,931	26,058

## 5.8 Operational Risk

Operational risk is defined as one that could potentially cause losses due to human errors, inadequate or faulty internal processes, system failures or external events. This definition includes legal risk and excludes strategic and/or business risk and reputational risk.

Operational risk is inherent to all banking activities, products, systems and processes. Its origins are diverse (processes, internal and external fraud, technology, human resources, commercial practices, disasters, suppliers).

### Operational risk management framework

Operational risk management in the Group is based on the value-adding drivers generated by the advanced measurement approach (AMA), as follows:

- Active management of operational risk and its integration into day-to-day decision-making means:
  - Knowledge of the real losses associated with this type of risk.

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- Identification, prioritization and management of real and potential risks.
- The existence of indicators that enable the Bank to analyze operational risk over time, define warning signals and verify the effectiveness of the controls associated with each risk.

The above helps create a proactive model for making decisions about control and business, and for prioritizing the efforts to mitigate relevant risks in order to reduce the Group's exposure to extreme events.

- Improved control environment and strengthened corporate culture.
- Generation of a positive reputational impact.

### **Operational Risk Management Principles**

Operational risk management in BBVA Group should:

- Be aligned with the risk appetite statement set out by the Board of Directors of BBVA.
- Anticipate the potential operational risks to which the Group would be exposed as a result of new or modified products, activities, processes, systems or outsourcing decisions, and establish procedures to enable their evaluation and reasonable mitigation prior to their implementation.
- Establish methodologies and procedures to enable a regular reassessment of the relevant operational risks to which the Group is exposed in order to adopt appropriate mitigation measures in each case, once the identified risk and the cost of mitigation (cost/benefit analysis) have been considered, while preserving the Group's solvency at all times.
- Identify the causes of the operational losses sustained by the Group and establish measures to reduce them. Procedures must therefore be in place to enable the capture and analysis of the operational events that cause those losses.
- Analyze the events that have caused operational risk losses in other institutions in the financial sector and promote, where appropriate, the implementation of the measures needed to prevent them from occurring in the Group.
- Identify, analyze and quantify events with a low probability of occurrence and high impact in order to ensure their mitigation. Due to their exceptional nature, it is possible that such events may not be included in the loss database or, if they are, they have impacts that are not representative.
- Have an effective system of governance in place, where the functions and responsibilities of the areas and bodies involved in operational risk management are clearly defined.

These principles reflect BBVA Group's vision of operational risk, on the basis that the resulting events have an ultimate cause that should always be identified, and that the impact of the events is reduced significantly by controlling that cause.

Irrespective of the adoption of all the possible measures and controls for preventing or reducing both the frequency and severity of operational risk events, BBVA ensures at all times that sufficient capital is available to cover any expected or unexpected losses that may occur.

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## 6. Fair value of financial instruments

The fair value of financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is therefore a market-based measurement and not specific to each entity.

All financial instruments, both assets and liabilities are initially recognized at fair value, which at that point is equivalent to the transaction price, unless there is evidence to the contrary in an active market. Subsequently, depending on the type of financial instrument, it may continue to be registered at fair value through adjustments in the profit and loss or equity.

When possible, the fair value is determined as the market price of a financial instrument. However, for many of the assets and liabilities of the Group, especially in the case of derivatives, there is no market price available, so its fair value is estimated on the basis of the price established in recent transactions involving similar instruments or, in the absence thereof, by using mathematical measurement models that are sufficiently tried and trusted by the international financial community. The estimates used in such models take into consideration the specific features of the asset or liability to be measured and, in particular, the various types of risk associated with the asset or liability. However, the limitations inherent in the measurement models and possible inaccuracies in the assumptions and parameters required by these models may mean that the estimated fair value of an asset or liability does not exactly match the price for which the asset or liability could be exchanged or settled on the date of its measurement.

The process for determining the fair value established in the entity to ensure that trading portfolio assets are properly valued, BBVA has established, at a geographic level, a structure of New Product Committees responsible for validating and approving new products or types of assets and liabilities before being contracted. The members of these Committees, responsible for valuation, are independent from the business (see Note 5).

These areas are required to ensure, prior to the approval stage, the existence of not only technical and human resources, but also adequate informational sources to measure these assets and liabilities, in accordance with the rules established by the Global Valuation Area and using models that have been validated and approved by the Department of Methodologies that reports to Global Risk Management.

Additionally, for assets and liabilities that show significant uncertainty in inputs or model parameters used for assessment, criteria is established to measure said uncertainty and activity limits are set based on these. Finally, these measurements are compared, as much as possible, against other sources such as the measurements obtained by the business teams or those obtained by other market participants.

The process for determining the fair value required the classification of the financial assets and liabilities according to the measurement processes used set forth below:

- *Level 1*: Measurement using market observable quoted prices for the financial instrument in question, secured from independent sources and referred to active markets - according to the Group policies. This level includes listed debt securities, listed equity instruments, some derivatives and mutual funds.
- *Level 2*: Measurement that applies techniques using inputs drawn from observable market data.
- *Level 3*: Measurement using techniques where some of the material inputs are not taken from market observable data. As of December 31, 2015, the affected instruments accounted for approximately 0.16% of financial assets and 0.08% of the Group's financial liabilities registered at fair value. Model selection and validation is undertaken by control areas outside the market units.

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Below is a comparison of the carrying amount of the Bank's financial instruments in the accompanying balance sheets and their respective fair values.

		Millions of Euros			
		2015		2014	
Fair Value and Carrying Amount	Notes	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>ASSETS-</b>					
Cash and balances with central banks	7	11,108	11,108	9,262	9,262
Financial assets held for trading	8	58,606	58,606	64,495	64,495
Other financial assets at fair value through profit and loss		-	-	-	-
Available-for-sale financial assets	10	50,601	50,601	53,709	53,709
Loans and receivables	11	226,863	228,757	230,724	232,314
Fair value changes of the hedges items in portfolio hedges of interest rate risk	12	54	54	121	121
Hedging derivatives	12	1,714	1,714	2,112	2,112
<b>LIABILITIES-</b>					
Financial assets held for trading	8	46,973	46,973	50,976	50,976
Financial liabilities at amortized cost	19	303,095	304,875	305,036	301,154
Fair value changes of the hedges items in portfolio hedges of interest rate risk	12			-	-
Hedging derivatives	12	1,542	1,542	1,959	1,959

Not all assets and liabilities are recorded at fair value, so below we provide the information on financial instruments at fair value and subsequently the information of those recorded at cost with an assigned value, although this value is not used when accounting for these instruments.

## 6.1 Fair value of certain financial instruments registered at fair value using valuation criteria

The following table shows the main financial instruments carried at fair value in the accompanying balance sheets, broken down by the measurement technique used to determine their fair value:

		Millions of Euros					
		2015			2014		
Fair Value by Levels	Notes	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>ASSETS-</b>							
Financial assets held for trading	8	18,894	39,554	158	20,637	43,694	164
Debt securities		13,692	417	24	15,046	533	11
Other equity instruments		3,880	2	92	4,172	15	77
Trading derivatives		1,322	39,135	42	1,419	43,146	76
Available-for-sale financial assets	10	49,539	912	22	52,657	926	2
Debt securities		45,650	911	22	46,495	896	2
Other equity instruments		3,889	1	-	6,162	30	-
Hedging derivatives	12	-	1,714	-	-	2,112	-
<b>LIABILITIES-</b>							
Financial liabilities held for trading	8	8,172	38,764	37	8,510	42,430	36
Trading derivatives		919	38,764	37	1,360	42,430	36
Short positions		7,253	-	-	7,150	-	-
Hedging derivatives	12	-	1,542	-	-	1,959	-

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The heading “Available-for-sale financial assets” in the accompanying balance sheets as of December 31, 2015 and 2014 additionally includes €128 and €124 million, respectively, accounted for at cost, as indicated in the section of this Note entitled “Financial instruments at cost”.

The following table sets forth the main measurement techniques, hypothesis and inputs used in the estimation of fair value of the financial instruments classified under Levels 2 and 3, based on the type of financial asset and liability and the corresponding balances as of December 31, 2015:

Financial Instruments Level 2	Fair Value (Millions of euros)	Valuation technique(s)	Unobservable inputs
<b>Debt securities</b>			
Trading portfolio	417	<b>Present-value method (Discounted future cash flows)</b>	- Prepayment rates - Issuer credit risk - Current market interest rates
Other financial assets at fair value through profit and loss	-	<b>Active price in inactive market</b>	- Brokers/dealers quotes - External contributing prices - Market benchmarks
Available-for-sale financial assets	911	<b>Comparable pricing (Observable price in a similar market)</b>	
<b>Equity Instruments</b>			
Trading portfolio	2	<b>Comparable pricing (Observable price in a similar market)</b>	- Brokers quotes - Market operations - NAVs published
Available-for-sale financial assets	1		
<b>Derivatives</b>			
<b>Trading derivatives</b>		<ul style="list-style-type: none"> <li>• Commodities: Discounted cash flows and moment adjustment</li> <li>• Credit products: Default model and Gaussian copula</li> <li>• Exchange rate products: Discounted cash flows, Black, Local Vol and Moment adjustment</li> <li>• Fixed income products: Discounted cash flows</li> <li>• Equity instruments: Local-Vol, Black, Moment adjustment and Discounted cash flows</li> <li>• Interest rate products: <ul style="list-style-type: none"> <li>- Interest rate swaps, Call money Swaps y FRA: Discounted cash flows</li> <li>- Caps/Floors: Black, Hull-White y SABR</li> <li>- Bond options: Black</li> <li>- Swaptions: Black, Hull-White y LGM</li> <li>- Interest rate options: Black, Hull-White y SABR</li> <li>- Constant Maturity Swaps: SABR</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Exchange rates</li> <li>- Market quoted future prices</li> <li>- Market interest rates</li> <li>- Underlying assets prices: shares, funds, commodities</li> <li>- Market observable volatilities</li> <li>- Issuer credit spread levels</li> <li>- Quoted dividends</li> <li>- Market listed correlations</li> </ul>
Trading asset portfolio	39,135		
Trading liability portfolio	38,764		
<b>Hedging derivatives</b>			
Assets	1,714		
Liability	1,542		

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Financial Instruments Level 3	Fair Value (Millions of euros)	Valuation technique(s)	Unobservable inputs
<b>Debt securities</b>		<b>Present-value method (Discounted future cash flows)</b>	- Credit spread - Recovery rates - Interest rates - Market benchmark - Default correlation
Trading portfolio	24	<b>Comparable pricing (Comparison with prices of similar instruments)</b>	- Prices of similar instruments or market benchmark
Available-for-sale financial assets	22		
<b>Equity Instruments</b>		<b>Net Asset Value</b>	- NAV provided by the administrator of the fund
Trading portfolio	92	<b>Comparable pricing (Comparison with prices of similar instruments)</b>	- Prices of similar instruments or market benchmark
Available-for-sale financial assets	-		
<b>Derivatives</b>		<b>Credit Option: Gaussian Copula</b>	- Correlation default - Credit spread - Recovery rates - Interest rate yields
<b>Trading derivatives</b>		<b>Equity OTC Options : Heston</b>	- Volatility of volatility - Interest rate yields - Dividends - Assets correlation
Trading asset portfolio	42		
Trading liability portfolio	37		
<b>Hedging derivatives</b>		<b>Interest rate options: Libor Market Model</b>	- Beta - Correlation rate/credit - Credit default volatility
Liability	-		

Quantitative information of non-observable inputs used to calculate Level 3 valuations is presented below:

Instrumento Financiero	Método de valoración	Inputs no observables significativos	Min	Max	Media	Unidades
Valores representativos de deuda	Valor actual neto	Diferencial de crédito	264.00	320.00	264.23	b.p.
		Tasa de recuperación	0.25	40.00	39.99	%
	Precios comparables	Precio	0.25	89.41	51.50	%
Renta Variable	Net Asset Value	Net Asset Value (*)	-	-	-	-
	Precios comparables	Precio (*)	-	-	-	-
Opciones de crédito	Cópula gaussiana	Correlación de impago	37.39	81.83	45.63	%
Opciones de bonos corporativos	Black 76	Price Volatility	4.46	6.30	5.91	Vegas
Opciones RV OTC	Heston	Volatility of volatility	36.41	88.34	38.77	Vegas
Opciones de tipo de interés	Libor Market Model	Beta	0.03	18.00	5.41	%
		Correlación tipo/crédito	(100.00)	100.00	(**)	%
		Volatilidad de impago	0.00	0.00	0.00	Vegas

(\*) Range is not provided as it would be too wide to take into account the diverse nature of the different positions.

(\*\*) Depending on the sensitivity of the worst scenario transaction by transaction.

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

- The net present value: This model uses the future cash flows of each instrument, which are established in the different contracts, and discounted to their present value. This model often includes many observable market parameters, but may also include unobservable market parameters directly, as described below:

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- Credit Spread: represents the difference in yield of an instrument and the reference rate, reflecting the additional return that a market participant would require to take the credit risk of that instrument. Therefore, the credit spread of an instrument is part of the discount rate used to calculate the present value of future cash flows.
- Recovery rate: defines how the percentage of principal and interest recovered from a debt instrument that has defaulted.
- Comparable prices: prices of comparable instruments and benchmarks are used to calculate its yield from the entry price or current rating making further adjustments to account for differences that may exist between valued asset and it is taken reference. It can also be assumed that the price of an instrument is equivalent to the other.
- Net asset value: represents the total value of the assets and liabilities of a fund and is published by the fund manager thereof.
- Gaussian copula: dependent on credit instruments of various references, the joint density function to integrate to value is constructed by 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.
- Heston: the model, typically applied to equity options assumes stochastic behavior of volatility. According to which, the volatility follows a process that reverts to a long-term level and is correlated with the underlying 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 modeled based on the set of forwards that compose the process. The correlation matrix is parameterized on the assumption that the correlation between any two forwards decreases at a constant rate, beta, to the extent of the difference in their respective due dates. The multifactorial frame of this model makes it ideal for the valuation of instruments sensitive to the slope or curve.

## Adjustments to the valuation for risk of default

The credit valuation adjustments (“CVA”) and debit valuation adjustments (“DVA”) are a part of derivative valuations, both assets and liabilities, to reflect the impact in the fair value of the credit risk of the counterparty and its own, respectively.

These adjustments are calculated by estimating Exposure At Default, Probability of Default and Loss Given Default, for all derivative products on any instrument at the legal entity level (all counterparties under a same ISDA / CMOF) in which BBVA has exposure.

As a general rule, the calculation of CVA is done through simulations of market and credit variables to calculate the expected positive exposure, given the Exposure at Default and multiplying the result by the Loss Given Default of the counterparty. Consequently, the DVA is calculated as the result of the expected negative exposure given the Exposure at Default and multiplying the result by the Loss Given Default of the counterparty. Both calculations are performed throughout the entire period of potential exposure.

The information needed to calculate the exposure at default and the loss given default come from the credit markets (Credit Default Swaps or iTraxx Indexes), save for cases where an internal rating is available. For those cases where the information is not available, BBVA implements a mapping process based on the sector, rating and geography to assign probabilities of both probability of default and loss given default, calibrated directly to market or with an adjustment market factor for the probability of default and the historical expected loss.

The impact recorded under "Net gains (losses) on financial asset and liabilities" in the income statement for the year ended December 31, 2015 corresponding to the credit risk assessment of the asset derivative positions as "Credit Valuation Adjustment" (CVA) and liabilities derivative position as "Debit Valuation Adjustment" (DVA), was negative -€222 and positive €194 million, respectively. The impact recorded under "Net gains (losses) on financial asset and liabilities" in the consolidated income statement corresponding to the mentioned adjustments was a net impact of €98 million.

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## Financial assets and liabilities classified as Level 3

The changes in the balance of Level 3 financial assets and liabilities included in the accompanying balance sheets are as follows:

Financial Assets Level 3 Changes in the Period	Millions of Euros			
	2015		2014	
	Assets	Liabilities	Assets	Liabilities
<b>Balance at the beginning</b>	<b>166</b>	<b>36</b>	<b>236</b>	<b>17</b>
Valuation adjustments recognized in the income	19	(2)	40	23
Valuation adjustments not recognized in the income	-	-	1	-
Acquisitions, disposals and liquidations	(77)	3	(116)	(4)
Net transfers to level 3	72	-	5	-
<b>Balance at the end</b>	<b>180</b>	<b>37</b>	<b>166</b>	<b>36</b>

(\*) Profit or loss that is attributable to gains or losses relating to those assets and liabilities held at the end of the reporting period. Valuation adjustments are recorded under the heading "Net gains (losses) on financial assets and liabilities (net)".

In 2015, the profit/loss on sales of financial instruments classified as level 3 recognized in the accompanying income statement was not material.

## Transfers between levels

The Global Valuation Area, in collaboration with the Technology and Methodology Area, has established the rules for a proper trading portfolio asset classification according to the fair value hierarchy defined by international accounting standards.

On a monthly basis, any new assets registered in the portfolio are classified, according to this criterion, by the generating subsidiary. Then, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

The financial instruments transferred between the different levels of measurement in 2015 are at the following amounts in the accompanying balance sheets as of December 31, 2015:

Transfer between levels	From:	Millions of Euros					
		Level 1		Level 2		Level 3	
		To: Level 2	To: Level 3	To: Level 1	To: Level 3	To: Level 1	To: Level 2
<b>ASSETS</b>		<b>176</b>	<b>-</b>	<b>640</b>	<b>118</b>	<b>-</b>	<b>15</b>
Financial assets held for trading		36	-	159	83	-	10
Available-for-sale financial assets		140	-	481	35	-	5
Hedging derivatives		-	-	-	-	-	-
<b>LIABILITIES-</b>							
Financial liabilities held for trading		-	-	-	-	-	-
Hedging derivatives		-	-	-	-	-	-

The amount of financial instruments that were transferred between levels of valuation for 2015 is insignificant relative to the total portfolios, basically corresponding to the above revisions of the classification between levels because these assets had modified some of its features. Specifically:

- The transfers between Tier 1 and 2 were produced mainly in debt securities, which are either no longer listed on an active market (transfer from Tier 1 to 2) or are just starting to be listed (transfer from Tier 2 to 1).
- The transfers from Tier 2 to Tier 3 are due €43 million to debt securities and €75 million to equity instruments for which observable data are not available in their valuation.
- The transfers from Tier 3 to Tier 2 are solely in equity instruments, for which observable market data are available for valuation



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## Sensitivity Analysis

Sensitivity analysis is performed on products with significant unobservable inputs (products included in level 3), in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out on a monthly basis, based on the criteria defined by the Global Valuation Area taking into account the nature of the methods used for the assessment and the reliability and availability of inputs and proxies used. In order to establish, with a sufficient degree of certainty, the valuating risk that is incurred in such assets without applying diversification criteria between them.

As of December 31, 2015, the effect on the income and equity of changing the main hypotheses used for the measurement of Level 3 financial instruments for other reasonably possible models, taking the highest (most favorable hypotheses) or lowest (least favorable hypotheses) value of the range deemed probable, would be as follows:

Financial Assets Level 3 Sensitivity Analysis	Millions of Euros			
	Potential Impact on Income Statement		Potential Impact on Total Equity	
	Most Favorable Hypotheses	Least Favorable Hypotheses	Most Favorable Hypotheses	Least Favorable Hypotheses
<b>ASSETS</b>				
Financial assets held for trading	14	(22)	-	-
Available-for-sale financial assets	-	-	1	(2)
Hedging derivatives	-	-	-	-
<b>LIABILITIES-</b>				
Financial liabilities held for trading	2	(2)	-	-
<b>Total</b>	<b>16</b>	<b>(24)</b>	<b>1</b>	<b>(2)</b>

## 6.2 Fair value of financial instruments carried at cost using valuation criteria

The valuation methods used to calculate the fair value of financial assets and liabilities carried at cost are presented below:

- The fair value of "Cash and balances with central banks" has been assimilated to their book value, as it is mainly short-term balances.
- The fair value of the "Loans and advances to customers" and "financial liabilities at amortized cost" was estimated using the method of discounted expected future cash flows using market interest rates at the end of each year. Additionally, factors such as prepayment rates and correlations of default are taken into account.

The following table presents key financial instruments carried at amortized cost in the accompanying balance sheets, broken down according to the method of valuation used to estimate their fair value:

Fair Value by Levels	Millions of Euros					
	2015			2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>ASSETS-</b>						
Cash and balances with central banks	11,108	-	-	9,262	-	-
Loans and receivables	-	2,988	225,769	-	3,046	229,268
Held-to-maturity investments	-	-	-	-	-	-
<b>LIABILITIES-</b>						
Financial liabilities at amortized cost	-	-	304,875	-	-	301,154

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The main valuation methods, hypotheses and inputs used to estimate the fair value of financial instruments accounted for at cost and classified in levels 2 and 3 is shown below. These are broken down by type of financial instrument and the balances correspond to those at December 31, 2015:

Financial Instruments Level 2	Fair Value (Millions of euros)	Valuation technique(s)	Unobservable inputs
<b>Loans and receivables</b>		<b>Present-value method (Discounted future cash flows)</b>	- Credit spread - Interest rates
Debt securities	2,988		

Financial Instruments Level 3	Fair Value (Millions of euros)	Valuation technique(s)	Unobservable inputs
<b>Loans and receivables</b>		<b>Present-value method (Discounted future cash flows)</b>	- Credit spread - Prepayment rates - Market interest rates
Loans and advances to credit institutions	25,673		
Loans and advances to customers	198,860		
Debt securities	1,235		
<b>Financial liabilities at amortized cost</b>		<b>Present-value method (Discounted future cash flows)</b>	- Credit spread - Prepayment rates - Market interest rates
Deposits from central banks	19,642		
Deposits from credit institutions	55,405		
Customer deposits	186,997		
Debt certificates	27,734		
Subordinated liabilities	8,295		
Other financial liabilities	6,803		

## Financial instruments at cost

As of December 31, 2015 and 2014, equity instruments, derivatives with these equity instruments as underlying assets, and certain discretionary profit-sharing arrangements in some companies, are recognized at cost in the balance sheets because their fair value could not be reliably determined, as they are not traded in organized markets and, thus, their unobservable inputs are significant. On the above dates, the balance of these financial instruments recognized in the portfolio of available-for-sale financial assets amounted to €128 million and €124 million, respectively.

The table below outlines the financial assets and liabilities carried at cost that were sold in 2015 and 2014:

Sales of financial instruments at cost	Millions of Euros	
	2015	2014
Amount of Sale	29	71
Carrying Amount at Sale Date	22	21
Gains/Losses	7	50

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## 7. Cash and balances with central banks

The breakdown of the balance under the headings "Cash and balances with central banks" and "Financial liabilities at amortized cost - deposits from central banks" in the accompanying balance sheets is as follows:

		Millions of Euros	
Cash and Balances with Central Banks	Notes	2015	2014
Cash		825	726
Balances at the Central Banks		10,283	8,536
Reverse repurchase agreements	30	-	-
<b>Subtotal</b>		<b>11,108</b>	<b>9,262</b>
Accrued interests		-	-
<b>Total</b>		<b>11,108</b>	<b>9,262</b>

		Millions of Euros	
Deposits from Central Banks	Notes	2015	2014
Deposits from Central Banks		19,238	17,819
Repurchase agreements	30	389	573
Accrued interest until expiration		15	8
<b>Total</b>	19	<b>19,642</b>	<b>18,400</b>

## 8. Financial assets and liabilities held for trading

The breakdown of the balance under these headings in the accompanying balance sheets is as follows:

		Millions of Euros	
Financial Assets and Liabilities Held-for-Trading		2015	2014
<b>ASSETS-</b>			
Debt securities		14,133	15,590
Equity instruments		3,974	4,264
Trading derivatives		40,499	44,641
<b>Total</b>		<b>58,606</b>	<b>64,495</b>
<b>LIABILITIES-</b>			
Trading derivatives		39,720	43,826
Short positions		7,253	7,150
<b>Total</b>		<b>46,973</b>	<b>50,976</b>

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## 8.1 Debt securities

The breakdown by type of instrument of the balance under this heading in the accompanying balance sheets is as follows:

<b>Debt Securities Held-for-Trading Breakdown by type of issuer</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Issued by Central Banks	-	-
Spanish government bonds	7,414	6,332
Foreign government bonds	4,843	5,256
Issued by Spanish financial institutions	329	879
Issued by foreign financial institutions	642	1,252
Other debt securities	905	1,871
<b>Total</b>	<b>14,133</b>	<b>15,590</b>

The debt securities included under Financial Assets Held for Trading earned average annual interest of 0.703% in 2015 (1.362% in 2014).

## 8.2 Equity instruments

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

<b>Equity Instruments Held-for-Trading Breakdown by Issuer</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Shares of Spanish companies</b>		
Credit institutions	804	865
Other sectors	1,193	1,646
Subtotal	1,997	2,511
<b>Shares of foreign companies</b>		
Credit institutions	285	139
Other sectors	1,495	1,472
Subtotal	1,780	1,611
<b>Shares in the net assets of mutual funds</b>	<b>197</b>	<b>142</b>
<b>Total</b>	<b>3,974</b>	<b>4,264</b>

## 8.3 Trading derivatives

The trading derivatives portfolio arises from the Bank's need to manage the risks incurred by it in the course of normal business activity, as well as commercializing these products to large corporations, mutual funds, etc. As of December 31, 2015 and 2014, trading derivatives are principally contracted in over-the-counter (OTC) markets, with credit entities not resident in Spain as the main counterparties, and related to foreign-exchange, interest-rate and equity risk.

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Below is a breakdown of the net positions by transaction type of the fair value of outstanding financial trading derivatives recognized in the accompanying balance sheets, divided into organized and OTC markets:

Trading derivatives by type of risk / by product or by type of market - December 2015	Millions of Euros		
	Assets	Liabilities	Notional amount - Total
<b>Interest rate</b>	<b>26,759</b>	<b>25,278</b>	<b>1,194,675</b>
OTC options	3,221	3,298	196,278
OTC other	23,538	21,980	987,451
Organized market options	-	-	-
Organized market other	-	-	10,946
<b>Equity</b>	<b>3,044</b>	<b>2,783</b>	<b>106,613</b>
OTC options	1,625	1,762	66,612
OTC other	97	103	3,580
Organized market options	1,322	918	33,837
Organized market other	-	-	2,584
<b>Foreign exchange and gold</b>	<b>10,206</b>	<b>11,262</b>	<b>390,279</b>
OTC options	208	297	30,836
OTC other	9,998	10,965	359,443
Organized market options	-	-	-
Organized market other	-	-	-
<b>Credit</b>	<b>488</b>	<b>392</b>	<b>30,707</b>
Credit default swap	435	391	30,247
Credit spread option	1	1	450
Total return swap	-	-	-
Other	52	-	10
<b>Commodity</b>	<b>2</b>	<b>5</b>	<b>18</b>
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DERIVATIVES</b>	<b>40,499</b>	<b>39,720</b>	<b>1,722,292</b>
<i>of which: OTC - credit institutions</i>	<i>25,766</i>	<i>27,974</i>	<i>922,300</i>
<i>of which: OTC - other financial corporations</i>	<i>9,142</i>	<i>7,817</i>	<i>655,437</i>
<i>of which: OTC - other</i>	<i>4,269</i>	<i>3,009</i>	<i>97,172</i>

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Trading derivatives by type of risk / by product or by type of market - December 2014	Millions of Euros		
	Assets	Liabilities	Notional amount - Total
<b>Interest rate</b>	<b>31,112</b>	<b>29,954</b>	<b>1,108,497</b>
OTC options	3,935	3,969	202,239
OTC other	27,176	25,985	897,702
Organized market options	1	-	1,470
Organized market other	-	-	7,086
<b>Equity</b>	<b>3,237</b>	<b>3,475</b>	<b>117,514</b>
OTC options	1,726	2,340	75,172
OTC other	161	120	2,600
Organized market options	1,350	1,015	37,659
Organized market other	-	-	2,083
<b>Foreign exchange and gold</b>	<b>9,742</b>	<b>9,864</b>	<b>342,445</b>
OTC options	244	426	37,129
OTC other	9,498	9,438	305,316
Organized market options	-	-	-
Organized market other	-	-	-
<b>Credit</b>	<b>548</b>	<b>522</b>	<b>45,144</b>
Credit default swap	545	521	43,484
Credit spread option	3	1	1,650
Total return swap	-	-	-
Other	-	-	10
<b>Commodity</b>	<b>2</b>	<b>11</b>	<b>80</b>
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DERIVATIVES</b>	<b>44,641</b>	<b>43,826</b>	<b>1,613,680</b>
<i>of which: OTC - credit institutions</i>	<i>29,382</i>	<i>32,142</i>	<i>928,416</i>
<i>of which: OTC - other financial corporations</i>	<i>8,156</i>	<i>7,983</i>	<i>538,749</i>
<i>of which: OTC - other</i>	<i>5,752</i>	<i>2,684</i>	<i>98,147</i>

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## 9. Other financial assets and liabilities at fair value through profit or loss

As of December 31, 2015 and 2014, this heading of the accompanying balance sheets had no balances.

## 10. Available-for-sale financial assets

### 10.1 Breakdown of the balance

The breakdown of the balance by the main financial instruments in the accompanying balance sheets is as follows:

Available-for-Sale (AFS) Financial Assets	Millions of Euros	
	2015	2014
Debt securities	46,666	47,413
Impairment losses	(83)	(20)
<b>Subtotal</b>	<b>46,583</b>	<b>47,393</b>
Equity instruments	4,103	6,391
Impairment losses	(85)	(75)
<b>Subtotal</b>	<b>4,018</b>	<b>6,316</b>
<b>Total</b>	<b>50,601</b>	<b>53,709</b>

### 10.2 Debt securities

The breakdown of the balance under the heading “Debt securities”, broken down by the nature of the financial instruments, is as follows:

2015	Millions of Euros			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Domestic Debt Securities</b>				
Spanish Government and other government agency debt securities	25,570	1,003	(29)	26,544
Other debt securities	3,217	59	(11)	3,265
Issue by Central Banks	-	-	-	-
Issue by credit institutions	1,775	32	-	1,807
Issue by other issuers	1,442	27	(11)	1,458
<b>Subtotal</b>	<b>28,787</b>	<b>1,062</b>	<b>(40)</b>	<b>29,809</b>
<b>Foreign Debt Securities</b>				
<b>Mexico</b>				
Mexican Government and other government agency debt securities	653	-	(26)	627
Other debt securities	131	-	(1)	130
Issue by Central Banks	522	-	(25)	497
Issue by credit institutions	-	-	-	-
Issue by other issuers	522	-	(25)	497
<b>The United States</b>	<b>2,781</b>	<b>6</b>	<b>(126)</b>	<b>2,661</b>
Government securities	151	-	-	151
US Treasury and other US Government agencies States and political subdivisions	151	-	-	151
Other debt securities	2,630	6	(126)	2,510
Issue by Central Banks	-	-	-	-
Issue by credit institutions	33	-	-	33
Issue by other issuers	2,597	6	(126)	2,477
<b>Other countries</b>	<b>13,294</b>	<b>494</b>	<b>(302)</b>	<b>13,486</b>
securities	7,088	481	(11)	7,558
Other debt securities	6,206	13	(291)	5,928
Issue by Central Banks	16	-	-	16
Issue by credit institutions	488	1	(2)	487
Issue by other issuers	5,702	12	(289)	5,425
<b>Subtotal</b>	<b>16,728</b>	<b>500</b>	<b>(454)</b>	<b>16,774</b>
<b>Total</b>	<b>45,515</b>	<b>1,562</b>	<b>(494)</b>	<b>46,583</b>

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<b>Debt Securities Available-for-Sale by Type of Financial Instrument</b>				
Millions of Euros				
<b>2014</b>	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
<b>Domestic Debt Securities</b>				
Spanish Government and other government agency debt securities	27,622	1,632	(20)	29,234
Other debt securities	4,375	122	(9)	4,488
Issue by Central Banks	-	-	-	-
Issue by credit institutions	2,528	75	(1)	2,602
Issue by other issuers	1,847	47	(8)	1,886
<b>Subtotal</b>	<b>31,997</b>	<b>1,754</b>	<b>(29)</b>	<b>33,722</b>
<b>Foreign Debt Securities</b>				
<b>Mexico</b>				
Mexican Government and other government agency debt securities	435	1	(4)	432
Other debt securities	111	-	(1)	110
Issue by Central Banks	324	1	(3)	322
Issue by credit institutions	-	-	-	-
Issue by other issuers	-	-	-	-
<b>The United States</b>	<b>1,131</b>	<b>5</b>	<b>(20)</b>	<b>1,116</b>
Government securities	402	-	-	402
US Treasury and other US Government agencies	402	-	-	402
States and political subdivisions	-	-	-	-
Other debt securities	729	5	(20)	714
Issue by Central Banks	-	-	-	-
Issue by credit institutions	3	-	-	3
Issue by other issuers	726	5	(20)	711
<b>Other countries</b>	<b>11,829</b>	<b>490</b>	<b>(196)</b>	<b>12,123</b>
Other foreign governments and other government agency debt	6,871	411	(13)	7,269
Other debt securities	4,958	79	(183)	4,854
Issue by Central Banks	-	-	-	-
Issue by credit institutions	717	6	(2)	721
Issue by other issuers	4,241	73	(181)	4,133
<b>Subtotal</b>	<b>13,395</b>	<b>496</b>	<b>(220)</b>	<b>13,671</b>
<b>Total</b>	<b>45,392</b>	<b>2,250</b>	<b>(249)</b>	<b>47,393</b>

### 10.3 Equity instruments

The breakdown of the balance under the heading "Equity instruments" as of December 31, 2015 and 2014 is as follows:

<b>AFS-Equity Instruments. Breakdown by Type of Financial Instrument</b>				
Millions of Euros				
<b>2015</b>	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
<b>Equity instruments listed</b>				
Listed Spanish company shares	3,313	1	(510)	2,804
Credit institutions	-	-	-	-
Other entities	3,313	1	(510)	2,804
Listed foreign company shares	989	124	(27)	1,086
United States	18	1	-	19
Other countries	971	123	(27)	1,067
<b>Subtotal</b>	<b>4,302</b>	<b>125</b>	<b>(537)</b>	<b>3,890</b>
<b>Unlisted equity instruments</b>				
Unlisted Spanish company shares	50	-	-	50
Credit institutions	-	-	-	-
Other entities	50	-	-	50
Unlisted foreign companies shares	78	-	-	78
United States	51	-	-	51
Other countries	27	-	-	27
<b>Subtotal</b>	<b>128</b>	<b>-</b>	<b>-</b>	<b>128</b>
<b>Total</b>	<b>4,430</b>	<b>125</b>	<b>(537)</b>	<b>4,018</b>



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<b>AFS-Equity Instruments. Breakdown by Type of Financial Instrument</b>				
<b>Millions of Euros</b>				
<b>2014</b>	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
<b>Equity instruments listed</b>				
Listed Spanish company shares	3,071	1	(70)	3,002
Credit institutions	-	-	-	-
Other entities	3,071	1	(70)	3,002
Listed foreign company shares	2,577	641	(28)	3,190
United States	17	2	-	19
Other countries	2,560	639	(28)	3,171
<b>Subtotal</b>	<b>5,648</b>	<b>642</b>	<b>(98)</b>	<b>6,192</b>
<b>Unlisted equity instruments</b>				
Unlisted Spanish company shares	41	-	-	41
Credit institutions	-	-	-	-
Other entities	41	-	-	41
Unlisted foreign companies shares	83	-	-	83
United States	55	-	-	55
Other countries	28	-	-	28
<b>Subtotal</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>124</b>
<b>Total</b>	<b>5,772</b>	<b>642</b>	<b>(98)</b>	<b>6,316</b>

## 10.4 Gains/losses

The changes in the gains/losses, net of taxes, recognized under the equity heading "Valuation adjustments - Available-for-sale financial assets" in the accompanying balance sheets are as follows:

<b>Millions of Euros</b>		
<b>Changes in Valuation Adjustments - Available-for-Sale Financial Assets</b>	<b>2015</b>	<b>2014</b>
<b>Balance at the beginning</b>	<b>1,781</b>	<b>(52)</b>
Valuation gains and losses	(723)	3,124
Income tax	567	(937)
Amounts transferred to income	(1,167)	(354)
<b>Balance at the end</b>	<b>458</b>	<b>1,781</b>
Of which:		
Debt securities	747	1,401
Equity instruments	(289)	380

No additional impairment has been estimated, as following an analysis according to the criteria of the Note 2.2.

The heading "Impairment losses on financial assets (net) - Available-for-sale financial assets" in the accompanying income statements recognizes losses of €13 million and losses of €12 million for the years 2015 and 2014, respectively (see Note 41).

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## 11. Loans and receivables

The breakdown of the balance under this heading in the accompanying balance sheets, according to the nature of the financial instrument, is as follows:

Loans and Receivables	Notes	Millions of Euros	
		2015	2014
Loans and advances to credit institutions	11.1	25,228	23,813
Loans and advances to customers	11.2	197,422	203,865
Debt securities	11.3	4,213	3,046
<b>Total</b>		<b>226,863</b>	<b>230,724</b>

(\*) The main change in 2015 is as a result of a bond underwriting of BBVA Portugal.

### 11.1 Loans and advances to credit institutions

The breakdown of the balance under this heading in the accompanying balance sheets, according to the nature of the financial instrument, is as follows:

Loans and Advances to Credit Institutions	Notes	Millions of Euros	
		2015	2014
Reciprocal accounts		82	84
Deposits with agreed maturity		3,342	4,548
Demand deposits		1,987	1,850
Reverse repurchase agreements	30	12,033	8,880
Other financial assets		7,762	8,401
Impaired assets		21	23
<b>Total gross</b>	5.3.1	<b>25,227</b>	<b>23,786</b>
<b>Valuation adjustments</b>		<b>1</b>	<b>27</b>
Impairment losses	5.3.7	(21)	(28)
Accrued interest and fees		22	55
Hedging derivatives and others		-	-
<b>Total</b>		<b>25,228</b>	<b>23,813</b>

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## 11.2 Loans and advances to customers

The breakdown of the balance under this heading in the accompanying balance sheets, according to the nature of the financial instrument, is as follows:

Loans and Advances to Customers	Notas	Millions of Euros	
		2015	2014
Mortgage secured loans		83,249	87,159
Other secured loans		2,672	2,810
Other loans		67,008	67,018
Credit accounts		10,681	9,606
Commercial credit		9,457	7,830
Receivable on demand and other		1,827	2,158
Credit cards		1,244	1,119
Finance leases		2,771	2,655
Reverse repurchase agreements	30	4,814	9,108
Financial paper		4,644	4,061
Impaired assets	5.3.6	16,533	19,074
<b>Total gross</b>	5.3.1	<b>204,900</b>	<b>212,598</b>
<b>Valuation adjustments</b>		<b>(7,478)</b>	<b>(8,733)</b>
Impairment losses	5.3.7	(8,561)	(10,146)
Accrued interests and fees		319	574
Hedging derivatives and others		764	839
<b>Total net</b>		<b>197,422</b>	<b>203,865</b>

As of December 31, 2015, 8.98% of "Loans and advances to customers" with a maturity greater than one year were concluded with fixed-interest rates and 91.02% with variable interest rates.

The heading "Loans and advances to customers" includes financial lease arrangements provided by various entities in the Bank for their customers to finance the purchase of assets, including movable and immovable property. The breakdown of the financial lease arrangements as of December 31, 2015 and 2014 is as follows:

Financial Lease Arrangements	Millions of Euros	
	2015	2014
Movable property	1,415	1,224
Real Estate	1,356	1,431
Fixed rate	1,309	1,222
Floating rate	1,462	1,433

The heading "Loans and receivables - Loans and advances to customers" in the accompanying balance sheets also includes certain mortgage loans that, as mentioned in Note 5.6 and pursuant to the Mortgage Market Act, are considered a suitable guarantee for the issue of long-term mortgage covered bonds (see Appendix X). Additionally, this heading also includes certain loans that have been securitized and that have not been derecognized since the Bank has retained substantially all the related risks or rewards due to the fact that it has granted subordinated debt or other types of credit enhancements that absorb either substantially all expected credit losses on the asset transferred or the probable variation in attendant net cash flows.

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The amounts recognized in the balance sheets corresponding to these securitized loans are as follows:

<b>Securitized Loans</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Securitized mortgage assets	24,983	25,384
Other securitized assets	3,229	1,111
Commercial and industrial loans	3,018	503
Finance leases	122	205
Loans to individuals	89	403
<b>Total</b>	<b>28,212</b>	<b>26,495</b>

### 11.3 Debt securities

The breakdown of the balance under this heading in the accompanying balance sheets, according to the nature of the financial instrument, is as follows:

<b>Debt securities</b>	<b>Notes</b>	<b>Millions of Euros</b>	
		<b>2015</b>	<b>2014</b>
Government		2,563	2,576
Credit institutions		12	4
Other sectors		1,644	470
<b>Total gross</b>	5.3.1	<b>4,219</b>	<b>3,050</b>
Valuation adjustments	5.3.7	(6)	(4)
<b>Total</b>		<b>4,213</b>	<b>3,046</b>

## 12. Hedging derivatives (receivable and payable) and Fair-value changes of the hedged items in portfolio hedges of interest-rate risk

The balance of these headings in the accompanying balance sheets is as follows:

<b>Hedging derivatives and Fair value changes of the hedged items in portfolio hedges of interest rate risk</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>ASSETS-</b>		
Fair value changes of the hedged items in portfolio hedges of	54	121
Hedging derivatives	1,714	2,112
<b>LIABILITIES-</b>		
interest rate risk	-	-
Hedging derivatives	1,542	1,959

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As of December 31, 2015 and 2014, the main positions hedged by the Bank and the derivatives assigned to hedge those positions were:

- Fair value hedging:
  - Available-for-sale fixed-interest debt securities: This risk is hedged using interest-rate derivatives (fixed-variable swaps).
  - Long-term fixed-interest debt securities issued by the Bank: This risk is hedged using interest-rate derivatives (fixed-variable swaps).
  - Available-for-sale equity instruments: This risk is hedged using equity forwards.
  - Fixed-interest loans: This risk is hedged using interest-rate derivatives (fixed-variable swaps).
  - Fixed-interest deposit portfolio hedges and/or implicit interest derivatives: This risk is hedged using fixed-variable swaps and interest-rate options. The valuation of the deposit hedges corresponding to interest-rate risk is recognized under the heading "Fair value changes of the hedged items in the portfolio hedges of interest-rate risk."
- Cash-flow hedges  
Most of the hedged items are floating interest-rate loans and asset hedges linked to the inflation of the available for sale portfolio. This risk is hedged using foreign-exchange and interest-rate swaps, inflation and FRA's ("Forward Rate Agreement").
- Net foreign-currency investment hedges  
The risks hedged are foreign-currency investments in the Bank's subsidiaries based abroad. This risk is hedged mainly with foreign-exchange options and forward currency purchases.

Note 5 analyzes the Bank's main risks that are hedged using these financial instruments.

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The details of the net positions by hedged risk of the fair value of the hedging derivatives recognized in the accompanying balance sheets are as follows:

<b>Millions of Euros</b>			
<b>Derivatives - Hedge accounting: Breakdown by type of risk and type of hedge - June 2015</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Notional amount - Total hedging</b>
Interest rate	1,557	1,040	51,849
OTC options	187	128	311
OTC other	1,370	912	51,538
Organized market options	-	-	-
Organized market other	-	-	-
Equity	1	-	-
Foreign exchange and gold	-	-	-
Credit	-	-	-
Commodity	-	-	-
Other	-	-	-
<b>FAIR VALUE HEDGES</b>	<b>1,558</b>	<b>1,040</b>	<b>51,849</b>
Interest rate	64	204	6,580
OTC options	-	-	-
OTC other	64	204	6,580
Organized market options	-	-	-
Organized market other	-	-	-
Equity	-	-	-
Foreign exchange and gold	42	12	1,493
OTC options	42	12	1,493
OTC other	-	-	-
Organized market options	-	-	-
Organized market other	-	-	-
Credit	-	-	-
Commodity	-	-	-
Other	-	-	-
<b>CASH FLOW HEDGES</b>	<b>106</b>	<b>216</b>	<b>8,073</b>
<b>HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK</b>	<b>50</b>	<b>286</b>	<b>9,928</b>
<b>PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DERIVATIVES-HEDGE ACCOUNTING</b>	<b>1,714</b>	<b>1,542</b>	<b>69,850</b>
<i>of which: OTC - credit institutions</i>	1,655	1,278	23,080
<i>of which: OTC - other financial corporations</i>	58	234	46,510
<i>of which: OTC - other</i>	1	30	260

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Millions of Euros			
Derivatives - Hedge accounting: Breakdown by type of risk and type of hedge- December 2014	Assets	Liabilities	Notional amount - Total hedging
<b>Interest rate</b>	1,948	1,385	51,538
OTC options	-	-	-
OTC other	1,948	1,385	51,538
Organized market options	-	-	-
<b>Equity</b>	6	12	-
OTC options	-	-	-
OTC other	6	12	-
Organized market options	-	-	-
<b>Foreign exchange and gold</b>			
<b>Credit</b>			20
OTC options	-	-	-
OTC other	-	-	20
Organized market options	-	-	-
<b>Commodity</b>			
Other	-	-	-
<b>FAIR VALUE HEDGES</b>	1,954	1,397	51,558
<b>Interest rate</b>	74	183	4,530
OTC options	-	-	-
OTC other	74	183	4,530
Organized market options	-	-	-
<b>Equity</b>			
<b>Foreign exchange and gold</b>	22	12	1,064
OTC options	22	12	1,064
OTC other	-	-	-
Organized market options	-	-	-
Organized market other	-	-	-
<b>Credit</b>			
<b>Commodity</b>	-	-	-
<b>Other</b>	-	-	-
<b>CASH FLOW HEDGES</b>	96	195	5,594
<b>HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION</b>	-	-	-
<b>PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK</b>	62	366	10,783
<b>PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK</b>	-	-	-
<b>DERIVATIVES-HEDGE ACCOUNTING</b>	2,112	1,958	67,935
<i>of which: OTC - credit institutions</i>	1,904	1,739	29,314
<i>of which: OTC - other financial corporations</i>	201	185	38,360
<i>of which: OTC - other</i>	7	34	261

The cash flows forecasts for the coming years for cash flow hedging recognized on the accompanying balance sheet as of December 31, 2015 are:

Millions of Euros					
Cash Flows of Hedging Instruments	3 Months or Less	From 3 Months to 1 Year	From 1 to 5 Years	More than 5 Years	Total
Receivable cash inflows	12	34	137	131	314
Payable cash outflows	9	28	148	152	337

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The above cash flows will have an effect on the income statements until the year 2025.

In 2015 and 2014, there was no reclassification in the accompanying consolidated income statements of any amount corresponding to cash flow hedges that was previously recognized in equity.

As of December 31, 2015 and 2014 there was no hedge accounting that did not pass the effectiveness test.

### 13. Non-current assets held for sale

The composition of the balance under the heading "Non-current assets held for sale" in the accompanying balance sheets, broken down by the origin of the assets, is as follows:

Non-Current Assets Held-for-Sale Breakdown by type of Asset	Millions of Euros	
	2015	2014
Business sale agreement - Assets (note 14) (*)	-	482
Other assets from:		
Tangible fixed assets (net)	212	205
For own use	212	205
Assets leased out under an operating lease	-	-
Foreclosures or recoveries (net)	2,832	2,678
Foreclosures	2,666	2,540
Recoveries from financial leases	166	138
Accrued amortization (**)	(26)	(32)
Impairment losses	(678)	(562)
<b>Total Non-Current Assets Held-for-Sale</b>	<b>2,340</b>	<b>2,771</b>

(\*) Corresponds to the CIFH business sale (see Note 14)

(\*\*) Corresponds to the accumulated depreciation of assets before classification as "non-current assets held for sale"

The changes in the balances under this heading in 2015 and 2014 are as follows:

2015	Millions of Euros				Total
	Foreclosed	Recovered Assets from Operating Lease	From Own Use Assets (*)	Other (**)	
<b>Cost-</b>					
<b>Balance at the beginning</b>	<b>2,540</b>	<b>138</b>	<b>173</b>	<b>482</b>	<b>3,333</b>
Additions (Purchases) (***)	876	54	71	-	1,001
Contributions from merger transactions					
Retirements (Sales)	(311)	(16)	(73)	(530)	(930)
Transfers	(439)	(10)	15	48	(386)
<b>Balance at the end</b>	<b>2,666</b>	<b>166</b>	<b>186</b>	<b>-</b>	<b>3,018</b>
<b>Impairment-</b>					
<b>Balance at the beginning</b>	<b>456</b>	<b>39</b>	<b>66</b>	<b>-</b>	<b>561</b>
Additions	134	8	62	-	204
Contributions from merger transactions					
Retirements (Sales)	(56)	(11)	(31)	-	(98)
Transfers	3	2	6	-	11
<b>Balance at the end</b>	<b>537</b>	<b>38</b>	<b>103</b>	<b>-</b>	<b>678</b>
<b>Total</b>	<b>2,129</b>	<b>128</b>	<b>83</b>	<b>-</b>	<b>2,340</b>

(\*) Until classified as non-current assets held for sale.

(\*\*) Corresponds to the CIFH business sale (see Note 14).

(\*\*\*) Corresponds to the initial cost of the asset received.



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Millions of Euros					
2014	Foreclosed	Recovered Assets from Operating Lease	From Own Use Assets (*)	Other (**)	Total
<b>Cost-</b>					
Balance at the beginning	2,305	135	191	-	2,631
Additions (Purchases) (***)	1,020	39	-	-	1,059
Contributions from merger transactions					-
Retirements (Sales)	(373)	(23)	(82)	-	(478)
Transfers	(412)	(13)	64	482	121
<b>Balance at the end</b>	<b>2,540</b>	<b>138</b>	<b>173</b>	<b>482</b>	<b>3,333</b>
<b>Impairment-</b>					
Balance at the beginning	309	32	95	-	436
Additions	317	18	1	-	336
Contributions from merger transactions					-
Retirements (Sales)	(69)	(5)	(47)	-	(121)
Transfers	(101)	(6)	18	-	(89)
<b>Balance at the end</b>	<b>456</b>	<b>39</b>	<b>67</b>	<b>-</b>	<b>562</b>
	<b>2,084</b>	<b>99</b>	<b>106</b>	<b>482</b>	<b>2,771</b>

- (\*) Until classified as non-current assets held for sale.  
(\*\*) Corresponds to the CIFH business sale.  
(\*\*\*) Corresponds to the initial cost of the asset received.

As of December 31, 2015 and 2014, the balance under the heading "Non-current assets held for sale - Foreclosures or recoveries" was made up of €1,883 million and €1,860 million of assets for residential use, €344 million and €303 million of assets for tertiary use (industrial, commercial or offices) and €30 million and €26 million of assets for agricultural use, respectively.

Millions of Euros		
Non-Current Assets Held for Sale From Foreclosures or Recoveries	2015	2014
Residential assets	1,883	1,860
Industrial assets	344	303
Agricultural assets	30	26
<b>Total</b>	<b>2,257</b>	<b>2,183</b>

The table below shows the length of time for which the main assets from foreclosures or recoveries that were on the balance sheet as of December 31, 2015 and 2014 had been held:

Millions of Euros		
Non-Current Assets Held for Sale Period of Ownership	2015	2014
Up to one year	469	702
From 1 to 3 years	989	1,090
From 3 to 5 years	620	354
Over 5 years	179	37
<b>Total</b>	<b>2,257</b>	<b>2,183</b>

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In 2015 and 2014, some of the sales of these assets were financed by the Bank. The amount of the loans granted to the buyers of these assets in those years totaled €170 million and €158 million, respectively, with a mean percentage financed of 93% and 89%, respectively, of the price of sale. The total nominal amount of these loans, which are recognized under "Loans and receivables", is €1,110 million and €940 million, as of December 31, 2015 and 2014, respectively.

As of December 31, 2015 and 2014, the gains from the sale of assets financed by the Bank (and, therefore, not recognized in the income statement), amounted to €17 million and €21 million, respectively.

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## 14. Investments in entities

### 14.1 Associates

The breakdown, by currency and listing status, of this heading in the accompanying balance sheets is as follows:

<b>Associates Entities</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>By currency:</b>		
In euros	564	413
In foreign currencies	23	1
<b>Total</b>	<b>587</b>	<b>414</b>
<b>By share price</b>		
Listed	6	6
Unlisted	581	408
<b>Total</b>	<b>587</b>	<b>414</b>
<b>Less:</b>		
Impairment losses	(191)	(153)
<b>Total</b>	<b>396</b>	<b>261</b>

The investments in associates as of December 31, 2015, as well as the most important data related to them, can be seen in Appendix III.

The following is a summary of the gross changes in 2015 and 2014 under this heading in the accompanying balance sheets:

<b>Associates Entities. Changes in the year</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Balance at the beginning</b>	<b>414</b>	<b>894</b>
Acquisitions and capital increases	181	-
Losses due to merger transactions	-	-
Disposals and capital reductions	-	(1)
Transfers	(8)	(479)
Exchange differences and others	-	-
<b>Balance at the end</b>	<b>587</b>	<b>414</b>

The change in 2015 relates mainly to the capital increase in Metrovacesa, S.A. which amounted €159 million. After December 31, 2015, in January 2016 two capital increases were executed through a debt conversion and sale of real-estate assets which amounted €194 million (including share premium).

The change in 2014 relates mainly to the reclassification of the stake in CIFH to the heading "Available-for-sale financial assets" of the Balance Sheets.

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## 14.2 Investments in jointly controlled entities

The breakdown, by currency and listing status, of this heading in the accompanying balance sheets is as follows:

Joint ventures	Millions of Euros	
	2015	2014
<b>By currency:</b>		
In euros	18	20
In foreign currencies	-	3,928
<b>Total</b>	<b>18</b>	<b>3,948</b>
<b>By share price</b>		
Listed	-	3,928
Unlisted	18	20
<b>Total</b>	<b>18</b>	<b>3,948</b>
<b>Less:</b>		
Impairment losses	-	-
<b>Total</b>	<b>18</b>	<b>3,948</b>

The breakdown of associates and joint ventures as of December 31, 2015, as well as relevant related information, is shown in Appendix III.

The following is a summary of the changes in 2015 and 2014 under this heading in the accompanying balance sheets:

Joint ventures. Changes in the year	Millions of Euros	
	2015	2014
<b>Balance at the beginning</b>	<b>3,948</b>	<b>3,865</b>
Acquisitions:	1,834	-
Transfers	(5,759)	5
Exchange differences and others	(5)	78
<b>Balance at end of year</b>	<b>18</b>	<b>3,948</b>

The changes in 2015 relates mainly to the acquisition of an additional 14.89% in Garanti Bank and the following reclassification to "Holdings in Group entities" (see changes in "Holdings in Group entities").

## 14.3 Holdings in Group entities

The heading Investments - Group Entities in the accompanying balance sheets includes the carrying amount of the shares of companies forming part of the BBVA Group. The percentages of direct and indirect ownership and other relevant information on these companies are provided in Appendix II.

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The breakdown, by currency and listing status, of this heading in the accompanying balance sheets is as follows:

<b>Subsidiaries.</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>By currency:</b>		
In euros	11,006	9,442
In foreign currencies	25,766	19,197
<b>Total</b>	<b>36,772</b>	<b>28,639</b>
<b>By share price</b>		
Listed	6,388	222
Unlisted	30,384	28,417
<b>Total</b>	<b>36,772</b>	<b>28,639</b>
<b>Less:</b>		
Impairment losses	(5,587)	(6,695)
<b>Total</b>	<b>31,185</b>	<b>21,944</b>

The changes in 2015 and 2014 in the balance under this heading in the balance sheets, disregarding the balance of the impairment losses, are as follows:

<b>Subsidiaries. Changes in the period.</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Balance at the beginning</b>	<b>28,639</b>	<b>27,754</b>
Acquisitions and capital increases	2,098	714
Sales and reduction of capital	(57)	(147)
Transfers	5,763	-
Exchange differences and other	329	318
<b>Balance at the end</b>	<b>36,772</b>	<b>28,639</b>

## Changes in the holdings in Group entities

Besides the aforementioned transactions related to CIFH and CNCB, the most notable transactions performed in 2015 and 2014 are as follows:

### Changes in 2015

#### Investments

##### Acquisition of an additional 14.9% of Garanti

On November 19, 2014 BBVA Group entered into a new agreement with Dogus Holding A.S., Ferit Faik Şahenk, Dianne Şahenk and Defne Şahenk ("Dogus") for the acquisition of 62,538,000,000 shares of Garanti at a maximum total consideration of 8.90 Turkish Liras per share, which is equal to 5,566 million of Turkish liras.

In the same agreement stated that if the payment of dividends for the year 2014 was executed by Dogus before the closing of the acquisition, that amount would be deducted from the amount payable by BBVA. On April 27, 2015, Dogus received the amount of the dividend paid to shareholders of Garanti, which amounted to Turkish Liras 0,135 per batch.

On July 27, 2015, after obtaining all the required regulatory approvals, the Group has materialized said participation increase after the acquisition of the new shares. Now the Group's interest in Garanti is 39.9%. The total price effectively paid by BBVA amounts to 8.765 TL per batch (amounting to approximately TL 5,481 million and €1,854 million applying a 2,9571 TL/EUR exchange rate).

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### **Acquisition of Catalunya Banc**

On July 21, 2014, the Management Commission of the Banking Restructuring Fund (known as "FROB") accepted BBVA's bid in the competitive auction for the acquisition of Catalunya Banc, S.A. ("Catalunya Banc"). On April 24, 2015, once the necessary authorizations have been obtained and all the agreed conditions precedent have been fulfilled, BBVA announced that it acquired 1,947,166,809 shares of Catalunya Banc, S.A. (approximately 98.4% of its share capital) for a price of approximately €1,165 million.

### **Capital increase in Anida Grupo Inmobiliario**

On December 17, 2015 BBVA fully subscribed an increase of capital in Anida Grupo Inmobiliario by € 300 million.

### **Preferred shares issue in BBVA Compass Bancshares, Inc.**

On December 2, 2015 BBVA fully subscribed a preferred shares issue of BBVA Compass Bancshares, Inc. by \$230 million (approximately €217 million)

### **Acquisition of BBVA Seguros**

On July 21, 2015, BBVA acquired a 5.60% stake in BBVASEGUROS, S.A. DE SEGUROS Y REASEGUROS from Corporación General Financiera, S.A. (subsidiary of BBVA Group) by €170 million.

### **Acquisition of Banco Depositario**

On December 23, 2015, BBVA acquired a 90.37% stake in Banco Depositario BBVA, S.A. from Corporación General Financiera, S.A. (subsidiary of BBVA Group) by €129 million.

### **Divestitures**

#### **Partial sale of China CITIC Bank Corporation Limited (CNCB)**

As mentioned below, participation in CNCB it was reclassified in October 2013 under the heading "Financial assets available for sale".

On January 23, 2015 the Group BBVA signed an agreement to sell 4.9% in China CITIC Bank Corporation Limited (CNCB) to UBS AG, London Branch (UBS), who entered into transactions pursuant to which such CNCB shares will be transferred to a third party and the ultimate economic benefit of ownership of such CNCB shares will be transferred to Xinhua Zhongbao Co., Ltd (Xinhua) (the Relevant Transactions). On March 12, 2015, after having obtained the necessary approvals, BBVA completed the sale.

The selling price to UBS is HK\$ 5.73 per share, amounting to a total of HK\$ 13,136 million, equivalent to approximately €1,555 million (with an exchange rate of EUR/HK\$=8.45 as of the date of the closing).

In addition to the above mentioned 4.9%, during the year ended December 31, 2015 various sales were made in the market to total a 6.34% participation sale. The impact of these sales on the consolidated financial statements of the BBVA Group was a gain net of taxes of approximately €705 million. This gain gross of taxes was recognized under "Gains (losses) in non-current assets available for sale not classified as discontinued operations" (See Note 44).

As of December 31, 2015, BBVA holds a 3.26% interest in CNCB, this participation is recognized under the heading "Available for sale financial assets".

#### **Sale of the participation in Citic International Financial Holding (CIFH)**

On December 23, 2014, the BBVA Group signed an agreement to sell its participation of 29.68% in Citic International Financial Holdings Limited (hereinafter "CIFH"), to China CITIC Bank Corporation Limited (hereinafter "CNCB"). CIFH is a non-listed subsidiary of CNCB domiciled in Hong Kong. The selling price is HK\$8,162 million. The closing of such agreement is subject to the relevant regulatory approvals. The estimated impact on the attributable profit of the consolidated financial statements of the BBVA Group will not be significant.

On August 27, BBVA completed the sale of this participation. The impact on the consolidated financial statements of the BBVA Group was not significant recognized

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## Changes in 2014

### Capital increase in Anida Grupo Inmobiliario

On December 23, 2014 BBVA fully subscribed an increase of capital in Anida Grupo Inmobiliario by € 400 million.

### Capital increase in Gran Jorge Juan

On July 29, 2014 BBVA fully subscribed an increase of capital in Gran Jorge Juan by € 130 million.

### Capital increase in BBVA Compass

On March 17, 2014 BBVA fully subscribed an increase of capital in BBVA Compass Bancshares, Inc. by \$117 million (approximately €84 million).

## 14.4 Notifications about acquisition of holdings

Appendix IV provides notifications on acquisitions and disposals of holdings in associates or jointly-controlled entities, in compliance with Article 155 of the Corporations Act and Article 53 of the Securities Market Act 24/1988.

## 14.5 Impairment

The breakdown of the changes in impairment losses in 2015 and 2014 under this heading is as follows:

Impairment.	Notes	Millions of Euros	
		2015	2014
<b>Balance at the beginning</b>		<b>6,848</b>	<b>6,911</b>
Increase in impairment losses charged to income	42	411	780
Decrease in impairment losses credited to income	42	(1,246)	(843)
Losses due to merger transactions			-
Amount used		(235)	-
Transfers		-	-
<b>Balance at the end</b>		<b>5,778</b>	<b>6,848</b>

In 2015 and 2014, and as a result of the improvement in the future expectations for BBVA USA Bancshares, the difference between the carrying amount and the present value of expected cash flows has been reduced by €1,203 million and €782 million respectively. This figure has been charged under the heading "Impairment losses on other assets (net)" in the income statement for 2015 and 2014 (see Note 42). The changes in impairment include the exchange differences resulting from applying the dollar exchange rate at the close of each year and comparing it with the carrying amount exchange rate (exchange rate at the time of the acquisition). As of December 31, 2015 there is no impairment recorded for this investment.

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## 15. Tangible assets

The breakdown of the balance and changes under this heading in the accompanying balance sheets, according to the nature of the related items, is as follows:

2015	Millions of Euros					
	For Own Use			Total Tangible Asset of Own Use	Investment Properties	Total
	Land and Buildings	Work in Progress	Furniture, Fixtures and Vehicles			
<b>Revalued cost -</b>						
<b>Balance at the beginning</b>	<b>874</b>	<b>46</b>	<b>2,944</b>	<b>3,864</b>	<b>10</b>	<b>3,874</b>
Additions	1	22	188	211	-	211
Retirements	-	-	(42)	(42)	-	(42)
Transfers	(23)	(7)	6	(24)	-	(24)
Exchange difference and other	-	-	4	4	-	4
<b>Balance at the end</b>	<b>852</b>	<b>61</b>	<b>3,100</b>	<b>4,013</b>	<b>10</b>	<b>4,023</b>
<b>Accrued depreciation -</b>						
<b>Balance at the beginning</b>	<b>170</b>	<b>-</b>	<b>2,013</b>	<b>2,183</b>	<b>1</b>	<b>2,184</b>
Additions	9	-	191	200	-	200
Retirements	-	-	(31)	(31)	-	(31)
Transfers	(7)	-	(3)	(10)	-	(10)
Exchange difference and other	-	-	3	3	-	3
<b>Balance at the end</b>	<b>172</b>	<b>-</b>	<b>2,173</b>	<b>2,345</b>	<b>1</b>	<b>2,346</b>
<b>Impairment -</b>						
<b>Balance at the beginning</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>4</b>	<b>151</b>
Additions	8	-	15	23	-	23
Retirements	(1)	-	-	(1)	-	(1)
Transfers	(2)	-	-	(2)	-	(2)
Exchange difference and other	-	-	(15)	(15)	-	(15)
<b>Balance at the end</b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>4</b>	<b>156</b>
<b>Net tangible assets -</b>						
<b>Balance at the beginning</b>	<b>557</b>	<b>46</b>	<b>931</b>	<b>1,534</b>	<b>5</b>	<b>1,539</b>
<b>Balance at the end</b>	<b>528</b>	<b>61</b>	<b>927</b>	<b>1,516</b>	<b>5</b>	<b>1,521</b>



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2014	Millions of Euros					
	For Own Use			Total Tangible Asset of Own Use	Investment Properties	Total
	Land and Buildings	Work in Progress	Furniture, Fixtures and Vehicles			
<b>Revalued cost -</b>						
<b>Balance at the beginning</b>	<b>920</b>	<b>83</b>	<b>3,420</b>	<b>4,423</b>	<b>10</b>	<b>4,433</b>
Additions	23	-	133	156	-	156
Retirements	-	-	(640)	(640)	-	(640)
Transfers	(69)	(37)	26	(80)	-	(80)
Exchange difference and other	-	-	5	5	-	5
<b>Balance at the end</b>	<b>874</b>	<b>46</b>	<b>2,944</b>	<b>3,864</b>	<b>10</b>	<b>3,874</b>
<b>Accrued depreciation -</b>						
<b>Balance at the beginning</b>	<b>170</b>	<b>-</b>	<b>2,455</b>	<b>2,625</b>	<b>1</b>	<b>2,626</b>
Additions	9	-	190	199	-	199
Retirements	-	-	(626)	(626)	-	(626)
Transfers	(9)	-	(9)	(18)	-	(18)
Exchange difference and other	-	-	3	3	-	3
<b>Balance at the end</b>	<b>170</b>	<b>-</b>	<b>2,013</b>	<b>2,183</b>	<b>1</b>	<b>2,184</b>
<b>Impairment -</b>						
<b>Balance at the beginning</b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>4</b>	<b>156</b>
Additions	13	-	11	24	-	24
Retirements	(1)	-	-	(1)	-	(1)
Transfers	(17)	-	-	(17)	-	(17)
Exchange difference and other	-	-	(11)	(11)	-	(11)
<b>Balance at the end</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>4</b>	<b>151</b>
<b>Net tangible assets -</b>						
<b>Balance at the beginning</b>	<b>598</b>	<b>83</b>	<b>965</b>	<b>1,646</b>	<b>5</b>	<b>1,651</b>
<b>Balance at the end</b>	<b>557</b>	<b>46</b>	<b>931</b>	<b>1,534</b>	<b>5</b>	<b>1,539</b>

As of December 31, 2015 and 2014, the fully depreciated tangible assets still in use amounted to €1,272 million and €1,105 million, respectively.

The main activity of the Bank is carried out through a network of bank branches located geographically as shown in the following table:

Bank Branches by Geographical Location	Number of Branches	
	2015	2014
Spain	3,076	3,111
Rest of the world	19	19
<b>Total</b>	<b>3,095</b>	<b>3,130</b>

As of December 31, 2015 and 2014, the percentage of branches leased from third parties in Spain was 75.98% and 76.47%, respectively.

## 16. Intangible assets

The breakdown of the balance under this heading in the balance sheets as of December 31, 2015 and 2014 relates mainly to the net balance of the disbursements made on the acquisition of computer software. The average life of the Bank's intangible assets is 5 years.

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The breakdown of the changes in 2015 and 2014 in the balance under this heading in the balance sheets is as follows:

<b>Other Intangible Assets. Changes Over the Period</b>	<b>Notes</b>	<b>Millions of Euros</b>	
		<b>2015</b>	<b>2014</b>
<b>Balance at the beginning</b>		<b>874</b>	<b>927</b>
Additions		298	265
Contributions from merger transactions		-	-
Retirements		-	-
Amortization in the year	39	(319)	(318)
Exchange differences and other		-	-
Impairment		-	-
<b>Balance at the end</b>		<b>853</b>	<b>874</b>

## 17. Tax assets and liabilities

The balance of the heading “Tax Liabilities” in the accompanying balance sheets contains the liability for applicable taxes, including the provision for corporation tax of each year, net of tax withholdings and prepayments for that period, and the provision for current period corporation tax in the case of companies with a net tax liability. The amount of the tax refunds due to Group companies and the tax withholdings and prepayments for the current period are included under “Tax Assets” in the accompanying balance sheets.

Banco Bilbao Vizcaya Argentaria, S.A. and its tax-consolidable subsidiaries file consolidated tax returns. The subsidiaries of Argentaria, which had been in Tax Group 7/90, were included in Tax Group 2/82 from 2000, since the merger had been carried out under the tax neutrality system provided for in Title VIII, Chapter VIII of Corporation Tax Law 43/1995. On 30 December 2002, the pertinent notification was made to the Ministry of Economy and Finance to extend its taxation under the consolidated taxation regime indefinitely, in accordance with current legislation. Similarly, on the occasion of the acquisition of Unnim Group in 2012, the companies composing the Tax Group No. 580/11 which met the requirements became part of the tax group 2/82 from January 1, 2013.

In 2013, 2011 and 2009 the Bank carried out a merger by absorption of Unnim Banc, SA under the special regime for mergers, divisions, transfers of assets and exchanges of securities under Chapter VIII of Title VII of the Corporate Tax Law, approved by Royal Decree 4/2004 as of March 5. Consequently, and in accordance with Article 93 of the quoted Consolidated Text, information requirements and mandatory references relating to the merger are set out in 2013’s annual report of BBVA, S.A., being the first annual report approved after the transaction. However, all the required information regarding assets transferred from Unnim, SA to BBVA, SA is in the merger by absorption deed, other official documents and internal records of the Bank, available to the tax authorities.

Also, in 2003, as in previous years, the Bank performed or participated in corporate restructuring operations under the special system of tax neutrality regulated by Act 29/1991 of December 16 (which adapted certain tax provisions to the Directives and Regulations of the European Communities) and by Title VIII, Chapter VIII of Corporation Tax Act 43/1995 of December 27. The disclosures required under the aforementioned legislation are included in the notes to the financial statements of the relevant entities for the period in which the transactions took place.

### 17.1 Years open for review by the tax authorities

At the date these financial statements were prepared, the Bank had 2010 and subsequent years open for review by the tax authorities for the main taxes applicable to it.

In 2014, as a result of the tax audit conducted by the tax authorities, tax inspection proceedings were initiated against several Group companies for the years up to and including 2009. Having been all signed in acceptance. These proceedings have become final in 2014.

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In view of the varying interpretations that can be made of some applicable tax legislation, the outcome of the tax inspections of the open years that could be conducted by the tax authorities in the future could give rise to contingent tax liabilities which cannot be objectively quantified at the present time. However, the Banks' Board of Directors and its tax advisers consider that the possibility of these contingent liabilities becoming actual liabilities is remote and, in any case, the tax charge which might arise therefore would not materially affect the Bank's financial statements.

## 17.2 Reconciliation

The reconciliation of the corporation tax expense resulting from the application of the standard tax rate to the recognized corporation tax expense is as follows:

<b>Reconciliation of the Corporate Tax Expense Resulting from the Application of the Standard Rate and the Expense Registered by this Tax</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Corporation tax</b>	<b>916</b>	<b>384</b>
Decreases due to permanent differences:	-	-
Tax credits and tax relief at consolidated Companies	(24)	(311)
Other items net	(792)	(53)
Net increases (decreases) due to temporary differences	(100)	(20)
<b>Charge for income tax and other taxes</b>	<b>-</b>	<b>-</b>
Deferred tax assets and liabilities recorded (utilized)	100	20
<b>Income tax and other taxes accrued in the period</b>	<b>100</b>	<b>20</b>
Adjustments to prior years' income tax and other taxes	88	155
<b>Income tax and other taxes</b>	<b>188</b>	<b>175</b>

The item "Other taxes" of the above table includes in 2015 the effect in income tax of those dividends and capital gains entitled to avoid double taxation of €849 million.

The Bank avails itself of the tax credits for investments in new fixed assets (in the scope of the Canary Islands tax regime, for a non-material amount), tax relief, R&D tax credits, donation tax credits and double taxation tax credits, in conformity with corporate income tax legislation.

Under the regulations in force until December 31, 2001, the amount of the gains for each year had to be included in equal parts in the taxable profit corresponding to the Bank and the savings banks which would form "Unnim Banc", was included as a temporary difference in the taxable profit. The information related to this taxable profit can be found in the corresponding annual reports.

Since 2002 the Bank has availed itself of the tax credit for reinvestment of extraordinary income obtained on the transfer for consideration of properties and shares representing ownership interests of more than 5%. The acquisition of shares over the 5% figure in each period was allocated to fulfill the reinvestment commitments which are a requirement of the previously mentioned tax credit.

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The amount assumed in order to qualify for the aforementioned tax credit is as follows:

Year	Millions of Euros
2002	276
2003	27
2004	332
2005	80
2006	410
2007	1,047
2008	71
2009	23
2010	35
2011	5
2012	4
2013	70
2014	2

Additionally, due to the merger of Banc Unnim, the Bank assumes the commitment of maintenance during the time required by the tax legislation of the assets in which Caixa d'Estalvis de Sabadell, Caixa d'Estalvis de Terrassa and Caixa d'Estalvis Unió de Caixes Manlleu Sabadell y Terrassa materialized in previous years the reinvestment of extraordinary profits for the implementation of a corresponding deduction. The amount of income qualifying for this deduction indicated is as follows:

Year	Millions of Euros
2008	61
2009	59
2010	202

In 2015, following the approval of Law 16/2013, as of October 29, by which certain measures in environmental taxation and other tax and financial measures are adopted, the Bank has included in its tax base 6 million euros as a result of the change in book value of participations in Group companies, associates and joint ventures. The amount pending to include in the tax base at closure and from the investees amounted to €398 million approximately.

	Millions of Euros
	2015
<b>Pending addition to taxable income as of December 31, 2014</b>	<b>404</b>
Decrease income (included) 2015	(6)
<b>Pending addition to taxable income as of December 31, 2015</b>	<b>398</b>

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### 17.3 Tax recognized in equity

In addition to the income tax registered in the income statements, in 2015 and 2014 the Bank recognized the following amounts in equity:

Tax Recognized in Total Equity	Millions of Euros	
	2015	2014
<b>Charges to total equity</b>		
Debt securities	(443)	(680)
Equity instruments	-	(163)
Rest	(9)	(5)
<b>Subtotal</b>	<b>(452)</b>	<b>(848)</b>
<b>Credits to total equity</b>		
Debt securities	123	79
Equity instruments	124	-
Rest	42	44
<b>Subtotal</b>	<b>289</b>	<b>123</b>
<b>Total</b>	<b>(163)</b>	<b>(725)</b>

### 17.4 Deferred taxes

The balance under the heading "Tax assets" in the accompanying balance sheets includes the tax receivables relating to deferred tax assets. The balance under the "Tax liabilities" heading includes the liabilities relating to the Bank's various deferred tax liabilities. The details of the most important tax assets and liabilities are as follows:

Tax Assets and Liabilities. Breakdown	Millions of Euros	
	2015	2014
<b>Tax assets-</b>		
Current	652	986
Deferred	7,542	7,399
Pensions	102	111
Portfolio	606	735
Other assets	383	391
Impairment losses	126	89
Rest	184	163
Secured tax assets	5,224	4,774
Tax losses	917	1,136
<b>Total</b>	<b>8,194</b>	<b>8,385</b>
<b>Tax Liabilities-</b>		
Current	24	29
Deferred	1,200	1,626
Charge for income tax and other taxes	1,200	1,626
<b>Total</b>	<b>1,224</b>	<b>1,655</b>

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Based on the available information, including historical profit levels and projections that the Bank handles for the coming years results, it is considered that sufficient taxable income to recover deferred tax assets above are generated when they are deductible depending tax legislation.

With respect to the changes in assets and liabilities due to deferred tax contained in the above table, the following should be pointed out:

- The decrease in assets due to deferred tax is due mainly to by the deduction of deferred tax assets related to valuation adjustments and generated in equity
- The increase in guaranteed tax assets is mainly the result of a higher amount over the year through the application of the tax code in force.
- The reduction in tax losses is mainly the result of offsetting in 2015 the negative tax bases and deductions pending application generated in previous years.

Of the assets and liabilities due to deferred tax contained in the above table, those included in section 17.3 above have been recognized against the entity's equity, and the rest against earnings for the year.

From the guaranteed tax assets contained in the above table, the detail of the items and amounts guaranteed by the Spanish Government is as follows:

<b>Secured tax assets</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Pensions	1,868	1,714
Impairment losses	3,356	3,060
<b>Total</b>	<b>5,224</b>	<b>4,774</b>

## 18. Other assets and liabilities

The breakdown of the balance under these headings in the accompanying balance sheets is as follows:

<b>Other Assets and Liabilities</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>ASSETS-</b>		
Transactions in transit	37	33
Accrued interest	295	258
Unaccrued prepaid expenses	41	24
Other prepayments and accrued income	254	234
Other items	1,367	1,216
<b>Total</b>	<b>1,699</b>	<b>1,507</b>
<b>LIABILITIES-</b>		
Transactions in transit	19	29
Accrued interest	886	778
Discounted capital	-	-
Unpaid accrued expenses	649	551
Other accrued expenses and deferred income	237	227
Other items	534	637
<b>Total</b>	<b>1,439</b>	<b>1,444</b>

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## 19. Financial liabilities at amortized cost

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Financial Liabilities at Amortized Cost	Notes	Millions of Euros	
		2015	2014
Deposits from central banks	7	19,642	18,400
Deposits from credit institutions	19.1	55,462	58,091
Customer deposits	19.2	187,118	187,731
Debt certificates	19.3	25,775	26,754
Subordinated liabilities	19.4	8,295	7,701
Other financial liabilities	19.5	6,803	6,359
<b>Total</b>		<b>303,095</b>	<b>305,036</b>

### 19.1 Deposits from credit institutions

The breakdown of the balance under this heading in the accompanying balance sheets, according to the nature of the financial instruments, is as follows:

Deposits from Credit Institutions	Notes	Millions of Euros	
		2015	2014
Reciprocal accounts		119	110
Deposits with agreed maturity		25,456	24,688
Other accounts		2,066	2,730
Repurchase agreements	30	27,745	30,458
<b>Subtotal</b>		<b>55,386</b>	<b>57,986</b>
Valuation adjustments (*)		76	105
<b>Total</b>		<b>55,462</b>	<b>58,091</b>

(\*) Includes mainly accrued interest until expiration

The breakdown of this heading by geographical area and the nature of the related instruments in the accompanying balance sheets, disregarding accrued interest pending maturity, is as follows:

2015 Deposits from Credit Institutions	Millions of Euros			Total
	Demand Deposits	Deposits with Agreed Maturity	Repos	
Spain	816	11,715	4,545	17,076
Rest of Europe	929	8,564	22,220	31,713
Mexico	61	499	-	560
South America	274	989	-	1,263
The United States	59	1,601	-	1,660
Rest of the world	46	2,088	980	3,114
<b>Total</b>	<b>2,185</b>	<b>25,456</b>	<b>27,745</b>	<b>55,386</b>

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Millions of Euros				
2014 Deposits from Credit Institutions	Demand Deposits	Deposits with Agreed Maturity	Repos	Total
Spain	1,339	11,315	2,294	14,948
Rest of Europe	1,165	9,981	27,933	39,079
Mexico	75	326	-	401
South America	215	1,023	-	1,238
The United States	13	1,099	-	1,112
Rest of the world	33	944	231	1,208
<b>Total</b>	<b>2,840</b>	<b>24,688</b>	<b>30,458</b>	<b>57,986</b>

## 19.2 Customer deposits

The breakdown of this heading of the accompanying balance sheets, by type of financial instruments, is as follows:

Millions of Euros			
Customer Deposits	Notes	2015	2014
<b>Government and other government agencies</b>		<b>14,827</b>	<b>10,931</b>
Spanish		6,873	7,600
Foreign		449	300
Repurchase agreements	30	7,500	3,023
Accrued interest		5	8
<b>Other resident sectors</b>		<b>137,550</b>	<b>150,231</b>
Current accounts		37,671	34,137
Savings accounts		32,607	27,411
Fixed-term deposits		65,368	80,734
Reverse repos	30	1,436	7,364
Other accounts		(11)	(174)
Accrued interest		479	759
<b>Non-resident sectors</b>		<b>34,741</b>	<b>26,569</b>
Current accounts		5,022	2,939
Savings accounts		650	531
Fixed-term deposits		21,388	14,786
Repurchase agreements	30	7,462	8,118
Other accounts		192	155
Accrued interest		27	40
<b>Total</b>		<b>187,118</b>	<b>187,731</b>
<i>Of which:</i>			
Deposits from other creditors without valuation adjustment		186,607	186,924
Accrued interest		511	807
<i>Of which:</i>			
In euros		174,860	177,266
In foreign currency		12,258	10,465



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The breakdown of this heading in the accompanying balance sheets, by type of instrument and geographical area, disregarding valuation adjustments, is as follows:

Millions of Euros					
2015 Customer Deposits	Demand Deposits	Savings Deposits	Deposits with Agreed Maturity	Repos	Total
Spain	44,164	32,626	65,717	8,936	151,443
Rest of Europe	4,243	364	17,532	7,438	29,577
Mexico	367	20	146	-	533
South America	422	124	1,277	-	1,823
The United States	224	26	1,441	24	1,715
Rest of the world	184	117	1,215	-	1,516
<b>Total</b>	<b>49,604</b>	<b>33,277</b>	<b>87,328</b>	<b>16,398</b>	<b>186,607</b>

Millions of Euros					
2014 Customer Deposits	Demand Deposits	Savings Deposits	Deposits with Agreed Maturity	Repos	Total
Spain	40,948	27,433	81,328	10,386	160,095
Rest of Europe	2,070	314	11,071	8,035	21,490
Mexico	268	13	116	-	397
South America	351	98	911	-	1,360
The United States	173	21	2,132	82	2,408
Rest of the world	359	85	730	-	1,174
<b>Total</b>	<b>44,169</b>	<b>27,964</b>	<b>96,288</b>	<b>18,503</b>	<b>186,924</b>

### 19.3 Debt certificates (including bonds)

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Debt Certificates	Millions of Euros	
	2015	2014
Promissory notes and bills	-	-
Bonds and debentures issued	25,775	26,754
<b>Total</b>	<b>25,775</b>	<b>26,754</b>

The total cost of the accrued interest under “Debt certificates (including bonds)” in 2015 and 2014 totaled €840 million and €1,154 million, respectively (see Note 32.2).

As of December 31, 2015 and 2014 the accrued interest pending payment from promissory notes and bills and bonds and debentures amounted to €545 million and €643 million, respectively.

The changes in 2015 and 2014 under the heading “Debt certificates (including bonds)” are described in Note 49.5.

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## Bonds and debentures issued

The breakdown of the balance under this heading, by financial instrument and currency, is as follows:

<b>Bonds and debentures issued</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>In euros -</b>	<b>24,257</b>	<b>26,197</b>
Non-convertible bonds and debentures at floating interest rates	12,383	8,841
Non-convertible bonds and debentures at fixed interest rates	509	812
Covered bonds	23,959	24,523
Treasury stock	(14,450)	(10,367)
Accrued interest and others	1,856	2,388
<b>In foreign currency -</b>	<b>1,518</b>	<b>557</b>
Covered bonds	114	122
Other Non-convertible securities at fixed interest rates	1,832	822
Treasury stock	(443)	(398)
Accrued interest and others	15	11
<b>Total</b>	<b>25,775</b>	<b>26,754</b>

The headings "Nonconvertible bonds and debentures at floating interest rate" and "Non-convertible bonds and debentures at fixed rate" as of December 31, 2015 include several issues, the latest maturing in 2023.

The "Covered Bonds" account as of December 31, 2015 includes issues with various maturities, the latest in 2037.

## 19.4 Subordinated liabilities

The breakdown of this heading of the accompanying balance sheets, by type of financial instruments, is as follows:

<b>Subordinated Liabilities</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Convertible	4,378	2,736
<i>Convertible perpetual securities</i>	4,378	2,736
Non-convertible	794	818
<i>Preferred Stock</i>	14	14
<i>Other subordinated liabilities</i>	780	804
Subordinated deposits	3,105	4,100
<b>Subtotal</b>	<b>8,277</b>	<b>7,654</b>
Valuation adjustments and other concepts (*)	17	47
<b>Total</b>	<b>8,295</b>	<b>7,701</b>

(\*) Accrued interest but pending payment, valuation adjustments and issuance costs included

This issues include issuances of subordinated debt and accordingly, for debt seniority purposes, they rank behind ordinary debt, but ahead of the Bank's shareholders, without prejudice to any different seniority that may exist between the different types of subordinated debt instruments according to the terms and conditions of each issue. The breakdown of this heading in the accompanying balance sheets, disregarding valuation adjustments, by currency of issuance and interest rate is shown in Appendix VII.

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From the previous table, the heading "Subordinated liabilities" in 2015 and 2014 includes the issues launched by BBVA International Limited, BBVA Capital Finance, S.A.U., BBVA International Preferred, S.A.U., BBVA Subordinated Capital, S.A.U., BBVA Global Finance, Ltd., Caixa de Manlleu Preferents, S.A. Unipersonal, Caixa Terrassa Societat de Participacions Preferents, S.A. Unipersonal and CaixaSabadell Preferents, S.A. Unipersonal, are unconditionally and irrevocably secured by the Bank.

The variations of the balance under this heading are mainly the result of the following transactions:

- Perpetual securities eventually convertible.

On February 10, 2015, BBVA issued perpetual securities eventually convertible into new ordinary shares of BBVA, (Additional level I capital instruments) without pre-emption rights, for a total amount of €1,500 million. This issuance was targeted only towards qualified foreign investors and in any case would not be made or subscribed in Spain or by Spanish-resident investors. These securities are listed in the Global Exchange Market of the Irish Stock Exchange.

During 2014 and 2013 respectively, BBVA issued perpetual securities eventually convertible into ordinary new shares of BBVA, (Additional level I capital instruments) without pre-emption rights, for a total amount of €1,500 million and \$1,500 million (€1,378 million as of December 31, 2015). Both issuances were targeted only towards qualified foreign investors and in any case would not be made or subscribed in Spain or by Spanish-resident investors. These securities are listed in the Singapore Exchange Securities Trading Limited.

These convertible perpetual securities are convertible into common shares if the trigger event occurs, that is, if BBVA's Common Equity Tier 1 capital ratio falls below 5.125% among other events.

- Early expiration of subordinated debt

On September 23, 2014, BBVA announced the early expiration of the outstanding nominal amount of €633 million of the issue "Subordinated debt - October 04". On October 20, 2014, after having obtained the necessary approvals, BBVA completed the expiration.

## 19.5 Other financial liabilities

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Other financial liabilities	Millions of Euros	
	2015	2014
Creditors for other financial liabilities	3,511	3,295
Collection accounts	1,740	1,873
Creditors for other payment obligations (*)	1,043	1,191
Dividend payable but pending payment (**)	509	-
<b>Total</b>	<b>6,803</b>	<b>6,359</b>

(\*) As of December 31, 2014, included €69 million corresponding to the remuneration to shareholders who choose to be paid in cash through the "Dividend Option" paid on January 14, 2015.

(\*\*) Corresponding to the cash dividend declared in december 2015 and paid in 2016 (see Note 3).

The weighted average payment during 2015 is 47 days. The maximum legal fee applicable to the Company in 2015 according to Law 15/2010 of July 5, amending the Law 3/2004 of December 29, on measures for the control of contractual payment in commercial transactions, it is 60 days

The information required by Additional Provision third of Law 15/2010, of July 5, amending the Law 3/2004 of December 29, through which measures for combating late payment are set, is as follows:

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<b>Payments made and pending payments</b>	<b>Millions of Euros</b>	
	<b>2015 BBVA SPAIN</b>	
Within the maximum legal period (*)	2,322	
Other	318	
<b>Total payments in the year</b>	<b>2,640</b>	
Exceeded weighted average period (in days)	281.9	
Deferred payments as of year close that exceed maximum legal period	-	
<b>Ratio of paid operations</b>	<b>(0.05)</b>	

(\*) It is considered on time payments made within 60 days, and not on time those which exceeds 60 days.

The data shown in the table above on payments to suppliers refer to those which by their nature are trade creditors for the supply of goods and services, so data relating to "Other financial liabilities other liabilities -Trade pay" is included in the balance.

The weighted average term exceeded (PMPE) payment is calculated as the quotient of the numerator by the sum of the products of each supplier payments made during the year with a higher deferral to the respective legal payment and number of days exceeded the respective deferral period, and the denominator by the total amount of payments made during the year with a higher legal payment period.

## 20. Provisions

The breakdown of the balance under this heading in the accompanying balance sheets, based on type of provisions, is as follows:

<b>Provisions. Breakdown by concepts</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Provisions for pensions and similar obligations	5,177	5,267
Provisions for contingent Risks and commitments	263	238
Other provisions	769	652
<b>Total</b>	<b>6,209</b>	<b>6,157</b>

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The changes in 2015 and 2014 in the balances under this heading in the accompanying balance sheets are as follows:

Provisions. Changes over the Period	Notes	Millions of Euros		
		2015		
		Pension fund and similar obligations (Note 21)	Commitments and contingent risks provisions	Taxes, other legal contingencies and other provisions
<b>Balance at the beginning</b>		<b>5,267</b>	<b>238</b>	<b>652</b>
<b>Add -</b>				
Increase charged to income		613	35	136
Interest and similar expenses	32.2	60	-	4
Personnel expenses		3	-	15
Provisions (net)	40	550	35	117
Increase charged to retained earnings (*)	21	3	-	-
Increases due to mergers		-	-	-
Other transfers		-	-	-
Other changes		1	-	113
<b>Less -</b>				
Available allowances	40	(4)	(6)	(46)
Payments to early retirements		(674)	-	-
Credited to retained earnings		-	-	-
Derecognition of allowances		(29)	-	(86)
Other transfers		-	-	-
Other changes		-	(4)	-
<b>Balance at the end</b>		<b>5,177</b>	<b>263</b>	<b>769</b>

(\*) Corresponds to actuarial losses (gains) arising from certain welfare benefits (see Note 2.9).

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Provisions. Changes over the Period	Notes	Millions of Euros		
		2014		
		Pension fund and similar obligations (Note 21)	Commitments and contingent risks provisions	Taxes, other legal contingencies and other provisions
<b>Balance at the beginning</b>		<b>4,878</b>	<b>221</b>	<b>683</b>
<b>Add -</b>				
Increase charged to income		865	17	90
Interest and similar expenses	32.2	86	-	4
Personnel expenses		3	-	1
Provisions (net)	40	776	17	85
Increase charged to retained earnings (*)	21	-	-	-
Increases due to mergers		-	-	-
Other transfers		-	-	-
Other changes		204	-	73
<b>Less -</b>				
Available allowances	40	(2)	-	(4)
Payments to early retirements		(654)	-	-
Credited to retained earnings		-	-	-
Derecognition of allowances		(24)	-	(96)
Other transfers		-	-	(94)
Other changes		-	-	-
<b>Balance at the end</b>		<b>5,267</b>	<b>238</b>	<b>652</b>

(\*) Corresponds to actuarial losses (gains) arising from certain welfare benefits (see Note 2.9).

## Ongoing legal proceedings and litigation

The Bank is party to certain legal actions in a number of jurisdictions, including, among others, Spain, Mexico and the United States, arising in the ordinary course of business. According to the procedural status of these proceedings and the criteria of the legal counsel, BBVA considers that none of such actions is material, individually or as a whole, and with no significant impact on the operating results, liquidity or financial situation of the Bank to arise. The Bank's Management believes that adequate provisions have been made in respect of such legal proceedings and considers that the possible contingencies that may arise from such on-going lawsuits are not significant enough to require disclosure to the markets.

## 21. Pensions and other post-employment commitments

As stated in Note 2.9, the Bank has assumed commitments with employees including defined contribution and defined benefit plans.

The main Employee Welfare System has been implemented in Spain. Under the collective labor agreement, Spanish banks are required to supplement the social security benefits received by employees or their beneficiary right-holders in the event of retirement (except for those hired after March 8, 1980), permanent disability, death of spouse or death of parent.

The Employee Welfare System in place at the Bank supersedes and improves the terms and conditions of the collective labor agreement for the banking industry; including benefits in the event of retirement, death and disability for all employees, including those hired after March 8, 1980. The Bank externally funded all its pension commitments with active and retired employees pursuant to Royal Decree 1588/1999, of October 15. These commitments are instrumented in external pension plans, insurance contracts with a non-Group company and insurance contracts with BBVA Seguros, S.A. de Seguros y Reaseguros, which is 99.95% owned by the Banco Bilbao Vizcaya Argentaria Group.

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The table below shows a breakdown of recorded balance sheet liabilities relating to defined benefit plans as at December 31, 2015 and 2014:

Pensions and Early-Retirement Commitments and Welfare Benefits: Spain and Abroad	Millions of Euros					
	Commitments in Spain		Commitments Abroad		Total	
	2015	2014	2015	2014	2015	2014
<b>Post-employment benefits</b>						
Post-employment benefits	2,811	2,811	148	133	2,959	2,944
Early retirement	2,689	2,803	-	-	2,689	2,803
<b>Total post-employment benefits (1)</b>	<b>5,500</b>	<b>5,614</b>	<b>148</b>	<b>133</b>	<b>5,648</b>	<b>5,747</b>
Post-employment benefits	357	381	114	99	471	480
Post-employment benefits	-	-	-	-	-	-
<b>Total plan assets and insurance contracts coverage (2)</b>	<b>357</b>	<b>381</b>	<b>114</b>	<b>99</b>	<b>471</b>	<b>480</b>
<b>Net commitments (1) - (2)</b>	<b>5,143</b>	<b>5,233</b>	<b>34</b>	<b>34</b>	<b>5,177</b>	<b>5,267</b>
<i>of which:</i>						
With contracts to related companies	2,151	2,189	-	-	2,151	2,189

The following table shows defined benefit plan costs recorded in the income statement for fiscal years 2015 and 2014:

Income Statements and Equity Effects.	Notes	Millions of Euros	
		2015	2014
<b>Interest and similar expenses</b>			
Interest cost of pension funds	32.2	60	86
<b>Personnel expenses</b>			
Contributions and provisions to pensions funds	38.1	29	31
Welfare benefits	38.1	18	15
<b>Provision (net)</b>			
Provisions to fund for pension and similar obligations		501	681
Pension funds		26	-
Early retirements		23	93
Welfare benefits		(3)	-
<b>Total Effects in Income Statements</b>		<b>657</b>	<b>909</b>
<b>Total Effects in Retained Earning: Credit (Debit) (*)</b>		<b>3</b>	<b>-</b>

## 21.1 Defined-contribution commitments

The Bank sponsors defined contribution plans, in some cases with employees making contributions which are matched by the employer.

These contributions are accrued and charged to the income statement in the corresponding financial year (see Note 2.9). No liability is therefore recognized in the accompanying balance sheets for this purpose.

The amounts registered in the accompanying income statements for contributions to these plans in 2015 and 2014 were €24 million and €28 million, respectively (see Note 38.1).

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## 21.2 Defined-benefit plans and other long-term commitments

Pension commitments in defined-benefit plans relate mainly to employees who have retired or taken early retirement from the Bank and to certain groups of employees still active in the case of pension benefits, and to most active employees in the case of permanent disability and death benefits. For the latter, BBVA pays the required premiums for full underwriting.

The balance under the heading "Provisions - Provisions for pensions and similar obligations" of the accompanying balance sheet as of December 31, 2015 includes €365 million for commitments for post-employment benefits maintained with previous members of the Board of Directors and the Bank's Management Committee.

In addition to the aforementioned commitments to employees, the Bank has other less relevant commitments. These include long-service awards (both in the form of monetary awards and Banco Bilbao Argentaria, S.A. stock) granted to certain groups of employees when they complete a given number of years of effective service.

The Bank has offered these employees the option of an early payment of their awards. As of December 31, 2015 and 2014, the actuarial liabilities for outstanding awards amounted to €7 and €9 million, respectively. These amounts are recorded under the heading "Other provisions" of the accompanying balance sheets (see Note 20).

### Commitments in Spain

The most significant actuarial assumptions used as of December 31, 2015 and 2014 to quantify these commitments with employees in Spain are as follows:

<b>Actuarial Assumptions Commitments with employees in Spain</b>	<b>2015</b>	<b>2014</b>
Mortality tables	PERMF 2000P	PERMF 2000P.
Discount rate (cumulative annual)	2%	2.25%
Salary growth rate (cumulative annual)	2%	At least 2%
Retirement age	First date at which the employees are entitled to retire or contractually agreed at the individual level in the case of early retirements	

(\*) The interest rate used to discount the commitments has been determined by reference to high-quality corporate bonds (Note 2.9).

Changes in the main assumptions can affect the calculation of the commitments. Should the discount interest rate have increased or decreased by 50 basis points, an impact on equity for the commitments in Spain would have been registered for approximately €37 million net of tax.

The breakdown of the various commitments with employees in Spain is as follows:

### Pension commitments in Spain

Pension commitments in defined-benefit plans correspond mainly to employees who have retired or taken early retirement from the Bank and to certain groups of employees still active in the Bank in the case of pension benefits, and to the majority of active employees in the case of permanent incapacity and death benefits. These commitments are hedged through insurance contracts and internal funds.



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The breakdown of pension commitments in defined-benefit plans as of December 31, 2015 and 2014 is as follows:

<b>Pension commitments in defined-benefits plans</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Pension commitments (retired employees)	2,613	2,578
Vested contingencies in respect (current employees)	198	233
<b>Total</b>	<b>2,811</b>	<b>2,811</b>
<b>Hedging at the end of the year</b>		
With insurances contracts to related companies	2,151	2,189
With insurances contracts to non-related companies	357	381
Internal funds	303	241
<b>Total</b>	<b>2,811</b>	<b>2,811</b>

Insurance contracts have been arranged with insurance companies not related to the Bank to cover some pension commitments in Spain. These commitments are funded by plan assets and therefore are presented in the accompanying balance sheets for the net amount of the commitment less plan assets. As of December 31, 2015 and 2014, the plan assets related to the aforementioned insurance contracts equaled the amount of the commitments covered; therefore, no amount for this item is included in the accompanying balance sheets.

The rest of the pension commitments in Spain include defined-benefit commitments for which insurance has been contracted with BBVA Seguros, S.A. de Seguros y Reaseguros, an insurance company that is 99.95% owned by the Bank. These commitments are recognized under the heading "Provisions - Provisions for pensions and similar obligations" of the accompanying balance sheets (Note 20) and the insurance contract assets are recognized under the heading "Insurance contracts linked to pensions".

The current contributions made by the Bank in relation to defined-benefit retirement commitments are recorded with a charge to the "Personnel Expenses - Contributions to external pension funds" account of the accompanying income statement and amounted to €17 million and €13 million in 2015 and 2014, respectively.

The Bank signed a Social Benefit Standardization Agreement for its employees in Spain. The agreement standardizes the existing social benefits for the different groups of employees and, in some cases where a service was provided, quantified it as an annual amount in cash.

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The table below shows the change in the accrued defined benefit plan obligation during financial years 2015 and 2014:

<b>Post-employment Welfare Benefits Commitments</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Changes in the year</b>		
<b>Balance at the beginning</b>	<b>241</b>	<b>220</b>
+ Contributions from merger transactions	-	-
+ Interest costs	6	8
+Current service cost	4	3
- Payments and settlements	(20)	(18)
+/- Past service cost	26	-
+/- Other changes	39	11
+/- Remeasurements:	7	17
Due to changes in demographic assumptions	-	-
Due to changes in financial assumptions	8	19
Other actuarial gain and losses	(1)	(2)
<b>Balance at the end</b>	<b>303</b>	<b>241</b>

### Early retirement in Spain

In 2015 and 2014, the Bank offered certain employees the possibility of taking early retirement before the age stipulated in the collective labor agreement in force. This offer was accepted by 1,206 employees (1,706 in 2014). The commitments to early retirees include the compensation and indemnities and contributions to external pension funds payable during the period of early retirement. The commitments relating to this group of employees after they have reached the age of effective retirement are included in the employee welfare system.

The early retirement commitments in Spain as of December 31, 2015 and 2014 are recognized under the heading "Provisions - Provisions for pensions and similar obligations" (Note 20) in the accompanying balance sheets for the amount of €2,689 million and €2,803 million, respectively.

The cost of early retirement for the year is recognized under the heading "Provision expense (Net) - Pension funds and similar obligations" in the accompanying income statements (see Note 40).

The changes in 2015 and 2014 in the present value of the vested obligations for commitments to early retirees in Spain are as follows:

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<b>Early retirements commitments</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Changes in the year</b>		
<b>Current actuarial value at the beginning of the year</b>	<b>2,803</b>	<b>2,634</b>
+ Contributions from merger transactions	-	-
+ Interest costs	53	76
+ Early retirements in the period	501	681
- Payments and settlements	(675)	(654)
+/- Other changes	(9)	(10)
+/- Remeasurements:	16	76
Due to changes in demographic assumptions	-	-
Due to changes in financial assumptions	14	68
Other actuarial gain and losses	2	8
<b>Current actuarial value at the end of the year</b>	<b>2,689</b>	<b>2,803</b>
<b>Heading at the end of the year</b>		
In internal funds (*)	2,689	2,803

(\*) This funds are recognized under the heading "Provisions-Provisions for pension and similar obligation" in the accompanying consolidated balance sheets

### Other commitments with employees

Other benefits for active employees are earned and settled annually, not being necessary to provision them. The total cost of these employee welfare benefits as of December 31, 2015 and 2014, amount to €51 and €48 million and is recognized with a charge to "Personnel expenses - Other personnel expenses" in the accompanying income statements (Note 38.1).

### Estimated future payments for commitments with the Bank's employees

The estimated benefit payments in millions of euros over the next 10 years for commitments with employees in Spain are as follows:

<b>Estimated Future Payments for Post-Employment Commitments in Spain</b>	<b>Millions of Euros</b>					
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021-2025</b>
Post-employment benefits	819	734	648	563	483	1,356
Of which:						
Early retirements	626	542	458	377	301	524

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## 21.2.2 Commitments abroad

Part of the Bank's foreign network has post-employment defined-benefit commitments to certain current and/or retired employees. Those commitments are not available for new employees. The most relevant data relating to these commitments are as follows:

### Defined-benefit commitments

The accrued liability for defined-benefit commitments to current and/or retired employees, net, where appropriate, of the specific assets assigned to fund them, amounted to €34 million both as of 31 December 2015 and 2014, and is included under "Provisions - Provisions for Pensions and Similar Obligations" in the accompanying balance sheets.

The present values of the vested obligations of the foreign network are quantified based on an individual member data, and the projected unit credit valuation method is used for current employees. As a general rule, the actuarial assumptions used are as follows: the discount rate have been determined by reference to high quality corporate bonds of the appropriate currency; the mortality tables are those applicable in each local market when an insurance contract is arranged; and the inflation and salary growth rates are those applicable in each local market, taking into consideration the need for prudence and consistency between them.

The changes in 2015 and 2014 in the foreign network as a whole, in the balances of "Provisions - Pension funds and similar obligations", net of the plan assets, are as follows:

Net Commitments in Branches Abroad Changes in the year	Millions of Euros	
	2015	2014
<b>Balance at the beginning</b>	<b>34</b>	<b>35</b>
+ Interest costs	1	2
+ Current service cost	1	-
- Payments and settlements	(7)	(6)
+/- Past service cost	-	1
+/- Other changes	-	-
+/- Remeasurements:	3	-
Return on plan assets	(2)	-
Due to changes in demographic assumptions	-	-
Due to changes in financial assumptions	5	-
Other actuarial gain and losses	-	-
+/- Exchange differences	2	2
<b>Balance at the end</b>	<b>34</b>	<b>34</b>

The contributions to defined-contribution plans and pension commitments through defined-benefit plans in the foreign network recognized under the heading "Personnel expenses" in the accompanying income statements amounted to €6 and €5 million as at December 31, 2015 and 2014 respectively. Summary of the entries in the income statement and equity

## 22. Common stock

As of December 31, 2015, BBVA's share capital amounted to €3,119,673,257.82 divided into 6,366,680,118 fully subscribed and paid-up registered shares, all of the same class and series, at €0.49 par value each, represented through book-entry accounts. All of the Bank shares carry the same voting and dividend rights, and no single stockholder enjoys special voting rights. There are no shares that do not represent an interest in the Bank's common stock.

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The Bank's shares are traded on the on the Spanish stock market, as well as on the London and Mexico stock markets. BBVA American Depositary Shares (ADSs) traded on the New York Stock Exchange are also traded on the Lima Stock Exchange (Peru), under an exchange agreement between these two markets.

Also, as of December 31, 2015, the shares of BBVA Banco Continental, S.A., Banco Provincial, S.A., BBVA Colombia, S.A., BBVA Chile, S.A. and BBVA Banco Francés, S.A. are listed on their respective local stock markets. BBVA Banco Francés, S.A. is also listed on the Latin American market of the Madrid Stock Exchange and on the New York Stock Exchange

As of December 31, 2015, State Street Bank and Trust Co., Chase Nominees Ltd and The Bank of New York Mellon SA NV in their capacity as international custodian/depository banks, held 13.48%, 7.11%, and 4.19% of BBVA common stock, respectively. Of said positions held by the custodian banks, BBVA is not aware of any individual shareholders with direct or indirect holdings greater than or equal to 3% of BBVA common stock.

On January 18, 2016, Blackrock, Inc. reported to the Spanish Securities and Exchange Commission (CNMV) that, it had an indirect holding of BBVA common stock totaling 5.032%.

BBVA is not aware of any direct or indirect interests through which control of the Bank may be exercised. BBVA has not received any information on stockholder agreements including the regulation of the exercise of voting rights at its annual general meetings or restricting or placing conditions on the free transferability of BBVA shares. No agreement is known that could give rise to changes in the control of the Bank.

The changes in the heading "Common Stock" of the accompanying balance sheets are due to the following common stock increases:

Capital Increase	Number of Shares	Common Stock (Millions of Euros)
<b>As of December 31, 2014</b>	<b>6,171,338,995</b>	<b>3,024</b>
Dividend option - January 2015	53,584,943	26
Dividend option - April 2015	80,314,074	39
Dividend option - October 2015	61,442,106	30
<b>As of December 31, 2015</b>	<b>6,366,680,118</b>	<b>3,120</b>

#### "Dividend Option" Program in 2015:

The AGM held on March 13, 2015 under Point Four of the Agenda, adopted four resolutions on capital increase to be charged to reserves, to once again implement the program called the "Dividend Option", pursuant to article 297.1 a) of the Spanish Corporate Enterprises Act, conferring on the Board of Directors the authority to indicate the date on which said capital increases should be carried out, within one year of the date of the AGM, including the power not to implement any of the resolutions, when deemed advisable.

On March 25, 2015, the Board of Directors of BBVA approved the execution of the first of the capital increases charged to reserves agreed by the aforementioned AGM. As a result of this increase, the Bank's common stock increased by €39,353,896.26 through the issue and circulation of 80,314,074 shares with a €0.49 par value each.

Likewise, on September 18, 2015, the Board of Directors of BBVA approved the execution of the second of the capital increases charged to reserves agreed by the aforementioned AGM. As a result of this increase, the Bank's common stock increased by €30,106,631.94 through the issue and circulation of 61,442,106 shares with a €0.49 par value each.

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### **“Dividend Option” Program in 2014:**

The AGM held on March 14, 2014 under Point Four of the Agenda, resolved to perform four capital increases, charged to voluntary reserves, to once again implement the program called the “Dividend Option”, pursuant to article 297.1 a) of the Corporations Act, delegating in the Board of Directors the ability to indicate the date on which said capital increases should be carried out, within one year of the date on which the agreements are made, including the power not to implement any of the resolutions, when deemed advisable.

On March 26, 2014, the Board of Directors of BBVA approved the execution of the first of the capital increases charged to reserves agreed by the aforementioned AGM. As a result of this increase, the Bank’s common stock increased by €49,594,990.83 through the issue and circulation of 101,214,267 shares with a €0.49 par value each.

Likewise, on September 24, 2014, Board of Directors of BBVA approved the execution of the second of the capital increases charged to reserves agreed by the aforementioned AGM of March 14, 2014. As a result of this increase, the Bank’s common stock increased by €20,455,560.09 through the issue and circulation of 41,746,041 ordinary shares with a €0.49 par value each (see Note 4).

Similarly, on December 17, 2014, Board of Directors of BBVA approved the execution of the third of the capital increases charged to reserves agreed by the aforementioned AGM. As of January 15, 2015, the Bank’s common stock increased by €26,256,622.07 through the issue and circulation of 53,584,943 ordinary shares with a €0.49 par value each, of the same class and series as the shares currently in circulation, without issuance premium and represented by book entries.

### **Capital increase**

The Bank’s AGM held on March 16, 2012 agreed, in Point Three of the Agenda, to confer authority on the Board of Directors to increase common stock in accordance with Article 297.1.b) of the Corporations Act, on one or several occasions, within the legal deadline of five years from the date the resolution takes effect, up to the maximum nominal amount of 50% of the subscribed and paid-up common stock on the date on which the resolution is adopted. Likewise, an agreement was made to enable the Board of Directors to exclude the preemptive subscription right on those common stock increases in line with the terms of Article 506 of the Corporations Act. This authority is limited to 20% of the common stock of the Bank on the date the agreement is adopted.

On November 19, 2014, the Board of Directors of BBVA, exercising the authority delegated by the AGM held on March 16, 2012 under point Three of its Agenda, decided to carry out a capital increase through an accelerated bookbuilt offering.

On November 20, 2014, the capital increase finished with a total par value of €118,787,879.56 through the issue of 242,424,244 shares of BBVA, each with a par value of €0.49, of the same class and series as the shares currently in circulation and represented by book entries. The subscription price of these new shares was determined to be €8.25 per share (corresponding €0.49 to par value and €7.76 to share premium). Therefore, the total effective amount of the Capital Increase was of €2,000,000,013 corresponding €118,787,879.56 euros to par value and €1,881,212,133.44 euros to share premium (see Note 23).

### **Convertible and/or exchangeable securities**

At the AGM held on March 16, 2012, the shareholders resolved, in Point Five of the Agenda, to delegate to the Board of Directors for a five-year period the right to issue bonds, convertible and/or exchangeable into BBVA shares, for a maximum total of €12,000 million. The powers include the right to establish the different aspects and conditions of each issue; to exclude the pre-emptive subscription right of shareholders in accordance with the Corporations Act; to determine the basis and methods of conversion and/or exchange; and to increase the Bank’s common stock as required to address the conversion commitments.

During 2014 and 2013 respectively, BBVA, exercising the authority delegated by the AGM held on March 16, 2012 under point Five of its Agenda, issued perpetual securities eventually convertible into new ordinary shares of BBVA, (Additional level I capital instruments) without pre-emption rights, for a total amount of €1,500 million and \$1,500 million (€1,378 million as of December 31, 2015). Similarly on February 10, 2015, BBVA issued perpetual securities eventually convertible into new ordinary shares of BBVA, (Additional level I capital instruments) without pre-emption rights, for a total amount of €1,500 million. (See Note 19.4).

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## Other securities

The Bank's AGM held on March 13, 2015, in Point Six of the agenda, agreed to delegate to the Board of Directors, the authority to issue, within the five-year maximum period stipulated by law, on one or several occasions, directly or through subsidiaries, with the full guarantee of the Bank, any type of debt instruments, documented in obligations, bonds of any kind, promissory notes, all type of covered bonds, warrants, mortgage participation, mortgage transfers certificates and preferred securities (that are totally or partially exchangeable for shares already issued by the company itself or by another company, in the market or which can be settled in cash), or any other fixed-income securities, in euros or any other currency, that can be subscribed in cash or in kind, registered or bearer, unsecured or secured by any kind of collateral, including a mortgage guarantee, with or without incorporation of rights to the securities (warrants), subordinate or otherwise, for a limited or indefinite period of time, up to a maximum nominal amount of €250 billion.

## 23. Share premium

The changes in the balances under this heading in the accompanying balance sheets are due to the common stock increases carried out in 2015 and 2014 (see Note 22), as set out below:

Capital Increase	Millions of Euros
	Share premium
<b>As of December 31, 2013</b>	<b>22,111</b>
Capital increase - November 2014	1,881
<b>As of December 31, 2014</b>	<b>23,992</b>
<b>As of December 31, 2015</b>	<b>23,992</b>

The amended Spanish Corporation Act expressly permits the use of the share premium balance to increase capital and establishes no specific restrictions as to its use.

## 24. Reserves

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

Reserves. Breakdown by concepts	Millions of Euros	
	2015	2014
<b>Restricted reserves:</b>		
Legal reserve	605	567
Restricted reserve for retired capital	213	268
Revaluation Royal Decree-Law 7/1996	22	23
<b>Voluntary reserves:</b>		
Voluntary and others	6,971	6,784
<b>Total</b>	<b>7,810</b>	<b>7,642</b>

### 24.1 Legal reserve

Under the amended Corporations Act, 10% of any profit made each year must be transferred to the legal reserve. These provisions must be made until the legal reserve reaches 20% of the share capital.

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The legal reserve can be used to increase the common stock provided that the remaining reserve balance does not fall below 10% of the increased capital. While it does not exceed 20% of the common stock, it can only be allocated to offset losses exclusively in the case that there are not sufficient reserves available.

## 24.2 Restricted reserves

As of December 31, 2015 and 2014, the Bank's restricted reserves are as follows:

<b>Restricted Reserves</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>6-jul-1905</b>
Restricted reserve for retired capital	88	88
Restricted reserve for Parent Company shares and loans for those shares	123	178
Restricted reserve for redenomination of capital in euros	2	2
<b>Total</b>	<b>213</b>	<b>268</b>

The restricted reserve for retired capital originated in the reduction of the nominal par value of the BBVA shares made in April 2000.

The most significant heading corresponds to restricted reserves related to the amount of shares issued by the Bank in its possession at each date, as well as the amount of customer loans outstanding on those dates that were granted for the purchase of, or are secured by, the Bank's shares.

Finally, pursuant to Law 46/1998 on the Introduction of the Euro, a restricted reserve is recognized as a result of the rounding effect of the redenomination of the Bank's common stock in euros.

## 24.3 Revaluation and regularizations of the balance sheet

Prior to the merger, Banco de Bilbao, S.A. and Banco de Vizcaya, S.A. availed themselves of the legal provisions applicable to the regularization and revaluation of balance sheets. Thus, on December 31, 1996, Banco Bilbao Vizcaya, S.A. revalued its tangible assets pursuant to Royal Decree-Law 7/1996 of June 7 by applying the maximum coefficients authorized, up to the limit of the market value arising from the existing valuations. As a result of these updates, the increases in the cost and depreciation of tangible fixed assets were calculated and allocated as follows.

Following the review of the balance of the "Revaluation reserve pursuant to Royal Decree-Law 7/1996 of June 7" account by the tax authorities in 2000, this balance could only be used, free of tax, to offset recognized losses and to increase share capital until January 1, 2007. From that date, the remaining balance of this account can also be allocated to unrestricted reserves, provided that the surplus has been depreciated or the revalued assets have been transferred or derecognized.



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The breakdown of the calculation and movement to voluntary reserves under this heading are:

Revaluation and Regularization of the Balance Sheet	Millions of Euros	
	2015	2014
Legal revaluations and regularizations of tangible assets:		
Cost	187	187
Less:		
Single revaluation tax (3%)	(6)	(6)
<b>Balance as of December 31, 1999</b>	<b>181</b>	<b>181</b>
Rectification as a result of review by the tax authorities in 2000	(5)	(5)
Transfer to voluntary reserves	(154)	(153)
<b>Total</b>	<b>22</b>	<b>23</b>

## 25. Treasury stock

In 2015 and 2014 the Group companies performed the following transactions with shares issued by the Bank:

Treasury Stock	2015		2014	
	Number of Shares	Millions of Euros	Number of Shares	Millions of Euros
<b>Balance at beginning</b>	<b>41,510,698</b>	<b>350</b>	<b>6,876,770</b>	<b>66</b>
+ Purchases	431,321,283	3,273	425,390,265	3,770
- Sales and other changes	(433,914,316)	(3,314)	(390,756,337)	(3,484)
+/- Derivatives over BBVA shares	-	-	-	(1)
+/- Other changes	-	-	-	-
<b>Balance at the end</b>	<b>38,917,665</b>	<b>309</b>	<b>41,510,698</b>	<b>350</b>
Of which:				
Held by BBVA	1,840,378	19	5,001,897	46
Held by Corporación General Financiera, S.A.	37,077,287	290	36,480,861	304
Held by other subsidiaries	-	-	27,940	-
Average purchase price in euros	7.60	-	8.86	-
Average selling price in euros	7.67	-	8.94	-
Net gain or losses on transactions (Stockholders' funds-Reserves)	-	6	-	5

The percentages of treasury stock held by the Group in 2015 and 2014 are as follows:

Treasury Stock	2015		2014	
	Min	Max	Min	Max
<b>% treasury stock</b>	<b>0.000%</b>	<b>0.806%</b>	<b>0.000%</b>	<b>0.699%</b>

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The number of BBVA shares accepted by the Bank in pledge as of December 31, 2015 and 2014 is as follows:

<b>Shares of BBVA Accepted in Pledge</b>	<b>2015</b>	<b>2014</b>
Number of shares in pledge	92,703,291	97,795,984
Nominal value	0.49	0.49
% of share capital	1.46%	1.58%

The number of BBVA shares owned by third parties but managed by a company in the Group as of December 31, 2015 and 2014 is as follows:

<b>Shares of BBVA Owned by Third Parties but Managed by the Group</b>	<b>2015</b>	<b>2014</b>
Number of shares property of third parties	92,783,913	101,425,692
Nominal value	0.49	0.49
% of share capital	1.46%	1.64%

## 26. Valuation adjustments

The breakdown of the balance under this heading in the accompanying balance sheets is as follows:

<b>Valuation Adjustments</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Available-for-sale financial assets	458	1,781
Cash flow hedging	(75)	(82)
Hedging of net investments in foreign transactions	-	-
Exchange differences	21	12
Non-current assets held for sale	-	-
Other valuation adjustments	(23)	(20)
<b>Total</b>	<b>381</b>	<b>1,691</b>

The balances recognized under these headings are presented net of tax.

## 27. Capital base, capital management and liquidity management

As of December 31, 2015 and 2014, equity is calculated in accordance with current regulation on minimum capital base requirements for Spanish credit institutions -both as individual entities and as consolidated groups- and how to calculate them, as well as the various internal capital adequacy assessment processes they should have in place and the information they should disclose to the market.

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The minimum capital base requirements established by the current regulation are calculated according to the Group's exposure to credit and dilution risk, counterparty and liquidity risk relating to the trading portfolio, exchange-rate risk and operational risk. In addition, the Group must fulfill the risk concentration limits established in said regulation and the internal Corporate Governance obligations.

The European Central Bank (ECB) has notified its decision with respect to the prudential capital requirements applicable to BBVA following the supervisory review and evaluation process (SREP). This decision requires BBVA to maintain a phased-in common Tier 1 (CET1) capital ratio of 9.5%, at both individual and consolidated level. The decision establishes that the required CET1 ratio of 9.5% includes:

- the minimum CET1 ratio required by Pillar 1; for these purposes Pillar 1 corresponds to the minimum CET1 ratio required by Article 92(1)(a) of Regulation (EU) No. 575/2013.
- the ratio required by Pillar 2 corresponds to the CET1 ratio required in excess of the minimum CET1 ratio, in accordance with Article 16(2)(a) of Regulation (EU) No. 1024/2013; and
- the capital conservation buffer which will be required starting on January 1, 2016 by Article 44 of Act 10/2014 and its implementing regulations.

In addition, in 2016 an additional capital requirement of 0.25% will be applied to BBVA Group, as a globally systemically important bank (G-SIB). The total minimum requirements of phased-in CET1 in 2016 at the consolidated level is 9.75%.

As BBVA will be excluded from the list of global systemically important banks as of January 1, 2017, this excess capital will not be applicable from that date. However, the Bank of Spain has decided that BBVA is included on the list of Other Systemically Important Institutions (OSII), so BBVA will instead need a capital buffer applicable to this concept, which requires the maintenance of common CET1 elements equal to 0.5% at the consolidated level. There will be a phased period of implementation lasting four years, with the level of 0.5% to be in place by 2019.

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The Group's bank capital in accordance with the aforementioned applicable regulation, considering entities scope required by the above regulation, as of December 31, 2015 and 2014 is shown below:

<b>Capital Base</b>	<b>Millions of Euros</b>	
	<b>2015 (*)</b>	<b>2014</b>
<b>Common Equity Tier 1 Capital</b>	<b>48.539</b>	<b>41.831</b>
Common Stock	3.120	3.024
Parent company reserves	44.824	42.406
Reserves in consolidated companies	(2.617)	(1.204)
Non-controlling interests	7.143	1.885
Deductions and others	(5.387)	(6.151)
Attributed net income (less dividends)	1.456	1.871
<b>Additional Tier 1 Capital</b>	<b>-</b>	<b>-</b>
Capital instruments eligible and perpetual securities eventually convertible	5.302	4.205
Deductions and others	(5.302)	(4.205)
<b>Total Tier 1 Capital</b>	<b>48.539</b>	<b>41.831</b>
<b>Tier 2 Capital</b>	<b>11.646</b>	<b>11.046</b>
<b>Other deductions</b>	<b>-</b>	<b>-</b>
<b>Total Own Funds</b>	<b>60.185</b>	<b>52.877</b>
<b>Total Minimum equity required (**)</b>	<b>38.125</b>	<b>28.065</b>

(\*) Provisional data

(\*\*) Year 2015 is calculated according to the minimum CET1 requirement 2014 according the total requirement.

The changes in 2015 are affected by the corporate operations executed over the year (see Note 3). In addition, the changes in the Tier 1 capital level in the above table are basically due to the cumulative earnings through December, net of dividends, the contribution of non-controlling interests in Garanti Bank and the issue of additional Tier 1 capital executed in the year. This increase is partially offset by the scaled increase planned by the regulation (up to 40% in 2015).

The Tier 2 capital is increased by the changes in the instruments issued by eligible subsidiaries and the loss of eligibility due to the effect of the greater temporary adjustments.

The increase in the minimum capital requirements is due mainly to the determination of new prudential capital requirements applicable to BBVA, as mentioned above.

The comparison of the amounts as of December 31, 2015 with respect to the amounts as of December 31, 2014 according to their respective existing regulations on both periods is as follows:

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<b>Capital Base</b>	<b>Millions of Euros</b>	
	<b>2015</b> (*)	<b>2014</b>
<b>Core Capital</b>	<b>35,531</b>	<b>34,035</b>
<b>Basic equity</b>	<b>40,155</b>	<b>37,436</b>
<b>Additional equity</b>	<b>2,954</b>	<b>3,308</b>
<b>Total Equity</b>	<b>43,109</b>	<b>40,744</b>
<b>Minimum equity required</b>	<b>15,964</b>	<b>15,850</b>

(\*) Provisional data and calculated according to CRD-IV

## Capital management

Capital management in the BBVA Group has a twofold aim:

- Maintain a level of capitalization according to the business objectives in all countries in which it operates and, simultaneously.
- Maximize the return on shareholders' funds through the efficient allocation of capital to the different units, a good management of the balance sheet and appropriate use of the various instruments forming the basis of the Group's equity: shares, preferred securities and subordinated debt.

This capital management is carried out in accordance with the criteria of the Bank of Spain Circular 3/2008 and subsequent amendments both in terms of determining the capital base and the solvency ratios. Prudential and minimum capital requirements also have to be met for the subsidiaries subject to prudential supervision in other countries.

The current regulation allows each entity to apply its own internal ratings-based (IRB) approach to risk assessment and capital management, subject to Bank of Spain approval. The BBVA Group carries out an integrated management of these risks in accordance with its internal policies (see Note 5) and its internal capital estimation model has received the Bank of Spain's approval for certain portfolios.

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## 28. Contingent risks and commitments

The breakdown of the balance under these headings in the accompanying balance sheets is as follows:

Financial Guarantees and Drawable by Third Parties	Millions of Euros	
	2015	2014
<b>Contingent Risks</b>		
Collateral, bank guarantees and indemnities	20,958	26,058
Rediscounts, endorsements and acceptances	713	1,236
Rest	18,179	17,843
<b>Total Contingent Risks</b>	<b>39,850</b>	<b>45,137</b>
<b>Contingent Commitments</b>		
Drawable by third parties	47,751	44,306
Credit institutions	921	1,057
Government and other government agency	2,546	1,359
Other resident sectors	21,359	21,054
Non-resident sector	22,925	20,837
<b>Other commitments</b>	10,504	9,662
<b>Total Contingent Commitments</b>	<b>58,255</b>	<b>53,968</b>
<b>Total contingent Risks and Commitments</b>	<b>98,105</b>	<b>99,105</b>

Since a significant portion of the amounts above will reach maturity without any payment obligation materializing for the companies, the aggregate balance of these commitments cannot be considered as an actual future requirement for financing or liquidity to be provided by the Bank to third parties.

In 2015 and 2014 no issuances of debt securities carried out by associated entities, joint ventures or non-Group entities have been guaranteed.

## 29. Other contingent assets and liabilities

As of December 31, 2015 and 2014, there were no contingent assets or liabilities for significant amounts other than those registered in these Financial Statements.

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### 30. Purchase and sale commitments and future payment obligations

The breakdown of the sale and purchase commitments of the Bank as of December 31, 2015 and 2014 is as follows:

Purchase and Sale Commitments	Notes	Millions of Euros	
		2015	2014
<b>Financial instruments sold with repurchase commitments</b>		<b>44,532</b>	<b>49,536</b>
Central Banks	7	389	573
Credit Institutions	19.1	27,745	30,458
Government and other government agencies	19.2	7,500	3,023
Other resident sectors	19.2	1,436	7,364
Non-resident sectors	19.2	7,462	8,118
<b>Financial instruments purchased with resale commitments</b>		<b>16,847</b>	<b>17,988</b>
Central Banks	7	-	-
Credit Institutions	11.1	12,033	8,880
Government and other government agencies	11.2	326	378
Other resident sectors	11.2	4,488	8,730

Future payment obligations other than those mentioned in the notes above correspond mainly to long-term (over 5 year) obligations amounting to around €3,098 million for leases payable derived from operating lease contracts.

### 31. Transactions for the account of third parties

As of December 31, 2015 and 2014, the details of the most significant items under this heading are as follows:

Transactions on Behalf of Third Parties	Millions of Euros	
	2015	2014
Financial instruments entrusted by third parties	463,876	403,486
Conditional bills and other securities received for collection	3,226	2,964
Securities received in credit	2,174	1,808

As of December 31, 2015 and 2014, the off-balance sheet customer funds managed by the Bank are as follows:

Off-Balance Sheet Customer Funds by Type	Millions of Euros	
	2015	2014
Investment companies and mutual funds	34,316	32,520
Pension funds	18,016	17,884
Saving insurance contracts	7,168	9,144
Managed customers portfolio	7,302	5,396
<b>Total</b>	<b>66,802</b>	<b>64,944</b>

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## 32. Interest income and expense and similar items

### 32.1 Interest and similar income

The breakdown of the interest and similar income recognized in the accompanying income statement is as follows:

<b>Interest and Similar Income. Breakdown by Origin.</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Central Banks	5	6
Loans and advances to credit institutions	83	142
Loans and advances to customers	4,132	5,177
Government and other government agencies	555	708
Resident sector	3,205	4,071
Non resident sector	372	398
Debt securities	1,370	1,568
Trading	107	204
Investment	1,263	1,364
Rectification of income as a result of hedging transactions	(361)	(318)
Other income	235	188
<b>Total</b>	<b>5,464</b>	<b>6,763</b>

The amounts recognized in equity during both years in connection with hedging derivatives and the amounts derecognized from equity and taken to the income statement during those years are disclosed in the accompanying statements of recognized income and expenses.

The following table shows the adjustments in income resulting from hedge accounting, broken down by type of hedge:

<b>Adjustments in Income Resulting from Hedge Accounting</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Cash flow hedging	4	1
Fair value hedging	(365)	(319)
<b>Total</b>	<b>(361)</b>	<b>(318)</b>



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## 32.2 Interest and similar expenses

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Interest and Similar Expenses. Breakdown by Origin	Millions of Euros	
	2015	2014
Bank of Spain and other central banks	51	51
Deposits from credit institutions	276	438
Customers deposits	1,362	2,317
Debt certificates (Note 19.3)	840	1,154
Subordinated liabilities	170	255
Rectification of expenses as a result of hedging transactions	(680)	(843)
Cost attributable to pension funds (Note 21)	60	86
Other charges	46	35
<b>Total</b>	<b>2,125</b>	<b>3,493</b>

The following table shows the adjustments in expenses resulting from hedge accounting, broken down by type of hedge:

Adjustments in Expenses Resulting from Hedge Accounting	Millions of Euros	
	2015	2014
Cash flow hedging	2	4
Fair value hedging	(682)	(847)
<b>Total</b>	<b>(680)</b>	<b>(843)</b>

## 33. Dividend income

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Dividend Income	Millions of Euros	
	2015	2014
Investments in associates	5	4
Investments in jointly controlled entities	51	38
Investments in group Entities	1,711	2,328
Other shares and equity instruments	350	478
<b>Total</b>	<b>2,117</b>	<b>2,848</b>

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## 34. Fee and commission income

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Fee and Commission Income	Millions of Euros	
	2015	2014
Commitment fees	112	127
Contingent risks	178	182
Letters of credit	13	11
Bank and other guarantees	165	171
Arising from exchange of foreign currencies and banknotes	2	2
Collection and payment services	503	531
Bills receivables	5	7
Current accounts	123	115
Credit and debt cards	265	297
Checks (trading, clearing, return)	6	6
Transfers and others payment orders	62	57
Rest	42	49
Securities services	211	244
Securities underwriting	51	72
Securities dealing	55	60
Custody securities	64	73
Investment and pension funds	-	-
Rest assets management	41	39
Counselling on and management of one-off transactions	-	-
Financial and similar counselling services	-	-
Factoring transactions	27	34
Non-banking financial products sales	517	447
Other fees and commissions	201	206
<b>Total</b>	<b>1,751</b>	<b>1,773</b>

## 35. Fee and commission expenses

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Fee and Commission Expenses	Millions of Euros	
	2015	2014
Brokerage fees on lending and deposit transactions	1	1
Fees and commissions assigned to third parties	140	163
Credit and debt cards	103	129
Transfers and others payment orders	3	2
Securities dealing	20	26
Rest	14	6
Other fees and commissions	148	144
<b>Total</b>	<b>289</b>	<b>308</b>

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### 36. Net gains (losses) on financial assets and liabilities

The breakdown of the balance under this heading, by source of the related items, in the accompanying income statements is as follows:

<b>Net Gains (Losses) on Financial Assets and Liabilities</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Financial assets held for trading	151	(7)
Other financial assets designated at fair value through profit or loss	-	-
Other financial instruments not designated at fair value through profit or loss	759	1,161
Available-for-sale financial assets	776	1,191
Loans and receivables	-	-
Rest	(17)	(30)
<b>Total</b>	<b>910</b>	<b>1,154</b>

The breakdown of the balance under this heading in the accompanying income statements by the nature of the financial instruments is as follows:

<b>Net Gains (Losses) on Financial Assets and Liabilities Breakdown by Nature of the Financial Instrument</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Debt instruments	695	1,749
Equity instruments	(522)	272
Loans and receivables	-	-
Derivatives	885	(568)
Deposits from customers	-	-
Rest	(148)	(299)
<b>Total</b>	<b>910</b>	<b>1,154</b>

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While the breakdown of the impact of the derivatives (trading and hedging) in the balance under this heading in the accompanying income statements is as follows:

<b>Derivatives Trading and Hedging</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Trading derivatives</b>		
Interest rate agreements	105	(461)
Security agreements	713	(96)
Commodity agreements	(1)	(1)
Credit derivative agreements	84	25
Other agreements		
<b>Subtotal</b>	<b>901</b>	<b>(533)</b>
<b>Hedging Derivatives Ineffectiveness</b>		
Fair value hedging	(16)	(35)
Hedging derivative	29	(478)
Hedged item	(45)	443
Cash flow hedging		
<b>Subtotal</b>	<b>(16)</b>	<b>(35)</b>
<b>Total</b>	<b>885</b>	<b>(568)</b>

In addition, in 2015 and 2014, under the heading “Exchange differences (net)” of the income statements, net amounts of positive €135 million and positive €39 million, respectively, are registered for transactions with foreign exchange trading derivatives.

### 37. Other operating income and expenses

The breakdown of the balance under the heading “Other operating income” in the accompanying income statements is as follows:

<b>Other Operating Income. Breakdown by main Items</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Real estate income	12	8
Financial income from non-financial services	64	64
Rest of operating income	38	48
<b>Total</b>	<b>114</b>	<b>120</b>

The breakdown of the balance under the heading “Other operating expenses” in the accompanying income statements is as follows:

<b>Other Operating Expenses. Breakdown by main Item</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Other operating expenses	465	433
<i>Of which:</i>		
Contributions to guaranteed banks deposits funds	241	215
Real estate agencies	127	114
<b>Total</b>	<b>465</b>	<b>433</b>

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## 38. Administration costs

### 38.1 Personnel expenses

The breakdown of the balance under this heading in the accompanying income statements is as follows:

Personnel Expenses. Breakdown by main Concepts	Notes	Millions of Euros	
		2015	2014
Wages and salaries		1,666	1,623
Social security costs		337	362
Transfers to internal pension provisions	21	2	2
Contributions to external pension funds	21	45	44
Other personnel expenses		148	163
<b>Total</b>		<b>2,198</b>	<b>2,194</b>

The breakdown of the number of employees in the Bank as of December 31, 2015 and 2014, by categories and gender, is as follows:

Number of Employees at the end of year Professional Category and Gender	2015		2014	
	Male	Female	Male	Female
Management Team	797	224	835	210
Other line personnel	10,406	9,771	10,925	9,859
Clerical staff	1,311	1,462	1,618	1,592
General Services	3	1	9	1
Branches abroad	458	285	456	293
<b>Total</b>	<b>12,975</b>	<b>11,743</b>	<b>13,843</b>	<b>11,955</b>

### Share-based employee remuneration

The amounts registered under the heading "Personnel expenses - Other personnel expenses" in the income statements for the years 2015 and 2014, corresponding to the plans for remuneration based on equity instruments in force in each year, amounted to €30 million and €50 million for BBVA, respectively. These amounts have been registered with a balancing entry under the heading "Stockholders' funds - Other equity instruments" in the accompanying balance sheets, net of tax effect.

The specifications of the Bank's Group remuneration plans based on equity instruments are described below.

#### Variable Share-based Remuneration System

The remuneration policy of the BBVA Group prevailing until 2014 provided for a System of Variable Remuneration in Shares for the BBVA Management Team, including the executive directors and members of the Senior Management (the "System of Variable Remuneration in Shares" or the "System"). This system was approved by the Annual General Meeting of BBVA shareholders, 11<sup>th</sup> March 2011, and the conditions for the 2014 financial year approved by the Annual General Meeting, 14<sup>th</sup> March 2014.

The System was based on a specific incentive for the (approximately 2,200) people comprising Management Team (hereinafter, the "Incentive"), which consisted in the annual allocation to each beneficiary of a number of units which had been the basis for determining how many shares that individual would receive when the Incentive was settled, depending on the level of compliance with indicators set every year by the General Meeting. For 2014 these indicators were: the performance of the Total Shareholder Return (TSR), the Group's Recurring Economic Profit without one-offs and the Group's Attributable Profit without one-offs.

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This Incentive, together with the variable cash remuneration due to each director ("ordinary variable remuneration"), would constitute their annual variable remuneration (hereinafter, the "Annual Variable Remuneration").

Once each financial year is closed, the number of units allocated to each beneficiary was divided into three parts indexed to each one of the indicators of the Incentive as a function of the weightings established at any time and each one of these parts was multiplied by a coefficient of between 0 and 2 as a function of the scale defined for each indicator every year.

The shares resulting from this calculation were subject to the following withholding criteria:

- 40% of the shares received were freely transferrable by the beneficiaries from the time of their vesting;
- 30% of the shares received were transferrable once a year has elapsed after the Incentive settlement date; and
- The remaining 30% were transferrable as of two years after the Incentive settlement date.

Apart from this, the Bank also had a specific system for settlement and payment of the variable remuneration applicable to employees and managers, including the executive directors and members of the Senior Management, performing professional activities that may have a significant impact on the risk profile of the entity or performing control duties (hereinafter, the "Identified Staff").

The specific rules for settlement and payment of the Annual Variable Remuneration of executive directors and members of the Senior Management are described in Note 48, while the rules listed below are applicable to the rest of the Identified Staff:

- At least 50% of the total Annual Variable Remuneration of the members of the Identified Staff will be paid in BBVA shares.
- People in the Identified Staff who are not members of the management team will receive 50% of their ordinary variable remuneration in BBVA shares.
- The payment of 40% of their variable remuneration, both in cash and in shares, will be deferred. The deferred amount will be paid in thirds over the following three years.
- All the shares delivered to these beneficiaries pursuant to the rules explained in the previous paragraph would be unavailable for one year after they have vested. This withholding would be applied against the net amount of the shares, after deducting any tax accruing on the shares received. A prohibition was also established against hedging with unavailable vested shares and shares pending reception.
- Moreover, circumstances have been established in which the payment of the deferred Annual Variable Remuneration payable may be limited or impeded ("malus" clauses), as well as the adjustment to update these deferred parts.
- Finally, the variable component of the remuneration corresponding to any one financial year of those in the Identified Staff was limited to an upper threshold of 100% of the fixed component of the total remunerations, unless the General Meeting should resolve to raise this limit which, in any event, may not exceed 200% of the fixed component of the total remuneration.

In this regard, the General Meeting, 14<sup>th</sup> March 2014, resolved, in line with applicable legislation, that the variable component of the remuneration corresponding to any one financial year of certain employees whose professional activities have a significant impact on the Bank's risk profile or who perform control functions may be as much as 200% of the fixed component of their total remuneration. This is entirely consistent with the Recommendations Report issued by the BBVA's Board of Directors, 30th January, 2014.

When the Incentive for 2014 ended on 31<sup>st</sup> December 2014, a multiplication factor of 0.4775 was applied to the units initially allocated to each beneficiary on that date, resulting in a total of 3,137,941 shares for the Management Team as a whole, which resulted in a percentage of shares delivered to its beneficiaries, subject to the settlement and payment system described above.

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Likewise, during 2015 the shares corresponding to the deferred parts of the Annual Variable Remuneration from previous years, and their corresponding adjustments in cash, were delivered to the beneficiary members of the Identified Staff, giving rise in 2015, of a total of 455,620 shares corresponding to the first deferred third of the 2013 Annual Variable Remuneration were granted, and €187,039 as adjustments for updates of to the shares granted; a total of 525,939 shares corresponding to the second deferred third of the 2012 Annual Variable Remuneration, and €384,615 in adjustments for updates; and a total of 802,343 shares corresponding to the final third of the 2011 Annual Variable Remuneration 2011, with €923,811 in adjustments for updates.

Likewise, in 2015 beneficiaries in the Identified Staff received the shares corresponding to the deferred parts of the 2010/2011 Multi-Year Variable Share Remuneration Programme (hereinafter, the "Programme" or "LTI 2010/2011"), as outlined below:

### **2010/2011 Multi-Year Variable Share Remuneration Programme**

Once the LTI 2010/2011 approved by the General Meeting, 12th March 2010 ended on 31st December 2011, it was settled by applying the conditions established at its outset.

The above notwithstanding, the settlement and payment system indicated was applied to beneficiaries of the programme who are members of the Identified Staff, as agreed by the General Shareholders Meeting, 16<sup>th</sup> March 2012, with the result that:

- The payment of 40% of the shares resulting from settlement of the Programme (50% in the case of executive directors and other members of the Senior Management) was deferred to vest in thirds in 2013, 2014 and 2015.
- The shares paid may not be availed for one year as of their vesting date. This withholding is applicable to the net amount of the shares, after deducting the taxes payable on the shares received.
- The vesting of the deferred shares will be subject to the application of the circumstances limiting or impeding payment of the variable remuneration ("malus" clauses) established by the Board of Directors; and
- The deferred shares will be subject to adjustments to update their value.

Thus, for the Identified Staff, pursuant to the conditions established in the Programme, in the first quarter of 2015 a total of 341,684 shares were vested, corresponding to the final third of the deferred part of shares resulting from the programme's settlement, and €390,880 as an adjustment for the updated value of the shares vested.

The settlement and payment of the shares originating in this Programme for the executive directors and members of Senior Management was conducted according to the scheme defined for this purpose, as described in Note 48.

### **Remunerations policy applicable from 2015 onwards**

The Bank has modified its remunerations policy for 2015, 2016 and 2017, in order to align itself more closely with market best practices, regulatory requirements and its internal organisation and strategy. At the end of 2014 the Management Team Incentive (MTI) plan ended, unifying the variable remuneration components into a single annual incentive (the "Annual Variable Remuneration"). This policy for BBVA directors was approved at the General Meeting, 13<sup>th</sup> March 2015.

The new remuneration policy also contains a specific settlement and payment scheme for Annual Variable Remuneration as it applies to the Identified Staff. The rules are as follows:

- The Annual Variable Remuneration of members of the Identified Staff will be paid in equal parts in cash and BBVA shares.
- The payment of 40% of the Annual Variable Remuneration - 50% in the case of executive directors and Senior Management - both in cash and shares will be deferred in its entirety for three years. Its accrual and payment will be subject to compliance with a series of multi-year indicators related to share performance and the Group's basic control and risk management metrics measuring solvency, liquidity and profitability, which will be calculated throughout the deferral period (hereinafter "Multi-Annual Assessment Indicators"). These Multi-year Performance Indicators may lead to a reduction in the amount deferred, and might even bring it

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down to zero, but they will not be used under any circumstances to increase the aforementioned deferred remuneration.

- All the shares vesting to these beneficiaries pursuant to the rules explained previously will be unavailable during a certain period since their delivery. This withholding will be applied against the net amount of the shares, after deducting the tax accruing on the shares received. A prohibition has also been established against hedging with unavailable vested shares and outstanding shares.
- Moreover, circumstances have been established in which the payment of the deferred Annual Variable Remuneration payable may be limited or impeded ("malus" clauses), and the adjustment to update these deferred parts has also been determined.
- Lastly, the variable component in the remuneration corresponding to any one financial year for people in the Identified Collective will have a maximum threshold of 100% of the fixed component of total remuneration, unless those cases in which the General Meeting agrees to raise this threshold. However, under no circumstances may it exceed 200% of the fixed component of total remuneration.

On this issue, the General Meeting, 13th March 2015, resolved to enlarge the set of staff members whose professional activities have a significant impact on the Group's risk profile or who perform control functions, and whose variable remuneration will be subject to the maximum threshold of 200% of the fixed component of their total remuneration. This is entirely consistent with the Recommendations Report produced by the BBVA's Board of Directors on 3rd February 2015.

The first disbursement in shares under this new policy will be the initial payment of the Annual Variable Remuneration for 2015 to be paid in shares, which will take place in the first quarter of 2016

## 38.2 General and administrative expenses

The breakdown of the balance under this heading in the accompanying income statements is as follows:

<b>General and Administrative Expenses. Breakdown by main concepts</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Technology and systems	398	364
Communications	61	65
Advertising	137	151
Property, fixtures and materials	430	415
<i>Of which: Rent expenses (*)</i>	314	302
Taxes	21	14
Other administration expenses	511	461
<b>Total</b>	<b>1,558</b>	<b>1,470</b>

(\*) The Bank does not expect to terminate the lease contracts early.

## 39. Depreciation and amortization

The breakdown of the balance under this heading in the accompanying income statements is as follows:

<b>Depreciation and Amortization</b>	<b>Notes</b>	<b>Millions of Euros</b>	
		<b>2015</b>	<b>2014</b>
Tangible assets	15	200	199
For own use		191	190
Investment properties		9	9
Operating lease		-	-
Other Intangible assets	16	319	318
<b>Total</b>		<b>519</b>	<b>517</b>



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## 40. Provisions (net)

In 2015 and 2014, the net allowances charged to the income statement under the headings “Provisions for pensions and similar obligations”, “Provisions for contingent risks and commitments” “Provisions for taxes and other legal contingencies” and “Other provisions” in the accompanying income statements are as follows:

Provisions (Net)	Notes	Millions of Euros	
		2015	2014
Provisions for pensions and similar obligations	20	550	774
Provisions for contingent Risks and Commitments	20	29	17
Other Provisions	20	72	81
<b>Total</b>		<b>651</b>	<b>872</b>

## 41. Impairment losses on financial assets (net)

The impairment losses on financial assets broken down by the nature of these assets in the accompanying income statements are as follows:

Impairment Losses on Financial Assets (Net) Breakdown by main concepts	Millions of Euros	
	2015	2014
Available-for-sale financial assets	13	12
Debt securities	-	-
Other equity instruments	13	12
Held-to-maturity investments	-	-
Loans and receivables	1,291	1,856
Of which: Recovery of written-off assets	380	310
<b>Total</b>	<b>1,304</b>	<b>1,868</b>

## 42. Impairment losses on other assets (net)

The impairment losses on non-financial assets broken down by the nature of these assets in the accompanying income statements is as follows:

Impairment Losses on Other Assets (Net)	Millions of Euros	
	2015	2014
Tangible assets	22	23
For own use	22	23
Investment properties	-	-
Rest	(835)	(63)
<b>Total</b>	<b>(813)</b>	<b>(40)</b>

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### 43. Gains (losses) on derecognized assets not classified as non-current assets held for sale

The breakdown of the balance under this heading in the accompanying income statements is as follows:

<b>Gains and Losses on Derecognized Assets Not Classified as Non-current Assets Held for Sale</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Gains</b>		
Disposal of investments in entities	8	1
Disposal of intangible assets and other	-	-
<b>Losses:</b>		
Disposal of investments in entities	-	(2)
Disposal of intangible assets and other	-	-
<b>Total</b>	<b>8</b>	<b>(1)</b>

### 44. Gains (losses) on non-current assets held for sale

#### 44.1 Gains (losses) on non-current assets held for sale not classified as discontinued transactions

The main items included in the balance under this heading in the accompanying income statements are as follows:

<b>Gains and Losses in Non-current Assets Held for Sale</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Gains for real estate (Note 14)	62	(26)
<i>Of which:</i>		
Foreclosed	3	(30)
Sale of buildings for own use	59	4
Impairment of non-current assets held for sale	(204)	(336)
Gains on sale of available-for-sale financial assets	499	-
Other gains and losses	403	(9)
<b>Total</b>	<b>760</b>	<b>(371)</b>

#### 44.2 Gains (losses) on non-current assets held for sale classified as discontinued operations

During 2015 and 2014 there are no earnings generated by discontinued operations.

### 45. Statements of cash flows

Cash flows from operating activities increased in 2015 by €4,706 million (€4,709 million in 2014). The most significant causes of the increase are linked to "Loans and receivables" and "Financial instruments held for trading".

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The most significant variations in cash flows from investment activities in 2015 corresponded to “Non-current assets held for sale” and “Investments”.

Cash flows from financing activities decreased in 2015 by €302 million (€3,749 million up in 2014), corresponding to the most significant changes in the acquisition and disposal of own equity instruments and the charge from subordinated liabilities.

The table below shows the breakdown of the main cash flows related to investing activities as of December 31, 2015 and 2014:

Millions of Euros		
Main Cash Flows in Investing Activities 2015	Cash Flows in Investment Activities	
	Investments (-)	Divestments (+)
Tangible assets	211	12
Intangible assets	298	-
Investments	4,113	62
Subsidiaries and other business units	-	-
Non-current assets and liabilities associated held for sale	1,001	1,249
Held-to-maturity investments	-	-
Other settlements related with investment activities	-	2,043

Millions of Euros		
Main Cash Flows in Investing Activities 2014	Cash Flows in Investment Activities	
	Investments (-)	Divestments (+)
Tangible assets	156	14
Intangible assets	265	-
Investments	714	147
Subsidiaries and other business units	-	-
Non-current assets and liabilities associated held for sale	1,059	322
Held-to-maturity investments	-	-
Other settlements related with investment activities	-	-

The heading “Non-current assets held for sale and associated liabilities” in the above tables includes transactions of a non-cash nature related to the foreclosed assets received as payment for past-due loans.

## 46. Accountant fees and services

The breakdown of the fees for the services provided to the Bank by its auditors in 2014 is as follows:

Millions of Euros	
Fees for Audits Conducted	2015
Audits of the companies audited by firms belonging to the Deloitte worldwide organization and other reports related with the audit (*)	11.1
Other reports required pursuant to applicable legislation and tax regulations issued by the national supervisory bodies of the countries in which the Group operates, reviewed by firms belonging to the Deloitte worldwide organization	1.2
Fees for audits conducted by other firms	-

(\*) Including fees belonging to annual statutory audits (€7.4 million)

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In addition, in 2015, the Bank contracted services (other than audits) as follows:

<b>Accountant Fees. Other Services Contracted</b>	<b>Millions of Euros</b>	
	<b>2015</b>	
Firms belonging to the Deloitte worldwide organization(*)	1.2	
Other firms	29.1	

(\*) Includes €0.2 million relating to fees for tax services

The services provided by our auditors meet the independence requirements established under Act 44/2002, of 22 November 2002, on Measures Reforming the Financial System and under the Sarbanes-Oxley Act of 2002 adopted by the Securities and Exchange Commission (SEC); accordingly they do not include the performance of any work that is incompatible with the auditing function.

## 47. Related-party transactions

As a financial institution, BBVA engages in transactions with related parties in the normal course of business. All of these transactions are of little relevance and are carried out under normal market conditions.

### 47.1 Transactions with significant shareholders

As of December 31, 2015 there were no shareholders considered significant (see Note 22).

### 47.2 Transactions with BBVA Group entities

The balances of the main aggregates in the accompanying balance sheets arising from the transactions carried out by the Group companies, which consist of ordinary business and financial transactions carried out under normal market conditions, are as follows:

<b>Balances arising from transactions with Entities of the Group</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Assets:</b>		
Loans and advances to credit institutions	5,649	1,581
Loans and advances to customers	10,502	10,482
Financial assets- Available for sale	296	453
<b>Liabilities:</b>		
Deposits from credit institutions	11,346	5,941
Customers deposits	14,811	16,855
Debt certificates	-	-
<b>Memorandum accounts:</b>		
Contingent Risks	16,570	21,098
Contingent Commitments	2,081	2,049

The balances of the main aggregates in the accompanying income statements arising from the transactions carried out by the Bank with Group companies, which consist of ordinary business and financial transactions carried out under normal market conditions, are as follows:

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<b>Balances of Income Statement arising from transactions with Entities of the Group</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Income statement:</b>		
Financial Incomes	639	804
Financial Costs	620	854

There are no other material effects in the financial statements arising from dealings with these companies, other than the effects arising from using the equity method and from the insurance policies to cover pension or similar commitments, which are described in Note 21.

In addition, as part of its normal activity, the Bank has entered into agreements and commitments of various types with shareholders of subsidiaries and associates, which have no material effects on the financial statements.

### 47.3 Transactions with members of the Board of Directors and Senior Management

The information on the remuneration of the members of the BBVA Board of Directors and Senior Management is included in Note 48.

As of December 31, 2015 and 2014, the amount availed against the loans by the Group's entities to the members of the Board of Directors was €200 and €235 thousand, respectively. As of December 31, 2015 and 2014 the amount availed against the loans by the Group's entities to the members of Senior Management (excluding the executive directors) amounted to €6,641 and €4,614 thousand, respectively.

As of December 31, 2015 the amount availed against the loans to parties related to the members of the Bank's Board of Directors was €10,000, and as of December 31, 2014, there were no loans to parties related to the members of the Bank's Board of Directors. As of December 31, 2015 and 2014 the amount availed against the loans to parties related to members of the Senior Management amounted to €113 and €291 thousand, respectively.

As of December 31, 2015 and 2014 no guarantees had been granted to any member of the Board of Directors.

As of December 31, 2015 and 2014 no guarantees had been granted to any member of the Senior Management

As of December 31, 2015 and 2014 the amount availed against commercial loans and guarantees arranged with parties related to the members of the Bank's Board of Directors and the Senior Management totaled €1,679 and €419 thousand, respectively.

### 47.4 Transactions with other related parties

In 2015 and 2014, the Bank did not perform any transactions with other related parties that did not belong to the normal course of its business, that were not under normal market conditions or that were relevant for the equity, financial situation or earnings of the Bank.

## 48. Remuneration and other benefits of the Board of Directors and Members of the Bank's Management Committee

- **Remuneration of non-executive directors received in 2015**

The remuneration paid to the non-executive members of the Board of Directors during 2015 is indicated below. The figures are given individually for each non-executive director and itemised:

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Thousands of Euros							
Non-Executive Directors remuneration	Board of Directors	Executive Committee	Audit & Compliance	Risks Committee	Remuneration Committee	Appointments Committee	Total
Tomás Alfaro Drake	129	-	71	-	43	102	345
José Miguel Andrés Torrecillas (1)	107	-	119	71	-	-	298
Ramón Bustamante y de la Mora	129	-	-	107	29	-	264
José Antonio Fernández Rivero	129	-	-	214	-	41	383
Ignacio Ferrero Jordi	129	167	-	-	43	-	338
Belén Garijo López	129	-	71	-	-	-	200
Carlos Loring Martínez de Irujo	129	-	71	-	107	-	307
Lourdes Máiz Carro	129	-	48	-	-	-	176
José Maldonado Ramos	129	167	-	-	18	41	354
José Luis Palao García-Suelto	129	-	60	107	-	41	336
Juan Pi Llorens	129	-	-	107	43	-	278
Susana Rodríguez Vidarte	129	167	-	107	-	41	443
<b>Total (2)</b>	<b>1,523</b>	<b>500</b>	<b>440</b>	<b>713</b>	<b>282</b>	<b>265</b>	<b>3,723</b>

(1) Mr. José Miguel Andrés Torrecillas was named director on March 13, 2015.

(2) These amounts include the changes in the composition of the committees during 2015.

Moreover, in the year ended December 31, 2015, €110 thousand were paid in health and casualty insurance premiums for non-executive members of the Board of Directors.

#### • Remuneration of executive directors received in 2015

The remuneration scheme for the executive directors matches the general model applied to BBVA senior managers. This comprises a fixed remuneration and a variable remuneration, which for 2014 and previous years was further broken down into an ordinary variable remuneration in cash and a variable remuneration in shares, based on the Management Team Incentive (hereinafter the "Annual Variable Remuneration").

Thus, during 2015, the executive directors were paid the fixed remuneration corresponding to that year, 50% of 2014 Annual Variable Remuneration and the deferred parts of the variable remuneration from previous years, payment of which vested during the first quarter of this year under the settlement and payment system approved by the General Meeting (hereinafter the "Settlement and Payment System"). This determined that:

- At least 50% of the total Annual Variable Remuneration would be paid in BBVA shares.
- The payment of 50% of the Annual Variable Remuneration, in cash and in shares, would be deferred in time, the deferred amount vesting in thirds over the three-year period following its settlement.
- All the shares vested to these beneficiaries pursuant to the rules explained in the previous paragraphs would be unavailable for one year after they have vested. This withholding will be applied against the net amount of the shares, after discounting the necessary part to pay the tax accruing on the shares received.
- Moreover, circumstances have been established in which disbursement of the deferred Annual Variable Remuneration payable may be limited or impeded ("malus" clauses), and
- The deferred parts of the Annual Variable Remuneration would be adjusted to update them under the terms established by the Board of Directors.

Pursuant to the above, the remuneration paid to the executive directors during 2015 is shown below. The figures are given individually for each executive director and itemised:

Thousands of Euros							
Executive Directors remuneration	Fixed Remuneration	2014 Annual Variable Remuneration in cash (2)	Deferred Variable Remuneration in cash (3)	Total Cash	2014 Annual Variable Remuneration in BBVA Shares (2)	Deferred Variable Remuneration in BBVA Shares (3)	Total Shares
Chairman and CEO	1,966	866	1,005	3,837	112,174	152,546	264,720
President and COO (1)	1,578	272	240	2,090	35,298	36,199	71,497
José Manuel González-Páramo Martínez-Murillo	800	85	17	902	11,041	1,768	12,809
<b>Total</b>	<b>4,344</b>	<b>1,223</b>	<b>1,262</b>	<b>6,829</b>	<b>158,513</b>	<b>190,513</b>	<b>349,026</b>

(1) The remuneration paid to the current President & COO, who was appointed on May 4, 2015, includes the remuneration vesting as Digital Banking Officer during the period in which he held this position (as fixed and variable remuneration from previous years).

(2) Amounts corresponding to 50% of 2014 Annual Variable Remuneration.

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(3) Amounts corresponding to the sum of the deferred parts of the Annual Variable Remuneration from previous years (2013, 2012 and 2011) and the LTI 2010-2011 in shares, and their respective updated cash adjustments, payment or delivery of which was made in 2015, in application of the Settlement and Payment System, as broken down below:

- 1st third of deferred Annual Variable Remuneration from 2013:

Under this item, the executive directors received: €277,772 and 29,557 BBVA shares in the case of the Chairman & CEO; €74,591 and 7,937 BBVA shares in the case of the President & COO; and € 16,615 and 1,768 BBVA shares in the case of Mr. José Manuel González-Páramo.

- 2nd third of deferred Annual Variable Remuneration from 2012

Under this item, the Chairman & CEO received €288,003 and 36,163 BBVA shares, while the President & COO received €64,680 and 8,122 BBVA shares.

- 3rd third of deferred Annual Variable Remuneration from 2011

Under this item, the Chairman & CEO received €399,417 and 51,826 BBVA shares, while the President & COO received €90,986 and 11,806 BBVA shares.

- 3rd third of the deferred shares from the Multi-Year Variable Share Remuneration Programme for 2010/2011 ('LTI 2010-2011').

Under this item, the Chairman & CEO received 35,000 BBVA shares and €40,075 as updated adjustments of the value of deferred shares, while the President & COO received 8,334 BBVA shares and €9,542 as update.

In application of the Settlement & Payment System described, during the first quarter of each of the next three years, the executive directors will receive the deferred parts of the Annual Variable Remuneration from 2014, 2013 and 2012, as applicable subject to the aforementioned conditions.

Likewise, during 2015, the executive directors received payment in kind, including insurance premiums, and others amounting to an overall total of €190 thousand, of which €16 thousand were paid to the Group Executive Chairman; €112 thousand to the Chief Executive Officer; and €62 thousand to the executive director José Manuel González-Páramo Martínez-Murillo.

During 2015, the former President & COO, who took early retirement on 4th May 2015, received: €596,763 as fixed remuneration; €530,169 and 68,702 BBVA shares corresponding to 50% of the 2014 Annual Variable Remuneration; and €636,361 and 103,351 BBVA shares as settlement of the deferred parts of the Annual Variable Remuneration from 2013, 2012 and 2011 and of the LTI 2010-2011, payment of which vested in the first quarter of 2015, including the corresponding adjustment for updating their value; and €19,532 as remuneration in kind, including insurance premiums, and others.

#### • Annual Variable Remuneration for executive directors for the year 2015

Following year-end 2015, the Annual Variable Remuneration for the executive directors corresponding to that year has been determined applying the conditions established for that purpose at its beginning, as set forth in the Directors' Remuneration Policy approved by the General Meeting, 13<sup>th</sup> March 2015. Consequently, during the first quarter of 2016 the executive directors will receive 50% of the 2015 Annual Variable Remuneration, in equal parts in cash and in shares, i.e., €897,168 and 135,300 BBVA shares for the Group Executive Chairman; €530,187 and 79,956 BBVA shares for the Chief Executive Officer (which includes the remuneration as Digital Banking Officer during the first 4 months of the year); and €98,238 and 14,815 BBVA shares for the executive director José Manuel González-Páramo Martínez-Murillo.

The remaining 50%, in cash and in shares, will be deferred for a three-year period, and its accrual and vesting will be subject to compliance with multi-year indicators established by the Board of Directors at the beginning of the year. Based on the result of each multi-year indicator, applying the performance scales assigned and their weightings during the deferred period, the final deferred amount of the Annual Variable Remuneration will be determined. The deferred Annual Variable Remuneration may be reduced and may even reach zero, but in no event may be increased. To these effect, the maximum amounts that could be received during the first quarter of 2019 are: €897,168 and 135,229 BBVA shares for the Group Executive Chairman; €530,187 and 79,956 BBVA shares for the Chief Executive Officer; and €98,238 and 14,815 BBVA shares for the executive director José Manuel González-Páramo; all subject to the settlement and payment conditions established in the Directors' Remuneration Policy.

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The former President & COO will receive during the first quarter of 2016, 50% of the 2015 Annual Variable Remuneration, in cash and in shares, proportionally according to the 4 months in which he has held this position, i.e.: €169,130 and 25,506 BBVA shares. The remaining 50% of the 2015 Annual Variable Remuneration, in cash and in shares, will be deferred for a three-year period, and its accrual and vesting will be subject to compliance with multi-year indicators on the same terms and conditions as executive directors. This will result, where appropriate, in the following maximum amounts: €169,130 and 25,506 BBVA shares, subject to the settlement and payment conditions established in the Directors' Remuneration Policy.

These amounts are recorded under the item "Other Liabilities - Accrued interest" of the consolidated balance sheet at December 31, 2015.

- **Remuneration of the members of the Senior Management received in 2015**

During 2015, the remuneration paid to the members of the BBVA Senior Management as a whole, excluding the executive directors, is shown below. The figures are given individually for each director and itemized:

Members of the Senior Management remuneration	Thousands of Euros						
	Fixed Remuneration	2014 Annual Variable Remuneration in cash (1)	Deferred Variable Remuneration in cash (2)	Total Cash	2014 Annual Variable Remuneration in BBVA Shares (1)	Deferred Variable Remuneration in BBVA Shares (2)	Total Shares
Total Members of the Senior Management (*)	10,256	2,562	1,692	14,510	285,926	249,639	535,565

(\*) This section includes aggregate information regarding the members of the BBVA Group Senior Management, excluding executive directors, who were members of the Senior Management at 31st December 2015 (17 members).

(1) Amounts corresponding to 50% of 2014 Annual Variable Remuneration.

(2) Amounts corresponding to the sum of the deferred parts of the Annual Variable Remuneration of previous years (2013, 2012 and 2011) and the LTI 2010-2011 in shares, and their corresponding adjustments for updating in cash, payment or delivery of which was made in 2015, to the members of the Senior Management who had generated this right, as broken down below:

- 1st third of deferred Annual Variable Remuneration from 2013

Overall amount of €567 thousand and 60,244 BBVA shares.

- 2nd third of deferred Annual Variable Remuneration from 2012

Overall amount of €493 thousand and 61,814 BBVA shares.

- 3rd third of deferred Annual Variable Remuneration from 2011

Overall amount of €570 thousand and 74,115 BBVA shares.

- 3rd third of deferred shares from the LTI 2010-2011

Overall amount of 53,466 shares and €61 thousand to update the value of the deferred shares vesting.

During the first quarter of each of the next three years, all Senior Management will receive the amounts that correspond to them under the Settlement and Payment System of the variable remuneration applicable to each, stemming from the settlement of the deferred Annual Variable Remuneration from previous years (2014, 2013 and 2012) and subject to the conditions the system establishes.

Moreover, during 2015, all the members of the Senior Management, with the exception of the executive directors, received remuneration in kind, including insurance premiums and others for a total overall amount of €250 thousand.



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On the other hand, during 2015 (6) members of the BBVA Group Senior Management who ceased to hold their positions as such during this period received a total amount of: €1,968 thousand as fixed remuneration; €1,414 thousand and 181,256 BBVA shares corresponding to 50% of the 2014 Annual Variable Remuneration; and €1,432 thousand and 196,539 BBVA shares as settlement of the deferred parts of the Annual Variable Remuneration from 2013, 2012 and 2011 and of the LTI 2010-2011, payment of which vested in the first quarter of 2015, including the corresponding adjustment for updating their value; and remuneration in kind and others for the sum of €679 thousand.

- **System of Remuneration in Shares with Deferred Delivery for non-executive directors**

BBVA has a remuneration system in shares with deferred delivery for its non-executive directors, which was approved by the General Meeting, 18th March 2006 and extended for a further 5-year period under General Meeting resolution, 11th March 2011.

This System is based on the annual allocation to non-executive directors of a number of "theoretical shares", equivalent to 20% of the total remuneration in cash received by each of them in the previous year, according to the closing prices of the BBVA share during the sixty trading sessions prior to the Annual General Meeting approving the corresponding financial statements for each year.

These shares, where applicable, will be delivered to each beneficiary on the date they leave the position as director for any reason other than dereliction of duty.

The number of "theoretical shares" allocated to the non-executive directors in 2015 as beneficiaries of the system of remuneration in shares with deferred delivery, corresponding to 20% of the total remuneration received in cash by said directors during 2014, is as follows:

	<b>Theoretical shares allocated in 2015</b>	<b>Theoretical shares accumulated in 2015</b>
Tomás Alfaro Drake	7,930	51,089
Ramón Bustamante y de la Mora	7,531	77,043
José Antonio Fernández Rivero	9,400	78,413
Ignacio Ferrero Jordi	8,298	83,000
Belén Garijo López	4,909	12,866
Carlos Loring Martínez de Irujo	7,536	64,843
Lourdes Maiz Carro	2,631	2,631
José Maldonado Ramos	9,296	45,564
José Luis Palao García-Suelto	10,657	40,315
Juan Pi Llorens	6,830	23,195
Susana Rodríguez Vidarte	10,082	64,001
<b>Total</b>	<b>85,100</b>	<b>542,960</b>

- **Pensions commitments**

The commitments undertaken regarding pension benefits for the Chief Executive Officer and the executive director José Manuel González-Páramo Martínez-Murillo, pursuant to the Company Bylaws and their respective contracts with the Bank, include a pension system covering retirement, disability and death.

The Chief Executive Officer's contractual conditions determine that he will retain the pension system to which he was entitled previously as senior manager in the Group, with the benefits and the provisions being adjusted to the new remuneration conditions of the position that he currently holds.

The executive director José Manuel González-Páramo Martínez-Murillo retains the same pension system he has had since with his appointment in 2013, comprising a defined-contributions system of 20% a year on the fixed remuneration received to cover retirement commitments and provisions covering death and disability.

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To such end, the provisions recorded as of 31st December 2015 to cover pension commitments undertaken for the executive directors stood at €13,123 thousand for the Chief Executive Officer, including both those accumulated as a Group senior executive and those accumulating from his current position as Chief Executive Officer under the terms described above; and €436 thousand for the executive director José Manuel González-Páramo Martínez-Murillo; having provisioned €9,856 thousand and €261 thousand for the Chief Executive Officer and for the executive director José Manuel González-Páramo Martínez-Murillo, respectively, during 2015, to cover the contingencies recognised in their contracts. In both cases, these amounts include the provisions covering retirement, as well as disability and death.

There are no other pension obligations in the name of other executive directors.

During 2015, the Board of Directors determined the pension rights of the former President & CEO pursuant to the contractual conditions agreed at the time, which established that in the event of his ceasing to hold his position on grounds other than his own will, retirement, disability or dereliction of duty, he would take early retirement with a pension of 75% of his pensionable base pay, which he could receive as a lifelong annuity or as a lump sum, at his own choice. It was established that his pension rights would be a lifelong annuity for a gross annual amount of €1,795 thousand, which will be paid in twelve monthly payments, deducting the tax payable at source.

For these purposes, the provision recorded on the date on which he left the Bank to cover the commitments undertaken with regard to the former President & CEO pension scheme stood at €45,209 thousand, of which €26,026 thousand were already charged to the income statements of previous years, while during 2015 a further €19,252 thousand were set aside.

The amounts corresponding to the provisions made at 31st December 2015 to cover post-employment benefit commitments of former members of the Board of Directors are recorded in Note 21.

The provisions recorded at 31st December 2015 for pension commitments for members of the Senior Management, excluding executive directors, stood at €55,666 thousand of which €6,782 thousand were set aside during 2015. These amounts include the provisions covering retirement commitments and provisions covering death and disability.

- **Extinction of contractual relationship**

The Bank has no commitments to pay severance indemnity to executive directors other than to the executive director José Manuel González-Páramo Martínez-Murillo, whose contract recognises his right to receive an indemnity equivalent to two times his fixed remuneration should he cease to hold his position on grounds other than his own will, death, retirement, disability or dereliction of duty.

The contractual conditions of the Chief Executive Officer with regard to his pension arrangements determine that in the event of his ceasing to hold his position on grounds other than his own will, retirement, disability or dereliction of duty, he will take early retirement with a pension that he may receive as a lifelong annuity or as a capital lump sum, at his own choice. The annual amount will be calculated as a function of the provisions which, according to the actuarial criteria applicable at any time, the Bank may have made to that date to cover the retirement pension commitments provided for in his contract, without this commitment in any way obliging the Bank to set aside additional provisions. Moreover, this pension may not be greater than 75% of the pensionable base should the event occur before he reaches the age of 55, or 85% of the pensionable base should the event occur after having reached the age of 55.

## 49. Other information

### 49.1 Environmental impact

Given the activities in which it engages, the Bank has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial situation and profits. Consequently, as of December 31, 2015, there is no item in the accompanying financial statements that requires disclosure in an environmental information report pursuant to Ministry of Economy Order JUS/206/2009, dated January 28, and consequently no specific disclosure of information on environmental matters is included in these statements.

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## 49.2 Breakdown of agents of credit institutions

Appendix XIII contains a list of the Bank's agents as required by article 21 of Royal Decree 84/2015, dated February 13, of the Ministry of Economy and Finance.

## 49.3 Report on the activity of the Customer Care Service and the Customer Ombudsman

The report on the activity of the Customer Care Service and the Customer Ombudsman, required pursuant to Article 17 of Ministry of Economy Order ECO/734/2004 dated March 11, is included in the Management Report accompanying these financial statements.

## 49.4 Mortgage market policies and procedures

The disclosure required by Bank of Spain Circular 5/2011 under the provisions of Spanish Royal Decree 716/2009, of April 24, (implementing certain aspects of Act 2/1981, of March 25, on the regulation of the mortgage market and other mortgage and financial market regulations) is detailed in Appendix X.

## 49.5 Reporting requirements of the Spanish National Securities Market Commission (CNMV)

### Dividends paid in the year

The table below presents the dividends per share paid in cash in 2015 and 2014 (cash basis accounting, regardless of the year in which they are accrued), but not including other shareholder remuneration such as the "Dividend Option". For a complete analysis of all remuneration awarded to shareholders in 2015 ( see Note 3).

Dividends Paid ("Dividend Option" not included)	2014			2013		
	% Over Nominal	Euros per Share	Amount (Millions of Euros)	% Over Nominal	Euros per Share	Amount (Millions of Euros)
Ordinary shares	16%	0.08	471	41%	0.20	1,117
Rest of shares	-	-	-	-	-	-
<b>Total dividends paid in cash (*)</b>	<b>16%</b>	<b>0.08</b>	<b>471</b>	<b>41%</b>	<b>0.20</b>	<b>1,117</b>
Dividends with charge to income	16%	0.08	471	41%	0.20	1,117
Dividends with charge to reserve or share premium	-	-	-	-	-	-
Dividends in kind	-	-	-	-	-	-

(\*) Only included dividends paid in cash each year (cash-flows criteria), regardless of the year they were accrued in.

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## Issuances by market type

Changes in debt certificates (including bonds) and subordinated liabilities (see Notes 19.3 and 19.4) in 2015 and 2014 by the type of market in which they were issued are as follows:

2015 Debt Certificates and Subordinated Liabilities	Millions of Euros				Balance at the End
	Balance at the Beginning	Issuances	Repurchase or Redemption	Exchange Differences and Other (*)	
Debt certificates issued in the European Union	30,356	4,879	3,924	(346)	30,965
With information brochure	30,356	4,879	3,924	(346)	30,965
Without information brochure	-	-	-	-	-
Subordinated deposits	4,100	-	1,086	91	3,105
<b>Total</b>	<b>34,456</b>	<b>4,879</b>	<b>5,010</b>	<b>(255)</b>	<b>34,070</b>

## Interest and income by geographical area

The breakdown of the balance under the heading “Interest and Similar Income” in the accompanying income statements by geographical area is as follows:

Interest and Similar Income. Breakdown by Geographical Area	Millions of Euros	
	2015	2014
Domestic market	5,182	6,447
Foreign market	282	316
European Union	158	193
Rest of OECD	47	36
Rest of countries	77	87
<b>Total</b>	<b>5,464</b>	<b>6,763</b>

## Average number of employees by gender

The breakdown of the average number of employees in the Bank in 2015 and 2014, by gender, is as follows:

Average number of employees	2015		2014	
	Male	Female	Male	Female
Management Team	812	215	871	208
Other line personnel	10,714	9,821	11,473	9,961
Clerical staff	1,535	1,623	1,928	1,852
General Services	7	1	10	1
Branches abroad	458	289	460	298
<b>Total</b>	<b>13,526</b>	<b>11,949</b>	<b>14,742</b>	<b>12,320</b>

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## 49.6 Responsible lending and consumer credit granting

BBVA has incorporated the best practices of responsible lending and consumer credit granting, and has policies and procedures that contemplate these practices complying with the provisions of the Order of the Ministry of Finance EHA / 2899/2011, of 28 October, transparency and customer protection of banking services, as well as the Bank of Spain Circular 5/2012, of 27 June, on transparency of banking services and responsible lending. Specifically, the Corporate Retail Credit Risk Policy (approved by the Executive Committee of the Board of Directors of the Bank on April 3, 2013) and Specific Rules derived from it, establish policies, practices and procedures in relation to responsible granting of loans and consumer credit.

In compliance with Bank of Spain Circular 3/2014, of July 30, the following summary of those policies contained in the Corporate Retail Credit Risk Policy BBVA is provided:

- The need to adapt payment plans with sources of income generation;
- The evaluation requirements of affordability;
- The need to take into account the level of expected retirement income of the borrower;
- The need to take account of existing financial obligations payments;
- In cases where, for commercial reasons or the type of rate/currency, the offer to the borrowers includes contractual clauses or contracting financial products to hedge interest rate and exchange rate risks.
- The need, when there is collateral, to establish a reasonable relationship between the amount of the loan and its potential extensions and value of collateral, regardless revaluations thereof;
- The need for extreme caution in the use of appraisal values on credit operations that have real estate as an additional borrower's personal guarantee;
- The periodic review of the value of collateral taken to hedge loans;
- A number of elements of management in order to ensure independence in the activity of appraisal companies;
- The need to warn customers of potential consequences in terms of cost by default interest and other expenses that would continue in default;
- Debt renegotiation criteria (refinancing and restructurings);
- The minimum documentation that operations should have in order to be granted and during its term.

In order to maintain an effective monitoring of these policies, BBVA has the following control mechanisms:

- Validations and computer controls built into the workflows of analysis, decision and contracting operations, in order to embed these principles in management;
- Alignment between the specifications of the product catalog with the policies of responsible lending;
- Different areas of sanction to ensure adequate hierarchy decision levels in response to the complexity of operations;
- A reporting scheme that allows to monitor the proper implementation of the policies of responsible lending.

## 50. Subsequent events

After the year ended December 31, 2015, it is expected that on February 2, 2016, under the powers delegated by the Company's AGM held on March 16, 2012, under point five of its agenda, the Board of Directors meeting submits for approval an agreement for the issue of debentures convertible into ordinary BBVA shares, excluding the pre-emptive subscription right.

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In case such agreement is approved, and for the purposes set out in articles 414, 417 and 511 of the Spanish Corporations Act, the mandatory Directors report explaining the conversion conditions and types will be issued, justifying the proposal for the abolition of the pre-emptive subscription right, to be accompanied, as appropriate, by another report drafted by an auditor other than the company's auditor, appointed for this purpose by the Companies Register.

The interim dividend approved on December 22, 2015 was paid out on January 12, 2016, as detailed in Note 3.

From January 1, 2016 to the date of preparation of these financial statements, no other subsequent events not mentioned above in these financial statements have taken place that significantly affect the Bank's earnings or its equity position.

## **51. Explanation added for translation into English**

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks).

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**BBVA**

# Appendices

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 51).

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## APPENDIX I.

### BBVA Group Consolidated Financial Statements

# BBVA Group

Consolidated balance sheets as of December 31, 2015, 2014 and 2013

ASSETS	Notes	Millions of Euros		
		2015	2014 (*)	2013 (*)
<b>CASH AND BALANCES WITH CENTRAL BANKS</b>	9	<b>43,467</b>	<b>31,430</b>	<b>34,903</b>
<b>FINANCIAL ASSETS HELD FOR TRADING</b>	10	<b>78,326</b>	<b>83,258</b>	<b>72,112</b>
Loans and advances to credit institutions		-	-	-
Loans and advances to customers		65	128	107
Debt securities		32,825	33,883	29,602
Equity instruments		4,534	5,017	4,766
Trading derivatives		40,902	44,229	37,638
<b>OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	11	<b>2,311</b>	<b>2,761</b>	<b>2,413</b>
Loans and advances to credit institutions		62	-	-
Loans and advances to customers		-	-	-
Debt securities		173	737	663
Equity instruments		2,075	2,024	1,750
<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>	12	<b>113,426</b>	<b>94,875</b>	<b>77,774</b>
Debt securities		108,310	87,608	71,806
Equity instruments		5,116	7,267	5,968
<b>LOANS AND RECEIVABLES</b>	13	<b>457,644</b>	<b>372,375</b>	<b>350,945</b>
Loans and advances to credit institutions		32,962	27,059	22,862
Loans and advances to customers		414,165	338,657	323,607
Debt securities		10,516	6,659	4,476
<b>HELD-TO-MATURITY INVESTMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK</b>	14	<b>45</b>	<b>121</b>	<b>98</b>
<b>HEDGING DERIVATIVES</b>	14	<b>3,538</b>	<b>2,551</b>	<b>2,530</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	15	<b>3,369</b>	<b>3,793</b>	<b>2,880</b>
<b>EQUITY METHOD</b>	16	<b>879</b>	<b>4,509</b>	<b>4,742</b>
Associates		636	417	1,272
Joint ventures		243	4,092	3,470
<b>INSURANCE CONTRACTS LINKED TO PENSIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>REINSURANCE ASSETS</b>	22	<b>511</b>	<b>559</b>	<b>619</b>
<b>TANGIBLE ASSETS</b>	17	<b>9,944</b>	<b>7,820</b>	<b>7,534</b>
Property, plants and equipment		8,477	6,428	5,841
For own use		8,021	5,985	5,373
Other assets leased out under an operating lease		456	443	468
Investment properties		1,467	1,392	1,693
<b>INTANGIBLE ASSETS</b>	18	<b>10,275</b>	<b>7,371</b>	<b>6,759</b>
Goodwill		6,811	5,697	5,069
Other intangible assets		3,464	1,673	1,690
<b>TAX ASSETS</b>	19	<b>17,779</b>	<b>12,426</b>	<b>11,704</b>
Current		1,901	2,035	2,502
Deferred		15,878	10,391	9,202
<b>OTHER ASSETS</b>	20	<b>8,566</b>	<b>8,094</b>	<b>7,684</b>
Inventories		4,303	4,443	4,636
Rest		4,263	3,651	3,048
<b>TOTAL ASSETS</b>		<b>750,078</b>	<b>631,942</b>	<b>582,697</b>

(\*) Presented for comparison purposes only (Note 13).



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LIABILITIES AND EQUITY	Notes	Millions of Euros		
		2015	2014 (*)	2013 (*)
<b>FINANCIAL LIABILITIES HELD FOR TRADING</b>	10	<b>55,203</b>	<b>56,798</b>	<b>45,648</b>
Deposits from central banks		-	-	-
Deposits from credit institutions		-	-	-
Customer deposits		-	-	-
Debt certificates		-	-	-
Trading derivatives		42,149	45,052	38,119
Short positions		13,053	11,747	7,529
Other financial liabilities		-	-	-
<b>OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	11	<b>2,649</b>	<b>2,724</b>	<b>2,467</b>
Deposits from central banks		-	-	-
Deposits from credit institutions		-	-	-
Customer deposits		-	-	-
Debt certificates		-	-	-
Subordinated liabilities		-	-	-
Other financial liabilities		2,649	2,724	2,467
<b>FINANCIAL LIABILITIES AT AMORTIZED COST</b>	21	<b>606,113</b>	<b>491,899</b>	<b>464,549</b>
Deposits from central banks		40,087	28,193	30,893
Deposits from credit institutions		68,543	65,168	52,423
Customer deposits		403,069	319,060	300,490
Debt certificates		66,165	58,096	64,120
Subordinated liabilities		16,109	14,095	10,556
Other financial liabilities		12,141	7,288	6,067
<b>FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK</b>	14	<b>358</b>	<b>-</b>	<b>-</b>
<b>HEDGING DERIVATIVES</b>	14	<b>2,726</b>	<b>2,331</b>	<b>1,792</b>
<b>LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES UNDER INSURANCE CONTRACTS</b>	22	<b>9,407</b>	<b>10,460</b>	<b>9,834</b>
<b>PROVISIONS</b>	23	<b>8,852</b>	<b>7,444</b>	<b>6,853</b>
Provisions for pensions and similar obligations	24	6,299	5,970	5,512
Provisions for taxes and other legal contingencies		370	262	208
Provisions for contingent risks and commitments		714	381	346
Other provisions		1,469	831	787
<b>TAX LIABILITIES</b>	19	<b>4,721</b>	<b>4,157</b>	<b>2,530</b>
Current		1,238	980	993
Deferred		3,483	3,177	1,537
<b>OTHER LIABILITIES</b>	20	<b>4,610</b>	<b>4,519</b>	<b>4,460</b>
<b>TOTAL LIABILITIES</b>		<b>694,638</b>	<b>580,333</b>	<b>538,133</b>

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## BBVA Group

### Consolidated balance sheets as of December 31, 2015, 2014 and 2013

		Millions of Euros		
LIABILITIES AND EQUITY ( <i>Continued</i> )	Notes	2015	2014 (*)	2013 (*)
<b>STOCKHOLDERS' FUNDS</b>		<b>50,639</b>	<b>49,446</b>	<b>46,025</b>
<b>Common Stock</b>	25	<b>3,120</b>	<b>3,024</b>	<b>2,835</b>
Issued		3,120	3,024	2,835
Unpaid and uncalled (-)		-	-	-
<b>Share premium</b>	26	<b>23,992</b>	<b>23,992</b>	<b>22,111</b>
<b>Reserves</b>	27	<b>22,512</b>	<b>20,936</b>	<b>19,767</b>
Accumulated reserves (losses)		22,610	20,304	19,317
Reserves (losses) of entities accounted for using the equity method		(98)	633	450
<b>Other equity instruments</b>	43.1.1	<b>35</b>	<b>67</b>	<b>59</b>
Equity component of compound financial instruments		-	-	-
Other equity instruments		35	67	59
<b>Less: Treasury stock</b>	28	<b>(309)</b>	<b>(350)</b>	<b>(66)</b>
<b>Income attributed to the parent company</b>		<b>2,642</b>	<b>2,618</b>	<b>2,084</b>
<b>Less: Dividends and remuneration</b>		<b>(1,352)</b>	<b>(841)</b>	<b>(765)</b>
<b>VALUATION ADJUSTMENTS</b>	29	<b>(3,349)</b>	<b>(348)</b>	<b>(3,831)</b>
Available-for-sale financial assets		1,674	3,816	851
Cash flow hedging		(49)	(46)	8
Hedging of net investment in foreign transactions		(274)	(373)	(100)
Exchange differences		(3,905)	(2,173)	(3,023)
Non-current assets held-for-sale		-	-	3
Entities accounted for using the equity method		64	(796)	(1,130)
Other valuation adjustments		(859)	(777)	(440)
<b>NON-CONTROLLING INTEREST</b>	30	<b>8,149</b>	<b>2,511</b>	<b>2,371</b>
Valuation adjustments		(1,346)	(53)	70
Rest		9,495	2,563	2,301
<b>TOTAL EQUITY</b>		<b>55,439</b>	<b>51,609</b>	<b>44,565</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>750,078</b>	<b>631,942</b>	<b>582,697</b>

		Millions of Euros		
MEMORANDUM ITEM	Notes	2015	2014 (*)	2013 (*)
<b>CONTINGENT RISKS</b>	32	<b>49,876</b>	<b>33,741</b>	<b>33,543</b>
<b>CONTINGENT COMMITMENTS</b>	32	<b>135,733</b>	<b>106,252</b>	<b>94,170</b>

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## BBVA Group

### Consolidated income statements for the years ended December 31, 2015, 2014 and 2013

	Notes	Millions of Euros		
		2015	2014 (*)	2013 (*)
INTEREST AND SIMILAR INCOME	36	24,783	22,838	23,512
INTEREST AND SIMILAR EXPENSES	36	(8,761)	(8,456)	(9,612)
<b>NET INTEREST INCOME</b>		<b>16,022</b>	<b>14,382</b>	<b>13,900</b>
DIVIDEND INCOME	37	415	531	235
SHARE OF PROFIT OR LOSS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	38	174	343	694
FEE AND COMMISSION INCOME	39	6,340	5,530	5,478
FEE AND COMMISSION EXPENSES	40	(1,729)	(1,356)	(1,228)
NET GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES	41	865	1,435	1,608
Financial instruments held for trading		(409)	11	540
Other financial instruments at fair value through profit or loss		117	27	49
Other financial instruments not at fair value through profit or loss		1,157	1,397	1,019
Rest		-	-	-
EXCHANGE DIFFERENCES (NET)		1,165	699	903
OTHER OPERATING INCOME	42	4,993	4,581	4,995
Income on insurance and reinsurance contracts		3,678	3,622	3,761
Financial income from non-financial services		912	650	851
Rest of other operating income		403	308	383
OTHER OPERATING EXPENSES	42	(4,883)	(5,420)	(5,833)
Expenses on insurance and reinsurance contracts		(2,599)	(2,714)	(2,831)
Changes in inventories		(678)	(506)	(495)
Rest of other operating expenses		(1,607)	(2,200)	(2,507)
<b>GROSS INCOME</b>		<b>23,362</b>	<b>20,725</b>	<b>20,752</b>
ADMINISTRATION COSTS	43	(10,836)	(9,414)	(9,701)
Personnel expenses		(6,273)	(5,410)	(5,588)
General and administrative expenses		(4,563)	(4,004)	(4,113)
DEPRECIATION AND AMORTIZATION	44	(1,272)	(1,145)	(1,095)
PROVISIONS (NET)	45	(731)	(1,142)	(609)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)	46	(4,272)	(4,340)	(5,612)
Loans and receivables		(4,248)	(4,304)	(5,577)
Other financial instruments not at fair value through profit or loss		(23)	(36)	(35)
<b>NET OPERATING INCOME</b>		<b>6,251</b>	<b>4,684</b>	<b>3,735</b>

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 51).

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## Consolidated income statements for the years ended December 31, 2015, 2014 and 2013

(Continued)	Notes	Millions of Euros		
		2015	2014 (*)	2013 (*)
<b>NET OPERATING INCOME</b>		<b>6,251</b>	<b>4,684</b>	<b>3,735</b>
IMPAIRMENT LOSSES ON OTHER ASSETS (NET)	47	(273)	(297)	(467)
Goodwill and other intangible assets		(4)	(8)	(14)
Other assets		(269)	(289)	(453)
GAINS (LOSSES) ON DERECOGNIZED ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	48	(2,135)	46	(1,915)
NEGATIVE GOODWILL	18	26	-	-
GAINS (LOSSES) IN NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCONTINUED OPERATIONS	49	734	(453)	(399)
<b>OPERATING PROFIT BEFORE TAX</b>		<b>4,603</b>	<b>3,980</b>	<b>954</b>
INCOME TAX	19	(1,274)	(898)	16
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>3,328</b>	<b>3,082</b>	<b>970</b>
PROFIT FROM DISCONTINUED OPERATIONS (NET)	49	-	-	1,866
<b>PROFIT</b>		<b>3,328</b>	<b>3,082</b>	<b>2,836</b>
Profit attributable to parent company		2,642	2,618	2,084
Profit attributable to non-controlling interests	30	686	464	753

	Notes	Euros		
		2015	2014 (*)	2013 (*)
<b>EARNINGS PER SHARE FROM CONTINUED OPERATIONS</b>	5			
Basic earnings per share		0.39	0.41	0.04
Diluted earnings per share		0.39	0.41	0.04

(\*) Presented for comparison purposes only (Note 13).

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## BBVA Group

### Consolidated statements of changes in equity for the years ended December 31, 2015, 2014 and 2013

2015	Millions of Euros												Non-controlling Interests (Note 30)	Total Equity
	Total Equity Attributed to the Parent Company											Total		
	Stockholders' Funds								Valuation Adjustments (Note 29)	Total				
	Common Stock (Note 25)	Share Premium (Note 26)	Reserves (Note 27)		Other Equity Instruments	Less: Treasury Stock (Note 28)	Profit Attributable to the Parent Company	Less: Dividends and Remunerations (Note 4)			Total Stockholders' Funds			
		Accumulated Reserves (Losses)	Reserves (Losses) from Entities Accounted for Using the Equity Method											
<b>Balances as of January 1, 2015</b>	3,024	23,992	20,304	633	67	(350)	2,618	(841)	49,446	(348)	49,098	2,511	51,609	
Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	
Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Adjusted initial balance</b>	3,024	23,992	20,304	633	67	(350)	2,618	(841)	49,446	(348)	49,098	2,511	51,609	
<b>Total income/expense recognized</b>	-	-	-	-	-	-	2,642	-	2,642	(3,000)	(358)	(607)	(965)	
<b>Other changes in equity</b>	96	-	2,305	(731)	(31)	41	(2,618)	(512)	(1,450)	-	(1,450)	6,245	4,795	
Common stock increase	96	-	(96)	-	-	-	-	-	-	-	-	-	-	
Common stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase of other equity instruments	-	-	-	-	16	-	-	-	16	-	16	-	16	
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend distribution	-	-	86	(86)	-	-	-	(1,222)	(1,222)	-	(1,222)	(146)	(1,368)	
Transactions including treasury stock and other equity instruments (net)	-	-	6	-	-	41	-	-	47	-	47	-	47	
Transfers between total equity entries	-	-	2,422	(645)	-	-	(2,618)	841	-	-	-	-	-	
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payments with equity instruments	-	-	14	-	(47)	-	-	-	(33)	-	(33)	-	(33)	
Rest of increases/reductions in total equity	-	-	(127)	-	-	-	-	(13)	(258)	-	(258)	6,391	6,133	
Of which:	-	-	-	-	-	-	-	-	-	-	-	-	-	
Acquisition of the free allotment rights	-	-	-	-	-	-	-	(13)	(13)	-	(13)	-	(13)	
<b>Balances as of December 31, 2015</b>	3,120	23,992	22,610	(98)	35	(309)	2,642	(1,352)	50,639	(3,349)	47,290	8,149	55,439	

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## Consolidated statements of changes in equity for the years ended December 31, 2015, 2014 and 2013

Millions of Euros													
Total Equity Attributed to the Parent Company													
2014 (*)	Stockholders' Funds										Non-controlling Interests (Note 30)	Total Equity (*)	
	Common Stock (Note 25)	Share Premium (Note 26)	Reserves (Note 27)		Other Equity Instruments	Less: Treasury Stock (Note 28)	Profit Attributable to the Parent Company	Less: Dividends and Remunerations (Note 4)	Total Stockholders' Funds	Valuation Adjustments (Note 29)			Total
			Accumulated Reserves (Losses)	Reserves (Losses) from Entities Accounted for Using the Equity Method									
<b>Balances as of January 1, 2014</b>	2,835	22,111	19,317	450	59	(66)	2,084	(765)	46,025	(3,831)	42,194	2,371	44,565
Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted initial balance</b>	2,835	22,111	19,317	450	59	(66)	2,084	(765)	46,025	(3,831)	42,194	2,371	44,565
<b>Total income/expense recognized</b>	-	-	-	-	-	-	2,618	-	2,618	3,483	6,101	341	6,442
<b>Other changes in equity</b>	189	1,881	987	183	8	(284)	(2,084)	(76)	803	-	803	(201)	602
Common stock increase	189	1,881	(70)	-	-	-	-	-	2,000	-	2,000	-	2,000
Common stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase of other equity instruments	-	-	-	-	44	-	-	-	44	-	44	-	44
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	91	(91)	-	-	-	(597)	(597)	-	(597)	(243)	(840)
Transactions including treasury stock and other equity instruments (net)	-	-	5	-	-	(284)	-	-	(279)	-	(279)	-	(279)
Transfers between total equity entries	-	-	1,042	277	-	-	(2,084)	765	-	-	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	7	-	(36)	-	-	-	(29)	-	(29)	-	(29)
Rest of increases/reductions in total equity	-	-	(88)	(3)	-	-	-	(244)	(336)	-	(336)	42	(294)
<i>Of which:</i>													
Acquisition of the free allotment rights	-	-	-	-	-	-	-	244	244	-	244	-	244
<b>Balances as of December 31, 2014</b>	3,024	23,992	20,304	633	67	(350)	2,618	(841)	49,446	(348)	49,098	2,511	51,609

(\*) Presented for comparison purposes only (Note 1.3).

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## Consolidated statements of changes in equity for the years ended December 31, 2015, 2014 and 2013

Millions of Euros													
Total Equity Attributed to the Parent Company													
2013 (*)	Stockholders' Funds										Non-controlling interests (Note 30)	Total Equity	
	Common Stock (Note 25)	Share Premium (Note 26)	Reserves (Note 27)		Other Equity Instruments	Less: Treasury Stock (Note 28)	Profit Attributable to the Parent Company	Less: Dividends and Remunerations (Note 4)	Total Stockholders' Funds	Valuation Adjustments (Note 29)			Total
			Accumulated Reserves (Losses)	Reserves (Losses) from Entitles Accounted for Using the Equity Method									
<b>Balances as of January 1, 2013</b>	2,670	20,968	18,580	951	62	(111)	1,676	(1,323)	43,473	(2,184)	41,289	2,372	43,661
Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted initial balance</b>	<b>2,670</b>	<b>20,968</b>	<b>18,580</b>	<b>951</b>	<b>62</b>	<b>(111)</b>	<b>1,676</b>	<b>(1,323)</b>	<b>43,473</b>	<b>(2,184)</b>	<b>41,289</b>	<b>2,372</b>	<b>43,661</b>
<b>Total income/expense recognized</b>	-	-	-	-	-	-	2,084	-	2,084	(1,647)	437	635	1,072
<b>Other changes in equity</b>	<b>165</b>	<b>1,143</b>	<b>737</b>	<b>(501)</b>	<b>(3)</b>	<b>45</b>	<b>(1,676)</b>	<b>558</b>	<b>468</b>	<b>-</b>	<b>468</b>	<b>(636)</b>	<b>(168)</b>
Common stock increase	71	-	(71)	-	-	-	-	-	-	-	-	-	-
Common stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	94	1,143	-	-	-	-	-	-	1,237	-	1,237	-	1,237
Increase of other equity instruments	-	-	-	-	33	-	-	-	33	-	33	-	33
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	215	(215)	-	-	-	(605)	(605)	-	(605)	(482)	(1,087)
Transactions including treasury stock and other equity instruments (net)	-	-	30	-	-	45	-	-	75	-	75	-	75
Transfers between total equity entries	-	-	638	(286)	-	-	(1,676)	1,324	-	-	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	22	-	(36)	-	-	-	(14)	-	(14)	-	(14)
Rest of increases/reductions in total equity	-	-	(97)	-	-	-	-	(161)	(258)	-	(258)	(154)	(412)
Of which:													
Acquisition of the free allotment rights	-	-	-	-	-	-	-	(161)	(161)	-	(161)	-	(161)
<b>Balances as of December 31, 2013</b>	<b>2,835</b>	<b>22,111</b>	<b>19,317</b>	<b>450</b>	<b>59</b>	<b>(66)</b>	<b>2,084</b>	<b>(765)</b>	<b>46,025</b>	<b>(3,831)</b>	<b>42,194</b>	<b>2,371</b>	<b>44,565</b>

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## BBVA Group

### Consolidated statements of recognized income and expenses for the years ended December 31, 2015, 2014 and 2013

	Millions of Euros		
	2015	2014 (*)	2013 (*)
<b>PROFIT RECOGNIZED IN INCOME STATEMENT</b>	<b>3,328</b>	<b>3,082</b>	<b>2,836</b>
<b>OTHER RECOGNIZED INCOME (EXPENSES)</b>	<b>(4,293)</b>	<b>3,359</b>	<b>(1,765)</b>
<b>ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT</b>	<b>(74)</b>	<b>(346)</b>	<b>8</b>
Actuarial gains and losses from defined benefit pension plans	(135)	(498)	11
Non-current assets available for sale	-	-	-
Entities under the equity method of accounting	8	(5)	1
Income tax related to items not subject to reclassification to income statement	53	157	(4)
<b>ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT</b>	<b>(4,219)</b>	<b>3,705</b>	<b>(1,773)</b>
<b>Available-for-sale financial assets</b>	<b>(3,196)</b>	<b>4,306</b>	<b>1,659</b>
Valuation gains/(losses)	(1,341)	4,770	1,737
Amounts reclassified to income statement	(1,855)	(464)	(140)
Reclassifications (other)	-	-	62
<b>Cash flow hedging</b>	<b>4</b>	<b>(71)</b>	<b>(32)</b>
Valuation gains/(losses)	47	(83)	20
Amounts reclassified to income statement	(43)	12	(52)
Amounts reclassified to the initial carrying amount of the hedged items	-	-	-
Reclassifications (other)	-	-	(1)
<b>Hedging of net investment in foreign transactions</b>	<b>88</b>	<b>(273)</b>	<b>143</b>
Valuation gains/(losses)	88	(273)	143
Amounts reclassified to income statement	-	-	-
Reclassifications (other)	-	-	-
<b>Exchange differences</b>	<b>(2,924)</b>	<b>760</b>	<b>(2,045)</b>
Valuation gains/(losses)	(3,167)	761	(2,026)
Amounts reclassified to income statement	243	(1)	(19)
Reclassifications (other)	-	-	-
<b>Non-current assets held for sale</b>	<b>-</b>	<b>(4)</b>	<b>135</b>
Valuation gains/(losses)	-	(4)	-
Amounts reclassified to income statement	-	-	135
Reclassifications (other)	-	-	-
<b>Entities accounted for using the equity method</b>	<b>861</b>	<b>338</b>	<b>(1,054)</b>
Valuation gains/(losses)	(242)	337	(736)
Amounts reclassified to income statement	1,103	1	(260)
Reclassifications (other)	-	-	(58)
<b>Rest of recognized income and expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income tax</b>	<b>948</b>	<b>(1,351)</b>	<b>(579)</b>
<b>TOTAL RECOGNIZED INCOME/EXPENSES</b>	<b>(965)</b>	<b>6,441</b>	<b>1,071</b>
Attributable to the parent company	(358)	6,100	436
Attributable to non-controlling interest	(607)	341	635

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## BBVA Group

### Consolidated statements of cash flows for the years ended December 31, 2015, 2014 and 2013

	Notes	Millions of Euros		
		2015	2014 (*)	2013 (*)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b> (1)	50	<b>23,101</b>	<b>(6,188)</b>	<b>(500)</b>
<b>Profit for the year</b>		<b>3,328</b>	<b>3,082</b>	<b>2,836</b>
<b>Adjustments to obtain the cash flow from operating activities:</b>		<b>18,327</b>	<b>8,315</b>	<b>8,332</b>
Depreciation and amortization		1,272	1,145	1,099
Other adjustments		17,055	7,170	7,233
<b>Net increase/decrease in operating assets</b>		<b>(12,954)</b>	<b>(53,244)</b>	<b>25,613</b>
Financial assets held for trading		4,691	(11,145)	7,717
Other financial assets designated at fair value through profit or loss		337	(349)	117
Available-for-sale financial assets		3,360	(13,485)	1,938
Loans and receivables		(20,498)	(27,299)	12,704
Other operating assets		(844)	(966)	3,137
<b>Net increase/decrease in operating liabilities</b>		<b>15,674</b>	<b>36,557</b>	<b>(37,265)</b>
Financial liabilities held for trading		(2,475)	11,151	(10,186)
Other financial liabilities designated at fair value through profit or loss		120	256	251
Financial liabilities at amortized cost		21,422	24,219	(24,660)
Other operating liabilities		(3,393)	931	(2,670)
<b>Collection/Payments for income tax</b>		<b>(1,274)</b>	<b>(898)</b>	<b>(16)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b> (2)	50	<b>(4,411)</b>	<b>(1,151)</b>	<b>3,021</b>
<b>Investment</b>		<b>(6,416)</b>	<b>(1,984)</b>	<b>(2,325)</b>
Tangible assets		(2,171)	(1,419)	(1,252)
Intangible assets		(571)	(467)	(526)
Investments		(41)	-	(547)
Subsidiaries and other business units		(3,633)	(98)	-
Non-current assets held for sale and associated liabilities		-	-	-
Held-to-maturity investments		-	-	-
Other settlements related to investing activities		-	-	-
<b>Divestments</b>		<b>2,005</b>	<b>833</b>	<b>5,346</b>
Tangible assets		224	167	101
Intangible assets		2	-	-
Investments		1	118	944
Subsidiaries and other business units		9	-	3,299
Non-current assets held for sale and associated liabilities		1,683	548	571
Held-to-maturity investments		-	-	431
Other collections related to investing activities		86	-	-
<i>Of which: received dividends</i>		86	-	-

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## Consolidated statements of cash flows for the years ended December 31, 2015, 2014 and 2013

Millions of Euros				
	Notes	2015	2014 (*)	2013 (*)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b> <sup>(3)</sup>	50	127	3,157	(1,326)
<b>Investment</b>		(5,717)	(5,955)	(6,104)
Dividends		(879)	(826)	(1,275)
Subordinated liabilities		(1,419)	(1,046)	(697)
Common stock amortization		-	-	-
Treasury stock acquisition		(3,273)	(3,770)	(3,614)
Other items relating to financing activities		(146)	(313)	(518)
<i>Of which: paid dividends</i>		(146)	(243)	(482)
<b>Divestments</b>		5,844	9,112	4,778
Subordinated liabilities		2,523	3,628	1,088
Common stock increase		-	2,000	2
Treasury stock disposal		3,321	3,484	3,688
Other items relating to financing activities		-	-	-
<b>EFFECT OF EXCHANGE RATE CHANGES</b> <sup>(4)</sup>		(6,781)	725	(1,784)
<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS</b> <sup>(1+2+3+4)</sup>		12,036	(3,457)	(589)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		31,430	34,887	35,476
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		43,466	31,430	34,887

Millones de euros				
	Notes	2015	2014 (*)	2013 (*)
Cash		7,192	6,247	5,533
Balance of cash equivalent in central banks		36,275	25,183	29,354
Other financial assets		-	-	-
Less: Bank overdraft refundable on demand		-	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	9	43,467	31,430	34,887
<i>Of which:</i>				
Held by consolidated subsidiaries but not available for the Group		-	-	-

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 51).

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## APPENDIX II.

### Additional information on consolidated subsidiaries composing the BBVA Group

Additional Information on Consolidated Subsidiaries and consolidated structured entities composing the BBVA Group					% of Voting Rights Controlled by the Bank			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15		
4D INTERNET SOLUTIONS, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	20	21	1	21	(1)		
ACTIVOS MACORP, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	87	86	8	(7)		
ALCALA 120 PROMOC. Y GEST.IMMOB. S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	13	24	10	16	(2)		
ALGARVETUR, S.L.(**)(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	19	40	(16)	(5)		
AMERICAN FINANCE GROUP, INC.	UNITED STATES	INACTIVE	-	100.00	100.00	19	19	-	19	-		
ANIDA DESARROLLOS INMOBILIARIOS, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	56	482	417	72	(7)		
ANIDA GERMANIA IMMOBILIEN ONE, GMBH	GERMANY	IN LIQUIDATION	-	100.00	100.00	4	7	-	7	-		
ANIDA GRUPO INMOBILIARIO, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	210	1,759	1,547	556	(343)		
ANIDA INMOBILIARIA, S.A. DE C.V.	MEXICO	INVESTMENT COMPANY	-	100.00	100.00	157	134	-	123	10		
ANIDA OPERACIONES SINGULARES, S.A.	SPAIN	REAL ESTATE	-	100.00	100.00	210	4,493	4,261	548	(315)		
ANIDA PROYECTOS INMOBILIARIOS, S.A. DE C.V.	MEXICO	REAL ESTATE	-	100.00	100.00	96	130	33	85	11		
ANIDA SERVICIOS INMOBILIARIOS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	2	2	-	2	-		
ANIDA PORT INVESTIMENTOS IMOBILIARIOS, UNIPessoal, LTDA	PORTUGAL	REAL ESTATE	-	100.00	100.00	27	107	94	15	(2)		
APLICA SOLUCIONES TECNOLOGICAS CHILE LIMITADA	CHILE	SERVICES	-	100.00	100.00	-	-	-	-	-		
APLICA TECNOLOGIA AVANZADA OPERADORA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	5	13	8	4	1		
APLICA TECNOLOGIA AVANZADA SERVICIOS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	-	3	3	-	-		
APLICA TECNOLOGIA AVANZADA, S.A. DE C.V. - ATA	MEXICO	SERVICES	100.00	-	100.00	203	329	102	223	4		
AREA TRES PROCAM, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	-	-	-		
ARIZONA FINANCIAL PRODUCTS, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	898	898	-	896	2		
ARRAHONA AMBIT, S.L.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	110	141	(37)	5		
ARRAHONA GARRAF, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	-	(52)	52		
ARRAHONA IMMO, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	53	258	155	87	16		
ARRAHONA NEXUS, S.L.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	304	414	(93)	(18)		
ARRAHONA RENT, S.L.U.	SPAIN	REAL ESTATE	-	100.00	100.00	9	10	-	10	-		
ARRELS CT FINSOL, S.A.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	344	420	(56)	(20)		
ARRELS CT LLOGUER, S.A.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	44	50	(4)	(2)		
ARRELS CT PATRIMONI I PROJECTES, S.A.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	136	169	(30)	(2)		
ARRELS CT PROMOU, S.A.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	24	34	(10)	-		
AUMERAVILLA, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	2	2	-	2	-		
BAHIA SUR RESORT, S.C.	SPAIN	INACTIVE	99.95	-	99.95	1	1	-	1	-		
BANCO BILBAO VIZCAYA ARGENTARIA (PORTUGAL), S.A.	PORTUGAL	BANKING	100.00	-	100.00	175	4,823	4,609	213	2		
BANCO BILBAO VIZCAYA ARGENTARIA CHILE, S.A.	CHILE	BANKING	-	68.18	68.18	702	17,071	16,041	907	123		
BANCO BILBAO VIZCAYA ARGENTARIA URUGUAY, S.A.	URUGUAY	BANKING	100.00	-	100.00	110	2,997	2,822	162	13		
BANCO CONTINENTAL, S.A.(1)	PERU	BANKING	-	46.12	46.12	1,556	21,793	20,107	1,298	388		
BANCO DE PROMOCION DE NEGOCIOS, S.A.	SPAIN	BANKING	-	99.86	99.86	15	19	-	19	-		
BANCO DEPOSITARIO BBVA, S.A.	SPAIN	BANKING	90.37	9.63	100.00	130	4,254	4,206	21	27		
BANCO INDUSTRIAL DE BILBAO, S.A.	SPAIN	BANKING	-	99.93	99.93	97	111	2	106	3		
BANCO OCCIDENTAL, S.A.	SPAIN	BANKING	49.43	50.57	100.00	17	18	-	18	-		
BANCO PROVINCIAL OVERSEAS N.V.	CUAÇAO	BANKING	-	100.00	100.00	48	415	366	50	(1)		
BANCO PROVINCIAL S.A. - BANCO UNIVERSAL	VENEZUELA	BANKING	1.46	53.75	55.21	71	1,259	1,119	184	(45)		

(\*) Information on foreign companies at exchange rate on December 31, 2015  
(\*\*) This company has an equity loan from CATALUNYACAIXA INMOBILIARIA, S.A.  
(\*\*\*) This company has an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.  
(1) Full consolidation method is used according to accounting rules (see Glossary)  
(2) Companies from the acquisition of Catalunya Banc, S.A. only include profit (loss) corresponding to May and December 2015

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Additional Information on Consolidated Subsidiaries and structured entities composing the BBVA Group (Continued)			% of Voting Rights Controlled by the Bank			Millions of Euros(*)				
Company	Location	Activity	Direct	Indirect	Total	Affiliate Entity Data				
						Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
BANCOMER FINANCIAL SERVICES INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	2	3	-	2	-
BANCOMER FOREIGN EXCHANGE INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	6	6	-	2	4
BANCOMER PAYMENT SERVICES INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
BANCOMER TRANSFER SERVICES, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	35	87	51	25	10
BBV AMERICA, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	479	960	-	1,745	(785)
BBVA ASESORIAS FINANCIERAS, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	1	1	-	1	-
BBVA ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	14	17	3	7	6
BBVA ASSET MANAGEMENT CONTINENTAL S.A. SAF(1)	PERU	FINANCIAL SERVICES	-	46.12	46.12	17	21	5	13	3
BBVA ASSET MANAGEMENT, S.A. SOCIEDAD FIDUCIARIA (BBVA FIDUCIARIA)	COLOMBIA	FINANCIAL SERVICES	-	100.00	100.00	27	29	2	22	5
BBVA ASSET MANAGEMENT, S.A., SGIIC	SPAIN	OTHER INVESTMENT COMPANIES	17.00	83.00	100.00	38	152	97	17	39
BBVA AUTOMERCANTIL, COMERCIO E ALUGER DE VECULOS AUTOMOVEIS,LDA.	PORTUGAL	FINANCIAL SERVICES	100.00	-	100.00	5	19	14	5	-
BBVA AUTORENTING, S.A.	SPAIN	SERVICES	100.00	-	100.00	69	421	388	22	11
BBVA BANCO DE FINANCIACION S.A.	SPAIN	BANKING	-	100.00	100.00	64	78	1	74	3
BBVA BANCO FRANCES, S.A.	ARGENTINA	BANKING	45.61	30.34	75.95	157	7,614	6,643	602	369
BBVA BANCOMER GESTION, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	24	40	16	10	15
BBVA BANCOMER OPERADORA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	172	378	206	149	23
BBVA BANCOMER SEGUROS SALUD, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	20	28	8	20	-
BBVA BANCOMER SERVICIOS ADMINISTRATIVOS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	23	112	89	15	8
BBVA BANCOMER USA, INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	64	65	-	51	14
BBVA BANCOMER, S.A., INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO	MEXICO	BANKING	-	100.00	100.00	7,673	91,872	84,206	7,667	1,625
BBVA BRASIL BANCO DE INVESTIMENTO, S.A.	BRASIL	BANKING	100.00	-	100.00	16	29	4	25	(1)
BBVA BROKER, CORREDURIA DE SEGUROS Y REASEGUROS, S.A.	SPAIN	FINANCIAL SERVICES	99.94	0.06	100.00	-	30	12	13	5
BBVA COLOMBIA, S.A.	COLOMBIA	BANKING	77.41	18.06	95.47	355	14,681	13,518	964	198
BBVA COMERCIALIZADORA LTDA.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	4	5	1	3	-
BBVA COMPASS BANCSHARES, INC	UNITED STATES	INVESTMENT COMPANY	100.00	-	100.00	11,521	11,644	118	11,085	441
BBVA COMPASS FINANCIAL CORPORATION	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	239	559	320	238	1
BBVA COMPASS INSURANCE AGENCY, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	153	156	3	146	8
BBVA CONSOLIDAR SEGUROS, S.A.	ARGENTINA	INSURANCES SERVICES	87.78	12.22	100.00	9	129	94	5	29
BBVA CONSULTING ( BEIJING) LIMITED	CHINA	FINANCIAL SERVICES	-	100.00	100.00	-	2	-	1	-
BBVA CONSULTORIA, S.A.	SPAIN	SERVICES	-	100.00	100.00	4	5	-	5	-
BBVA CONSUMER FINANCE ENTIDAD DE DESARROLLO A LA PEQUEÑA Y MICRO EMPRESA, EDPYME, S.A. (BBVA CONSUMER FINANCE - EDPYME)(1)	PERU	FINANCIAL SERVICES	-	66.32	66.32	15	58	41	17	(1)
BBVA CORREDORA TECNICA DE SEGUROS LIMITADA	CHILE	FINANCIAL SERVICES	-	100.00	100.00	7	11	4	-	7
BBVA CORREDORES DE BOLSA LIMITADA	CHILE	SECURITIES DEALER	-	100.00	100.00	52	487	436	48	4
BBVA DATA & ANALYTICS, S.L.	SPAIN	SERVICES	-	100.00	100.00	6	3	2	1	1
BBVA DINERO EXPRESS, S.A.U	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	2	5	1	4	-
BBVA DISTRIBUIDORA DE SEGUROS S.R.L.	URUGUAY	FINANCIAL SERVICES	-	100.00	100.00	3	3	-	1	1
BBVA ELCAÑO EMPRESARIAL I, S.A. EN LIQUIDACION	SPAIN	IN LIQUIDATION	45.00	-	45.00	-	2	-	(19)	20
BBVA ELCAÑO EMPRESARIAL, S.A. EN LIQUIDACION	SPAIN	IN LIQUIDATION	45.00	-	45.00	-	2	-	(19)	20
BBVA FACTORING LIMITADA (CHILE)	CHILE	FINANCIAL SERVICES	-	100.00	100.00	9	93	83	8	2
BBVA FINANZIA, S.p.A	ITALY	FINANCIAL SERVICES	100.00	-	100.00	17	132	117	13	3

(\*) Information on foreign companies at exchange rate on December 31, 2015

(1) Full consolidation method is used according to accounting rules (see Glossary)

(2) Companies from the acquisition of Catalunya Banc, S.A. only include profit (loss) corresponding to May and December 2015

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Additional Information on Consolidated Subsidiaries and structured entities composing the BBVA Group (Continued)										
Company	Location	Activity	% of Voting Rights Controlled by the Bank			Millions of Euros(*)				
			Direct	Indirect	Total	Affiliate Entity Data				
						Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
BBVA FRANCES ASSET MANAGEMENT S.A. SOCIEDAD GERENTE DE FONDOS COMUNES DE INVERSIÓN.	ARGENTINA	FINANCIAL SERVICES	-	100.00	100.00	12	21	6	7	8
BBVA FRANCES VALORES, S.A.	ARGENTINA	SECURITIES DEALER	-	100.00	100.00	3	3	-	1	2
BBVA FUNDOS, S.GESTORA FUNDOS PENSOES.S.A.	PORTUGAL	PENSION FUNDS MANAGEMENT	-	100.00	100.00	1	16	1	14	1
BBVA GEST, S.G.DE FONDOS DE INVERTIMIENTO MOBILIARIO, S.A.	PORTUGAL	SECURITIES DEALER	-	100.00	100.00	1	8	-	8	-
BBVA GLOBAL FINANCE LTD.	CAYMAN ISLANDS	FINANCIAL SERVICES	100.00	-	100.00	-	353	349	4	-
BBVA GLOBAL MARKETS B.V.	NETHERLANDS	FINANCIAL SERVICES	100.00	-	100.00	-	1,040	1,040	-	-
BBVA INMOBILIARIA E INVERSIONES, S.A.	CHILE	REAL ESTATE	-	68.11	68.11	4	44	38	7	-
BBVA INSTITUICAO FINANCEIRA DE CREDITO, S.A.	PORTUGAL	FINANCIAL SERVICES	49.90	50.10	100.00	40	264	217	44	3
BBVA INTERNACIONAL PREFERRED, S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	853	853	1	-
BBVA INVERSIONES CHILE, S.A.	CHILE	INVESTMENT COMPANY	61.22	38.78	100.00	483	1,364	2	1,208	154
BBVA IRELAND PLC	IRELAND	FINANCIAL SERVICES	100.00	-	100.00	180	451	240	206	5
BBVA LEASIMO - SOCIEDADE DE LOCAÇÃO FINANCEIRA, S.A.	PORTUGAL	FINANCIAL SERVICES	-	100.00	100.00	8	9	-	9	-
BBVA LUXINVEST, S.A.	LUXEMBOURG	INVESTMENT COMPANY	36.00	64.00	100.00	256	299	2	288	9
BBVA MEDIACION OPERADOR DE BANCA-SEGUROS VINCULADO, S.A.	SPAIN	FINANCIAL SERVICES	-	100.00	100.00	3	174	158	9	7
BBVA NOMINEES LIMITED	UNITED KINGDOM	SERVICES	95.00	-	95.00	-	-	-	-	-
BBVA PARAGUAY, S.A.	PARAGUAY	BANKING	100.00	-	100.00	23	1,824	1,689	115	20
BBVA PARTICIPACIONES MEJICANAS, S.L.	SPAIN	INVESTMENT COMPANY	99.00	1.00	100.00	-	-	-	-	-
BBVA PENSIONES, SA, ENTIDAD GESTORA DE FONDOS DE PENSIONES	SPAIN	PENSION FUNDS MANAGEMENT	100.00	-	100.00	13	62	34	16	11
BBVA PLANIFICACION PATRIMONIAL, S.L.	SPAIN	FINANCIAL SERVICES	80.00	20.00	100.00	-	1	-	1	-
BBVA PREVISION AFP S.A. ADM.DE FONDOS DE PENSIONES	BOLIVIA	PENSION FUNDS MANAGEMENT	75.00	5.00	80.00	2	19	9	5	4
BBVA PROCUREMENT SERVICES AMERICA DEL SUR SpA	CHILE	SERVICES	-	100.00	100.00	5	7	2	5	1
BBVA PROPIEDAD, S.A.	SPAIN	REAL ESTATE INVESTMENT COMPANY	-	100.00	100.00	972	1,001	11	1,008	(18)
BBVA RE LIMITED	IRELAND	INSURANCES SERVICES	-	100.00	100.00	1	91	40	41	10
BBVA REAL ESTATE MEXICO, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	1	1	(1)	-
BBVA RENTAS E INVERSIONES LIMITADA	CHILE	INVESTMENT COMPANY	-	100.00	100.00	240	240	-	187	53
BBVA RENTING, S.A.	SPAIN	FINANCIAL SERVICES	5.94	94.06	100.00	21	679	584	84	11
BBVA SECURITIES INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	181	4,061	3,880	166	14
BBVA SEGUROS COLOMBIA, S.A.	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	10	91	75	12	4
BBVA SEGUROS DE VIDA COLOMBIA, S.A.	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	14	372	279	61	32
BBVA SEGUROS DE VIDA, S.A.	CHILE	INSURANCES SERVICES	-	100.00	100.00	58	233	174	47	12
BBVA SEGUROS GENERALES S.A.	CHILE	INSURANCES SERVICES	-	100.00	100.00	4	4	-	4	-
BBVA SEGUROS, S.A., DE SEGUROS Y REASEGUROS	SPAIN	INSURANCES SERVICES	99.95	-	99.95	682	17,279	15,259	1,772	248
BBVA SENIOR FINANCE, S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	9,770	9,769	1	-
BBVA SERVICIOS CORPORATIVOS LIMITADA	CHILE	SERVICES	-	100.00	100.00	1	8	7	-	1
BBVA SERVICIOS, S.A.	SPAIN	COMMERCIAL	-	100.00	100.00	-	9	1	7	1
BBVA SOCIEDAD DE LEASING INMOBILIARIO, S.A.	CHILE	FINANCIAL SERVICES	-	97.49	97.49	22	68	46	19	3
BBVA SUBORDINATED CAPITAL S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	1,769	1,768	1	-
BBVA SUIZA, S.A. (BBVA SWITZERLAND)	SWITZERLAND	BANKING	39.72	60.28	100.00	67	1,046	881	157	8
BBVA TRADE, S.A.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	9	36	23	21	(8)
BBVA U.S. SENIOR S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	14	14	-	-

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						Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
BBVA VALORES COLOMBIA, S.A. COMISIONISTA DE BOLSA	COLOMBIA	SECURITIES DEALER	-	100.00	100.00	4	5	1	3	1
BBVA WEALTH SOLUTIONS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	5	5	-	6	-
BILBAO VIZCAYA HOLDING, S.A.	SPAIN	INVESTMENT COMPANY	89.00	11.00	100.00	35	192	67	113	12
BLUE INDICO INVESTMENTS, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	7	25	18	-	7
CAIXA MANRESA INMOBILIARIA ON CASA, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	5	(2)	-
CAIXA MANRESA INMOBILIARIA SOCIAL, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	4	4	1	-
CAIXA TERRASSA SOCIETAT DE PARTICIPACIONS PREFERENTS, S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	1	76	74	2	-
CAIXASABADELL PREFERENTS, S.A.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	92	90	1	-
CAIXASABADELL TINELIA, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	41	41	-	41	-
CAPITAL INVESTMENT COUNSEL, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	14	14	-	14	-
CARTERA E INVERSIONES S.A., CIA DE	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	92	98	77	32	(12)
CASA DE BOLSA BBVA BANCOMER, S.A. DE C.V.	MEXICO	SECURITIES DEALER	-	100.00	100.00	52	80	28	17	35
CATALONIA GEBIRA, S.L.(**)	SPAIN	REAL ESTATE	-	81.67	81.67	-	7	10	(3)	(1)
CATALONIA PROMODIS 4, S.A.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	16	18	(2)	-
CATALUNYA BANC, S.A.(2)	SPAIN	BANKING	98.40	0.55	98.95	1,172	45,283	42,517	2,714	51
CATALUNYACAIXA ASSEGUANCES GENERALS, S.A.(2)	SPAIN	INSURANCES SERVICES	-	100.00	100.00	53	49	32	15	2
CATALUNYACAIXA CAPITAL, S.A.(2)	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	92	105	10	94	1
CATALUNYACAIXA INMOBILIARIA, S.A.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	42	218	142	94	(18)
CATALUNYACAIXA INVERSIÓ, SGIIC, S.A.(2)	SPAIN	OTHER INVESTMENT COMPANIES	-	100.00	100.00	32	40	3	34	2
CATALUNYACAIXA MEDIACIO, S.L.(2)	SPAIN	FINANCIAL SERVICES	-	100.00	100.00	3	19	11	5	3
CATALUNYACAIXA SERVEIS, S.A.(2)	SPAIN	SERVICES	-	100.00	100.00	2	26	23	2	1
CATALUNYACAIXA VIDA, S.A.	SPAIN	INSURANCES SERVICES	-	100.00	100.00	379	2,349	2,015	331	3
CB TRANSPORT, INC.	UNITED STATES	INACTIVE	-	100.00	100.00	17	17	-	17	-
CDD GESTION, S.R.L.	ITALY	REAL ESTATE	100.00	-	100.00	5	6	-	6	-
CERBAT, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	9	25	-	24	-
CETACTIUS, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	22	(20)	-
CIDESSA DOS, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	15	15	1	15	-
CIDESSA UNO, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	5	191	148	42	1
CIERVANA, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	53	61	2	60	-
CLUB GOLF HACIENDA EL ALAMO, S.L.(2)	SPAIN	REAL ESTATE	-	97.87	97.87	-	-	-	-	-
COMERCIALIZADORA CORPORATIVA SAC(1)	PERU	FINANCIAL SERVICES	-	50.00	50.00	-	1	1	-	-
COMERCIALIZADORA DE SERVICIOS FINANCIEROS, S.A.	COLOMBIA	SERVICES	-	100.00	100.00	2	7	5	1	1
COMPASS ASSET ACCEPTANCE COMPANY, LLC	UNITED STATES	INACTIVE	-	100.00	100.00	448	448	-	449	-
COMPASS AUTO RECEIVABLES CORPORATION	UNITED STATES	INACTIVE	-	100.00	100.00	4	4	-	4	-
COMPASS BANK	UNITED STATES	BANKING	-	100.00	100.00	11,089	84,759	73,670	10,658	431
COMPASS CAPITAL MARKETS, INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	7,340	7,340	-	7,259	81
COMPASS CUSTODIAL SERVICES, INC.	UNITED STATES	INACTIVE	-	100.00	100.00	-	-	-	-	-
COMPASS GP, INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	45	56	11	44	-

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(\*\*) This company has an equity loan from ARRELS CT PATRIMONI I PROYECTES, S.A.

(\*\*\*) This company has an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.

(1) Full consolidation method is used according to accounting rules (see Glossary)

(2) Companies from the acquisition of Catalunya Banc, S.A. only include profit (loss) corresponding to May and December 2015

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Additional Information on Consolidated Subsidiaries and structured entities composing the BBVA Group (Continued)										
Company	Location	Activity	% of Voting Rights Controlled by the Bank			Millions of Euros(*)				
			Direct	Indirect	Total	Affiliate Entity Data				
						Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
COMPASS INVESTMENTS, INC.	UNITED STATES	INACTIVE	-	100.00	100.00	-	-	-	-	-
COMPASS LIMITED PARTNER, INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	6,397	6,398	1	6,319	78
COMPASS LOAN HOLDINGS TRS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	74	74	-	74	-
COMPASS MORTGAGE CORPORATION	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	2,826	2,850	24	2,780	45
COMPASS MORTGAGE FINANCING, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
COMPASS MULTISTATE SERVICES CORPORATION	UNITED STATES	INACTIVE	-	100.00	100.00	3	3	-	3	-
COMPASS SOUTHWEST, LP	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	5,275	5,276	1	5,206	70
COMPASS TEXAS ACQUISITION CORPORATION	UNITED STATES	INACTIVE	-	100.00	100.00	2	2	-	2	-
COMPASS TEXAS MORTGAGE FINANCING, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
COMPASS TRUST II	UNITED STATES	INACTIVE	-	100.00	100.00	-	-	-	-	-
COMPAÑIA CHILENA DE INVERSIONES, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	580	781	-	781	-
COMPLEMENTOS INNOVACIÓN Y MODA, S.L.(**)	SPAIN	IN LIQUIDATION	-	100.00	100.00	-	-	-	-	-
CONJUNT RESIDENCIAL FREXA, S.L.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	3	(1)	-
CONSOLIDAR A.F.J.P., S.A.	ARGENTINA	IN LIQUIDATION	46.11	53.89	100.00	1	5	3	-	1
CONSORCIO DE CASAS MEXICANAS, S.A.P.I. DE C.V.	MEXICO	REAL ESTATE	-	99.99	99.99	6	18	14	10	(6)
CONTENTS AREA, S.L.	SPAIN	SERVICES	-	100.00	100.00	6	7	1	6	-
CONTINENTAL BOLSA, SDAD. AGENTE DE BOLSA, S.A.(1)	PERU	SECURITIES DEALER	-	46.12	46.12	8	10	2	5	3
CONTINENTAL DPR FINANCE COMPANY(1)	CAYMAN ISLANDS	FINANCIAL SERVICES	-	46.12	46.12	-	222	222	-	-
CONTINENTAL SOCIEDAD TITULIZADORA, S.A.(1)	PERU	FINANCIAL SERVICES	-	46.12	46.12	1	1	-	1	-
CONTRATACION DE PERSONAL, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	5	9	4	4	-
COPROMED S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	-	-	-	-	-
CORPORACION BETICA INMOBILIARIA, S.A.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	5	20	15	8	(3)
CORPORACION GENERAL FINANCIERA, S.A.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	510	1,557	1	1,187	369
CX PROPIETAT, FI(2)	SPAIN	REAL ESTATE INVESTMENT COMPANY	-	67.74	67.74	42	62	-	61	1
DESITEL TECNOLOGIA Y SISTEMAS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	2	2	-	2	-
DEUTSCHE BANK MEXICO SA FIDEICOMISO F/1859	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	22	22	-	-
DEUTSCHE BANK MEXICO SA FIDEICOMISO F/1860	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	21	21	-	-
DISTRITO CASTELLANA NORTE, S.A.	SPAIN	REAL ESTATE	-	75.54	75.54	68	112	22	92	(2)
ECASA, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	13	14	2	8	5
ECOARENYS, S.L. (****)	SPAIN	REAL ESTATE	-	50.00	50.00	-	12	56	(41)	(3)
EL ENCINAR METROPOLITANO, S.A.	SPAIN	REAL ESTATE	-	99.05	99.05	5	7	-	4	3
EL MILANILLO, S.A. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	9	8	1	7	-
EMPRENDIMIENTOS DE VALOR S.A.	URUGUAY	FINANCIAL SERVICES	-	100.00	100.00	3	6	3	2	-
ENTRE2 SERVICIOS FINANCIEROS, E.F.C., S.A.	SPAIN	FINANCIAL SERVICES	-	100.00	100.00	9	9	-	9	-
ESPAIS SABADELL PROMOCIONS INMOBILIARIES, S.A.	SPAIN	REAL ESTATE	-	100.00	100.00	7	9	1	7	1
ESPAÑHOLA COMERCIAL E SERVIÇOS, LTDA.	BRASIL	IN LIQUIDATION	100.00	-	100.00	-	-	-	-	-
ESTACION DE AUTOBUSES CHAMARTIN, S.A.	SPAIN	SERVICES	-	51.00	51.00	-	-	-	-	-
EUROPEA DE TITULIZACION, S.A., S.G.F.T.	SPAIN	FINANCIAL SERVICES	88.99	-	88.99	2	41	3	34	3
EXPANSION INTERCOMARCAL, S.L.(2)	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	26	27	-	27	-
F/253863 EL DESEO RESIDENCIAL	MEXICO	REAL ESTATE	-	65.00	65.00	-	1	-	1	-

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(\*\*\*) This company has an equity loan from EXPANSION INTERCOMARCAL, S.L.

(\*\*\*\*) This company has an equity loan from PROMOTORA DEL VALLES, S.L.

(\*\*\*\*\*) This company has an equity loan from ANIDA OPERACIONES SINGULARES, S.A.

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Additional Information on Consolidated Subsidiaries and structured entities composing the BBVA Group (Continued)						Millions of Euros(*)				
Company	Location	Activity	% of Voting Rights Controlled by the Bank			Affiliate Entity Data				
			Direct	Indirect	Total	Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
F/403035-9 BBVA HORIZONTES RESIDENCIAL	MEXICO	REAL ESTATE	-	65.00	65.00	-	-	-	-	-
FACILEASING EQUIPMENT, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	51	508	413	73	22
FACILEASING S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	79	807	738	55	15
FIDEICOMISO 28991-8 TRADING EN LOS MCADOS FINANCIEROS	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	3	3	-	2	-
FIDEICOMISO F/29764-8 SOCIO LIQUIDADOR DE OPERACIONES FINANCIERAS DERIVADAS	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	31	31	-	29	2
FIDEICOMISO HA RES BBVA BANCOMER F/ 47997-2	MEXICO	REAL ESTATE	-	100.00	100.00	15	17	2	8	6
FIDEICOMISO N.989, EN THE BANK OF NEW YORK MELLON, S.A. INSTITUCION DE BANCA MULTIPLE, FIDUCIARIO (FIDEIC.00989 6 EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	1	159	158	(7)	8
FIDEICOMISO Nº 711, EN BANCO INVEX, S.A., INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 1ª EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	37	36	-	-
FIDEICOMISO Nº 752, EN BANCO INVEX, S.A., INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 2ª EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	19	19	-	-
FIDEICOMISO Nº 781, EN BANCO INVEX, S.A., INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 3ª EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	124	59	54	11
FIDEICOMISO Nº 847, EN BANCO INVEX, S.A., INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 4ª EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	97	98	(1)	-
FINANCIERA DO COMERCIO EXTERIOR S.A.R.	PORTUGAL	INACTIVE	100.00	-	100.00	-	-	-	-	-
FINANCIERA AYUDAMOS S.A. DE C.V., SOFOMER	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	140	154	14	141	(1)
FODECOR, S.L.(2)	SPAIN	REAL ESTATE	-	60.00	60.00	-	-	1	(1)	-
FORUM COMERCIALIZADORA DEL PERU, S.A.	PERU	SERVICES	-	66.32	66.32	3	5	1	4	1
FORUM DISTRIBUIDORA DEL PERU, S.A.	PERU	FINANCIAL SERVICES	-	66.32	66.32	5	8	1	6	1
FORUM DISTRIBUIDORA, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	25	218	194	19	5
FORUM SERVICIOS FINANCIEROS, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	174	1,197	1,035	113	49
FUTURO FAMILIAR, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	1	3	2	1	-
G NETHERLANDS BV	NETHERLANDS	INVESTMENT COMPANY	-	100.00	100.00	323	334	46	288	(1)
GARANTI BANK MOSCOW	RUSSIA	BANKING	-	100.00	100.00	37	143	105	39	(2)
GARANTI BANK SA	ROMANIA	BANKING	-	100.00	100.00	255	2,122	1,887	216	19
GARANTI BILISIM TEKNOLOJISI VE TIC. TAS	TURKEY	SERVICES	-	100.00	100.00	32	21	2	16	3
GARANTI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY	CAYMAN ISLANDS	FINANCIAL SERVICES	-	100.00	100.00	-	3,337	3,337	-	-
GARANTI EMEKLİK VE HAYAT AS	TURKEY	INSURANCES SERVICES	-	84.91	84.91	289	465	129	273	63
GARANTI FACTORING HİZMETLERİ AS	TURKEY	FINANCIAL SERVICES	-	81.84	81.84	43	935	883	44	8
GARANTI FİLO SİGORTA ARAÇLIK HİZMETLERİ A.S.	TURKEY	INSURANCES SERVICES	-	100.00	100.00	-	-	-	-	-
GARANTI FİLO YONETİM HİZMETLERİ A.S.	TURKEY	SERVICES	-	100.00	100.00	3	266	243	15	8
GARANTI FİNANSAL KİRALAMA A.S.	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	274	1,553	1,279	238	36
GARANTI HİZMET YONETİMİ A.S.	TURKEY	FINANCIAL SERVICES	-	99.40	99.40	-	3	-	2	1
GARANTI HOLDING BV	NETHERLANDS	INVESTMENT COMPANY	-	100.00	100.00	234	324	-	324	-
GARANTI KONUT FİNANSMANI DANISMANLIK HİZMETLERİ AS (GARANTI MORTGAGE)	TURKEY	SERVICES	-	100.00	100.00	-	1	-	1	-
GARANTI KÜLTÜR AS	TURKEY	SERVICES	-	100.00	100.00	-	1	-	-	-
GARANTI ODEME SİSTEMLERİ A.S.(GOSAS)	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	-	9	3	5	-
GARANTI PORTFOY YONETİMİ AS	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	12	15	2	10	3
GARANTI YA TIRIM MENKUL KIYMETLER AS	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	15	98	83	13	2
GARANTIBANK INTERNATIONAL NV	NETHERLANDS	BANKING	-	100.00	100.00	518	4,995	4,476	508	11
GARRAF MEDITERRANIA, S.A.(2)	SPAIN	REAL ESTATE	-	90.58	90.58	-	4	5	(32)	31
GESCAT LLEVANT, S.L.(*) (2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	16	19	(3)	-
GESCAT LLOGUERS, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	6	16	(9)	-

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GESCAT POLSKA, SP. ZOO(2)	POLAND	REAL ESTATE	-	100.00	100.00	11	12	1	12	-
GESCAT SINEVA, S.L.(*) (2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	3	(1)	-
GESCAT, GESTIO DE SOL, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	22	43	(15)	(6)
GESCAT, VIVENDES EN COMERCIALIZAZIO, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	250	605	(337)	(18)
GESTIO D'ACTIUS TITULITZATS, S.A.(2)	SPAIN	FINANCIAL SERVICES	-	100.00	100.00	1	4	-	3	1
GESTION DE PREVISION Y PENSIONES, S.A.	SPAIN	PENSION FUNDS MANAGEMENT	60.00	-	60.00	9	33	4	21	8
GESTION Y ADMINISTRACION DE RECIBOS, S.A. - GARSA	SPAIN	SERVICES	-	100.00	100.00	1	2	-	1	-
GOBERNALIA GLOBAL NET, S.A.	SPAIN	SERVICES	-	100.00	100.00	2	12	4	6	2
GRAN JORGE JUAN, S.A.	SPAIN	REAL ESTATE	100.00	-	100.00	424	1,051	653	386	12
GRANFIDUCIARIA	COLOMBIA	IN LIQUIDATION	-	90.00	90.00	-	-	-	-	-
GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	99.97	-	99.97	6,677	9,424	1	7,465	1,958
GUARANTY BUSINESS CREDIT CORPORATION	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	34	34	-	34	-
GUARANTY PLUS HOLDING COMPANY	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	(39)	60	98	(37)	(2)
GUARANTY PLUS PROPERTIES LLC-2	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	43	43	-	43	-
GUARANTY PLUS PROPERTIES, INC-1	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	11	11	-	11	-
HABITAT ZENTRUM, S.L.(***) (2)	SPAIN	REAL ESTATE	-	50.00	50.00	-	-	6	(6)	-
HABITATGES INVERCAP, S.L.(****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	1	(1)	-
HABITATGES INVERVIC, S.L.(****)	SPAIN	REAL ESTATE	-	35.00	35.00	-	1	13	(11)	(2)
HABITATGES JUVIPRO, S.L.(****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	3	3	(1)	-
HIPOTECARIA NACIONAL MEXICANA INCORPORATED	UNITED STATES	REAL ESTATE	-	100.00	100.00	-	-	-	-	-
HIPOTECARIA NACIONAL, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	10	16	6	8	2
HOLDING CONTINENTAL, S.A.	PERU	INVESTMENT COMPANY	50.00	-	50.00	124	1,575	-	1,216	359
HOMEOWNERS LOAN CORPORATION	UNITED STATES	IN LIQUIDATION	-	100.00	100.00	8	9	-	9	-
HUMAN RESOURCES PROVIDER, INC	UNITED STATES	SERVICES	-	100.00	100.00	487	487	-	480	7
HUMAN RESOURCES SUPPORT, INC	UNITED STATES	SERVICES	-	100.00	100.00	483	483	-	476	7
INMOBILIARIA DUQUE DE AVILA, S.A.	PORTUGAL	REAL ESTATE	-	100.00	100.00	10	23	13	9	1
INFORMACIO I TECNOLOGIA DE CATALUNYA, S.L.(2)	SPAIN	SERVICES	-	50.00	50.00	1	3	2	1	-
INMESP DESARROLLADORA, S.A. DE C.V.	MEXICO	REAL ESTATE	-	100.00	100.00	35	41	6	36	(1)
INMUEBLES Y RECUPERACIONES CONTINENTAL S.A(1)	PERU	REAL ESTATE	-	46.12	46.12	10	11	-	8	2
INNOVATION 4 SECURITY, S.L.	SPAIN	SERVICES	-	100.00	100.00	-	2	1	1	-
INPAU, S.A.(2)(**)	SPAIN	REAL ESTATE	-	100.00	100.00	-	40	47	-	(8)
INVERA HORRO, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	16	75	59	19	(3)
INVERCARTERA INTERNACIONAL, S.L.(2)	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	8	8	-	8	-
INVERPRO DESENVOLUPAMENT, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	3	14	10	2	2
INVERSIONES ALDAMA, C.A.	VENEZUELA	IN LIQUIDATION	-	100.00	100.00	-	-	-	-	-
INVERSIONES BANPRO INTERNATIONAL INC. N.V.	CURAÇAO	INVESTMENT COMPANY	48.00	-	48.00	11	52	3	50	(1)
INVERSIONES BA PROBA, C.A.	VENEZUELA	FINANCIAL SERVICES	100.00	-	100.00	1	-	-	-	-
INVERSIONES DE INNOVACION EN SERVICIOS FINANCIEROS, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	40	72	31	40	1
INVERSIONES P.H.R.4, C.A.	VENEZUELA	INACTIVE	-	60.46	60.46	-	-	-	-	-
INVESCO MANAGEMENT Nº 1, S.A.	LUXEMBOURG	FINANCIAL SERVICES	-	100.00	100.00	8	8	-	8	-

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(\*\*\*) This company has an equity loan from EXPANSION INTERCOMARCAL, S.L.  
(\*\*\*\*) This company has an equity loan from INVERPRO DESENVOLUPAMENT, S.L.  
(\*\*\*\*\*) This company has an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A  
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Additional Information on Consolidated Subsidiaries composing the BBVA Group (Continued) and consolidated structured entities										
Company	Location	Activity	% of Voting Rights Controlled by the Bank			Millions of Euros(*)				
			Direct	Indirect	Total	Affiliate Entity Data				
						Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
INVESCO MANAGEMENT Nº 2, S.A.	LUXEMBOURG	FINANCIAL SERVICES	-	100.00	100.00	-	4	17	(13)	(1)
IRIDION SOLUCIONS IMMOBILIARIES, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	3	124	(120)	(1)
JALE PROCAM, S.L.(2)(**)	SPAIN	REAL ESTATE	-	50.00	50.00	-	2	41	(37)	(1)
L'EIX IMMOBLES, S.L.(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	21	26	(4)	-
LIQUIDITY ADVISORS, L.P	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1,154	1,154	-	1,148	6
MADIVA SOLUCIONES, S.L.	SPAIN	SERVICES	-	100.00	100.00	9	2	-	1	1
MILLENNIUM PROCAM, S.L.(2)(**)	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	1	-	-
MISAPRE, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	3	2	-	2	-
MOMENTUM SOCIAL INVESTMENT HOLDING, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	7	7	-	7	-
MOTORACTIVE IFN SA	ROMANIA	FINANCIAL SERVICES	-	100.00	100.00	38	133	114	16	3
MOTORACTIVE MULTISERVICES SRL	ROMANIA	SERVICES	-	100.00	100.00	-	5	5	-	-
MULTIASISTENCIA OPERADORA S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	-	1	1	-	-
MULTIASISTENCIA SERVICIOS S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	1	3	2	1	-
MULTIASISTENCIA, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	34	44	10	28	6
NOIDIRI, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	1	11	(11)	-
NOVA EGARA-PROCAM, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	1	1	-	1	-
NOVA TERRASSA 3, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	2	12	7	4	-
OPCION VOLCAN, S.A.	MEXICO	REAL ESTATE	-	100.00	100.00	20	28	9	3	17
OPPLUS OPERACIONES Y SERVICIOS, S.A.	SPAIN	SERVICES	100.00	-	100.00	1	26	9	12	5
OPPLUS S.A.C	PERU	IN LIQUIDATION	-	100.00	100.00	1	1	-	1	-
PARCSUD PLANNER, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	8	11	(2)	-
PARTICIPACIONES ARENAL, S.L.	SPAIN	INACTIVE	-	100.00	100.00	8	8	-	8	-
PECRI INVERSION S.A	SPAIN	OTHER INVESTMENT COMPANIES	100.00	-	100.00	99	99	-	83	16
PENSIONES BANCOMER, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	236	4,291	4,054	196	40
PHOENIX LOAN HOLDINGS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	359	380	22	351	8
PI HOLDINGS NO. 1, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	87	87	-	87	-
PI HOLDINGS NO. 3, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	26	26	-	26	-
PORTICO PROCAM, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	25	25	-	25	-
PRO-SALUD, C.A.	VENEZUELA	INACTIVE	-	58.86	58.86	-	-	-	-	-
PROCAMVASA, S.A.(2)	SPAIN	REAL ESTATE	-	51.00	51.00	-	8	7	1	-
PROMOCION EMPRESARIAL XX, S.A.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	8	8	-	8	-
PROMOTORA DEL VALLES, S.L.(****)	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	-	237	335	(90)	(8)
PROMOU CT 3AG DELTA, S.L.(****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	10	12	(1)	(2)
PROMOU CT EIX MACIA, S.L.(****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	8	7	(2)	3
PROMOU CT GEBIRA, S.L.(****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	11	14	(3)	(1)
PROMOU CT OPENSEGRE, S.L.(****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	30	46	(15)	(1)
PROMOU CT VALLES, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	2	10	8	2	-
PROMOU GLOBAL, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	102	146	(39)	(6)
PRONORTE UNO PROCAM, S.A.(**)(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	5	15	(10)	-

(\*) Information on foreign companies at exchange rate on December 31, 2015

(\*\*) This company has an equity loan from CATALUNYACAIXA IMMOBILIARIA, S.A.

(\*\*\*) This company has an equity loan from PROMOTORA DEL VALLES, S.L. y UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.

(\*\*\*\*) This company has an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.

(\*\*\*\*\*) This company has an equity loan from ARRELS CT PROMOU, S.A. y UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.

(1) Full consolidation method is used according to accounting rules (see Glossary)

(2) Companies from the acquisition of Catalunya Banc, S.A. only include profit (loss) corresponding to May and December 2015

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 51).

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Additional Information on Consolidated Subsidiaries composing the BBVA Group (Continued) and consolidated structured entities											
Company	Location	Activity	% of Voting Rights			Millions of Euros(*)					
			Controlled by the Bank			Affiliate Entity Data					
			Direct	Indirect	Total	Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15	
PROV-INFARRAHONA, S.L.(**)	SPAIN	REAL ESTATE	-	100.00	100.00	-	15	21	(6)	(1)	
PROVINCIAL DE VALORES CASA DE BOLSA, C.A.	VENEZUELA	SECURITIES DEALER	-	90.00	90.00	-	-	-	-	-	
PROVINCIAL SDAD.ADMN.DE ENTIDADES DE INV.COLECTIVA, C.A.	VENEZUELA	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-	
PROVIURE BARCELONA, S.L.(***) (2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	2	-	-	
PROVIURE CIUTAT DE LLEIDA, S.L. (2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	1	-	-	
PROVIURE PARC D'HABITATGES, S.L.(***) (2)	SPAIN	REAL ESTATE	-	100.00	100.00	1	4	3	-	1	
PROVIURE, S.L.(***) (2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	4	5	(1)	-	
PROVIENDA ENTIDAD RECAUDADORA Y ADMIN.DE APORTES, S.A.	BOLIVIA	PENSION FUNDS MANAGEMENT	-	100.00	100.00	2	4	3	1	-	
PROXIMA ALFA INVESTMENTS (USA) LLC	UNITED STATES	IN LIQUIDATION	-	100.00	100.00	9	1	-	1	-	
PROXIMA ALFA INVESTMENTS HOLDINGS (USA) II INC.	UNITED STATES	IN LIQUIDATION	-	100.00	100.00	-	-	-	-	-	
PROXIMA ALFA INVESTMENTS HOLDINGS (USA) INC.	UNITED STATES	IN LIQUIDATION	100.00	-	100.00	-	9	4	5	-	
PUERTO CIUDAD LAS PALMAS, S.A.(****) (2)	SPAIN	REAL ESTATE	-	96.64	96.64	-	60	68	(5)	(2)	
QIPRO SOLUCIONES S.L.	SPAIN	SERVICES	-	100.00	100.00	3	3	-	3	-	
RALFI FN SA	ROMANIA	FINANCIAL SERVICES	-	100.00	100.00	40	82	65	10	7	
RENTRUCKS, ALQUILER Y SERVICIOS DE TRANSPORTE, S.A.	SPAIN	INACTIVE	99.32	-	99.32	2	2	1	2	-	
RESIDENCIAL CUMBRES DE SANTA FE, S.A. DE C.V.	MEXICO	REAL ESTATE	-	100.00	100.00	12	12	-	8	4	
RPV COMPANY	CAYMAN ISLANDS	FINANCIAL SERVICES	-	100.00	100.00	-	1,493	1,493	-	-	
RWHC, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	730	730	-	714	16	
S.B.D. NORD, S.L. (***) (2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	-	-	-	
SATICEM GESTIO, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	9	88	(77)	(2)	
SATICEM HOLDING, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	5	5	-	5	-	
SATICEM INMOBILIARIA, S.L.(2)	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	10	17	1	16	-	
SATICEM INMOBLES EN ARRENDAMENT, S.L.(2)	SPAIN	REAL ESTATE	-	100.00	100.00	-	26	83	(56)	(1)	
SCALDIS FINANCE, S.A.	BELGIUM	INVESTMENT COMPANY	-	100.00	100.00	4	18	-	18	-	
SEGUROS BANCOMER, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	569	3,630	3,061	339	230	
SEGUROS PROVINCIAL, C.A.	VENEZUELA	INSURANCES SERVICES	-	100.00	100.00	1	2	1	3	(1)	
SERVICIOS CORPORATIVOS BANCOMER, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	5	11	6	4	1	
SERVICIOS CORPORATIVOS DE SEGUROS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	2	11	9	2	-	
SERVICIOS EXTERNOS DE APOYO EMPRESARIAL, S.A DE C.V.	MEXICO	SERVICES	-	100.00	100.00	6	18	13	5	1	
SERVICIOS TECNOLOGICOS SINGULARES, S.A.	SPAIN	SERVICES	-	100.00	100.00	2	1	-	2	(1)	
SIMPLE FINANCE TECHNOLOGY CORP.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	96	105	10	133	(37)	
SOIEDAD DE ESTUDIOS Y ANALISIS FINANCIERO, S.A.	SPAIN	SERVICES	100.00	-	100.00	108	108	-	110	(3)	
SOIEDAD GESTORA DEL FONDO PUBLICO DE REGULACION DEL	SPAIN	INACTIVE	77.20	-	77.20	-	-	-	-	-	
MERCA DO HIPOTECARIO, S.A.	MEXICO	SERVICES	-	100.00	100.00	2	3	1	2	-	
SOLIUM MEXICO, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	-	-	-	-	-	
SOLIUM OPERADORA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	-	-	-	-	-	
SPORT CLUB 18, S.A.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	15	15	-	16	-	
STATE NATIONAL CAPITAL TRUST I	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	14	14	-	-	
STATE NATIONAL STATUTORY TRUST II	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	9	9	-	-	
TEXAS LOAN SERVICES, LP.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1,161	1,161	-	1,152	9	
TEXAS REGIONAL STATUTORY TRUST I	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1	47	46	1	-	

(\*) Information on foreign companies at exchange rate on December 31, 2015  
(\*\*) This company has an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.  
(\*\*\*) This company has an equity loan from CATALUNYA CAIXA INMOBILIARIA, S.A.  
(\*\*\*\*) This company has an equity loan from INPAU, S.A. y de CATALUNYA CAIXA INMOBILIARIA, S.A.  
(1) Full consolidation method is used according to accounting rules (see Glossary)  
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Additional Information on Consolidated Subsidiaries composing the BBVA Group (Continued) and consolidated structured entities						Millions of Euros(*)				
Company	Location	Activity	% of Voting Rights Controlled by the Bank			Affiliate Entity Data				
			Direct	Indirect	Total	Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
TEXASBANC CAPITAL TRUST I	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
TEXTIL TEXTURA, S.L.	SPAIN	COMMERCIAL	-	68.67	68.67	-	-	-	-	-
TMF HOLDING INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	-	-	-	-	-
TRIFOI REAL ESTATE SRL	ROMANIA	REAL ESTATE	-	100.00	100.00	-	-	-	-	-
TUCSON LOAN HOLDINGS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
TURKIYE GARANTI BANKASI A.S	TURKEY	BANKING	39.90	-	39.90	6	79	69	9	1
UNIDAD DE A VALUOS MEXICO, S.A. DE CV	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
UNITARIA GESTION DE PATRIMONIOS INMOBILIARIOS	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	-	-	-
UNIVERSALIDAD TIPS PESOS E-9	COLOMBIA	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.(**)	SPAIN	REAL ESTATE	100.00	-	100.00	-	1	1	-	-
UNO-E BANK, S.A.	SPAIN	BANKING	100.00	-	100.00	-	1	1	-	-
URBANIZA DORA SANT LLORENC, S.A.	SPAIN	INACTIVE	60.60	-	60.60	-	-	-	-	-
VALANZA CAPITAL S.A. UNIPERSONAL	SPAIN	SERVICES	100.00	-	100.00	-	-	-	-	-
VOLJA LUX, SARL(2)	LUXEMBOURG	INVESTMENT COMPANY	-	71.78	71.78	-	-	-	-	-
VOLJA PLUS SL(2)	SPAIN	INVESTMENT COMPANY	18.61	56.75	75.36	-	-	-	-	-

(\*) Information on foreign companies at exchange rate on December 31, 2015  
(\*\*) This company has an equity loan from BBVA, S.A.  
(1) Full consolidation method is used according to accounting rules (see Glossary)  
(2) Companies from the acquisition of Catalunya Banc, S.A. only include profit (loss) corresponding to May and December 2015

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## APPENDIX III.

Additional information on investments and jointly controlled companies accounted for under the equity method of consolidation in the BBVA Group (includes the most significant companies that together represent 99.71% of total investments in these companies)

Including the most significant entities, jointly representing 99.71% of all investment in this group			% of Voting Rights Controlled by the Bank			Millions of Euros(**)				
Company	Location	Activity	Direct	Indirect	Total	Affiliate Entity Data				
						Net Carrying Amount	Assets 12.31.15	Liabilities 12.31.15	Equity 12.31.15	Profit (Loss) 12.31.15
ADQUIRA ESPAÑA, S.A.	SPAIN	COMMERCIAL	-	40.00	40.00	3	17	11	6	-
ALTITUDE SOFTWARE SGPS, S.A.(*)	PORTUGAL	SERVICES	-	31.55	31.55	8	23	22	1	(1)(3)(4)
ALTURA MARKETS, SOCIEDAD DE VALORES, S.A.(*)	SPAIN	SECURITIES DEALER	50.00	-	50.00	20	1,865	1,825	30	10
AUREA, S.A. (CUBA)	CUBA	REAL ESTATE	-	49.00	49.00	5	10	-	9	-
BANK OF HANGZHOU CONSUMER FINANCE CO LTD	CHINA	BANKING	30.00	-	30.00	21	73	2	71	(5)
BRUNARA, SICAV, S.A.	SPAIN	IN LIQUIDATION	1.64	76.63	78.27	54	160	1	154	6
CANCÚN SUN & GOLF COUNTRY CLUB, S.A.P.I. DE C.V.	MEXICO	REAL ESTATE	-	33.33	33.33	28	82	31	53	(3)
COMPANÍA ESPAÑOLA DE FINANCIACION DEL DESARROLLO S.A.	SPAIN	FINANCIAL SERVICES	16.67	-	16.67	17	110	7	99	4
COMPANÍA MEXICANA DE PROCESAMIENTO, S.A. DE C.V.(*)	MEXICO	SERVICES	-	50.00	50.00	7	13	-	12	1
CORPORACION IBV PARTICIPACIONES EMPRESARIALES, S.A.(*)	SPAIN	INVESTMENT COMPANY	-	50.00	50.00	37	443	172	270	(2)
DESARROLLOS METROPOLITANOS DEL SUR, S.L.(*)	SPAIN	REAL ESTATE	-	50.00	50.00	11	42	19	23	-
FERROMOVIL 3000, S.L.(*)	SPAIN	SERVICES	-	20.00	20.00	4	517	488	30	-
FERROMOVIL 9000, S.L.(*)	SPAIN	SERVICES	-	20.00	20.00	3	335	313	22	-
FIDEICOMISO 1729 INVEX ENAJENACION DE CARTERA(*)	MEXICO	REAL ESTATE	-	32.25	32.25	66	204	-	204	-
FIDEICOMISO F 403853- 5 BBVA BANCOMER SERVICIOS ZIBATA(*)	MEXICO	REAL ESTATE	-	30.00	30.00	44	186	36	138	12
FIDEICOMISO F 404015-0 BBVA BANCOMER LOMAS III	MEXICO	REAL ESTATE	-	25.00	25.00	4	135	113	(5)	26
FIDEICOMISO F/00185 FIMPE - FIDEICOMISO F/00185 PARA EXTENDER A LA SOCIEDAD LOS BENEFICIOS DEL ACCESO A LA INFRAESTRUCTURA DE LOS MEDIOS DE PAGO ELECTRONICOS	MEXICO	FINANCIAL SERVICES	-	28.50	28.50	6	22	-	23	-
FIDEICOMISO F/402770-2 ALAMAR(*)	MEXICO	REAL ESTATE	-	42.40	42.40	9	22	-	22	-
FIDEICOMISO F/403112-6 DE ADMINISTRACION DOS LAGOS(*)	MEXICO	REAL ESTATE	-	50.000	50.00	6	13	-	13	-
FIDEICOMISO SCOTIABANK INVERLAT S A F100322908(*)	MEXICO	REAL ESTATE	-	50.00	50.00	2	18	13	2	2
FIDEICOMISO SCOTIABANK INVERLAT SA F100322742(*)	MEXICO	REAL ESTATE	-	33.78	33.78	11	69	36	33	-
I+D MEXICO, S.A. DE C.V.(*)	MEXICO	SERVICES	-	50.00	50.00	13	30	-	24	(5) (1)
INVERSIONES PLATCO, C.A.(*)	VENEZUELA	FINANCIAL SERVICES	-	50.00	50.00	3	7	1	7	(1)
METROVACESA, S.A.	SPAIN	REAL ESTATE	19.42	-	19.42	351	5,058	3,892	1,351	(185) (1)(3)(4)
PARQUE REFORMA SANTA FE, S.A. de C.V.	MEXICO	REAL ESTATE	-	30.00	30.00	5	37	20	9	8
PSA FINANCE ARGENTINA COMPANÍA FINANCIERA, S.A.(*)	ARGENTINA	BANKING	-	50.00	50.00	23	167	121	21	25
REAL ESTATE DEAL II, S.A.(*)	SPAIN	OTHER INVESTMENT COMPANIES	20.06	-	20.06	5	36	11	27	(2)
REDSYS SERVICIOS DE PROCESAMIENTO, S.L.	SPAIN	FINANCIAL SERVICES	15.18	4.82	20.00	7	126	91	24	11
ROMBO COMPANÍA FINANCIERA, S.A.	ARGENTINA	BANKING	-	40.00	40.00	18	211	168	21	23
SERVICIOS ELECTRONICOS GLOBALES, S.A. DE C.V.	MEXICO	SERVICES	-	46.14	46.14	6	14	-	11	3
SERVIRED SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO, S.A.	SPAIN	FINANCIAL SERVICES	22.35	6.36	28.71	92	50	13	34	3
SOCIEDAD ADMINISTRADORA DE FONDOS DE CESANTIA DE CHILE II, S.A.	CHILE	PENSION FUND MANAGEMENT	-	48.60	48.60	9	22	4	16	2
TELEFONICA FACTORING ESPAÑA, S.A.	SPAIN	FINANCIAL SERVICES	30.00	-	30.00	4	69	50	7	12 (3)(4)

(\*) Joint venture entities accounted for using the equity method.  
(\*\*) Information on foreign companies at exchange rate on December, 2015  
(1) Consolidated data  
(2) Non-currents sets held for sale  
(3) Figures according to the budget.  
(4) Figures as of December 31, 2014  
(5) This company include profit (loss) corresponding to December 2015

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## APPENDIX IV.

### Changes and notification of investments and divestments in the BBVA Group in 2015

Acquisitions or Increases of Interest Ownership in Consolidated Subsidiaries							
Company	Type of Transaction	Activity	Millions of Euros		% of Voting Rights		Effective Date for the Transaction (or Notification Date)
			Price Paid in the Transactions + Expenses directly attributable to the Transactions	Fair Value of Equity Instruments issued for the Transactions	% Participation (net) Acquired in the Period	Total Voting Rights Controlled after the Transactions	
BBVA PROCUREMENT SERVICES AMERICA DEL SUR SpA	FOUNDING	SERVICES	5	-	100.00%	100.00%	2/1/2015
FORUM SERVICIOS FINANCIEROS, S.A.	ACQUISITION	FINANCIAL SERVICES	103	-	24.50%	100.00%	3/26/2015
FORUM DISTRIBUIDORA, S.A.	ACQUISITION	FINANCIAL SERVICES	17	-	24.48%	100.00%	3/26/2015
4D INTERNET SOLUTIONS, INC	ACQUISITION	FINANCIAL SERVICES	13	-	100.00%	100.00%	4/14/2015
ACA, S.A.	ACQUISITION	SECURITIES DEALER	-	-	25.00%	62.50%	4/24/2015
ARRAHONA GARRAF, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	100.00%	4/24/2015
GARRAF MEDITERRANIA, S.A.	ACQUISITION	REAL ESTATE	-	-	45.29%	90.58%	4/24/2015
CATALUNYA BANC, S.A.	ACQUISITION	BANKING	1,165	-	98.40%	98.95%	4/24/2015
CATALUNYA CAIXA INVERSIÓ, SGIIC, S.A.	ACQUISITION	OTHER INVESTMENT COMPANIES	-	-	100.00%	100.00%	4/24/2015
CATALUNYA CAIXA CAPITAL, S.A.	ACQUISITION	INVESTMENT COMPANY	-	-	100.00%	100.00%	4/24/2015
CATALUNYA CAIXA SERVIS, S.A.	ACQUISITION	SERVICES	-	-	100.00%	100.00%	4/24/2015
CATALUNYA CAIXA INMOBILIARIA, S.A.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
CATALUNYA CAIXA MEDIACIÓ, S.L.	ACQUISITION	FINANCIAL SERVICES	-	-	100.00%	100.00%	4/24/2015
INPAU, S.A.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
FODECOR, S.L.	ACQUISITION	REAL ESTATE	-	-	60.00%	60.00%	4/24/2015
CERBAT, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
ALCALA 120 PROMOC. Y GEST.IMMOB. S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
PORTICO PROCAM, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
NOVA TERRASSA 3, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
GESTIO D'ACTIUS TITULTZATS, S.A.	ACQUISITION	OTHER INVESTMENT COMPANIES	-	-	100.00%	100.00%	4/24/2015
INFORMACIÓ I TECNOLOGIA DE CATALUNYA, S.L.	ACQUISITION	SERVICES	-	-	50.00%	50.00%	4/24/2015
INVERCARTERA INTERNACIONAL, S.L.	ACQUISITION	INVESTMENT COMPANY	-	-	100.00%	100.00%	4/24/2015
PROCAMVASA, S.A.	ACQUISITION	REAL ESTATE	-	-	51.00%	51.00%	4/24/2015
S.B.D. NORD, S.L.	ACQUISITION	REAL ESTATE	-	-	75.00%	75.00%	4/24/2015
PRONORTE UNO PROCAM, S.A.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
GESCAT LLEVANT, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
PUERTO CIUDAD LAS PALMAS, S.A.	ACQUISITION	REAL ESTATE	-	-	96.64%	96.64%	4/24/2015
PROVIURE, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
CLUB GOLF HACIENDA EL ALAMO, S.L.	ACQUISITION	REAL ESTATE	-	-	97.87%	97.87%	4/24/2015
AREA TRES PROCAM, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
JALE PROCAM, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
GESCAT SINEVA, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
PROVIURE CIUTAT DE LLEIDA, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
PROVIURE BARCELONA, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
NOVA EGARA-PROCAM, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
ALGARVETUR, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
CORPORACION BETICA INMOBILIARIA, S.A.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
MILLENNIUM PROCAM, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100.00%	100.00%	4/24/2015

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#### Acquisitions or Increases of Interest Ownership in Consolidated Subsidiaries (Continued)

Company	Type of Transaction	Activity	Millions of Euros		% of Voting Rights		Effective Date for the Transaction (or Notification Date)
			Price Paid in the Transactions + Expenses directly attributable to the Transactions	Fair Value of Equity Instruments issued for the Transactions	% Participation (net) Acquired in the Period	Total Voting Rights Controlled after the Transactions	
GESCAT POLSKA, SP. ZOO	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
PROVIURE PARC D'HABITATGES, S.L.	ACQUISITION	REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
VOLJA LUX, SARL	ACQUISITION	INVESTMENT COMPANY	-	-	71,78%	71,78%	4/24/2015
ACTIVOS MACORP, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
GESCAT, GESTIO DE SOL, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
GESCAT, VIVENDES EN COMERCIALIZAZIO, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
GESCAT LLOGUERS, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
EXPANSION INTERCOMARCAL, S.L.	ACQUISITION	INVESTMENT COMPANY	-	-	100,00%	100,00%	4/24/2015
CONJUNT RESIDENCIAL FREXA, S.L.	ACQUISITION	REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
IRIDION SOLUCIONS IMMOBILIARIES, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
NOIDIRI, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
CETA CTIUS, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
HABITAT ZENTRUM, S.L.	ACQUISITION	REAL ESTATE	-	-	50,00%	50,00%	4/24/2015
CAIXA MANRESA IMMOBILIARIA SOCIAL, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
SATICEM IMMOBILIARIA, S.L.	ACQUISITION	INVESTMENT COMPANY	-	-	100,00%	100,00%	4/24/2015
SATICEM HOLDING, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
CAIXA MANRESA IMMOBILIARIA ON CASA, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
SATICEM IMMOBLES EN ARRENDAMENT, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
SATICEM GESTIO, S.L.	ACQUISITION	INSTRUMENTAL REAL ESTATE	-	-	100,00%	100,00%	4/24/2015
SERVIMANRESA ACTIUS EN LLOGUER, S.L.	ACQUISITION	INVESTMENT COMPANY	-	-	85,00%	85,00%	4/24/2015
CX PROPIETAT, FII	ACQUISITION	FINANCIAL SERVICES	-	-	67,74%	67,74%	4/24/2015
VOLJA PLUS SL	ACQUISITION	INVESTMENT COMPANY	-	-	75,35%	75,35%	4/24/2015
BBVA BANCO FRANCES, S.A.	ACQUISITION	BANKING	1	-	0,02%	75,95%	5/4/2015
TURKIYE GARANTI BANKASI A.S	ACQUISITION	BANKING	1.857	-	14,89%	39,90%	7/27/2015
BBVA SEGUROS GENERALES S.A.	FOUNDING	INSURANCES SERVICES	3	-	100,00%	100,00%	7/31/2015
CATALUNYA CAIXA VIDA, S.A.	ACQUISITION	INSURANCES SERVICES	530	-	50,00%	100,00%	7/31/2015
CATALUNYA CAIXA ASSEGURANCES GENERALS, S.A.	ACQUISITION	INSURANCES SERVICES	77	-	50,01%	100,00%	7/31/2015
QIPRO SOLUCIONES S.L.	FOUNDING	SERVICES	3	-	100,00%	100,00%	11/30/2015
S.B.D. NORD, S.L.	ACQUISITION	REAL ESTATE	-	-	25,00%	100,00%	12/16/2015
AREA TRES PROCAM, S.L.	ACQUISITION	REAL ESTATE	-	-	50,00%	100,00%	12/16/2015

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Disposals or Reduction of Interest Ownership in Consolidated Subsidiaries							
Company	Type of Transaction	Activity	Millions of Euros		% of Voting Rights		Effective Date for the Transaction (or Notification Date)
			Profit (Loss) in the Transaction (*)	Changes in the Equity due to the transaction	% Participation Sold in the Period	Total Voting Rights Controlled after the Disposal	
UNIVERSALIDAD "ES"	LIQUIDATION	FINANCIAL SERVICES	(2)	-	100.00%	-	1/31/2015
PROMOTORA DE RECURSOS AGRARIOS, S.A.	LIQUIDATION	COMMERCIAL	-	-	100.00%	-	2/26/2015
BBVA FINANCE (UK), LTD.	LIQUIDATION	FINANCIAL SERVICES	-	-	100.00%	-	4/1/2015
BBVA CAPITAL FINANCE, S.A.	LIQUIDATION	FINANCIAL SERVICES	-	-	100.00%	-	7/22/2015
CAIXA DE MANLLEU PREFERENTS, S.A.	LIQUIDATION	FINANCIAL SERVICES	-	-	100.00%	-	7/22/2015
CIA. GLOBAL DE MANDATOS Y REPRESENTACIONES, S.A.	LIQUIDATION	FINANCIAL SERVICES	-	-	100.00%	-	7/31/2015
MOMENTUM SOCIAL INVESTMENT 2011, S.L.	MERGER	INVESTMENT COMPANY	-	-	100.00%	-	10/5/2015
MOMENTUM SOCIAL INVESTMENT 2012, S.L.	MERGER	INVESTMENT COMPANY	-	-	100.00%	-	10/5/2015
MOMENTUM SOCIAL INVESTMENT 2013, S.L.	MERGER	INVESTMENT COMPANY	-	-	100.00%	-	10/5/2015
BBVA INTERNATIONAL LIMITED	LIQUIDATION	FINANCIAL SERVICES	8	-	100.00%	-	11/10/2015
BBVA VIDA, S.A. DE SEGUROS Y REA SEGUROS	MERGER	INSURANCES SERVICES	-	-	100.00%	-	11/30/2015
SERVIMANRESA ACTIUS EN LLOGUER, S.L.	LIQUIDATION	INVESTMENT COMPANY	-	-	85.00%	-	12/14/2015
BBVA SOLUCIONES AVANZADAS DE ASESORAMIENTO Y GESTION, S.L.	LIQUIDATION	SERVICES	1	-	100.00%	-	12/22/2015
ACA, S.A.	LIQUIDATION	FINANCIAL SERVICES	-	-	62.50%	-	12/23/2015



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Business Combinations and Other Acquisitions or Increases of Interest Ownership in Associates and Joint-Ventures Accounted for Under the Equity Method							
Company	Type of Transaction	Activity	Millions of Euros		% of Voting Rights		Effective Date for the Transaction (or Notification Date)
			Price Paid in the Transactions + Expenses Directly Attributable to the Transactions	Fair Value of Equity Instruments Issued for the Transactions	% Participation (Net) Acquired in the Period	Total Voting Rights Controlled After the Transactions	
FIDEICOMISO DE ADMINISTRACION 2038-6	ACQUISITION	REAL ESTATE	-	-	33.70%	33.70%	1/31/2015
REDSYS SERVICIOS DE PROCESAMIENTO, S.L.	ACQUISITION	FINANCIAL SERVICES	-	-	4.64%	21.61%	4/24/2015
SERVIRED SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO, S.A.	ACQUISITION	FINANCIAL SERVICES	-	-	6.13%	28.72%	4/24/2015
CATALUNYA CAIXA VIDA, S.A.	ACQUISITION	INSURANCES SERVICES	-	-	50.00%	50.00%	4/24/2015
LANDOMUS, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
NOU MAPRO, S.A.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
PROVICAT SANT ANDREU, S.A.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
INMOBILIARIA MONTE BOADILLA, S.L.	ACQUISITION	REAL ESTATE	-	-	51.00%	51.00%	4/24/2015
EUGESA PROCAM, S.L.	ACQUISITION	REAL ESTATE	-	-	55.00%	55.00%	4/24/2015
ESPAS CATALUNYA INV. IMMOB., S.L.	ACQUISITION	REAL ESTATE	-	-	50.84%	50.84%	4/24/2015
INNOVA 31, S.C.R., S.A.	ACQUISITION	FINANCIAL SERVICES	-	-	25.00%	25.00%	4/24/2015
NOVA TERRASSA 30, S.L.	ACQUISITION	REAL ESTATE	-	-	51.00%	51.00%	4/24/2015
PROMOCIONS TERRES CAVADES, S.A.	ACQUISITION	REAL ESTATE	-	-	39.39%	39.39%	4/24/2015
PROMOCIONES MIES DEL VALLE, S.L.	ACQUISITION	REAL ESTATE	-	-	51.00%	51.00%	4/24/2015
ESPAS CERDANYOLA, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
SANYRES SUR, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
CENTROS RESIDENCIALES SANYRES SUR, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
ALZAMBRA SANYRES, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
PROMAR 21, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
PARQUE EOLICO LOS PEDREROS, S.L.	ACQUISITION	INDUSTRIAL	-	-	40.00%	40.00%	4/24/2015
DESARROLLOS CATALANES DEL VIENTO, S.L.	ACQUISITION	INVESTMENT COMPANY	-	-	40.00%	40.00%	4/24/2015
S.C.I. MAGNAN SAINT PHILIPPE	ACQUISITION	REAL ESTATE	-	-	25.00%	25.00%	4/24/2015
TEIN CENTRO TECNOLOGICO DEL PLASTICO, S.L.	ACQUISITION	SERVICES	-	-	40.00%	40.00%	4/24/2015
CATALUNYA CAIXA ASSEGURANCES GENERALS, S.A.	ACQUISITION	INSURANCES SERVICES	-	-	49.99%	49.99%	4/24/2015
PROVIURE CZF, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
EURO LENDERT, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
OCYCANDEY 2006, S.L.	ACQUISITION	INVESTMENT COMPANY	-	-	50.00%	50.00%	4/24/2015
INICIATIVAS EOLICAS CASTELLANAS, S.A.	ACQUISITION	INDUSTRIAL	-	-	97.50%	97.50%	4/24/2015
UNION SANYRES, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
SANIDAD Y RESIDENCIAS 21, S.A.	ACQUISITION	SERVICES	-	-	40.73%	40.73%	4/24/2015
PARC EOLIC COLL DEL MORO, S.L.	ACQUISITION	INDUSTRIAL	-	-	100.00%	100.00%	4/24/2015
PARC EOLIC DE TORRE MADRINA, S.L.	ACQUISITION	INDUSTRIAL	-	-	100.00%	100.00%	4/24/2015
PARC EOLIC DE VILALBA DELS ARCS, S.L.	ACQUISITION	INDUSTRIAL	-	-	100.00%	100.00%	4/24/2015

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Business Combinations and Other Acquisitions or Increases of Interest Ownership in Associates and Joint-Ventures Accounted for Under the Equity Method							
Company	Type of Transaction	Activity	Millions of Euros		% of Voting Rights		Effective Date for the Transaction (or Notification Date)
			Price Paid in the Transactions + Expenses Directly Attributable to the Transactions	Fair Value of Equity Instruments Issued for the Transactions	% Participation (Net) Acquired in the Period	Total Voting Rights Controlled After the Transactions	
VERTIX PROCAM PATRIMONIAL, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
CAPASATUS, S.L	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
SARDENYA CENTRE, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
TAGE CENTRE PROMOCIONS IMMOBILIARIES, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
FACTOR HABAST, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	50.00%	4/24/2015
CRULLA CENTRE, S.L.	ACQUISITION	REAL ESTATE	-	-	49.04%	49.04%	4/24/2015
HARMONIA BADALONA, S.L.	ACQUISITION	REAL ESTATE	-	-	45.00%	45.00%	4/24/2015
IMMOCENTRE 3000, S.L.	ACQUISITION	REAL ESTATE	-	-	40.00%	40.00%	4/24/2015
VISOREN CENTRE, S.L.	ACQUISITION	REAL ESTATE	-	-	40.00%	40.00%	4/24/2015
KUARS CENTRE, S.L.	ACQUISITION	REAL ESTATE	-	-	40.00%	40.00%	4/24/2015
SENDERAN GESTION DE ACTIVOS, S.L.	ACQUISITION	REAL ESTATE	-	-	40.00%	40.00%	4/24/2015
EUROESPAI 2000, S.L.	ACQUISITION	REAL ESTATE	-	-	35.00%	35.00%	4/24/2015
L'ERA DE VIC, S.L.	ACQUISITION	REAL ESTATE	-	-	40.00%	40.00%	4/24/2015
OLESA BLAVA, S.L.	ACQUISITION	REAL ESTATE	-	-	29.07%	29.07%	4/24/2015
AMBIT D'EQUIPMENTS, S.A.	ACQUISITION	REAL ESTATE	-	-	35.00%	35.00%	4/24/2015
HARMONIA PLA DE PONENT, S.L.	ACQUISITION	REAL ESTATE	-	-	22.33%	22.33%	4/24/2015
IMPULS LLOGUER, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
PROVIURE CZF PARC D'HABITATGES, S.L.	ACQUISITION	REAL ESTATE	-	-	100.00%	100.00%	4/24/2015
NAVIERA ELECTRA, AIE	ACQUISITION	SERVICES	-	-	19.50%	40.50%	4/24/2015
FIDEICOMISO F/403112-6 DE ADMINISTRACION DOS LAGOS	DILUTION EFFECT	REAL ESTATE	-	-	3.09%	50.00%	4/30/2015
METROVACESA, S.A.	CAPITAL INCREASE	REAL ESTATE	159	-	1.11%	19.42%	5/1/2015
DESARROLLOS METROPOLITANOS DEL SUR, S.L.	FOUNDING	REAL ESTATE	12	-	50.00%	50.00%	6/19/2015
FIDEICOMISO SCOTIABANK INVERLAT SA F100322742	DILUTION EFFECT	REAL ESTATE	-	-	0.06%	33.78%	7/31/2015
FIDEICOMISO F/00185 FIMPE - FIDEICOMISO F/00185 PARA EXTENDER A LA SOCIEDAD LOS BENEFICIOS DEL ACCESO A LA INFRAESTRUCTURA DE LOS MEDIOS DE PAGO ELECTRONICOS	ACQUISITION	FINANCIAL SERVICES	6	-	28.50%	28.50%	9/30/2015
INNOVA 31, S.C.R., S.A.	DILUTION EFFECT	FINANCIAL SERVICES	-	-	2.04%	27.04%	10/30/2015
REDBANC, S.A.(URUGUAY)	ACQUISITION	FINANCIAL SERVICES	-	-	5.00%	25.00%	12/23/2015
BANK OF HANGZHOU CONSUMER FINANCE CO LTD	FOUNDING	BANKING	23	-	30.00%	30.00%	12/31/2015
A GRUPO DE LA MEDIACION ASEGURADORA DE ENTIDADES FINANCIERAS A.I.E.	ACQUISITION	SERVICES	-	-	12.50%	25.00%	12/31/2015

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#### Disposal or Reduction of Interest Ownership in Associates and Joint-Ventures Companies Accounted for Under the Equity Method

Company	Type of Transaction	Activity	Millions of Euros	% of Voting Rights		Effective Date for the Transaction (or Notification Date)
			Profit (Loss) in the Transaction	% Participation Sold in the Period	Total Voting Rights Controlled after the Disposal	
ALMAGRARIO, S.A.	DISPOSAL	SERVICES	7	35.38%	-	4/30/2015
FIDEICOMISO SCOTIABANK INVERLAT SA F100322742	DILUTION EFFECT	REAL ESTATE	-	0.42%	0.33	4/30/2015
DESARROLLOS CATALANES DEL VIENTO, S.L.	DISPOSAL	INVESTMENT COMPANY	1	40.00%	-	5/18/2015
PARC EOLIC COLL DEL MORO, S.L.	DISPOSAL	INDUSTRY	-	100.00%	-	5/18/2015
PARC EOLIC DE TORRE MADRINA, S.L.	DISPOSAL	INDUSTRY	-	100.00%	-	5/18/2015
PARC EOLIC DE VILALBA DELS ARCS, S.L.	DISPOSAL	INDUSTRY	-	100.00%	-	5/18/2015
SBD CEAR, S.L.	DISPOSAL	REAL ESTATE	-	50.00%	-	5/28/2015
OSONA CIPSA, S.L.	LIQUIDATION	REAL ESTATE	-	50.00%	-	6/10/2015
PARQUE EOLICO LOS PEDREROS, S.L.	DISPOSAL	INDUSTRY	-	40.00%	-	6/25/2015
ASOCIACION TECNICA CAJAS DE AHORROS, A.I.E. (ATCA, AIE)	LIQUIDATION	SERVICES	-	31.00%	-	6/30/2015
SERVICIOS ON LINE PARA USUARIOS MULTIPLES, S.A. (SOLIUM)	DISPOSAL	SERVICES	(1)	66.67%	-	7/15/2015
REDSYS SERVICIOS DE PROCESAMIENTO, S.L.	DISPOSAL	FINANCIAL SERVICES	1	1.61%	20.00%	7/31/2015
OCCIDENTAL HOTELES MANAGEMENT, S.L.	DISPOSAL	SERVICES	-	57.54%	-	7/31/2015
CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED CIFH	DISPOSAL	INVESTMENT COMPANY	44	29.68%	-	8/27/2015
OLESA BLAVA, S.L.	LIQUIDATION	REAL ESTATE	-	29.07%	-	10/30/2015
FRIGEL, S.L	DISPOSAL	SERVICES	-	17.99%	-	11/19/2015
CENTROS RESIDENCIALES SANYRES SUR, S.L.	MERGER	REAL ESTATE	-	100.00%	-	11/30/2015
ALZAMBRA SANYRES, S.L.	MERGER	REAL ESTATE	-	100.00%	-	11/30/2015
PROMAR 21, S.L.	MERGER	REAL ESTATE	-	100.00%	-	11/30/2015
SANIDAD Y RESIDENCIAS 21, S.A.	MERGER	SERVICES	-	100.00%	-	11/30/2015
NAVIERA ELECTRA, AIE	LIQUIDATION	SERVICES	-	40.50%	-	12/2/2015
OCYCANDEY 2006, S.L.	DISPOSAL	INVESTMENT COMPANY	1	50.00%	-	12/22/2015
INICIATIVAS EOLICAS CASTELLANAS, S.A.	DISPOSAL	INDUSTRY	1	97.50%	-	12/22/2015
LAS PEDRAZAS GOLF, S.L.	LIQUIDATION	REAL ESTATE	(1)	50.00%	-	12/29/2015
PROMOCIONS TERRES CAVADES, S.A.	DILUTION EFFECT	REAL ESTATE	-	0.28%	0.39	12/31/2015

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Changes in other Companies quoted recognize as Available-For-Sale					
Company	Type of Transaction	Activity	% of voting rights		Effective Date for the Transaction (or Notification Date)
			% Participation Acquired (Sold) in the Period	Totally Controlled after Transaction	
GENERAL DE ALQUILER DE MAQUINARIA, S.A.	SHAREHOLDERS AGREEMENT	SERVICES	5.69%	5.69%	8/7/2015

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## APPENDIX V.

### Fully consolidated subsidiaries with more than 10% owned by non-Group shareholders as of December 31, 2015

Company	Activity	% of Voting Rights Controlled by the Bank		
		Direct	Indirect	Total
HOLDING CONTINENTAL, S.A.	INVESTMENT COMPANY	50	-	50
BANCO PROVINCIAL S.A. - BANCO UNIVERSAL	BANKING	1	54	55
INVERSIONES BANPRO INTERNATIONAL INC. N.V.	INVESTMENT COMPANY	48	-	48
PRO-SALUD, C.A.	NO ACTIVITY	-	59	59
INVERSIONES P.H.R.4, C.A.	NO ACTIVITY	-	60	60
BANCO BILBAO VIZCAYA ARGENTARIA CHILE, S.A.	BANKING	-	68	68
BBVA INMOBILIARIA E INVERSIONES, S.A.	REAL ESTATE	-	68	68
TEXTIL TEXTURA, S.L.	COMMERCIAL	-	69	69
BBVA ELCANO EMPRESARIAL, S.A. EN LIQUIDACION	IN LIQUIDATION	45	-	45
DISTRITO CASTELLANA NORTE, S.A.	REAL ESTATE	-	76	76
GESTION DE PREVISION Y PENSIONES, S.A.	PENSION FUND MANAGEMENT	60	-	60
ESTACION DE AUTOBUSES CHAMARTIN, S.A.	SERVICES	-	51	51
FORUM COMERCIALIZADORA DEL PERU, S.A.	SERVICES	-	84	84
FORUM DISTRIBUIDORA DEL PERU, S.A.	FINANCIAL SERVICES	-	84	84
Y MICRO EMPRESA, EDPYME, S.A. (BBVA CONSUMER FINANCE -	FINANCIAL SERVICES	-	84	84
F/403035-9 BBVA HORIZONTES RESIDENCIAL	REAL ESTATE	-	65	65
F/253863 EL DESEO RESIDENCIAL	REAL ESTATE	-	65	65
CATALONIA GEBIRA, S.L.	REAL ESTATE	-	82	82
ECOA RENYS, S.L.	REAL ESTATE	-	50	50
HABITATGES INVERVIC, S.L.	REAL ESTATE	-	35	35
TURKIYE GARANTI BANKASI A.S	BANKING	40	-	40
GARANTI EMEKLILIK VE HAYAT AS	INSURANCES	-	85	85
FODECOR, S.L.	REAL ESTATE	-	60	60
INFORMACIO I TECNOLOGIA DE CATALUNYA, S.L.	SERVICES	-	50	50
PROCAMVASA, S.A.	REAL ESTATE	-	51	51
JALE PROCAM, S.L.	REAL ESTATE	-	50	50
VOLJA LUX, SARL	INVESTMENT COMPANY	-	72	72
HABITAT ZENTRUM, S.L.	REAL ESTATE	-	50	50
CX PROPIETAT, FII	REAL ESTATE INVESTMENT COMPANY	-	68	68
VOLJA PLUS SL	INVESTMENT COMPANY	19	57	75

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## APPENDIX VI

### BBVA Group's structured entities. Securitization funds

Securitization Fund (consolidated)	Company	Origination Date	Millions of Euros	
			Total Securitized Exposures at the Origination Date	Total Securitized Exposures as of December 31, 2015
TDA 13 MIXTO FTA	CATALUNYA BANC SA	12/1/2000	90	8
HIPOCAT 5 FTA	CATALUNYA BANC SA	10/1/2002	696	100
HIPOCAT 6 FTA	CATALUNYA BANC SA	7/1/2003	850	161
TDA 19 FTA	CATALUNYA BANC SA	3/1/2004	200	41
HIPOCAT 7 FTA	CATALUNYA BANC SA	6/1/2004	1,400	336
TDA 23 FTA	CATALUNYA BANC SA	3/1/2005	300	92
HIPOCAT 8 FTA	CATALUNYA BANC SA	5/1/2005	1,500	413
HIPOCAT 9 FTA	CATALUNYA BANC SA	11/1/2005	1,000	316
HIPOCAT 10 FTA	CATALUNYA BANC SA	7/1/2006	1,500	475
GAT FTGENCAT 2006 FTA	CATALUNYA BANC SA	9/1/2006	441	36
HIPOCAT 11 FTA	CATALUNYA BANC SA	3/1/2007	1,600	484
GAT FTGENCAT 2007 FTA	CATALUNYA BANC SA	11/1/2007	397	57
TDA TARRAGONA 1 FTA	CATALUNYA BANC SA	12/1/2007	397	162
GC FTGENCAT TARRAGONA 1 FTA	CATALUNYA BANC SA	6/1/2008	283	78
GAT FTGENCAT 2008 FTA	CATALUNYA BANC SA	8/1/2008	400	61
GAT ICO-FTVPO I, FTH	CATALUNYA BANC SA	6/1/2009	271	144
FTA 2015 FONDO DE TITULIZACIÓN DE ACTIVOS	CATALUNYA BANC SA	4/1/2015	5,673	5,153
AYT HIPOTECARIO MIXTO, FTA	BBVA, S.A.	3/1/2004	100	20
TDA 20-MIXTO, FTA	BBVA, S.A.	6/1/2004	100	23
FTA TDA-22 MIXTO	BBVA, S.A.	12/1/2004	112	35
AYT HIPOTECARIO MIXTO IV, FTA	BBVA, S.A.	6/1/2005	100	28
FTA IM TERRASSA MBS-1	BBVA, S.A.	7/1/2006	525	103
BBVA HIPOTECARIO 3 FTA	BBVA, S.A.	10/1/2006	1,450	51
BBVA-5 FTPYME FTA	BBVA, S.A.	11/1/2006	1,900	46
FTA TDA-27	BBVA, S.A.	12/1/2006	275	121
BBVA RMBS 1 FTA	BBVA, S.A.	2/1/2007	2,500	1,298
BBVA RMBS 2 FTA	BBVA, S.A.	3/1/2007	5,000	2,466
BBVA-FINANZIA AUTOS 1 FTA	BBVA, S.A.	4/1/2007	800	12
BBVA LEASING 1 FTA	BBVA, S.A.	6/1/2007	2,500	141
BBVA-6 FTPYME FTA	BBVA, S.A.	6/1/2007	1,500	66
BBVA RMBS 3 FTA	BBVA, S.A.	7/1/2007	3,000	1,727
FTA TDA-28	BBVA, S.A.	7/1/2007	250	123
FTA GAT FTGENCAT 2007	BBVA, S.A.	11/1/2007	225	32
BBVA RMBS 5 FTA	BBVA, S.A.	5/1/2008	5,000	2,864
AYT CAIXA SABADELL HIPOTECARIO I, FTA	BBVA, S.A.	7/1/2008	300	119
BBVA-8 FTPYME FTA	BBVA, S.A.	7/1/2008	1,100	84
FTA GAT FTGENCAT 2008	BBVA, S.A.	8/1/2008	350	44
BBVA RMBS 9 FTA	BBVA, S.A.	4/1/2010	1,295	998
BBVA EMPRESAS 4 FTA	BBVA, S.A.	7/1/2010	1,700	197
BBVA RMBS 10 FTA	BBVA, S.A.	6/1/2011	1,600	1,354
BBVA RMBS 11 FTA	BBVA, S.A.	6/1/2012	1,400	1,197
BBVA SECURITISED FUNDING 1.FTA	BBVA, S.A.	3/1/2013	848	375
BBVA RMBS 12 FTA	BBVA, S.A.	12/1/2013	4,350	3,913
BBVA RMBS 13 FTA	BBVA, S.A.	7/1/2014	4,100	3,801
BBVA CONSUMO 6 FTA	BBVA, S.A.	10/1/2014	299	267
BBVA RMBS 14 FTA	BBVA, S.A.	11/1/2014	700	617
BBVA RMBS 15 FTA	BBVA, S.A.	5/1/2015	4,000	3,865
BBVA CONSUMO 7 FTA	BBVA, S.A.	7/1/2015	1,450	1,412
BBVA PYME 10 FT	BBVA, S.A.	12/1/2015	780,003	-
BBVA UNIVERSALIDAD E9	BBVA COLOMBIA, S.A.	12/1/2008	41	-
BBVA UNIVERSALIDAD E10	BBVA COLOMBIA, S.A.	3/1/2009	22	-
BBVA UNIVERSALIDAD E11	BBVA COLOMBIA, S.A.	5/1/2009	14	-
BBVA UNIVERSALIDAD E12	BBVA COLOMBIA, S.A.	8/1/2009	23	-
BBVA UNIVERSALIDAD N6	BBVA COLOMBIA, S.A.	8/1/2012	62	19
BACOMCB 07	BBVA BANCOMER, S.A., INSTIT. BANCA	12/1/2007	140	3
BACOMCB 08	BBVA BANCOMER, S.A., INSTIT. BANCA	3/1/2008	61	6
BACOMCB 08-2U	BBVA BANCOMER, S.A., INSTIT. BANCA	8/1/2008	301	48
BACOMCB 08-2	BBVA BANCOMER, S.A., INSTIT. BANCA	12/1/2008	308	67
BMERCB 13	BBVA BANCOMER, S.A., INSTIT. BANCA	6/1/2013	573	446
Instrumentos de Titulización Hip- Junior	BANCO CONTINENTAL, S.A.	12/1/2007	23	2
2 PS Interamericana	BBVA CHILE S.A.	10/1/2004	9	3
2 PS Interamericana	BBVA SOCIEDAD DE LEASING INMOBILIARIO, S	10/1/2004	19	6

Securitization Fund (not consolidated)	Company	Origination Date	Millions of Euros	
			Total Securitized Exposures at the Origination Date	Total Securitized Exposures as of Diciembre 31, 2015
FTA TDA13	BBVA, S.A.	01-dic-00	84	7
FTA TDA-18 MIXTO	BBVA, S.A.	01-nov-03	91	17
2 PS RBS (ex ABN)	BBVA SOCIEDAD DE LEASING INMOBILIARIO, S	01-sep-01	7	4

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## APPENDIX VII.

### Details of the outstanding subordinated debt and preferred securities issued by the Bank as of December 31, 2015 and 2014

Issue Type and data	Millions of Euros		Interest rate in force in 2015	Fix (F) or Variable (V)	Maturity date
	2015	2014			
July-96	27	27	9.37%	F	12/22/2016
July-04	-	3		V	7/30/2019
January-05	44	49	1.00%	V	1/28/2020
December-05	-	3		V	12/1/2015
August-06	37	40	4.70%	F	8/9/2021
August-06	42	45	0.51%	V	8/9/2021
February-07	70	70	0.42%	V	2/15/2017
February-07	255	253	4.50%	V	2/16/2022
March-07	75	74	1.27%	V	Perpetual
March-08	125	125	6.03%	V	3/3/2033
July-08	100	100	6.20%	F	7/4/2023
June-09	5	5	5.22%	V	6/10/2024
September-09	-	10		V	9/29/2019
<b>Convertible</b>					
May-13	1,378	1,235	9.00%	V	Perpetual
February-14	1,500	1,500	7.00%	V	Perpetual
February-15	1,500	-	6.75%		
<b>Subtotal</b>	<b>5,158</b>	<b>3,539</b>			
<b>Subordinated deposits</b>	<b>3,105</b>	<b>4,100</b>			
<b>Preferred Stock</b>					
December-07	14	14	2.21%	V	Perpetual
<b>Total</b>	<b>8,277</b>	<b>7,653</b>			

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## APPENDIX VIII Balance sheets held in foreign currency as of December 31, 2015 and 2014

2015	Millions of Euros			
	USD	Pounds Sterling	Other Currencies	TOTAL
<b>Assets -</b>				
Financial assets held for trading	1,365	135	478	1,978
Available-for-sale financial assets	5,963	1,688	1,014	8,665
Loans and receivables	14,630	1,804	1,870	18,304
Investments	1,216	-	24,506	25,722
Tangible assets	7	6	1	14
Rest	5,488	1,170	(3,029)	3,629
<b>Total</b>	<b>28,669</b>	<b>4,803</b>	<b>24,840</b>	<b>58,312</b>
<b>Liabilities -</b>				
Financial assets held for trading	1,025	103	299	1,427
Financial liabilities at amortized cost	27,668	4,623	1,050	33,341
Rest	(168)	64	139	35
<b>Total</b>	<b>28,525</b>	<b>4,790</b>	<b>1,488</b>	<b>34,803</b>

2014	Millions of Euros			
	USD	Pounds Sterling	Other Currencies	TOTAL
<b>Assets -</b>				
Financial assets held for trading	2,126	305	600	3,031
Available-for-sale financial assets	3,475	950	3,081	7,506
Loans and receivables	12,839	1,461	1,900	16,200
Investments	2,028	-	19,826	21,854
Tangible assets	7	6	2	15
Rest	9,140	1,385	(8,495)	2,030
<b>Total</b>	<b>29,615</b>	<b>4,107</b>	<b>16,914</b>	<b>50,636</b>
<b>Liabilities -</b>				
Financial assets held for trading	1,474	241	398	2,113
Financial liabilities at amortized cost	28,118	3,772	873	32,763
Rest	5	59	668	732
<b>Total</b>	<b>29,597</b>	<b>4,072</b>	<b>1,939</b>	<b>35,608</b>



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## APPENDIX IX.

### Income statement corresponding to the first and second half of 2015 and 2014

	Millions of Euros			
	1H15	1H14	2H15	2H14
INTEREST AND SIMILAR INCOME	2,821	3,473	2,643	3,290
INTEREST EXPENSE AND SIMILAR CHARGES	(1,165)	(1,893)	(960)	(1,600)
INCOME FROM EQUITY INSTRUMENTS	-	-	-	-
<b>NET INTEREST INCOME</b>	<b>1,656</b>	<b>1,580</b>	<b>1,683</b>	<b>1,690</b>
INCOME FROM EQUITY INSTRUMENTS	1,580	1,910	537	938
FEE AND COMMISSION INCOME	892	896	859	877
FEE AND COMMISSION EXPENSES	(149)	(166)	(140)	(142)
GAINS OR LOSSES ON FINANCIAL ASSETS AND LIABILITIES (NET)	670	753	240	401
EXCHANGE DIFFERENCES	148	(58)	76	167
OTHER OPERATING INCOME	56	56	58	64
OTHER OPERATING EXPENSES	(112)	(194)	(353)	(239)
<b>GROSS INCOME</b>	<b>4,741</b>	<b>4,778</b>	<b>2,960</b>	<b>3,755</b>
ADMINISTRATION COSTS	(1,889)	(1,838)	(1,867)	(1,826)
Personnel expenses	(1,106)	(1,093)	(1,092)	(1,101)
General expenses	(783)	(745)	(775)	(725)
AMORTIZATION	(256)	(259)	(263)	(258)
PROVISIONS (NET)	(308)	(352)	(343)	(520)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)	(791)	(918)	(513)	(950)
<b>NET OPERATING INCOME</b>	<b>1,497</b>	<b>1,411</b>	<b>(26)</b>	<b>201</b>
IMPAIRMENT LOSSES ON OTHER ASSETS (NET)	(181)	(259)	994	299
GAINS (LOSSES) ON DERECOGNIZED ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	-	(2)	8	1
NEGATIVE GOODWILL IN BUSINESS COMBINATIONS	-	-	-	-
GAINS AND LOSSES ON NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCONTINUED TRANSACTIONS	431	(254)	329	(117)
<b>INCOME BEFORE TAX</b>	<b>1,747</b>	<b>895</b>	<b>1,305</b>	<b>385</b>
INCOME TAX	(103)	86	(85)	(261)
<b>INCOME FROM CONTINUING TRANSACTIONS</b>	<b>1,644</b>	<b>981</b>	<b>1,220</b>	<b>124</b>
INCOME FROM DISCONTINUED TRANSACTIONS (NET)	-	-	-	-
<b>PROFIT FOR THE YEAR</b>	<b>1,644</b>	<b>981</b>	<b>1,220</b>	<b>124</b>

## **APPENDIX X. Information on data derived from the special accounting registry**

Information required pursuant to Circular 5/2011 of the Bank of Spain is indicated as follows.

### **a) Mortgage market policies and procedures**

The Bank has express policies and procedures in place regarding its activities in the mortgage market, which provide for full compliance with applicable legislation pursuant to Royal Decree 716/2009, of 24 April, 2009 implementing certain aspects of Act 2/1981, of 25 March 1981, regulating the mortgage market and other standards of the mortgage and financial system.

The mortgage granting policy is based in principles focused on assessing the adequate ratio between the amount of the loan, and the payments, and the net income of the applicant. Applicants must in all cases prove sufficient repayment ability (present and future) to meet their repayment obligations, for both the mortgage debt and for other debts detected in the financial system, and even those from an estimate of their current expenses deduced from socio-demographic information. Therefore, the applicant's repayment ability is a key aspect within the credit decision-making tools and retail risk acceptance manuals, and has a high weighting in the final decision.

During the mortgage risk transaction analysis process, documentation supporting the applicant's income (payroll, etc.) is required, and the applicant's position in the financial system is checked through automated default database queries (internal and external). This information is used for calculation purposes in order to determine the level of indebtedness/compliance with the rest of the system. This documentation is kept in the transaction's file.

In addition, the mortgage granting policy assesses the adequate ratio between the amount of the loan and the appraisal value of the mortgaged asset. If an appropriate level is not exceeded, additional collateral is required to reinforce the transaction's hedging. The policy also establishes that the property to be mortgaged be appraised by an independent appraisal company unrelated to the Group and authorized by the Bank of Spain. BBVA selects those companies whose reputation, standing in the market and independence ensure that their appraisals adapt to the market reality in each region. Each appraisal is reviewed and checked before the loan is granted by BBVA staff and, in those cases where the loan is finally granted, it is kept in the transaction's file.

As for issues related to the mortgage market, the Group's Finance Division annually defines the wholesale finance issue strategy, and more specifically mortgage bond issues, such as mortgage covered bonds or mortgage securitization. The Assets and Liabilities Committee ("ALCO") tracks the budget monthly. The volume and type of assets in these transactions is determined in accordance with the wholesale finance plan, the trend of the Bank's "Loans and receivables" outstanding balances and market conditions.

The Board of Directors of the Bank authorizes each of the issues of Mortgage Transfer Certificate and/or Mortgage Participation issued by BBVA to securitize loans and mortgage loans, as well as the establishment of a Base Prospectus for the issue of fixed-income securities through which the mortgage-covered bonds are implemented, based on the agreements for the issue of fixed-income securities approved by the Annual General Meeting.

As established in article 24 of Royal Decree 716/2009, the volume of unmatured mortgage-covered bonds issued by a bank may not exceed 80% of a calculation base determined by adding the non-amortized capital of all the loans and mortgage loans in the bank's portfolio that are eligible and are not covered by the issue of Mortgage Bonds, Mortgage Participations or Mortgage Transfer Certificates. For these purposes, in accordance with the aforementioned Royal Decree 716/2009, in order to be eligible, loans and mortgage loans must: (i) be secured by a first mortgage on the freehold; (ii) the loan's amount may not exceed 80% of the appraisal value for home mortgages, and 60% for other mortgage lending; (iii) be established on assets exclusively and wholly owned by the mortgagor; (iv) have been appraised by an independent appraisal company unrelated to the Group and authorized by the Bank of Spain; and (v) the mortgaged property must be covered at least by a current damage insurance policy.

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The Bank has set up a series of controls for mortgage covered bonds, which regularly control the total volume of issued mortgage covered bonds issued and the remaining eligible collateral, to avoid exceeding the maximum limit set by Royal Decree 716/2009, and outlined in the preceding paragraph. In the case of securitizations, the preliminary portfolio of loans and mortgage loans to be securitized is checked by the Bank's external auditor as required by the Spanish Securities and Exchange Commission. There is also a series of filters through which some mortgage loans and credits are excluded in accordance with legal, commercial and risk concentration criteria.

## b) Quantitative information on activities in the mortgage market

The quantitative information on activities in the mortgage market required by Bank of Spain Circular 5/2011 is shown below.

### b.1) Assets operation

<b>Mortgage loans. Eligibility for the purpose of the mortgage market.</b>		<b>Millions of Euros</b>	
		<b>2015</b>	<b>2014</b>
Nominal value of outstanding loans and mortgage loans	(A)	98,555	104,217
<i>Minus: Nominal value of all outstanding loans and mortgage loans that form part of the portfolio, but have been mobilized through mortgage bond holdings or mortgage transfer certificates.</i>	(B)	(25,650)	(24,390)
<b>Nominal value of outstanding loans and mortgage loans, excluding securitized loans</b>	<b>(A)-(B)</b>	<b>72,905</b>	<b>79,827</b>
<i>Of which:</i>			
Loans and mortgage loans which would be eligible if the calculation limits set forth in Article 12 of Spanish Royal Decree 716/2009 were not applied.	(C)	40,373	42,920
<i>Minus: Loans and mortgage loans which would be eligible but, according to the criteria set forth in Article 12 of Spanish Royal Decree 716/2009, cannot be used to collateralize any issuance of mortgage bonds.</i>	(D)	(2,213)	(2,738)
<b>Eligible loans and mortgage loans that, according to the criteria set forth in Article 12 of Spanish Royal Decree 716/2009, can be used as collateral for the issuance of mortgage bonds</b>	<b>(C)-(D)</b>	<b>38,160</b>	<b>40,182</b>
Issuance limit: 80% of eligible loans and mortgage loans that can be used as collateral	(E)	30,528	32,145
<b>Issued mortgage-covered bonds</b>	<b>(F)</b>	<b>28,362</b>	<b>29,958</b>
Capacity to issue mortgage-covered bonds (*)	(E)-(F)	2,166	2,187
<i>Memorandum items:</i>			
Percentage of overcollateralization across the portfolio		257%	266%
Percentage of overcollateralization across the eligible used portfolio		135%	134%
Nominal value of available sums (committed and unused) from all loans and mortgage loans.		1,999	1,900
<i>Of which:</i>			
<i>Potentially eligible</i>		1,361	1,322
<i>Ineligible</i>		638	578
Nominal value of all loans and mortgage loans that are not eligible, as they do not meet the thresholds set in Article 5.1 of Spanish Royal Decree 716/2009, but do meet the rest of the eligibility requirements indicated in Article 4 of the Royal Decree.		25,350	30,810
Nominal value of the replacement assets subject to the issue of mortgage-covered bonds.		-	-

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		Millions of Euros	
		2015	2014
<b>Mortgage loans.</b>			
<b>Eligibility for the purpose of the mortgage market.</b>			
<b>Total loans</b>	(1)	<b>98,555</b>	<b>104,217</b>
<b>Issued mortgage participations</b>	(2)	-	<b>3</b>
<i>Of which: recognized on the balance sheet</i>			
<b>Issued mortgage transfer certificates</b>	(3)	<b>25,650</b>	<b>24,387</b>
<i>Of which: recognized on the balance sheet</i>			
		25,612	24,345
<b>Mortgage loans as collateral of mortgages bonds</b>	(4)		
<b>Loans supporting the issuance of mortgage-covered bonds</b>	1-2-3-4	<b>72,905</b>	<b>79,827</b>
<b>Non eligible loans</b>		<b>32,532</b>	<b>36,907</b>
<i>Comply requirements to be eligible except the limit provided for under the article 5.1 of the Spanish Royal Decree 716/2009</i>			
		25,350	30,810
Rest		<b>7,182</b>	<b>6,097</b>
<b>Elegible loans</b>		<b>40,373</b>	<b>42,920</b>
<i>That can not be used as collateral for issuances</i>			
		2,213	2,738
<i>That can be used as collateral for issuances</i>			
		38,160	40,182
<i>Loans used to collateralize mortgage bonds</i>			
		-	-
<i>Loans used to collateralize mortgage-covered bonds</i>			
		38,160	40,182

Mortgage loans. Classification of the nominal values according to different characteristics	Millions of Euros					
	2015			2014		
	Total mortgage loans	Elegibles (*)	Elegibles that can be used as collateral for issuances (**)	Total mortgage loans	Elegibles (*)	Elegibles that can be used as collateral for issuances (**)
<b>TOTAL</b>	<b>72,905</b>	<b>40,373</b>	<b>38,160</b>	<b>79,827</b>	<b>42,920</b>	<b>40,182</b>
<b>By source of the operations</b>						
Originated by the bank	64,852	34,629	32,477	69,794	35,600	32,945
Subrogated by other institutions	554	459	457	928	703	698
Rest	7,499	5,285	5,226	9,105	6,617	6,539
<b>By Currency</b>						
In euros	72,331	40,013	37,811	79,462	42,920	40,182
In foreign currency	574	360	349	365	-	-
<b>By payment situation</b>						
Normal payment	56,192	34,987	34,330	59,012	35,268	34,509
Other situations	16,713	5,386	3,830	20,815	7,652	5,673
<b>By residual maturity</b>						
Up to 10 years	18,457	11,536	10,402	18,434	10,733	9,377
10 to 20 years	24,926	17,896	17,317	24,768	17,939	17,276
20 to 30 years	18,399	8,379	7,963	23,027	10,619	10,030
Over 30 years	11,123	2,562	2,478	13,598	3,629	3,499
<b>By Interest Rate</b>						
Fixed rate	3,169	944	759	3,211	863	687
Floating rate	69,736	39,429	37,401	76,616	42,057	39,495
Mixed rate	-	-	-	-	-	-
<b>By Target of Operations</b>						
For business activity	20,741	7,690	5,912	22,483	7,232	5,065
From which: public housing	8,623	2,072	768	10,421	2,519	875
For households	52,164	32,683	32,248	57,344	35,688	35,117
<b>By type of guarantee</b>						
<b>Secured by completed assets/buildings</b>	<b>66,807</b>	<b>39,203</b>	<b>37,461</b>	<b>72,770</b>	<b>41,565</b>	<b>39,471</b>
Residential use	56,563	34,269	33,066	63,083	37,547	36,038
From which: public housing	5,607	3,354	3,104	6,253	3,845	3,536
Commercial	9,645	4,574	4,046	9,687	4,018	3,433
Other	599	360	349	-	-	-
<b>Secured by assets/buildings under construction</b>	<b>2,125</b>	<b>367</b>	<b>277</b>	<b>2,350</b>	<b>380</b>	<b>262</b>
Residential use	1,642	235	158	1,888	261	163
From which: public housing	84	5	4	100	7	3
Commercial	483	132	119	462	119	99
Other	-	-	-	-	-	-
<b>Secured by land</b>	<b>3,973</b>	<b>803</b>	<b>422</b>	<b>4,707</b>	<b>975</b>	<b>449</b>
Urban	1,590	334	105	2,021	442	135
Non-urban	2,383	469	317	2,686	533	314

(\*) Not taking into account the thresholds established by Article 12 of Spanish Royal Decree 716/2009

(\*\*) Taking into account the thresholds established by Article 12 of Spanish Royal Decree 716/2009

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2015 Nominal value of the total mortgage loans	Millions of Euros				
	Loan to Value (Last available appraisal risk)				Total
	Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80%	
Home mortgages	9,364	12,730	12,690	-	34,784
Other mortgages	2,657	2,932			5,589
<b>Total</b>	<b>12,021</b>	<b>15,662</b>	<b>12,690</b>	<b>-</b>	<b>40,373</b>

2014 Elegible loans used to collateralize mortgage-covered bonds	Millions of Euros				
	Loan to Value (Last available appraisal risk)				Total
	Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80%	
Home mortgages	9,518	13,848	14,617		37,983
Other mortgages	2,454	2,483			4,937
<b>Total</b>	<b>11,972</b>	<b>16,331</b>	<b>14,617</b>	<b>-</b>	<b>42,920</b>

Elegible and non eligible mortgage loans. Changes of the nominal values in the period	Millions of Euros			
	2015		2014	
	Eligibles (*)	Non eligible	Eligibles (*)	Non eligible
<b>Balance at the beginning</b>	<b>42,920</b>	<b>36,907</b>	<b>58,742</b>	<b>28,669</b>
<b>Retirements</b>	<b>5,772</b>	<b>9,218</b>	<b>17,832</b>	<b>5,901</b>
Held-to-maturity cancellations	4,175	2,487	5,055	3,231
Anticipated cancellations	1,236	2,268	335	603
Subrogations to other institutions	23	20	7	3
Rest	338	4,443	12,435	2,064
<b>Additions</b>	<b>3,225</b>	<b>4,843</b>	<b>2,010</b>	<b>14,139</b>
Originated by the bank	2,529	3,794	1,819	3,382
Subrogations to other institutions	14	12	5	3
Rest	682	1,037	186	10,754
<b>Balance at the end</b>	<b>40,373</b>	<b>32,532</b>	<b>42,920</b>	<b>36,907</b>

(\*) Not taking into account the thresholds established by Article 12 of Spanish Royal Decree 716/2009

Mortgage loans supporting the issuance of mortgage-covered bonds Nominal value.	Millions of Euros	
	2015	2014
Potentially eligible	1,361	1,322
Ineligible	638	578
<b>Total</b>	<b>1,999</b>	<b>1,900</b>

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## b.2) Liabilities operations

Issued Mortgage Bonds	Millions of euros			
	2015		2014	
	Nominal value	Average residual maturity	Nominal value	Average residual maturity
<b>Mortgage bonds</b>	-	-	-	-
<b>Mortgage-covered bonds</b>	28,362	-	29,958	-
<i>Of which: Non recognized as liabilities on balance</i>	3,142	-	2,748	-
<i>Outstanding</i>	25,220	-	27,210	-
Debt securities issued through public offer	21,523	-	22,620	-
Residual maturity up to 1 year	4,500	-	3,598	-
Residual maturity over 1 year and less than 2 years	6,772	-	4,500	-
Residual maturity over 2 years and less than 3 years	-	-	6,772	-
Residual maturity over 3 years and less than 5 years	2,051	-	-	-
Residual maturity over 5 years and less than 10 years	8,000	-	5,550	-
Residual maturity over 10 years	200	-	2,200	-
Debt securities issued without public offer	2,765	-	2,272	-
Residual maturity up to 1 year	-	-	-	-
Residual maturity over 1 year and less than 2 years	150	-	-	-
Residual maturity over 2 years and less than 3 years	-	-	150	-
Residual maturity over 3 years and less than 5 years	-	-	-	-
Residual maturity over 5 years and less than 10 years	2,500	-	2,000	-
Residual maturity over 10 years	115	-	122	-
Deposits	4,074	-	5,066	-
Residual maturity up to 1 year	1,064	-	993	-
Residual maturity over 1 year and less than 2 years	460	-	1,064	-
Residual maturity over 2 years and less than 3 years	639	-	460	-
Residual maturity over 3 years and less than 5 years	422	-	815	-
Residual maturity over 5 years and less than 10 years	849	-	843	-
Residual maturity over 10 years	640	-	891	-
<b>Mortgage participations</b>	-	-	-	-
Issued through public offer	-	-	-	-
Issued without public offer	-	-	-	-
<b>Mortgage transfer certificates</b>	25,612	293	24,345	289
Issued through public offer	25,612	293	24,345	289
Issued without public offer	-	-	-	-

Given the characteristics of the type of covered bonds issued by the Bank, there is no substituting collateral related to these issues.

The Bank does not hold any derivative financial instruments relating to mortgage bond issues, as defined in the aforementioned Royal Decree.

## **APPENDIX XI. Risks related to the developer and real-estate sector in Spain**

### **a) Policies and strategies established by the Group to deal with risks related to the developer and real-estate sector**

BBVA has teams specializing in the management of the Real-Estate Sector risk, given its economic importance and specific technical component. This specialization is not only in the Risk-Acceptance teams, but throughout the handling, commercial, problematic management and legal aspects, and includes the research department (BBVA Research), which helps determine the medium/long-term vision needed to manage this portfolio. Specialization has been increased and the management teams in the areas of recovery and the Real Estate Unit itself have been reinforced.

The portfolio management policies, established to address the risks related to the developer and real-estate sector, aim to accomplish, among others, the following objectives: to avoid concentration in terms of customers, products and regions; to estimate the risk profile for the portfolio; and to anticipate possible worsening of the portfolio.

#### **Specific policies for analysis and admission of new developer risk transactions**

In the analysis of new operations, the assessment of the commercial operation in terms of the economic and financial viability of the project has been once of the constant points that have helped ensure the success and transformation of construction land operations for our customers' developments.

As regards the participation of the Risk Acceptance teams, they have a direct link and participate in the committees of areas such as Recoveries and the Real Estate Unit. This guarantees coordination and exchange of information in all the processes.

The following strategies have been implemented with customers: avoidance of large corporate transactions, which had already reduced their share in the years of greatest market growth; non-participation in the second-home market; commitment to public housing financing; and participation in land operations with a high level of urban development security, giving priority to land open to urban development.

#### **Risk monitoring policies**

The base information for analyzing the real estate portfolios is updated monthly. The tools used include the so-called "watch-list", which is updated monthly with the progress of each client under watch, and the different strategic plans for management of special groups. There are plans that involve an intensification of the review of the portfolio for financing land, while, in the case of ongoing promotions, they are classified for monitoring purposes based on the rate of progress of the projects.

These actions have enabled the Bank to anticipate possible impairment situations, by always keeping an eye on BBVA's position with each customer (whether or not as first creditor). In this regard, key aspects include management of the risk policy to be followed with each customer, contract review, deadline extension, improved collateral, rate review (repricing) and asset purchase.

Proper management of the relationship with each customer requires knowledge of various aspects such as the identification of the source of payment difficulties, an analysis of the company's future viability, the updating of the information on the debtor and the guarantors (their current situation and business course, economic-financial information, debt analysis and generation of funds), and the updating of the appraisal of the assets offered as collateral.

BBVA has a classification of debtors in accordance with legislation in force in each country, usually categorizing each one's level of difficulty for each risk.

Based on the information above, a decision is made whether to use the refinancing tool, whose objective is to adjust the structure of the maturity of the debt to the generation of funds and the customer's payment capacity.

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As for the policies relating to risk refinancing with the developer and real-estate sector, they are the same as the general policies used for all of the Group's risks. In the developer and real estate sector, they are based on clear solvency and viability criteria for projects, with demanding terms for guarantees and legal compliance. The policy on refinancing uses outstanding risk rather than nonperforming assets, with a refinancing tool that standardizes criteria and values up to a total of 19 variables when considering any refinancing operation.

In the case of refinancing, the tools used for enhancing the Bank's position are: the search for new intervening parties with proven solvency and initial payment to reduce the principal debt or outstanding interest; the improvement of the debt bond in order to facilitate the procedure in the event of default; the provision of new or additional collateral; and making refinancing viable with new conditions (period, rate and repayments), adapted to a credible and sufficiently verified business plan.

#### [Policies applied in the management of real estate assets in Spain](#)

The policy applied for managing these assets depends on the type of real-estate asset, as detailed below.

In the case of completed homes, the final aim is the sale of these homes to private individuals, thus diluting the risk and beginning a new business cycle. Here, the strategy has been to help subrogation (the default rate in this channel of business is notably lower than in any other channel of residential mortgages) and to support our customers' sales directly, using BBVA's own channel (BBVA Services and our branches), creating incentives for sale and including sale orders for BBVA that set out sale prices which are notably lower than initial ones. In exceptional case we have even accepted partial haircuts, with the aim of making the sale easier.

In the case of ongoing construction work, our strategy has been to help and promote the completion of the works in order to transfer the investment to completed homes. The whole developer Works in Progress portfolio has been reviewed and classified into different stages with the aim of using different tools to support the strategy. This includes the use of developer accounts-payable financing as a form of payment control, the use of project monitoring supported by the Real Estate Unit itself, and the management of direct suppliers for the works as a complement to the developer's own management.

With respect to land, our presence at advanced stages in land development, where the vast majority of our risk is urban land, simplifies our management. Urban management and liquidity control to tackle urban planning costs are also subject to special monitoring.



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## b) Quantitative information on activities in the real-estate market in Spain

Lending for real estate development according to the purpose of the loans as of December 31, 2015 and 2014 is shown below:

2015 Financing allocated to construction and real estate development and its coverage	Millions of Euros		
	Gross amount	Drawn over the guarantee value	Provision coverage
<b>Loans recorded by the BBVA, S.A. Bank (Businesses in Spain)</b>	<b>8,882</b>	<b>3,863</b>	<b>3,470</b>
<i>Of which: Impaired assets</i>	5,797	2,884	3,277
<i>Of which: Potential problem assets</i>	714	236	193
<b>Memorandum item:</b>			
Write-offs	1,536		

2014 Financing allocated to construction and real estate development and its coverage	Millions of Euros		
	Gross amount	Drawn over the guarantee value	Provision coverage
<b>Loans recorded by the BBVA, S.A. Bank (Businesses in Spain)</b>	<b>10,986</b>	<b>4,832</b>	<b>4,572</b>
<i>Of which: Impaired assets</i>	7,418	3,686	4,225
<i>Of which: Potential problem assets</i>	981	374	347
<b>Memorandum item:</b>			
Write-offs	1,075		

Memorandum item:	Millions of Euros	
	2015	2014
Total loans and advances to customers, excluding the Public Sector (Business in Spain)	168,355	175,447
Total Assets (BBVA, S.A.)	397,303	403,841
Impairment losses determined collectively (BBVA, S.A.)	233	233

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As of December 31, 2015, 36% of the nonperforming assets in this sector are up-to-date on payments, but were classified as non-performing in accordance with the provisions of Appendix IX of Bank of Spain Circular 4/2004. Furthermore, substandard risk amounted to 8% of total developer risk.

The drawn over the guarantee value shown in the tables above corresponds to the difference between the gross amount of each loan and the value of the real rights that, if applicable, were received as security, calculated according to Bank of Spain Circular 3/2010, which complements Appendix IX of Bank of Spain Circular 4/2004. This means that additional regulatory corrective factors ranging from 30% to 50%, based on the type of asset, have been applied to the updated appraisal values.

After applying said corrective factors, the excess value above the guarantee value, which represents the amount to be provisioned, amounted to €2,884 million and €236 million for nonperforming assets and substandard assets, respectively as of December 31, 2015 (€3,686 million and €374 million as of December 31, 2014).

In addition, as of December 31, 2015 and 2014, specific provisions were allocated, amounting to €3,470 million and €4,572 million, respectively.

As of December 31, 2015 and 2014, the updated appraisal values, without the application of said corrective factors, rose to €11,056 million and €13,438 million, respectively.

The following is a description of the real estate credit risk based on the types of associated guarantees:

<b>Financing allocated to construction and real estate development (Gross)</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Without secured loan</b>	<b>995</b>	<b>1,007</b>
<b>With secured loan</b>	<b>7,887</b>	<b>9,979</b>
Terminated buildings	4,458	5,776
Homes	3,785	4,976
Other	673	800
Buildings under construction	647	883
Homes	631	861
Other	16	22
Land	2,782	3,320
Urbanized land	1,472	1,881
Rest of land	1,310	1,439
<b>With others secured</b>		
<b>Total</b>	<b>8,882</b>	<b>10,986</b>

The information on the retail mortgage portfolio risk as of December 31, 2015 and 2014 is as follows:

<b>Housing-acquisition loans to households (Businesses in Spain)</b>	<b>Millions of Euros</b>	
	<b>2015</b>	<b>2014</b>
Without secured loan (gross amount)	943	897
Of which: Impaired	18	28
With secured loan (gross amount)	75,244	78,408
Of which: Impaired	3,952	4,400
<b>Total</b>	<b>76,187</b>	<b>79,305</b>

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The loan to value (LTV) ratio (resulting from dividing the pending risk at any particular date by the amount of the latest available appraisal) of the above portfolio is as follows:

Millions of Euros						
2015 LTV Breakdown of secured loans to households for the purchase of a home (Businesses in Spain)	Total risk over the amount of the last valuation available (Loan To Value-LTV)					
	Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80% but less than or equal to 100%	Over 100%	Total
Gross amount	14,728	22,060	26,153	6,597	5,706	75,244
Of which: Impaired	144	229	447	703	2,429	3,952

Millions of Euros						
2014 LTV Breakdown of secured loans to households for the purchase of a home (Businesses in Spain)	Total risk over the amount of the last valuation available (Loan To Value-LTV)					
	Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80% but less than or equal to 100%	Over 100%	Total
Gross amount	14,472	22,234	28,874	7,541	5,287	78,408
Of which: Non-performing	199	276	533	842	2,550	4,400

The breakdown of foreclosed, acquired, purchased or exchanged assets from debt from loans relating to business in Spain, as well as the holdings and financing to non-consolidated companies holding such assets is as follows:

Information about assets received in payment of debts (Businesses in Spain)	Millions of Euros							
	2015				2014			
	Gross Value	Provisions	Of which:foreclose assets provisions	Carrying Amount	Gross Value	Provisions	Of which:foreclose assets provisions	Carrying Amount
<b>Real estate assets from loans to the construction and real estate development sectors in Spain.</b>	<b>36</b>	<b>7</b>	<b>4</b>	<b>29</b>	<b>36</b>	<b>7</b>	<b>4</b>	<b>29</b>
Terminated buildings	36	7	4	29	36	7	4	29
Homes	-	-	-	-	-	-	-	-
Other	36	7	4	29	36	7	4	29
Buildings under construction	-	-	-	-	-	-	-	-
Homes	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
Urbanized land	-	-	-	-	-	-	-	-
Rest of land	-	-	-	-	-	-	-	-
<b>Real estate assets from mortgage financing for households for the purchase of a home</b>	<b>2,970</b>	<b>1,431</b>	<b>412</b>	<b>1,539</b>	<b>2,751</b>	<b>1,197</b>	<b>367</b>	<b>1,554</b>
<b>Rest of foreclosed real estate assets</b>	<b>1,368</b>	<b>678</b>	<b>148</b>	<b>690</b>	<b>1,137</b>	<b>532</b>	<b>105</b>	<b>605</b>
<b>Equity instruments, investments and financing to non-consolidated companies holding said assets</b>	<b>895</b>	<b>532</b>	<b>433</b>	<b>363</b>	<b>737</b>	<b>492</b>	<b>393</b>	<b>245</b>
<b>Total</b>	<b>5,269</b>	<b>2,648</b>	<b>997</b>	<b>2,621</b>	<b>4,661</b>	<b>2,228</b>	<b>869</b>	<b>2,433</b>

As of December 31, 2015 and 2014, the gross book value of BBVA's real-estate assets from corporate financing for real estate construction and development was €36 and €36 million with an average coverage ratio of 19% and 19%, respectively.

The gross book value of real-estate assets from mortgage lending to households for home purchase as of December 31, 2015 and 2014, amounted to €2,970 million and €2,751 million, respectively, with an average coverage ratio of 48% and 44%, respectively.

As of December 31, 2015 and 2014, the amount of real-estate assets on BBVA's balance sheet, including other real-estate assets received as debt payment, was €4,374 million and €3,924 million, respectively. The average coverage ratio was 48% and 44.2%, respectively.

## **APPENDIX XII. Refinanced and restructured operations and other requirements under Bank of Spain Circular 6/2012**

### **REFINANCING AND RESTRUCTURING OPERATIONS**

#### **a) Policies and strategies established by the Group to deal with risks related to refinancing and restructuring operations.**

Refinancing/restructuring operations (see definition in the Glossary) are carried out with customers who have requested such an operation in order to meet their current loan payments if they are expected, or may be expected, to experience financial difficulty in making the payments in the future.

The basic aim of a refinanced/restructured operation is to provide the customer with a situation of financial viability over time by adapting repayment of the loan incurred with the Group to the customer's new situation of fund generation. The use of refinancing or restructuring with for other purposes, such as for delaying loss recognition, is contrary to BBVA Group policies.

The BBVA Group's refinancing/restructuring policies are based on the following general principles:

- Refinancing and restructuring is authorized according to the capacity of customers to pay the new installments. This is done by first identifying the origin of the payment difficulties and then carrying out an analysis of the customers' viability, including an updated analysis of their economic and financial situation and capacity to pay and generate funds. If the customer is a company, the analysis also covers the situation of the industry in which it operates.
- With the aim of increasing the solvency of the operation, new guarantees and/or guarantors of demonstrable solvency are obtained where possible. An essential part of this process is an analysis of the effectiveness of both the new and original guarantees submitted.
- This analysis is carried out from the overall customer or group perspective, and not only from the perspective of a specific operation.
- Refinancing and restructuring operations do not in general increase the amount of the customer's loan, except for the expenses inherent to the operation itself.
- The capacity to refinance and restructure loan is not delegated to the branches, but decided on by the risk units.
- The decisions adopted are reviewed from time to time with the aim of checking full compliance with refinancing and restructuring policies.

These general principles are adapted in each case according to the conditions and circumstances of each geographical area in which the Group operates, and to the different types of customers involved.

In the case of retail customers (private individuals), the main aim of the BBVA Group's policy on refinancing/restructuring loan is to avoid default arising from a customer's temporary liquidity problems by implementing structural solutions that do not increase the balance of customer's loan. The solution required is adapted to each case and the loan repayment is made easier, in accordance with the following principles:

- Analysis of the viability of operations based on the customer's willingness and ability to pay, which may be reduced, but should nevertheless be present. The customer must therefore repay at least the interest on the operation in all cases. No arrangements may be concluded that involve a grace period for both principal and interest.
- Refinancing/restructuring of operations is only allowed on those loans in which the BBVA Group originally entered into.
- Customers subject to refinancing or restructuring operations are excluded from marketing campaigns of any kind.

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In the case of wholesale customers (basically businesses and corporations), refinancing/restructuring is authorized according to an economic and financial viability plan based on:

- Forecast future income, margins and cash flows over a sufficiently long period (around five years) to allow entities to implement cost adjustment measures (industrial restructuring) and a business development plan that can help reduce the level of leverage to sustainable levels (capacity to access the financial markets).
- Where appropriate, the existence of a divestment plan for assets and/or business segments that can generate cash to assist the deleveraging process.
- The capacity of shareholders to contribute capital and/or guarantees that can support the viability plan.

In accordance with the Group's policy, the conclusion of a loan refinancing/restructuring operation does not imply the loan is reclassified from "impaired" or "potential problem" to outstanding risk; such a reclassification must be based on the analysis mentioned earlier of the viability and effectiveness of the new guarantees submitted.

The Group maintains the policy of including risks related to refinanced/restructured loans as either:

- "Impaired assets", as although the customer is up to date with payments, they are classified as impaired for reasons other than their default when there are significant doubts that the terms of their refinancing may not be met;
- "Potential problem assets", because there is some material doubt as to possible non-compliance with the refinanced loan; or.
- "Normal-risk assets" (although as mentioned in the table in the following section, they continue to be classified as "normal-risk assets with special monitoring" until the conditions established for their consideration as outstanding risk are met).

The conditions established for "normal-risk assets with special monitoring" to be reclassified out of this special monitoring category are as follows:

- The customer must have paid past-due amounts (principal and interest) since the date of the renegotiation or restructuring of the loan;
- At least two years must have elapsed since the renegotiation or restructuring of the loan;
- The customer must have paid at least 20% of the outstanding principal amount of the loan as well as all the past-due amounts (principal and interest) that were outstanding as of the date of the renegotiation or restructuring of the loan; and
- It is unlikely that the customer will have financial difficulties and, therefore, it is expected that the customer will be able to meet its loan payment obligations (principal and interest) in a timely manner.

The internal models used to determine allowances for loan losses consider the restructuring or renegotiation of a loan, as well as re-defaults on a loan, by assigning a lower internal rating to restructured/renegotiated loans than the average internal rating assigned to non-restructured/renegotiated loans. This downgrade results in an increase in the probability of default (PD) assigned to restructured/renegotiated loans (with the resulting PD being higher than the average PD of the non- renegotiated loans in the same portfolios)."

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## b) Quantitative information on refinancing and restructuring operations.

<b>BALANCE OF FORBEARANCE (a)</b>													
<b>Estado T.10-1 (bis)</b>													
<b>BBVA, S.A. DECEMBER 2015</b> (Millions of Euros)	<b>NORMAL (b)</b>						<b>POTENTIAL PROBLEM LOANS</b>						
	<b>Real estate mortgage secured</b>		<b>Rest of secured loans (c)</b>		<b>Unsecured loans</b>		<b>Real estate mortgage secured</b>		<b>Rest of secured loans (c)</b>		<b>Unsecured loans</b>		<b>Specific coverage</b>
	<b>Number of operations</b>	<b>Gross amount</b>	<b>Number of operations</b>	<b>Gross amount</b>	<b>Number of operations</b>	<b>Gross amount</b>	<b>Number of operations</b>	<b>Gross amount</b>	<b>Number of operations</b>	<b>Gross amount</b>	<b>Number of operations</b>	<b>Gross amount</b>	
<b>1 Government agencies</b>	46	61	8	0	12	-	2	2	1	14	3	-	2
<b>2 Other legal entities and individual entrepreneurs</b>	3,279	1,568	586	408	13,167	1,477	4,264	1,362	1,118	386	11,155	1,271	486
<i>Of which: Financing the construction and property development</i>	644	498	29	33	56	7	409	379	27	108	74	72	146
<b>3 Other individuals</b>	19,286	1,573	6,193	913	20,579	174	11,958	1,262	9,856	1,629	13,341	112	186
<b>4 Total</b>	<b>22,611</b>	<b>3,202</b>	<b>6,787</b>	<b>1,321</b>	<b>33,758</b>	<b>1,651</b>	<b>16,224</b>	<b>2,626</b>	<b>10,975</b>	<b>2,029</b>	<b>24,499</b>	<b>1,383</b>	<b>674</b>

<b>BBVA, S.A. DECEMBER 2015</b> (Millions of Euros)	<b>IMPAIRED</b>							<b>TOTAL</b>		
	<b>Real estate mortgage secured</b>		<b>Rest of secured loans (c)</b>		<b>Unsecured loans</b>		<b>Specific coverage</b>	<b>Number of operations</b>	<b>Gross amount</b>	<b>Specific coverage</b>
	<b>Number of operations</b>	<b>Gross amount</b>	<b>Number of operations</b>	<b>Gross amount</b>	<b>Number of operations</b>	<b>Gross amount</b>				
<b>1 Government agencies</b>	3	4	1	1	25	8	4	101	90	6
<b>2 Other legal entities and individual entrepreneurs</b>	7,027	3,334	3,980	3,578	14,934	2,301	4,463	59,510	15,685	4,949
<i>Of which: Financing the construction and property development</i>	2,267	1,701	2,029	2,283	1,383	555	2,619	7,018	5,636	2,765
<b>3 Other individuals</b>	10,168	1,030	11,951	2,023	20,023	272	752	123,355	8,988	938
<b>4 Total</b>	<b>17,198</b>	<b>4,368</b>	<b>15,932</b>	<b>5,602</b>	<b>34,982</b>	<b>2,581</b>	<b>5,219</b>	<b>182,966</b>	<b>24,763</b>	<b>5,893</b>

(a) Includes all forbearance operations as defined in paragraph 1g) of Annex IX of Circular 4/2004 of the Bank of Spain  
(b) Risks rated as normal in special monitoring as stated in paragraph 7.a) of Annex IX of the Circular 4/2004 of the Bank of Spain.  
(c) Includes mortgage-backed real estate operations not full, ie loan to value greater than 1, and secured operations, other than transactions secured by real estate mortgage, of whatever their loan to value.

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The table below provides a roll forward of refinanced assets during 2015:

Refinanced assets Roll forward 2015	Millions of Euros				
	Risk			TOTAL	
	Normal	Potential Problem	Impaired	Risk	Coverage
<b>Balance at the beginning</b>	<b>7,686</b>	<b>5,755</b>	<b>12,996</b>	<b>26,437</b>	<b>6,480</b>
Update of estimations	(883)	(340)	1,223	-	-
Period changes	(629)	623	(1,668)	(1,674)	(587)
<b>Ending Balance</b>	<b>6,174</b>	<b>6,038</b>	<b>12,551</b>	<b>24,763</b>	<b>5,893</b>

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### c) Loans and advances to customers by activity (carrying amount)

	Millions of euros							
	TOTAL (*)	Of which: Mortgage loans (e)	Of which: Secured loans	Collateralized Credit Risk. Loan to value				
				Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80% but less than or equal to 100%	Over 100%
1 Government agencies	23,318	397	359	35	158	190	359	14
2 Other financial institutions	13,629	126	4,536	52	32	93	4,485	-
3 Non-financial institutions and individual entrepreneurs	77,181	17,920	3,548	7,251	5,729	3,694	2,109	2,685
3.1 Construction and property development	5,027	4,721	12	1,272	2,019	941	292	209
3.2 Construction of civil works	8,289	2,055	641	600	557	490	318	731
3.3 Other purposes	63,865	11,144	2,895	5,379	3,153	2,263	1,499	1,745
3.3.1 Large companies	44,063	3,439	1,869	1,667	963	807	725	1,146
3.3.2 SMEs and individual entrepreneurs	19,802	7,705	1,026	3,712	2,190	1,456	774	599
4 Rest of households and NPISHs	83,477	75,328	338	15,738	22,790	26,637	6,432	4,069
4.1 Housing	75,434	74,220	50	15,193	22,404	26,422	6,276	3,975
4.2 Consumption	5,456	188	102	96	71	59	39	25
4.3 Other purposes	2,587	920	186	449	315	156	117	69
SUBTOTAL	197,605	93,771	8,781	23,076	28,709	30,614	13,385	6,768
5 Less: Valuation adjustments due to impairment of assets not attributable to specific operations	183							
<b>6 TOTAL</b>	<b>197,422</b>							
MEMORANDUM:								
<b>Forbearance operations</b>	18,870	14,406	645	2,023	1,890	2,498	2,301	6,339

(\*) The amounts included in this table are net of impairment losses.



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#### d) Concentration of risks by activity and geographical area (carrying amount)

	Millions of euros				
	TOTAL (*)	Spain	Rest of European Union	America	Rest of the world
1 Credit institutions	68,481	17,220	32,249	9,079	9,933
2 Government agencies	73,096	59,401	12,330	819	546
2.1 Central Administration	47,923	34,656	12,170	771	326
2.2 Rest	25,173	24,745	160	48	220
3 Other financial institutions	67,548	32,194	14,116	20,878	360
4 Non-financial institutions and individual entrepreneurs	116,651	76,958	20,935	12,633	6,125
4.1 Construction and property development	5,027	5,023	4	-	-
4.2 Construction of civil works	12,208	9,087	1,915	851	355
4.3 Other purposes	99,416	62,848	19,016	11,782	5,770
4.3.1 Large companies	77,426	41,832	18,440	11,422	5,732
4.3.2 SMEs and individual entrepreneurs	21,990	21,016	576	360	38
5 Rest of households and NPISHs	83,655	83,095	321	86	153
5.1 Housing	75,434	74,927	291	78	138
5.2 Consumption	5,456	5,447	3	3	3
5.3 Other purposes	2,765	2,721	27	5	12
SUBTOTAL	409,431				
6 Less: Valuation adjustments due to impairment of assets not attributable to specific operations	198				
<b>7 TOTAL</b>	<b>409,233</b>	268,868	79,951	43,495	17,117

(\*) The definition of risk for the purpose of this statement includes the following items on the public balance sheet: Loans and advances to credit institutions, Loans and advances to customers, Debt securities, Other equity securities, Trading derivatives, Hedging derivatives, Investments and Contingent risks. The amounts included in this table are net of impairment losses.

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		Millions of euros								
		Andalucía	Aragón	Asturias	Baleares	Canarias	Cantabria	Castilla La Mancha	Castilla y León	Cataluña
1	Credit institutions	17,220	89	92	-	18	-	1,754	-	7,632
2	Government agencies	59,401	2,981	1,080	612	948	781	190	756	4,452
2.1	Central Administration	34,656	-	-	-	-	-	-	-	-
2.2	Rest	24,745	2,981	1,080	612	948	781	190	756	4,452
3	Other financial institutions	32,194	77	2	1	11	1	2	1	1,220
4	Non-financial institutions and individual entrepreneurs	76,958	5,292	1,114	646	1,817	2,130	359	1,131	15,094
4.1	Construction and property development	5,023	617	71	53	44	267	14	102	1,436
4.2	Construction of civil works	9,087	496	46	41	160	176	29	113	3,857
4.3	Other purposes	62,848	4,179	997	552	1,613	1,687	316	916	9,801
4.3.1	Large companies	41,832	1,296	479	325	1,148	593	130	351	4,541
4.3.2	SMEs and individual entrepreneurs	21,016	2,883	518	227	465	1,094	186	565	5,260
5	Rest of households and NPISHs	83,095	13,155	1,433	1,381	2,069	3,804	887	2,707	21,656
5.1	Housing	74,927	11,943	1,284	1,190	1,918	3,313	804	2,460	19,632
5.2	Consumption	5,447	898	99	130	117	406	53	185	1,208
5.3	Other purposes	2,721	314	50	61	34	85	62	117	816
SUBTOTAL		268,868	21,594	3,721	2,640	4,863	6,716	3,192	4,595	50,054
6	Less: Valuation adjustments due to impairment of assets not attributable to specific operations	150								
7	<b>TOTAL</b>	268,718								

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	Millions of euros								
	Extremadura	Galicia	Madrid	Murcia	Navarra	Comunidad Valenciana	País Vasco	La Rioja	Ceuta y Melilla
1 Credit institutions	-	91	5,697	-	8	-	1,839	-	-
2 Government agencies	291	1,546	3,945	417	374	2,432	2,473	212	110
2.1 Central Administration	-	-	-	-	-	-	-	-	-
2.2 Rest	291	1,546	3,945	417	374	2,432	2,473	212	110
3 Other financial institutions	-	92	30,040	5	-	134	570	-	-
4 Non-financial institutions and individual entrepreneurs	565	2,268	32,514	1,134	1,066	3,997	6,135	237	161
4.1 Construction and property development	37	235	1,404	45	17	363	191	12	30
4.2 Construction of civil works	34	201	2,993	83	89	317	337	11	10
4.3 Other purposes	494	1,832	28,117	1,006	960	3,317	5,607	214	121
4.3.1 Large companies	88	1,175	24,619	414	687	1,085	4,448	70	17
4.3.2 SMEs and individual entrepreneurs	406	657	3,498	592	273	2,232	1,159	144	104
5 Rest of households and NPISHs	1,353	3,118	13,663	1,787	509	8,451	2,967	359	758
5.1 Housing	1,193	2,744	12,424	1,577	456	7,671	2,612	321	685
5.2 Consumption	125	268	697	163	35	554	201	25	62
5.3 Other purposes	35	106	542	47	18	226	154	13	11
SUBTOTAL	2,209	7,115	85,859	3,343	1,957	15,014	13,984	808	1,029
6 Less: Valuation adjustments due to impairment of assets not attributable to specific operations									
<b>7 TOTAL</b>									

(\*) The definition of risk for the purpose of this statement includes the following items on the public balance sheet: Loans and advances to credit institutions, Loans and advances to customers, Debt securities, Other equity securities, Trading derivatives, Hedging derivatives, Investments and Contingent risks. The amounts included in this table are net of impairment losses.

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## APPENDIX XIII.

### Agency Network

3IMPULSA, S.C.P.	ACOFIRMA, S.L.	ADMINISTRADORES COMMUNITY GROUP, S.L.
3J LAVALL BUSINESS & SOLUTIONS, S.L.	ACOSTA Y RUIZ CONSULTING ASEGURADOR, S.L.	ADOE ASESORES, S.L.
A.M. DE SERVEIS EMPRESARIALS LLEIDA, S.L.	ACREMUN, S.L.	ADOLFO SANCHEZ ASESORES TRIBUTARIOS, S.L.
ABELENDIA MONTES MANUEL	ACTIVIDADES FINANCIERAS Y EMPRESARIALES, S.L.	ADVICE LABOUR FINANCE SOCIETY, S.L.
ABELLA LOPEZ ROGELIO	ADA PROMOCIONES Y NEGOCIOS, S.A.	AESTE, S.L.
ABEMPATRI, S.L.	ADA SEQUOR, S.L.	AFIANZA FINANCIERA, S.L.
ABOGADOS & ASESORES EUROPEOS, S.L.	ADAN ROLDAN FRANCISCO DE ASIS	AFIANZA GESTION EMPRESARIAL, S.L.
ABOGAP SERVICIOS INTEGRALES, S.L.U.	ADELANTE ASESORES, S.C.	AFITEC INVERSIONES, S.L.
ABRAHAM MORA JUAN PEDRO	ADLANTA SERVICIOS PROFESIONALES, S.L.	AFYSE INIESTA ASESORES, S.L.
ABREU PEÑA ANDRES SERGIO	ADMI-EXPRES-GMC, S.L.	AGENCIA FERRERO Y LAGARES, S.L.
ACENTEJO CONSULTORES, S.A.L.	ADMINISTRACION LEGAL DE COMUNIDADES, S.L.	AGENCIA JOSE OLIVA-JOV, S.L.
ACERTIUS SUMA CAPITAL, S.L.	ADMINISTRACIONES TERESA PATRICIA CELDRAN, S.L.	AGENCIA ROMERO OGANDO, S.L.

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AGORA PROFESS, S.L.	ALBOA 17.8, S.L.	ALONSO GARCIA CARMELO HONORIO
AGOST MONTERO LAURA	ALC ASESORES, S.C.	ALONSO HEVIA AMPARO
AGRAMUNT BUILDING, S.L.	ALCACER FABRA FRANCISCO	ALONSO PAREDES JOSE IGNACIO
AGRICOLA I SECCIO DE CREDIT LA PALMA, S.C.C.L.	ALCANTARA IZQUIERDO CRISTINA	ALONSO VALLE ESTEBAN
AGUILAR VELASCO MARIA PAZ	ALCES GRUPO ASEGURADOR, S.L.	ALONSO Y SERODIO ASESORES, S.L.
AGUILERA RUIZ MANUEL	ALDA CLEMENTE MARIA LUISA	ALONSO ZAPICO JUAN DE DIOS
AGUSTIN FERNANDEZ CRUZ AFC, S.L.	ALDAIA 94, S.L.	ALONSO ZARRAGA MIKEL
AGUT RODRIGO OMAR	ALEMANY CARDONA MARIA AMPARO	ALPEREZG SERVICIOS PARA EMPRESAS, S.L.
AIRU ASESORES, S.L.	ALEUNAM, S.L.	ALQABALA GRUPO GESTOR, S.L.
AKTITUD INSURANCE, S.L.	ALF CONSULTORES Y SERVICIOS FINANCIEROS Y SEGUROS, S.L.	ALSINA MARGALL MIREIA
ALAMILLO ALVAREZ CRISTINA	ALGESORES NAVARRO Y ASOCIADOS, S.L.	ALTARRIBA GUITART MARIA ALBA
ALARCON COROMINAS SERGIO LUIS	ALIVIA SERVICIOS INTEGRALES, S.L.	ALTER FORMA ABOGADOS, S.L.
ALBA & ARCOS ASOCIADOS, S.L.	ALL ABOUT FUNDS, S.L.	ALTOLAGUIRRE AGUIRREBENGOA MARIA JOSEFA
ALBELLA ESTEVE MARIA MERCEDES	ALLES IST MOGLICH, S.L.	ALTURA PLATA PASTORA
ALBENDIZ GONZALEZ IRENE	ALONSO BAJO LORENZO	ALVAMAR GESTIONES Y CONTRATACIONES, S.L.
ALBERDI ZUBIZARRETA EDUARDO	ALONSO BUENAPOSADA ARIAS ARGÜELLO MARIA CONSUELO	ALVAREZ LEBRIJO JOSE MARIA
ALBIÑANA BOLUDA AMPARO	ALONSO DIEZ JOSE CARLOS	ALVAREZ RODRIGUEZ CAMILO VALENTIN

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ALVARO CAMPILLO EVA MARIA	ANTUÑA SCHUTZE MARTA	ARCOS GONZALEZ FELIX
ALZAGA ASESORES, S.L.	AÑOVER CONTRERAS EPIFANIO	ARDORA CORPORATE, S.L.
ALZO CAPITAL, S.L.	APF3 SERVICIOS DE ASESORIA, S.L.	ARES CONSULTORES, S.L.
AMENEIROS GARCIA JOSE	APISA ADMINISTRACION DE INMUEBLES, S.L.	AREVALO AREVALO MARIA DEL CARMEN
AMOEDO MOLDES MARIA JOSE	APUNTES CONTABLES, S.L.	ARGIGES BERMEO, S.L.
ANAI INTEGRA, S.L.	ARAGESTIN, S.L.	ARIAS DELGADO MARIA MERCEDES
ANAYA RIOBOO ANTONIO	ARAGUAS CIPRES JOSE DIONISIO	ARIAS TORRES MIGUEL
ANDAL DE ASESORAMIENTO Y GESTION, S.L.	ARANDA GARRANCHO ANA MARIA	ARILLA CIUDAD ASESORES, S.L.
ANDEX CONSULTORES, S.L.	ARANDA GONZALEZ DOLORES	ARIS GESTION FINANCIERA, S.L.
ANDIPLAN, S.L.	ARANDA ROMERO MARIA ISABEL	ARJANDAS DARYNANI DILIP
ANDRADA RINCON SOLEDAD	ARANE PROMOCION Y GESTION, S.L.	ARJONES PIZARRO FRANCISCO JAVIER
ANDRES SIERRA FERNANDO IGNACIO	ARANZABAL SERVICIOS FINANCIEROS, S.L.	AROSTEGUI ARGALUZA MARIA VICTORIA
ANGLIRU INVERSIONES, S.L.	ARASANZ LAPLANA JOSE ANTONIO	ARRANZ MAGDALENO JUAN ALBERTO
ANGOITIA LIZARRALDE MARIA DEL CARMEN	ARCAYANA CONSULTING, S.L.	ARRAYAS LINERO RAFAEL
ANTEQUERA ASESORES, S.L.	ARCHS PRETEL FRANCISCO	ARROYO AVILA BEATRIZ
ANTON TOIMIL ENRIQUE JOSE	ARCO R ASESORES, S.C.	ARROYO DIAZ CARLOS HUGO
ANTONIO PONS Y ASOCIADOS, S.C.	ARCOGAL CONSULTORES INTEGRALES, S.L.	ARROYO ROMERO CARLOS GUSTAVO

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ARROYO ROMERO FRANCISCO JAVIER	ASEMYL, S.L.	ASESORIA BELLAVISTA, S.L.
ARTAJO JARQUE FERNANDO MARIA	ASENSIO REIG ALBA	ASESORIA BLANCO, S.L.
ARTEAGA PARDO JOSE	ASER FINANCIEROS, S.L.	ASESORIA CAMINO, S.L.
ARTI INVERSIONES Y PATRIMONIOS, S.L.	ASESCON GESTION INTEGRAL, S.L.	ASESORIA CARRETERO JOVANI, S.L.
ARTIÑANO DEL RIO PABLO	ASESORAMIENTOS EMPRESARIALES PEDROS, S.L.	ASESORIA CATALAN FABO, S.L.
ARUFE ESPIÑA PABLO	ASESORES DE EMPRESA Y GESTION ADMINISTRATIVA MARIN & MARIN, S.L.	ASESORIA CAUDELI, S.L.
ARUMI RAURELL XAVIER	ASESORES DO BAIXO MIÑO, S.L.	ASESORIA CERVANTES, S.L.
ASC, S.C.C.L.	ASESORES E INVERSORES EPILA, S.L.	ASESORIA CM, C.B.
ASDE ASSESSORS, S.L.	ASESORES MOLINA, S.L.	ASESORIA DE EMPRESAS CARANZA, S.L.
ASEBIL - HERBLA ASESORES, S.L.	ASESORES Y CONSULTORES, C.B.	ASESORIA DE EMPRESAS RC, S.L.
ASECAN GESTION INTEGRAL, S.L.U.	ASESORIA ADOLFO SUAREZ, S.L.	ASESORIA DEL VALLE, C.B.
ASECOLAFI LAFUENTE, S.L.	ASESORIA ANGLADA, S.L.	ASESORIA DEUSTO, S.L.
ASEFISTEN, S.L.	ASESORIA ANTONIO JIMENEZ LOPEZ, C.B.	ASESORIA EMPRESARIAL POSE, S.L.
ASEGAL, SOC. COOP. LTDA.	ASESORIA AREGUME, S.L.U.	ASESORIA ENRIQUE YAÑEZ, S.L.
ASEGI SERVICIOS FINANCIEROS, S.L.	ASESORIA ASETRA, S.L.	ASESORIA ERAKIN AHOLKULARITZA, S.L.
ASEGUINOLAZA AZCARGORTA MARIA JUNCAL	ASESORIA ATAMAN, S.L.	ASESORIA EUROBILBAO, S.L.
ASEM INDAFISA GESTION EMPRESARIAL, S.L.	ASESORIA BASTIAS, S.L.	ASESORIA EXPANSION 2001, S.L.

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ASESORIA FINANCIERA CUBICA, S.L.	ASESORIA LABORAL FISCAL JURIDICA MMB, S.L.	ASESORIA VIA LIGHT, S.L.U.
ASESORIA FINANCIERA IBAIGANE, S.L.	ASESORIA LABORDA, S.C.	ASESORIA VICO, S.L.
ASESORIA FINANCIERA LUGO, S.L.	ASESORIA LIZARDI, S.L.	ASESORIA VILLASCLARAS, S.L.
ASESORIA FINANCIERO CONTABLE CLOT, S.L.	ASESORIA MANCISIDOR, MURGA Y BRATOS, S.L.	ASESORIA Y SERVICIOS DE GESTORIA CABELLO, S.L.
ASESORIA FISCAL CONTABLE Y LABORAL TRIBUTO, S.L.	ASESORIA MARCOS FERNANDEZ, S.L.	ASESPA, S.L.
ASESORIA FISCAL LULL, S.L.	ASESORIA MARI CARMEN, S.L.	ASEVALLES, S.L.
ASESORIA GAMASERVI, S.L.	ASESORIA MERCANTIL DE ZALLA, S.L.	ASFITO, S.L.
ASESORIA GARCIA LOPEZ, S.L.	ASESORIA MERFISA, C.B.	ASHTON SPARROWHAWK GILLIAN PAMELA
ASESORIA GESTION PATRIMONIAL DE ENTIDADES RELIGIOSAS, S.L.	ASESORIA MONTERO Y SOLANO, S.L.	ASIEXCAN, S.R.L.
ASESORIA GILMARSA, S.L.	ASESORIA NEMARA, S.COOP. V.	ASLAFIS, S.L.
ASESORIA GONZALEZ VALDES, S.L.	ASESORIA PANIAGUA, S.L.	ASOCIADOS BILBOINFORM 2000, S.L.
ASESORIA GORROTXA ASEGURAOAK, S.L.	ASESORIA RAMILO E BOTANA, S.L.	ASSECOM BIZKAIA S. COOP. PEQUEÑA
ASESORIA HERGON, S.L.	ASESORIA RANGEL 2002, S.L.	ASSESSORAMENT EMPRESARIAL CABRE I ASSOCIATS, S.L.
ASESORIA INTEGRAL DE FARMACIAS Y EMPRESAS, S.L.L.	ASESORIA SANCHEZ & ALCARAZ, S.L.	ASSESSORAMENT INTEGRAL MAESTRAT, S.L.
ASESORIA JIMENEZ, S.C.	ASESORIA SORIANO GRANADA, S.L.	ASSESSORAMENT MIRA MARTINEZ, S.L.
ASESORIA JOSE ADOLFO GARCIA, S.L.	ASESORIA TOLEDO DE SACEDON, S.L.	ASSESSORAMENTS I SERVEIS LLEIDA, S.L.
ASESORIA JURIDICA Y DE EMPRESAS, S.L.	ASESORIA VELSINIA, S.L.	ASSESSORIA ANTONIO MARTINEZ, S.L.



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ASSESSORIA BAIX PENEDES, S.L.	AYZAGAR SOTO JAVIER	BARBA VALDIVIESO MARIA ISABEL
ASSESSORIA CAMATS GARDEL CORREDURIA DE SEGUROS, S.L.	AZ BILBAO GESTION INTEGRAL, S.L.	BARBESULA MAR, S.L.
ASSESSORIA DOMINGO VICENT, S.L.	B&S GLOBAL OPERATIONS CONSULTING, S.A.	BARCELO BLANCH MARIA LOURDES
ASSESSORIA VISERTA, S.L.	BACHS RABASCALL JOSEP	BARDAJI PLANA AGUSTIN
ASTILLERO GARCIA MIGUEL ANGEL	BADILLO SUAREZ MARIA SANDRA	BARDERA CALVO GEMMA MARIA
AUDAL CONSULTORES AUDITORES, S.L.	BAENA ASESORES Y CONSULTORES EMPRESARIALES, S.L.	BARO CLARIANA SERGI
AULES ASESORES, S.L.	BAGUR CARRERAS ASSESSORS, S.L.	BARQUIN VITORERO BEATRIZ
AUREA JURISTAS Y ASESORES FISCALES, S.L.P.	BAHAMONDE GONZALEZ JORGE JUAN	BARRAGAN ZAPATA MARGARITA
AURELIO ALVAREZ SALAMANCA, S.L.	BAILEN ASESORES CONSULTORES, S.L.	BARRAN CARIDAD JOSE MANUEL
AURVIR & PEÑA CONSULTORES, S.L.	BALIBREA LUCAS MIGUEL ANGEL	BARRENA CARABALLO, S.L.U.
AVANT PERSONAL SERVICES, S.L.	BALLARIN ALAMAN ANGELES	BARRIENTOS CHOCARRO JOSE CARLOS
AVANTIS ASESORES JURIDICOS, S.L.	BALLESTER MARTORELL MARTI	BARTOMEU FERRANDO JOAN
AVARUA CONSULTING, S.L.	BALLESTER VAZQUEZ IGNACIO JAVIER	BASCUAS ASESORES, S.L.
AVELLANEDA GARCIA ANGEL FERNANDO	BALSEIRO PEREZ DE VILLAR RICARDO	BATALLER CAMACHO MARIA
AYALA GONZALEZ VICTOR RAMON	BANESFIN, S.L.	BATISTA MEDEROS ANTONIO DAVID
AYCE CONSULTING, S.L.	BAÑUELOS DIEZ MARTA LUISA	BATISTE ANGLES AMADEO
AYUDA Y CREDITO CONSULTORES, S.L.	BARAHONA VIÑES JORDI	BAUZA MARTORELL FELIO JOSE

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BAZAR NAVAS, S.L.	BIRMANI PROMOCIONS, S.L.	BOSCH BATLE CONSULTORIA, S.L.
BEHOBIDE PERALTA JORGE	BIZKAIBOLSA, S.A.	BOTELLO NUÑEZ FELIPE
BELCASTI, S.L.	BLADYDUNA, S.L.	BRAIN STAFF, S.L.
BELTRAN AMOROS ALEJANDRO	BLAI GABINET DE SERVEIS, S.L.	BRAVO MASA M <sup>ª</sup> INMACULADA
BELTRAN ANDREU MANUEL JORGE	BLANCO & MARTIN ASESORES, S.L.	BRAVOSOL GESTION, S.L.
BENITEZ CENTENO ANTONIO	BLANCO IGLESIAS IGNACIO	BRIONES PEREZ DE LA BLANCA FERNANDO
BENITO MARIJUAN ANTONIO JOSE	BLANCO PARRONDO, C.B.	BRIONES SERRANO CLARA MARIA
BERNABEU JUAN ANTONIO JOSE	BLANCO QUINTANA FLORA	BRITO HERNANDEZ PEDRO EMILIANO
BERNAOLA ASEGURO ARTEKARITZA , S.L.	BLANCO RODRIGUEZ JUAN ANTONIO	BRU FORES RAUL
BERNIER RUIZ DE GOPEGUI MARIA ISABEL	BLANCO Y PARADA ASESORES, S.L.	BUFET ENRIC LLINAS, S.L.P.
BERROCAL URBANO FRANCISCO JESUS	BLASCO SAMPIETRO FRANCISCO JAVIER	BUFET MILARA, S.L.
BERTOMEU GONZALEZ KILIAN	BLOOMFIELD INSURANCE BROKERS BSURE, S.L.	BUFETE CANOVAS, S.C.P.
BETA MERCAT INMOBILIARI, S.L.	BOADO ORORBIA LEOPOLDO	BUFETE CHAMIZO GALAVIS, S.L.
BETRIU ADVOCATS, S.C.P.	BOALAR INVESTMENT, S.L.	BUFETE MARTINEZ GARCIA, C.B.
BG ASESORIA DE FINANZAS E INVERSIONES, S.L.	BOLAPE UXO, S.L.	BUFETE ROMERO Y MONGE, S.L.
BINIPOL 2001, S.L.	BONDIA VIVES YESICA	BULLON DE DIEGO FRANCISCO JAVIER
BIOK ZERBITZUAK, S.L.	BONILLO GOMEZ LOURDES	BUSINESS, DEVELOPMENT AND KNOWLEDGE, S.L.

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BUSTAMANTE FONTES MAYDA LOURDES	CAMPOMANES IGLESIAS MARIA TERESA	CARBONELL ALSINA CHANTAL
C. BURGOS GATON, S.L.	CAMPOS CARRERO MARIA JOSEFA	CARBONELL CHANZA FRANCISCO
CABAÑAS RODRIGUEZ MARIA GRISELDA	CAMPOS CRESPO PRISCILA	CARCELLER SUAREZ RAMON
CABRADILLA ANTOLIN LEONILA	CAMPS CARBONELL JOAQUIN	CARCOLE ARDEVOL JOSE
CABRERA CABRERA VICENTE	CANO LOBATO BEATRIZ	CARDENAS SANCHEZ GABRIEL
CABRITO FERNANDEZ JUAN CRUZ	CANO PEREZ ANTONIO	CARDENO CHAPARRO FRANCISCO MANUEL
CACERES PORRAS, C.B.	CANOVAS 1852, S.L.	CARNE SALES MARIA JOSE
CADENAS DE LLANO NARANJO MARIA DOLORES	CANTARERO MARTINEZ BARTOLOME	CARNICER SOSPEDRA DAVID
CAFARES, S.L.U.	CANTELAR Y SAINZ DE BARANDA, S.L.	CARO VIEJO JUAN ANTONIO
CALA GOMEZ ANTONIO RAMON	CANTOS Y PASTOR CONSULTING, S.L.	CARRASCAL PRIETO LUIS EUSEBIO
CALABUCH ASESORES, S.L.	CAÑADA SANCHEZ, S.L.	CARRASCO GONZALEZ MARIA DEL AMOR
CALDERON CARDEÑOSA MARIA LUISA	CAÑAS AYUSO FRANCISCO	CARRASCO MARTIN ELOY
CALDERON MORILLO MARIA LUISA	CAO GONZALEZ NIEVES ESPERANZA	CARRASCO MARTINEZ RAMON
CALVO HERNAN ALICIA	CAPAFONS Y CIA, S.L.	CARREÑO FALCON PEDRO
CAMACHO MARTIN ANTONIA	CAPELLES LOPEZ JAVIER	CARRETERO E IZQUIERDO ASOCIADOS, S.L.
CAMACHO MARTINEZ PEDRO	CAPON CONSULTORES, S.L.	CARRIL GONZALEZ BARROS ALEJANDRO SERGIO
CAMPDEPADROS CORREDURIA DASSEGURANCES, S.L.	CARBO ROYO JOSE JORGE	CARRILLO TEJEDO JAIRO

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CARRO FERNANDEZ ASESORES, S.L.	CASTRO JESUS FRANCISCO JAVIER	CENTRO DE NEGOCIOS ASERGALICIA, S.L.
CARTAGENA CUESTA MARIO	CASTRO VEGA XOSE	CERDAN GARCIA INMACULADA
CASADO GALLARDO GERARDO	CAUCE CONSULTORES DE NEGOCIO, S.L.	CERDEIRA BRAVO DE MANSILLA ALFONSO
CASADO HERRERO JOSEFA	CAURIA PROMOCIONES, S.L.	CERON ORTIZ JOSE MARIA
CASADO RODRIGUEZ MARIA MARBELLA	CAZORLA EGEA ALEJANDRO JUVENAL	CERQUEIRA CRUCIO FERNANDO
CASAS GRACIA CRISTINA	CEASA ASESORES FISCALES, S.L.	CERRATO LLERENA MARIA DE LOS ANGELES
CASILLAS VIGARA JUAN	CEBRIAN CLAVER JOSE JUAN	CERRATO RUIZ MARIA LUISA
CASINO CABALLER JUAN CARLOS	CECEA INTER, S.L.	CERTIS MEDIUM, S.L.
CASSO MAYOR FRANCISCA	CECOFAR SOCIEDAD COOP. AND.	CERTOVAL, S.L.
CASTELL AMENGUAL MARIA	CEJUDO RODRIGUEZ JUAN CARLOS	CERVERA AMADOR ANTONIO
CASTELLANO GARCIA PABLO JOSE	CELDRAN CARMONA JOSE MARIA	CERVERA GASCO NURIA PILAR
CASTELLANOS JARQUE MANUEL	CENTRAL INTERNACIONAL DE SERV. Y ASESORAMIENTO, S.L.	CERVERO MARINA DANIEL
CASTILLO BLANCA ENRIQUE	CENTRE ASSESSOR TERRAFERMA, S.L.	CERVIÑO OTERO MARIA LUZ
CASTILLO MARZABAL FRANCISCO JOSE	CENTRE CORPORATIU INI 6, S.L.	CHACON ARRUE MARIA
CASTILLO ORTEGA NICOLAS	CENTRE FINANCER BERENGUER SAPENA XABIA, S.L.	CHAVA INVERSIONES, S.L.
CASTILLO YBARRA MARIA DEL CARMEN	CENTRO ASESOR MONTEHERMOSO, S.L.	CHAVARRI GONZALEZ ALVARO
CASTRESANA URIARTE RODOLFO	CENTRO DE ESTUDIOS ROMO & CAMPOS, S.L.	CHERTA FERRERES GENOVEVA

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CHICLANA 9, S.L.	CONMEDIC GESTIONS MEDICAS, S.L.	CORCUERA BRIZUELA JOSE MARIA
CHOGUY, S.L.	CONSULTING DONOSTI, S.L.	CORDERO DE OÑA FRANCISCO
CISTERO BOFARULL MARIA	CONSULTING JL ARBILLAGA, S.L.P.U.	CORDOBA TEJADA MANUEL
CLAPES ESQUERDA RAMON LUIS	CONSULTOR FINANCIERO Y TRIBUTARIO, S.A.	CORONADO MANSILLA DIEGO
CLAVE OPTIMA BUSINESS, S.L.U.	CONSULTORES FINANCIEROS LABORALES, S.L.	CORSAN FINANCE, S.L.
CLAVELL & SAINZ DE LA MAZA ASESORES, S.L.	CONSULTORES GRUPO DELTA PAMPLONA, S.L.	CORTES MACHIN PATRICIA
CLAVER SANCHEZ MARIA EUGENIA	CONSULTORES LEONESES, S.L.	COSEÑOR INSURANCE BROKER, S.L.
CLEMENTE BLANCO PAULA ANDREA	CONSULTORIA ADMINISTRATIVA DE EMPRESAS CADE, S.L.	COSTA CALAF MONTSERRAT
CLIMENT MARTOS MARIA ROSARIO	CONSULTORIA CIUDADANA EN GESTION Y SEGUROS, S.L.U.	COSTA CAMBRA ANGEL
CLUB AVOD, S.L.	CONSULTORIA FINANCIERA GARCIA CRUZ, S.L.	COSTA GARCIA ROSA MARIA
CLUSTER BUSINESS GROUP, S.L.	CONSULTORIA ORTIZ & ASOCIADOS, S.L.	COSTAS NUÑEZ ASESORES, S.L.
COBO RIVAS RAMON	CONSULTORIA PIÑERO, C.B.	COSTAS SUAREZ ISMAEL
COCA LOZA M <sup>a</sup> DOLORES GENOVEVA	CONSULTORIA SANTA FE, S.L.	COWORKING HOSPITALET, S.L.
COMES & ASOCIADOS ASESORES, S.L.P.	CONSULTORIA XIFRES, S.L.	CREDYCAU DOHER SURESTE, S.L.U.
COMPañIA VIZCAINA DE ASESORIA, S.L.	COOP AGRICOLA SAN ISIDRO DE ALCALA DE XIVERT. COOP.V.	CREIXELL GALLEGO XAVIER
CONFIANZ, S.A.P.	COOPERATIVA OLIVARERA SAN ISIDRO, S.C.A.	CRESPO SANTIAGO MARIA GLORIA
CONFIDENTIAL GESTION, S.L.	CORBACHO SOLANCE MARIA MAGDALENA	CRESPO CRESPO ANGEL MANUEL

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CRESPO GOMEZ LUCAS	DE DIEGO MARTI FRANCISCO JOSE	DELGADO GARCIA JOSE LUIS
CRESPO MINCHOLED YOLANDA	DE EUGENIO FERNANDEZ JOAQUIN	DELGADO GARCIA MANUEL ANTONIO
CRIADO ANAYA LUIS	DE LA FLOR GUERRERO JUAN ANTONIO	DELGADO OJEDA MARIA ANGELES
CRITERION SONSULTING, S.L.	DE LA FUENTE & MARTIN ALONSO ABOGADOS, S.L.	DELGADO RUIZ DIEGO
CUARTE CONSULTING, S.L.	DE LA FUENTE TORRES ANAIS BEATRIZ	DESPACHO ABACO, S.A.
CUBERO PATRIMONIOS, S.L.	DE LA HOZ REGULES FCO. JAVIER	DESPACHO J.M. COARASA, S.L.
CUELLAR MERCANTIL ASESORIA, S.L.	DE LA SIERRA PEÑA ANDRES	DESPACHO, TRAMITACION Y GESTION DE DOCUMENTOS, S.L.
CUENCA MORENO JOSE MARIA	DE LA TORRE DEL CASTILLO CANDELARIA	DIANA VALDEOLIVAS ANGEL
CUENCA OLIVEIRA ANTONIO	DE LA TORRE PEREZ NOELIA	DIAZ RODRIGUEZ PALMERO JAVIER ADOLFO
CUÑAT ALVAREZ OSSORIO JUAN LUIS	DE PABLO DAVILA MARIA VICTORIA	DIAZ DE ESPADA LOPEZ DE GAUNA LUIS MARIA
CURROS NEIRA FRANCISCO JAVIER	DE PABLO SAN MIGUEL JAVIER	DIAZ FRANCO MARIA ANTONIA
D3 XESTION INTEGRAL, S.L.	DE PASCUAL MASPONS AGUSTIN	DIAZ GARCIA MARINA
DANTE ASSESSORS, S.R.L.	DE QUINTANA PEREZ ANNA	DIAZ LORENZO LORENZO
DARA SPORTS, S.L.	DEL POZO SANCHEZ SUSANA	DIAZ RISCO MARIA LUISA
DE ASTOBIZA AGUADO IGNACIO	DEL RIO SERRANO JUAN FELIX	DIAZ SANTAMARIA MARIA VEGA
DE BLAS GUASP ALBERTO BARTOLOME	DEL RIO USABEL IDOIA	DIAZ Y FERRAZ ASOCIADOS, S.L.
DE CAMBRA AGOGADOS, S.L.	DEL FOS ASESORIA FISCAL, S.L.	DIAZ-ROMERAL MARTIARENA JOSE MARIA

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DIENTE ALONSO SERGIO	DURAN VIDAL ANNA	ESCRIBANO BUENO JOSE ALBERTO
DIEZ AMORETTI FRANCISCO	DURFERAL, S.L.	ESCRIVA & SANCHEZ CONSULTORES, S.L.P.
DIMANA ASESORES, S.L.	ECHANIZ LIZAUZ MARIA BELEN	ESCRIVA DE ROMANI, S.L.
DOBLAS GEMAR ANTONIO	EDO SANZ MARIA LOURDES	ESCUDEIRO Y RODRIGUEZ VILA, S.L.P.
DOBLE A AVILA ASESORES, S.L.	EFILSA, S.C.	ESCUDEIRO SANCHEZ RAFAEL PEDRO
DOMINGO BALTA MARIANO	EKO - LAN CONSULTORES, S.L.	ESCUTIA DOTTI MARIA VICTORIA
DOMINGO GARCÍA-MILA JORDI	EL PINOS GESTION LABORAL, S.C.	ESHKERI Y GRAU, S.L.P.
DOMINGUEZ CANELA INES	EL ROBLE PROTECCION, S.L.	ESINCO CONSULTORIA, S.L.
DOMINGUEZ JARA RAFAEL JESUS	ELGUEA OMATOS EMILIO	ESPALLARGAS MONTSERRAT MARIA TERESA
DOMINGUEZ NAVARRO JAVIER	ENERGIA Y DATOS, S.L.	ESPARCIA CUESTA FELISA
DOMINGUEZ RODES JUAN LUIS	ENRIQUE AMOR CORREDURIA DE SEGUROS, S.L.	ESPARCIA PINAR, S.L.
DOMUS AVILA, S.L.	EPC ASSESORS LEGALS I TRIBUTARIS, S.L.	ESPASA ROIG YOLANDA
DONAIRE MOLANO LUIS	EPSEL INTERNATIONAL CONSULTING, S.L.	ESPINAR MEDINA RICARDO
DORRONSORO URDAPILLETA, S.L.	ERUDITISSIMUS DISCIPLINA IURIS, S.L.	ESPINILLA ORTIZ ROSARIO
DOSA ILERGESTION, S.L.	ESCALONA BELINCHON JOSE ANTONIO	ESPIÑA GALLEGU ANA MARIA
DRIS MOHAMED SAMIR	ESCAMILLA FERRO MARIA MATILDE	ESPUNY CURTO MARIA NATIVIDAD
DUQUE MEDRANO JUAN CARLOS	ESCRIBANO ABOGADOS, S.L.	ESQUIROZ RODRIGUEZ ISIDRO

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ESTEBAN TAVIRA ANTONIO	FELEZ BIELSA, S.L.	FERNANDEZ QUILEZ BEGOÑA MONICA
ESTHA PATRIMONIOS, S.L.	FELEZ MARTIN FERMIN	FERNANDEZ RIOS MARIA GORETTI
ESTRADA DA GRANXA 6, S.L.	FELEZ Y FELEZ, S.C.	FERNANDEZ RIVERO JAVIER
ESTUDIO FINANCIERO AVANZADO, S.L.	FELIPE FONTANILLO MARIA DEL PILAR	FERNANDEZ RODRIGUEZ MARIA TERESA
EUROFISC CONSULTING, S.L.	FELIPE REUS ANDREU	FERNANDEZ SERRA, S.L.
EUROFOMENTO EMPRESARIAL, S.L.	FELIX AHOLKULARITZA, S.L.	FERNANDEZ SOUTO MARIA TERESA
EUROGESTION XXI, S.L.	FEO CLEMENTE ALEJANDRO	FERNANDEZ VEIGA MANUEL
EUROTAX ABOGADOS, S.L.	FERNANDEZ ALARCON MARGARITA	FERNANDEZ-LERGA GARRALDA JESUS
EXAMERON, S.L.	FERNANDEZ ALMANSA ANGEL ALEJANDRINO	FERNANDEZ-MARDOMINGO BARRIUSO MIGUEL JOSE
EXIMA PARTNER, S.L.	FERNANDEZ COLIN MIGUEL MARCELO	FERNANDO BAENA, S.L.
EZQUERRO TEJADO MARIA DOLORES	FERNANDEZ CONTRERAS JOAQUIN	FERPAPER, S.L.
F. D. PANTIGA, S.L.	FERNANDEZ DE TEJADA ALMEIDA CARLOS ENRIQUE	FERRADAS GONZALEZ JESUS
FABRA VERGE TERESA ROSARIO	FERNANDEZ LOPEZ MIGUEL ANGEL	FERRAZ GORDO RUBEN
FARIÑAS MARTINEZ JOSE ANTONIO	FERNANDEZ MARTIN MARIA ISABEL	FERRE REVILLA NATALIA
FARIZO ASESORES, S.L.U.	FERNANDEZ MORAY EVA MARIA	FERRE FENOY PURIFICACION
FASE ASESORES, S.L.	FERNANDEZ ONTAÑON DANIEL	FERREIRA FRAGA JULIAN
FASER 89, S.L.	FERNANDEZ PIÑEIRO ALBERTO	FERREIRO CASTRO MARIA TERESA



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FERREIRO GARCIA MARIA CRISTINA	FOCUS PARTNERS, S.L.	FRANK ASESORES, S.L.
FERRER GELABERT GABRIEL	FOMBELLA ALVARADO ROSA MARIA	FUCHS KARL JOHANN MAX
FERRERA HERNANDEZ FRANCISCO MIGUEL	FONTAN ZUBIZARRETA RAFAEL	FUENTE RODRIGUEZ MARIA PILAR
FILGUEIRAS VERDEAL MARIA TERESA	FONTECHA ALVAREZ MARIA VICENTA	FUENTES & GESCOM, S.L.
FINACO ASESORES, S.L.	FONTECHA MAISO, S.L.	FUENTESECA FERNANDEZ MIGUEL
FINANCIERA 2000 ASD, S.L.	FORCEN LOPEZ MARIA ESTHER	FUSTER Y G. ANDRES ASOCIADOS, S.L.
FINANCIERA MAYORGA, S.L.	FORMATEDAT, S.L.	G & G ASESORES, C.B.
FINANCO CONSULTORES, S.L.	FORMULA GESTION INTEGRAL, S.L.	G Y G ABOGADOS, S.L.
FINANSER CONSULTORES, S.L.	FORNIES & GUELBENZU, S.L.	G&P, C.B.
FINCAS DELLAKUN, S.L.	FORJARGI, S.L.	GABINET ADMINISTRATIU RAMON GOMEZ, S.L.
FIRVIDA PLAZA BELEN	FRANCES MAESTRE FRANCISCA	GABINET DECONOMISTES ASSESSORS FISCALS, C.B.
FISCOGEST CONSULTING EMPRESARIAL, S.L.U.	FRANCES MICO CARMELO	GABINETE AFIMECO ASESORES, S.A.L.
FISCOPYME, S.L.	FRANCES Y BARCELO, C.B.	GABINETE DE EMPRESAS GARBEM, S.L.
FISHER COLLETTE	FRANCIAMAR, S.L.	GABINETE JURIDICO GESFYL, S.L.
FLORES MOLERO GREGORIO	FRANCISCO JOSE PEÑUELA SANCHEZ, S.L.	GABINETE JURIDICO-FINANCIERO SERRANO, S.L.
FLORES PUIGVERT MARÇAL	FRANCO ALADREN JUAN CARLOS	GABIÑO DIAZ JUAN ANTONIO
FLUVIA PEIRO MARIOLA	FRANCO MARTINEZ JUAN JOSE	GAGO COMES PABLO

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GAITAN PERLES JUAN JOSE	GARCIA CACERES JULIO	GARCIA MUÑOZ MARIA OLGA
GAIZKA MUNIATEGUI MUSATADI - IKER BILBAO ZUAZUA, C.B.	GARCIA CANAL JAVIER	GARCIA OVALLE OSCAR
GALAN MERCHAN MARIA OLALLA	GARCIA DAUDER VICENTE	GARCIA PAREDES LORENZO
GALATEA SYSTEMS, S.L.	GARCIA DIAZ MARIA DEL CARMEN	GARCIA PERALES JESUS IVAN
GALILEA MARTINEZ ASESORES, S.L.	GARCIA FONDON CONSTANTINO	GARCIA PEREZ ALICIA
GALINDO GOMEZ ANGEL	GARCIA GARCIA JOSE MIGUEL	GARCIA PERIS SANTIAGO DAVID
GALINDO SANCHO PALMIRA	GARCIA GARCIA REMEDIOS	GARCIA RODRIGUEZ JOSE FERNANDO
GALIOT ASESORES, S.L.	GARCIA GONZALEZ PILAR	GARCIA ROSALES JUAN ANTONIO
GALLARDO GALLARDO BEATRIZ ANA	GARCIA HERNANDEZ VICENTE GERMAN	GARCIA RUBIO ELENA
GALLEGO GARCIA ADOLFO	GARCIA HERNANDEZ VICTOR PEDRO	GARCIA SANCHEZ LUIS
GALMÉS RIERA ANDRES	GARCIA HIERRO JIMENEZ FRANCISCO JAVIER	GARCIA VIERA NOELIA
GAMBOA DONES SUSANA	GARCIA LAZARO VANESA	GARCIA-TRESPALACIOS GOMEZ PABLO
GANDARA DUQUE MARIA DE LOS MILAGROS	GARCIA LOPEZCONSULTORES, S.L.P.U.	GARCIA-VALENCIANO LOPEZ LUIS
GARATE MINTEGUI FRANCISCO	GARCIA LORENZO JAVIER	GARFE, ASESORAMIENTO Y GESTION EMPRESARIAL, S.L.
GARAY GURBINDO FELICIDAD MARIA ANGELES	GARCIA LUICHENA ASESORES, S.L.	GARO ASESORIA CONSULTORIA Y AUDITORIA, S.L.
GARCIA ALVAREZ-REMENTERIA ANTONIO	GARCIA MATEO ASESORES, S.L.U.	GARRIDO ARAN FRANCISCO
GARCIA BASCUÑANA MARÍA CRISTINA	GARCIA MEJIAS JUAN ANTONIO	GARRIDO GOMEZ ISABEL

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GARTXAMINA, S.L.	GESTGLOBAL 2007, S.L.	GESTIONES ORT-BLANC, S.L.
GARVIN Y FISAC CONSULTORES, S.L.	GESTINSERVER CONSULTORES, S.L.U.	GESTIONS EMPRESARIALS CABIROL, S.L.
GASCON VAL JESUS	GESTIO EXTERNA INTEGRADA D'EMPRESSES, S.L.	GESTIOR CONSULTING, S.A.
GASEM SERVICIOS, S.L.	GESTIO I ASSESSORAMENT OROPESA, S.L.	GESTITRAMI FINANCIAL, S.L.
GAVAMAR 2011, S.L.	GESTION ASCEM, S.L.	GESTORA DE SERVICIOS ECOFIN, S.L.
GAYCA ASESORES, S.L.	GESTION DE INVERSIONES Y PROMOCIONES ELKA CANARIAS, S.L.	GESTORDIZ S.L.L.
GEMMA HERNANDEZ, C.B.	GESTION ESTUDIO Y AUDITORIA DE EMPRESAS GEA, S.L.	GESTORED CONSULTING, S.L.
GENE TICO REMEI	GESTION FINANCIERA CONSULTORA EMPRESARIAL, S.L.	GESTORIA ADMINISTRADORA FAUS, S.L.
GENERAL DE SERVEIS LA SEGARRA, S.L.	GESTION FINANCIERA MIGUELTURRA, S.L.	GESTORIA ADMINISTRATIVA LASTRA, S.L.
GENERAL MEAT, S.L.	GESTION I ASSEGURANCES PERSONALIZADES, S.L.	GESTORIA ADMINISTRATIVA PALOP ALCAIDE, S.L.P.
GEORKIAN BABAYAN LEILA	GESTION INTEGRAL CONTRERAS, S.L.P.U.	GESTORIA ADMINISTRATIVA SAN JOSE, S.L.
GEP HIPOTECAS, S.L.	GESTION INTEGRAL DE EMPRESAS FUSTER, S.L.	GESTORIA ASFER, S.L.
GESAL ASESORIA, S.L.	GESTION PARERA, S.L.	GESTORIA ESTRADA OSONA, S.L.P.
GESCOFI OFICINAS, S.L.	GESTION Y SERVICIOS SAN ROMAN DURAN, S.L.	GESTORIA GARCIA POVEDA, S.R.L.
GESDIA ASESORES, S.L.U.	GESTIONA E INNOVA SERVICIOS ADMINISTRATIVOS, S.L.U.	GESTORIA HERMANOS FRESNEDA, S.L.
GESPIME ROMERO MIR, S.L.	GESTIONA MADRIDEJOS, S.L.	GESTORIA IVORRA, S.L.P.U.
GESPYME GESTIO I ASSESSORAMENT DE PYMES, S.L.	GESTIONES MARTIN BENITEZ, S.L.	GESTORIA JUAN AMER, S.L.

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GESTORIA LLURBA GARZON, S.L.	GLOBAL AVANTIS, S. COOP. V.	GONZALEZ ARANDA FRANCISCO JAVIER
GESTORIA PARETS, S.L.	GLOBAL MARKETING CONSULTIG Y GESTION, S.L.	GONZALEZ BORINAGA IVANA
GESTORIA PARIS, S.L.	GLOBAL TAX GESTION, S.L.	GONZALEZ COCA MARIA DE LA ENCINA
GESTORIA POUSA Y RODRIGUEZ, S.L.	GOMEZ ANDRES JUAN JOSE	GONZALEZ DIAZ VICTORINO
GESTORIA ROYO LOPEZ, S.L.	GOMEZ ASUA ASIER	GONZALEZ DONAMARIA BEATRIZ
GESTORIA RUIZ MILLAN, S.L.	GOMEZ DE MAINTENANT MARTA MARIA	GONZALEZ ESPARZA JUANA MARIA
GESTVILL ASESORIA VILA-REAL, S.L.U.	GOMEZ EBRI CARLOS	GONZALEZ FREJO ROSALIA
GIL BELMONTE CONRADO	GOMEZ LOBO JUAN	GONZALEZ GARCIA SERGIO
GIL BELMONTE SUSANA	GOMEZ MARTINEZ LUIS	GONZALEZ GONZALEZ JOSE MANUEL
GIL FERNANDEZ JUAN JOSE	GOMEZ VALVERDE ANTONIO	GONZALEZ GONZALEZ MARIA ANGELES
GIL MANSERGAS, C.B.	GOMEZ VAZQUEZ MARIA JESUS	GONZALEZ GONZALEZ VICTOR JAVIER
GIL TIO JULIA	GOMEZ VELILLA MARIA BRIGIDA	GONZALEZ GUTIERREZ PEDRO ROMAN
GIL USON MARTA	GOMIS JIMENEZ CARLOS	GONZALEZ JUSTO CARLA
GIMENO CACHO MARIA CRISTINA	GONZALEZ & PARDAVILA, S.C.	GONZALEZ LUIS JULIAN
GIMENO MARTINEZ AURELIO	GONZALEZ & SANTIBAÑEZ GESTION, S.L.	GONZALEZ MARIN MANUEL
GINE ABAD FRANCISCO JOSE	GONZALEZ ALONSO REBECA	GONZALEZ MOLANO FRANCISCO JAVIER
GINES LAHERA DARIO ALFONSO	GONZALEZ ALVAREZ NOELIA	GONZALEZ MONTERO CONCEPCION

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GONZALEZ MONZON MARIO	GRANDA RODRIGUEZ DE LA FLOR ARMANDO	GUERRA MENGUAL MARCOS
GONZALEZ MOSQUERA FERNANDO	GRAÑA RAMOS ABEL	GUERRERO VERGARA JOSE ANTONIO
GONZALEZ PAVON FRANCISCO JOSE	GRAÑON LOPEZ LUIS ALBERTO	GUIJARRO BACO JUAN JOSE
GONZALEZ PRIETO SERGIO	GRASSA VARGAS FERNANDO	GUILLEN RUIZ EMILIO
GONZALEZ RAMIREZ JOSE	GRELA CASTRO MARCELINO	GUITART POCH JOSE ANTONIO
GONZALEZ RODRIGUEZ FRANCISCO	GRUP DE GESTIO PONENT DOS ASSEGUANCES, S.L.	GURRIA Y ASOCIADOS, S.C.
GONZALEZ SOCAS ANTONIA MARINA	GRUP SBD ASSESSORAMENT I GESTIO, S.L.	GUTIERREZ DE GUEVARA, S.L.
GONZALEZ SOCORRO MARIA ESTHER	GRUPAMERO ADMINISTRACION, S.L.	GUTIERREZ GALENDE IGNACIO
GONZALEZ TABOADA JOSE	GRUPO BABAC, S.L.	GUTIERREZ GARCIA AZAHARA
GONZALEZ VIDAL ESPERANZA	GRUPO DTM CONSULTING, S.L.	GUTIERREZ LORENZO ANGEL
GOÑI IDARRETA ANA MARIA	GRUPO FERRERO DE ASESORIA, S.L.	GUTIERREZ PASTOR JUAN CARLOS
GOPAR MARRERO PABLO	GRUPO FINANCIERO TALAMANCA 11, S.L.	GUZMAN GONZALEZ EMILIANO
GORDO GAMIZ MARIA LUISA	GRUPO SURLEX, S.L.	HELP CONTROL DE GESTION, S.L.
GOROSTARZU DIAZ MIGUEL ANGEL	GRUPODOMO 2002, S.L.L.	HERAS GABINETE JURIDICO Y DE GESTION, S.L.
GRACIA-HERNANDEZ-LAPEÑA ASESORIA Y CONSULTORIA INTEGRADAS, S.L.	GUARAS JIMENEZ MARIA RESURRECCION	HERAS HERNANDEZ FERNANDO
GRADO CONSULTORES, S.L.	GUERRA CEBALLOS JUAN LUIS	HERAS TERREROS ALFREDO
GRANADO GARCIA MARIA ISABEL	GUERRA GARCIA DE CELIS JOSE JUAN	HERCA CONSULTING, S.L.

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HERMO MARTINEZ MARTA	HUERTAS FERNANDEZ JUAN ANTONIO	INFANTES ALCANTARA MANUEL ALEJANDRO
HERMOSO NUÑEZ PEDRO	IB2CLOUD, S.L.	INFOGES PYME, S.L.
HERNANDEZ GIMENEZ JAVIER	IBAÑEZ IBAÑEZ LUIS	INGARBO, S.L.
HERNANDEZ LIEBANAS FRANCISCO	IBAÑEZ NIETO ADORACION MAR	INICIATIVA EMPRENDEDORA, S.L.U.
HERNANDEZ MANRESA JOSEFA	IBAÑEZ ZORRILLA MARIA IZASKUN	INLASTIME, S.L.
HERNANDEZ MANRIQUE CARLOS MANUEL	IBERBRIT, S.L.	INMOBILIARIA DONADAVI, S.L.
HERNANDEZ PRIETO MIGUEL ANGEL	IBERBROKERS ASESORES LEGALES Y TRIBUTARIOS, S.L.	INMONAeva, S.L.
HERNANDEZ SANCHEZ MARIA ISABEL	IBERFIS GESTION FINANCIERA, S.L.	INNOVACIONES FINANCIERAS, S.L.
HERRAIZ ARGUDO CONSUELO	IBERKO ECONOMIA Y GESTION, S.L.	INPOL DESARROLLOS URBANISTICOS, S.L.
HERRERA GONZALEZ ROBERTO	ICIAR VILLANUEVA CORREDURIA DE SEGUROS, S.L.	INSERVICE D & B, S.L.
HERRERA MORENO MONICA	IGEA JARDIEL MANUEL	INSTITUTO DE ASESORAMIENTO EMPRESARIAL INSESA, S.L.
HERRERO BRIGANTINA DE ECONOMIA, S.L.	IGLESIAS GONZALEZ MARIA ARANZAZU	INSUAS SARRIA, S.L.
HEVIA PATALLO TERESA	IGLESIAS MACEDA BARCO ABOGADOS, C.B.	INTASSE EMPRESARIAL, S.L.
HIDALGO GOMEZ VALENTINA	IGLESIAS SEXTO JOSE LUIS	INTEGRIA ENERGIA EMPRESAS EUROZONA, S.L.
HIDALGO PEREZ JOSE ANTONIO	IGNACIO CONSTANTINO, S.L.	INTELLIGENT CENTER SERVICE, S.L.
HORNOS CASTRO JAVIER	ILLESLEX, S.L.	INVAL 02, S.L.
HU LU SIKE	INDICE GESTION, S.L.	INVERGU 2914, S.L.

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INVERJOVI 3000, S.L.U.	ISLA CONSULTING 2014, S.L.	JESTERSA INVERSIONES, S.L.
INVERSAN BROKERS, S.L.	ITSASADARRA, S.L.	JGBR ABOGADOS Y ASESORES TRIBUTARIOS, S.L.
INVERSIONES 16 DE SERVICIOS FINANCIEROS E INMOBILIARIOS, S.L.	IVARS PERIS PABLO JOSE	JIMENEZ CALERO CONSUELO
INVERSIONES GEFONT, S.L.	IZQUIERDO DOLS MIGUEL	JIMENEZ LORENTE MANUEL
INVERSIONES IZARRA 2000, S.L.	IZQUIERDO - PARDO, S.L.P.	JIMENEZ MARQUEZ MARIA DOLORES
INVERSIONES TECNICAS GRUPO CHAHER, S.L.	J L COLOMINA C CEBRIAN ERNESTO ANTON, C.B.	JIMENEZ PINEDA MERCEDES
INVERSIONES TRAVESERA, S.A.	J. A. GESTIO DE NEGOCIS, S.A.	JIMENEZ RAMOS IGNACIO
INVERSIONES Y GESTION AINARCU, S.L.	J. RETA ASOCIADOS, S.L.	JIMENEZ RODRIGUEZ MIGUEL ANGEL
INVERSORA MARTIARTU, S.L.	J.F. BONIFACIO SERVICIOS INTEGRALES, S.L.	JIMENEZ THOMAS EMILIO
INVERSUR 4 CUATROS, S.L.	J.L. MONCHO Y ASOCIADOS COOP. V.	JOANA JAREÑO, S.L.
INVERTIA SOLUCIONES, S.L.	J.M. CORUJO ASESORES, S.L.	JORDAN CHIVELI IGNACIO
INVEST FINANZAS, S.L.U.	JAIME CASTRO CORREDURIA DE SEGUROS, S.L.	JOSE ANGEL ALVAREZ, S.L.U.
INVESTIMENTOS XURDE PABLO, S.L.	JANQUIN ROMERO JEAN CLAUDE	JOSE MARIA GARCIA FRAU, S.L.
IRIGOYEN GARCIA VICTORIA EUGENIA	JARA GUERRERO FRANCISCO	JOVER BENAVENT ENRIQUE
ISACH GRAU ANA MARIA	JARVEST GESTION DE INVERSIONES, S.L.	JUAN JOSE ORTIZ, S.L.
ISDAGAR 2000, S.L.	JAVIER CARRETERO Y ASOCIADOS, S.L.	JUAN MIGUEL MARQUEZ HERRILLO EMPRESA DE SERVICIOS, S.L.
ISERTE MUÑOZ FRANCISCO JAVIER	JAYLA CELA, S.L.	JUANOLA COCH MARTI

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JUESAS FERNANDEZ ENRIQUE	LALANZA PINA VALERO BLAS	LEASING E INVERSION EMPRESARIAL, S.L.
JULIAN SANZ MARIA	LAMBERT JONATHAN RAYMOND	LECONDIS, S.L.
JUNQUERA FRESCO BEATRIZ INMACULADA	LAMPER IBERICA, S.L.	LEGARDA REY ENRIQUE
JURADO CORDOBES RICARDO JESUS	LAMY GARCIA ANTONIO	LEMERODRI, S.L.
KANKEL INVERSIONES, S.L.	LANAU ALTEMIR RAMON ANGEL	LEMES ASESORES FISCALES, S.L.
KNUCHEL FRITZ	LANAU SERRA MARIA FRANCISCA	LENADER, S.L.
KONTULAN AHOLKULARITZA, S.L.	LANERO PEREZ MIGUEL ANGEL	LEÑA CAMACHO ROSA MARIA
L.G.A. CONSULTORES, S.L.	LAR CENTRO EMPRESARIAL, S.A.	LEO GESTION, S.L.U.
LABAT PASCUAL CRISTINA	LARA GUTIERREZ CARLOS	LEON ACOSTA MANUEL TOMAS
LABORANTIA, S.L.	LARA MARCOS ASESORES, S.C.	LEON ANTOÑANZAS MARIO
LABORDA CARNICER FELIPE	LARA VIDAL FRANCISCO JOSE	LEON CRISTOBAL JOSE LUIS
LACALLE TARIN, S.L.	LARRE & ASOCIADOS, S.C.P.	LIARTE BENEDI MARIA INMACULADA
LACOASFI, S.L.	LARROSA ESCARTIN ANA BELEN	LIMIÑANA MARTINEZ LORENZO
LADRON GALAN FRANCISCO	LASO CASTAÑERA JOSE FRANCISCO	LIMONCHI LOPEZ HERIBERTO
LAFUENTE ALVAREZ JOSE ANTONIO	LAUKI AHOLKULARITZA, S.L.	LINARES LOPEZ RAMÓN
LAGUNA SEBASTIANES FRANCISCO MANUEL	LAUKIDE ABOGADOS, C.B.	LINEA CONTABLE, S.L.
LAJUSER GESTIONES Y ASESORAMIENTOS, S.L.	LAZARO & POUSADA, S.C.	LIT & PITARCH, S.L.



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LIVACE, S.L.	LOPEZ HERNANDEZ ALVARO	LOZANO PIÑERO IRENE
LIZANA MUÑOZ ANTONIO JESUS	LOPEZ LOMA ALFONSO FRANCISCO	LTA ASESORES LEGALES Y TRIBUTARIOS, S.L.
LLAMAZARES GALVAN ALBERTO	LOPEZ LUQUE ENRIQUE	LUCENTUM ASESORES, S.L.
LLANA CONSULTORES, S.L.	LOPEZ MARTINEZ MANUELA	LUGILDE VELEZ JOSE LUIS
LLEDO YANGUAS, S.L.	LOPEZ MERINO ANTONIO	LUIS F. SIMO, S.L.
LLEIDA BADIAS RAMON FERNANDO	LOPEZ PEREZ MANUEL TRAJANO	LUJAN FALCON JUAN CARLOS
LLIRIA HOME, S.L.	LOPEZ RASCON MARIA JESUS	LUMAR ALJARAFE SEGUROS, S.L.
LLORENTE VARON JUAN CARLOS	LOPEZ RUBAL ANTONIO	LUNA ARIZA RAFAEL IGNACIO
LLUIS GARRUDO Y ASOCIADOS, S.L.	LOPEZ SARALEGUI ELENA MARIA TRINIDAD	LUNA GARCIA MINA ANTONIO FERMIN
LOGARILL & ASOCIADOS, S.L.	LOPEZ SEQUERA PEDRO	LUQUE FERNANDEZ JULIA
LOGROSA SOLUCIONES, S.L.	LOPEZ TAPIA ISIDRO	M DE MONTAÑEZ ANALISIS ASEGURADORES, S.L.L.
LOPEZ CARCAS EDUARDO	LOPEZ TORRES PATRICIA	M&B PLUS ASESORES, S.L.L.
LOPEZ DELGADO MARIA DEL PILAR	LORENZO VELEZ JUAN	M. L. BROKERS, S.L.
LOPEZ FERNANDEZ FERNANDO	LORES FANDIÑO JUAN JOSE	M.C.I. BUREAU CONSULTING DE GESTION, S.L.
LOPEZ FERNANDEZ RAQUEL	LOSADA LOPEZ ANTONIO	MAC PRODUCTOS DE INVERSION Y FINANCIACION, S.L.
LOPEZ FRAILE LUIS ANTONIO	LOSADA Y MORELL, S.L.	MACHIN CARREÑO FELIX ALBERTO
LOPEZ GRANADOS JOSE MARIA	LOUBET MENDIOLA JAVIER	MACIA LOPEZ MARIA DEL PILAR

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MACIAS FONTANILLO ISAAC SANTIAGO	MARIA CARMEN PEREZ AZNAR, S.L.P.	MARTIN PEREZ ASSESSMENT, S.L.P.
MACIAS GUERRERO MANUEL	MARIN RUIZ MARIA CARMEN	MARTIN RAMIREZ FRANCISCO
MADRONA MARTINEZ MIRIAM	MARIN ZAFRA ADOLFO	MARTIN SANCHEZ IGNACIO
MAESTRE RODRIGUEZ JUAN JESUS	MARKETPLACE CONSULTING, S.L.	MARTIN VALENCIANO, FERNANDO 000680010S, S.L.N.E.
MALMAGRO BLANCO ANTONIO	MARQUES GONZALEZ MARIA FRANCISCA	MARTIN VIZAN MILAGROS
MALUENDA URGEL NURIA	MARQUES MENENDEZ JOSE LUIS	MARTINEZ ANDRES MARIA ANGELES
MANUEL LEMA PUÑAL Y FERNANDO GARCIA CASTRO, S.C.	MARQUEZ GOMEZ NATIVIDAD	MARTINEZ BERMUDEZ JOSE FRANCISCO
MANZANEQUE ASESORES, S.L.	MARRERO GONZALEZ PLACIDO VICTOR	MARTINEZ CASTRO MANUEL FRANCISCO
MARANDI ASSL MOHAMMAD	MARTI SALA ESTHER	MARTINEZ CATALA PASCUAL
MARAÑON OTEIZA MARIA CRISTINA	MARTI TORRENTS MIQUEL	MARTINEZ DE ARAGON SANCHEZ VICTOR GABRIEL
MARBAR ASESORES 2014, S.L.	MARTIN - SERRA CONSULTORS, S.L.	MARTINEZ GAMEZ CARMEN MARIA
MARCELINO DIAZ Y BARREIROS, S.L.	MARTIN GARCIA -ESTRADA ABOGADOS, S.C.	MARTINEZ GARCIA CARLOS
MARCHANTE GARCIA MARTA MARIA	MARTIN GRANADOS JUAN	MARTINEZ GARCIA PEDRO RAFAEL
MARCOS SALVATIERRA MONTSERRAT	MARTIN HERNANDEZ PEDRO MARIA	MARTINEZ GIMENEZ RAFAEL PABLO
MARDEBONI, S.L.P.	MARTIN MASO EDGAR	MARTINEZ GOMEZ MIGUEL AMARO
MARESME CONSULTORS, S.L.	MARTIN MAYOR ANTONIO	MARTINEZ GONZALEZ VANESA
MARGALIDA GATNAU JOSE MARIA	MARTIN NADAL ALBERTO	MARTINEZ HERNAEZ MARIA DOLORES

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MARTINEZ MARTOS LUIS CARLOS	MAYORAL MURILLO FRANCISCO JAVIER EUSEBIO	MERELAS CASTRO SONIA
MARTINEZ MOYA DIEGO	MAYORDOMO PULPON ALBERTO	MERIDIAN ASESORES, S.L.
MARTINEZ PARRA ENRIQUE	MAYTE COSTAS ASESORES, S.L.	MERINO MARTINEZ CESAR JOAQUIN
MARTINEZ PEREZ JOSE FRANCISCO	MAZA HURTADO YLENIA	MESA IZQUIERDO ASOCIADOS, S.L.
MARTINEZ PEREZ JOSE MARIA	MAZO ORTEGA MARIA NURIA	MESANZA QUERAL ALBERTO GUILLERMO
MARTINEZ PUJANTE ALFONSO	MAZON GINER JOSE FERNANDO	MEXICO NOROESTE GESTION EMPRESARIAL, S.L.
MARTINEZ RIVADAS FRANCISCO	MAZON LLORET MARIA DE LA VEGA	MG ECONOMISTES, S.L.U.P.
MARTINEZ VECINO MARIA CONCEPCION	MB ASESORES 2012, S.L.P.	MIALDEA CARRASCO JULIA
MARTINEZ VERA MARIA ESTRELLA	MECIA FERNANDEZ RAMON	MIER ROMAN SILVIA
MARTINEZ VILLAR FRANCISCO	MEDINA VALLES JUAN CARLOS	MIGUEL BENITO JOSE ANDRES
MAS NEBOT JOSE MARIA	MEDONE SERVEIS, S.L.	MILAN MILAN JUAN MANUEL
MASDEU BALLART MONTSERRAT	MELCHOR GOMEZ CANDIDO DANIEL	MIRO ASSESSORS GESTORIA ADMINISTRATIVA, S.L.P.
MASIP ESCALONA DAVID	MENDEZ HERNANDEZ CAYETANO	MISE MIGUEZ, S.L.
MATA MARCO CARMEN	MENDEZ ZAPATA MARIA DEL PILAR	MITECA PROMOCIONES E INVERSIONES, S.L.
MATEO59 AGENTE DE SEGUROS VINCULADO, S.L.	MENDIZABAL GOIBURU AGUSTIN	MITJAVILA Y ASOCIADOS ESTUDIO JURIDICO FISCAL, S.L.
MATTS ASSESSORS LEGALS I ECONOMISTES, S.L.	MENDOZA MORANTE E INCLAN, S.L.P.	MOLINA HERRIEGA MIGUEL
MAYO CONSULTORS ASSOCIATS, S.L.	MERA RANCAÑO MANUEL	MOLINA LOPEZ RAFAEL

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MOLINA LUCAS MARIA ALMUDENA	MORA MAG. S.A.	MUGA Y LOPEZ ASESORES, S.L.
MOLL BRAGAGIA ANALINA	MORALEDA GALAN RAFAEL	MUGURDURI, S.L.
MOLLEJA BELLO MARIA CARMEN	MORAN CASTELL-BLANCH LAW AND TAX FIRM, S.L.	MUÑO DIAZ MARIA DEL MAR
MOLPECERES MOLPECERES ANGEL	MORENO CAMPOS JOAQUIN	MULTIGESTION SUR, S.L.
MONCHONIS TRASCASAS PEDRO	MORENO DEL PINO NICOLAS	MUÑIZ HORMAECHE SANTIAGO
MONROY CABAÑAS JULIAN	MORENO MAROTO LUIS MIGUEL	MUÑOZ BERZOSA JOSE RAMON
MONROY REY PATRICIA	MORENO SILVERIA MARIA ISABEL	MUÑOZ BONET JOAQUIN BERNARDO
MONSERRAT OBRADOR RAFAEL	MORERA GESTIO EMPRESARIAL, S.L.	MUÑOZ GARRIDO MARIA DEL VALLE
MONTE AZUL CASAS, S.L.	MORERA & VALLEJO ESTUDIOS FINANCIEROS, S.L.	MUÑOZ PINEDA FRANCISCO ANTONIO
MONTEAGUDO NAVARRO MARIA	MORGA GUIRAO MARIA PILAR	MUÑOZ VIÑOLES, S.L.
MONTERO BEJARANO FRANCISCO JAVIER	MORGADE VIÑAS JOSE MANUEL	MUÑOZO CHAMORRO NARCISO
MONTES SADABA FRANCISCO JAVIER	MORILLO & PEREZ GESTION 2012, S.L.	MUR CEREZA ALVARO JESUS
MONTESINOS CONTRERAS VICENTE	MORILLO MUÑOZ, C.B.	MURCIA LOPEZ LORENA ALEJANDRA
MONTIEL GUARDIOLA MARIA JOSEFA	MORODO PASARIN PURA	MURGA CANTERO RUBEN
MONTIEL PIEDECAUSA ANTONIO	MOROTE ESPADERO RAFAEL MANUEL	MURO ALCORTA MARIA ANTONIA
MONTORI HUALDE ASOCIADOS, S.L.L.	MORUNO GONZALEZ MIGUEL ANGEL	MUSA MOHAMED ABDELAZIZ
MOR FIGUERAS JOSE ANTONIO	MOUZO CASTIÑEIRA JESUS ANTONIO	MUZAS BALCAZAR JESUS ANGEL

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NACHER NAVARRO MARIA VANESSA	NICCALIA, S.L.	OLEOALGAIDAS, S.C.A.
NAHARRO GATA MANUEL	NIETO GONZALEZ RUFINO	OLIVA PAPIOL ENRIQUE
NANOBOLSA, S.L.	NOBEL GROUP 2011, S.L.	OLIVAR Y CUADRADO ASESORES, S.L.
NASH ASESORES, S.L.U.	NODA MORALES HECTOR JOSE	OLIVARERA DEL TRABUCO, S.C.A.
NAVARRO BUSTOS JOSE IGNACIO	NOVAGESTION AVANZADA, S.L.	OLIVER GUASP BARTOLOME
NAVARRO CUESTA ESTER	NOVAGESTION MARINA BAIXA, S.L.	OLIVER MOMPO JOSE
NAVARRO MORALES JOAQUIN	NUÑEZ MAILLO VICENTE JESUS	OLIVERAS TARRES, S.C.
NAVARRO SAENZ MARIA MAR	NUÑEZ NAYA ANTONIO JOSE	OLMO HUERTAS ANA MARIA
NAVARRO UNAMUNZAGA FRANCISCO JAVIER	NUÑO NUÑO AZUCENA	OLMO CONTRERAS FRANCISCO JAVIER
NAVES DIAZ ASSOCIATS, S.L.	OCIEX ESPAÑA, S.L.L.	OLMOS LOPEZ MARCOS
NAVIT CONTENTISING, S.L.	ODIMED CONSULTORIA SERVICIOS, S.L.	OMEGA GESTION INTEGRAL, S.L.
NAZABAL ORTUETA PABLO	OFICINA PALMA, ASESORIA Y FORMACION, S.L.	OMF ASESORES, S.L.
NEGOCIOS DIZMOR, S.L.	OFICINAS EMA, S.L.	ON SERRA SERVICIOS, S.L.
NEGOCONT BILBAO 98, S.L.	OGAZON GOMEZ YON ANDONI	OPTIMA SAT, S.L.
NEGRETE LEAL LUIS MANUEL	OLABE GARAITAGOITIA MARIA ELENA	ORDEN MONTOLIO SANDRA DE LA
NERTA GESTION Y DESARROLLO, S.L.	OLALDE GOROSTIZA LEONCIO LUIS	ORDOYO CASAS ANA MARIA
NERVION AGENCIA DE VALORES 2003, S.A.	OLAZABAL Y ASOCIADOS, S.C.	OREGUI ASESORES, S.L.

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ORIBIO ASESORES, S.L.	OVIEDO PEREZ ZULEMA	PATIÑO ROBLES MARIA CONCEPCION
ORIENTA CAPITAL AGENCIA DE VALORES, S.A.	P V 1, S.L.	PATRIAL, S.A.
ORRIOLS GESE JORDI	PABLOS MUÑOZ MARIA JESUS	PAULINO CARCELLES LUIS MIGUEL
ORTEGA ALTUNA FERNANDO MARIA	PADILLA MOLINA MARIA	PAYÁ ROCA DE TOGORES PABLO
ORTEGA JIMENEZ FRANCISCO	PADILLA ORTEGA GENOVEVA	PAZ BARKBY ALISON SUSAN
ORTEGA MUÑOZ CARLOS MANUEL	PADIMIAN GESTION, S.L.	PAZ GRANDIO FRANCISCO JOSE
ORTEGAL A ESTACA, S.L.	PAEZ ORDOÑEZ SERGIO	PAZOS SANCHEZ JAVIER
ORTIZ ACUÑA FRANCISCO	PALACIOS DIAZ CONSULTORES, S.L.	PB GESTION, S.L.
ORTIZ ALVAREZ BENITO	PALAU DE LA NOGAL JORGE IVAN	PEDEVILLA BURKIA ADOLFO
ORTIZ MARTIN FRANCISCO EULOGIO	PALAZON GARCIA JOSE MIGUEL	PEDRO LOPEZ PINTADO E HIJOS, S.L.
ORTIZ SOLANA CRESCENCIO	PANIAGUA VALDES MILAGROS	PEDROLA GALINDO NATIVIDAD
ORTIZ, S.C.	PARADA TRAVESO IVAN JOSE	PELLICER BARBERA MARIANO
ORTUÑO CAMARA JOSE LUIS	PARDO CANO FRANCISCO JAVIER	PEÑA LOPEZ MILAGROS
OSYPAR GESTION, S.L.	PAREDES VERA GRACIA	PEÑA NAVAL JESUS
OTC ORIENTA PYMES, S.L.	PARREÑO MENDEZ MARIA JOSE	PEÑA PEÑA MANUEL
OTERO ALVAREZ JULIA	PASCUAL ANDRES MARIA LUISA	PEÑAS BRONCHALO JOSE MIGUEL
OUTEIRIÑO VAZQUEZ JOSE MARIA	PASTOR MARCO JOSE LUIS	PEÑATE SANTANA DUNIA

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PERALES LLOBREGAT ANGEL RAFAEL	PEREZ POYATOS EMILIO JOSE	PLANO IZAGUIRRE JOSE DANIEL
PERDOMO PEÑA PATRICIA	PEREZ SANTOS ALFONSO	PLEYA GLOBAL SERVICE, S.L.
PERDOMO PEREZ ELDA JOSEFINA	PEREZ SIERRA ASESORES, S.L.	POGGIO, S.A.
PERELLO Y TOMAS, S.L.	PEREZ SOTO PABLO MANUEL	POISY, S.L.
PEREZ ALVAREZ LAURA	PERIAÑEZ TOLEDO TOMAS	POLO ACCIONES, S.L.
PEREZ ANDREU ALEJANDRO	PEROLADA VALLDEPEREZ ANDRES	POLO PRIETO BORJA
PEREZ ASESORIA Y SERVICIOS EMPRESARIALES, S.L.	PERTUSA MONERA ENCARNACION	PONCE VELAZQUEZ JOSEFA
PEREZ CAMACHO MIGUEL ANGEL	PERUCHET GRUP CONSULTOR D'ENGINYERIA, S.C.P.	PONS SOLVES CONCEPCION
PEREZ CHAVARRIA JOAQUIN MIGUEL	PEYUS SANCHEZ PALOMA	PORTILLA ARROYO ALICIA
PEREZ CORDOBA VICTOR MIGUEL	PILAR RAMON ALVAREZ, S.L.	POU ADVOCATS, S.L.P.
PEREZ FERNANDEZ MARIA DOLORES	PINTOR ZAMORA GUADALUPE	POUS ANDRES JUAN
PEREZ GUTIERREZ SANTIAGO	PIÑOL & PUJOL ASSESSORIA D'EMPRESSES, S.L.	POUSADA Y CORTIZAS, S.L.
PEREZ MAGALLARES EMILIO	PISONERO PEREZ JAVIER	POZA SOTO INVERSIONES, S.L.
PEREZ MALON MARIA BELEN	PLA NAVARRO EMILIA	PRADA PRADA MARIA CARMEN
PEREZ MASCUÑAN JORGE	PLAMBECK ANDERL WALTER	PRADO PAREDES ALEJANDRO
PEREZ PEREZ JOSE MANUEL	PLANELLS ROIG JOSE VICENTE	PRESTACIONES DE ASESORAMIENTO EMPRESARIAL, S.L.
PEREZ PEREZ TOMAS ESTEBAN	PLANNING ASESORES, S.C.	PREVISION PERSONAL CORREDURIA DE SEGUROS, S.A.

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PRIETO BENITEZ ANTONIO	RAMIREZ JORQUERA MIGUEL ANGEL	REIFS PEREZ MANUEL
PRIETO RICO MAURO	RAMIREZ LOPEZ AGUSTIN	REINA GARCIA ANA ESTHER
PROGESEM, S.L.	RAMIREZ RUBIO JOSE RAMON	RELAÑO CAÑAVERAS CRISTOBAL
PROGRESO 21 CONSULTORES TECNICOS Y ECONOMICOS, S.L.	RAMOS CAGIAO AMPARO	REMENTERIA LECUE AITOR
PROINVER PARTNERS, S.L.	RAMOS GARCIA GABRIEL DE JESUS	REMON SAENZ CESAR
PROYECTOS INTEGRALES FINCASA, S.L.	RAMOS ROMERO JUAN JESUS	RENTA JUBILADOS, S.L.
PROYECTOS PINTON, S.L.	RAMOS SOBRIDO JOSE ANDRES	RENTEK 2005, S.L.
PUERTAS VALLES MARIA LUISA	RCI EXPANSION FINANCIERA, S.L.U.	RETAMERO VEGA MANUEL
PUERTAS Y GALERA CONSULTING, S.L.	REAMOBA, S.L.	REVUELTA GUTIERREZ LAURA
PUJOL HUGUET AMADEU	REBOLLO CAMBRILES JUAN ROMAN	REY FERRIN PAULA
PUP ANCA	RECAJ ERRUZ ENRIQUE CLEMENTE	REY GONZALEZ NICOLAS
PYME BUSSINES TWO, S.L.	RECIO CEÑA TOMAS	REY PAZ ROCIO
PYMES ASESORIA, S.L.	RECUENCO BENEDICTO JOSEFINA MATILDE	REYES BLANCO FRANCISCO JAVIER
QUALIFIED EXPERIENCE, S.L.	REDIS INVERSIONS, S.L.	REYES BLANCO RAFAEL
QUEIJA CONSULTORES, S.L.	REDTAX, S.L.	REYES CARRION JUAN CARLOS
R. & J. ASSESSORS D' ASSEGUANCES ASEGUR XXI, S.L.	REGA RODRIGUEZ MARIA LUISA	REYES LANZAROTE FRANCISCA
RACA INVERSIONES Y GESTION, S.L.	REGLERO BLANCO MARIA ISABEL	REYES QUINTANA VICTORIO JESUS



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REYMONDEZ , S.L.	RODES BIOSCA CARLOS RAFAEL	ROIG FENOLLOSA JUAN BAUTISTA
REZA MONTES FRANCISCO JAVIER	RODRIGUEZ ALVAREZ MARIA ISABEL	ROJAS TRONCOSO PEDRO
RGR ACTIVOS E INVERSIONES, S.L.	RODRIGUEZ CAÑIZARES ANTONIO JAVIER	ROJI BOULANDIER SERGIO
RIBERA AIGE JOSEFA	RODRIGUEZ CIFUENTES IVAN	ROLDAN SACRISTAN JESUS HILARIO
RIBES ESTRELLA JOAN MARC	RODRIGUEZ DELGADO RENE	ROLO GESTION E INVERSION, S.L.
RINCON GUTIERREZ MARIA PILAR	RODRIGUEZ GALVAN MARIA	ROMAN BERMEJO MARIA ISABEL
RIOJA ROMAN RAQUEL	RODRIGUEZ LLOPIS MIGUEL ANGEL	ROMAN CAMPOS MARIA ETELVINA
RIPOLL BARRACHINA ENRIQUE	RODRIGUEZ MARTINEZ RAFAEL	ROMAN CIVIDANES CONSTANTINO
RIVAS ANORO FERNANDO	RODRIGUEZ MUÑOZ JOAQUIN JOSE	ROMERO & BURGOS ASESORES, C.B.
RIVAS CASTRO JOSE CARLOS	RODRIGUEZ OTERO MIRIAN	ROMERO MENDEZ JUAN ANTONIO
RIVAS FERNANDEZ RAFAEL	RODRIGUEZ PEREZ MARIA JOSE	ROMERO RODRIGUEZ JOSE GIL
RIVAS URBANO JOSE	RODRIGUEZ RODRIGUEZ MARIA	ROPERO MONTERO MIGUEL ANGEL
RIVERO RIVERO SAMUEL	RODRIGUEZ RODRIGUEZ MARIA DEL CARMEN	ROS PEREZ XAVIER
ROALGA GESTION DE RIESGOS, S.L.	RODRIGUEZ RODRIGUEZ SUSANA	ROS PETIT, S.A.
ROBI PAL, S.C.P.	RODRIGUEZ RUIZ JUAN ANTONIO	ROSADO PROIMAGEN, S.L.
ROBLES SANCHEZ ROSA MARIA	ROGADO ROLDAN ROSA	ROY ASSESSORS, S.L.
ROCHE BLASCO Y ROCHE ASESORES, S.L.	ROGET LEMUS JOSE MANUEL	ROYO ESCARTIN RAQUEL

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ROYO GARCIA FRANCISCO JAVIER	RUIZ TARI ROGELIO	SALADICH OLIVE LUIS
RUA PIRAME ENRIQUE	RUIZ-ESTELLER HERNANDEZ GUSTAVO	SALAEY FERRES MARISA
RUALI CONSULTANTS, S.L.	S&B CONSULTORES DE CANTABRIA, S.L.	SALAMERO MORENO JOAQUIN
RUANO BECEDAS MARIA CRISTINA	S.A.G. MEN, S.L.	SALAS SEGUI BARTOLOME
RUANO CAMPS ANTONI	S.C. BUSINESS ADVISORS, S.L.	SALES HERNANDEZ JOSE
RUBIO ALESANCO ALEJANDRO	S.M. ASESORES ARAÑUELO, S.L.	SALMON ALONSO JOSE LUIS
RUBIO BERNARDEAU ANTONIA MILAGROSA	SABALLS GESTIO, S.L.	SALOR XVI, C.B.
RUBIO SIERRA FRANCISCO JOSE	SABATE NOLLA TERESA	SALUDES FERRER MARIA
RUIPEREZ MATOQUE PIERRE	SABES TORQUET JUAN CARLOS	SALVIA FABREGAT MARIA PILAR
RUIZ ASESORES, S.C.	SACRISTAN ASESORES, S.L.	SAMPER CAMPANALS PILAR
RUIZ AYUCAR Y ASOCIADOS, S.L.	SAEZ NICOLAS JOSE RAMON	SANCHEZ BURUAGA MARTA
RUIZ CASAS JUAN BAUTISTA	SAFE SERVICIOS DE ASESORAMIENTO FISCAL DE LA EMPRESA, S.L.	SANCHEZ ELIZALDE JUAN FRANCISCO
RUIZ CASTILLO ANTONIO	SAFOR CONSULTORES INMOBILIARIOS, S.L.	SANCHEZ GARCIA ALICIA
RUIZ DEL RIO ROSA MARIA	SAGEM XX, S.L.	SANCHEZ GARCIA YOLANDA
RUIZ ESCALONA ANTONIO	SAINZ TAJADURA MARIA VICTORIA	SANCHEZ HERNANDEZ IVAN
RUIZ MORENO EVA	SAIZ SEPULVEDA FRANCISCO JAVIER	SANCHEZ LOPEZ MIGUEL
RUIZ NOGALES LIDIA	SALA AZORIN AURORA	SANCHEZ MESA FRANCISCO

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SANCHEZ PEÑA MIGUEL ANGEL	SANZ MORENO ANTONIO	SELUCON, C.B.
SANCHEZ POUSADA JULIA	SAR NARON, S.L.	SEMPERE & PICO ASESORES, S.L.
SANCHEZ RODRIGUEZ M <sup>º</sup> TERESA CARMEN	SARA Y LETICIA, S.L.	SENDA GESTION, S.L.
SANCHEZ SAN VICENTE GUILLERMO JESUS	SARDA ANTON JUAN IGNACIO	SEOANE MENDEZ ROBERTO
SANCHEZ SECO VIVAR CARLOS JAVIER	SARRI SOLE FRANCESC XAVIER	SERBANASER 2000, S.L.
SANCHIS MARTIN LAURA	SARRIO TIERRASECA LEON	SERCOM ARAGON S.XXI, S.L.
SANTAMANS ASESORES LEGALES Y TRIBUTARIOS, S.L.	SARROCA GIL MOISES	SERKA ASESORES, S.L.
SANTANA DIAZ SEBASTIAN	SAUN FUERTES MARIA JOSE	SERNA MINONDO MARIA ANTONIA
SANTANDREU ROSSELLO PERE	SAURA MARTINEZ PEDRO	SERRA GREGORI RAUL
SANTIVERI GESTIO I ASSESSORAMENT, S.L.	SAURINA DELGADO ADVOCATS, S.L.	SERRANO DOMINGUEZ FRANCISCO JAVIER
SANTOS GARCIA MANUEL	SB GESTION IMPUESTOS, S.A.	SERRANO QUEVEDO RAMON
SANTOS EXPOSITO MARIA DEL ROSARIO	SECO ALVITE JOSE ANGEL	SERRANO RODRIGUEZ RAFAEL
SANTOS MACIAS MARIA ESTHER	SECO FERNANDEZ LUIS ALBERTO	SERRANO VACAS JUAN CARLOS
SANTOS ROMAN MARIA NURIA	SEGURA MASSOT MARIA TERESA	SERTE RIOJA, S.A.P.
SANZ CALDERON FRANCISCO JAVIER	SEGURALIA 2050, S.L.	SERVEIS FINANCERS DE CATALUNYA, S.L.
SANZ EMPERADOR JESUS ANGEL	SEGURBAN SERVICIOS DE INTERMEDIACION, S.L.	SERVICIOS FINANCIEROS ALENAT, S.L.
SANZ FUENTES LUIS ALBERTO	SEGUROS E INVERSIONES DEL CID & VILLAFAINA, S.L.	SERVICIOS FINANCIEROS APRENDA, S.L.

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SERVICIOS FINANCIEROS AZMU, S.L.	SILVA FERNANDEZ CRISTINA	SOLER ASCASO M <sup>º</sup> LOURDES
SERVICIOS FINANCIEROS GABIOLA, S.L.	SILVA HUERTAS MIGUEL ANGEL	SOLER MUNDET AGUSTI
SERVICIOS INTEGRALES CANARIOS, S.L.	SILVERA BARRIOS MARIA ISABEL	SOLER PORTA MARIANO
SERV. INTEGRALES DE CONSULTORIA, ASESORAMIENTO Y GESTION, S.L.	SIMON BENITO JOSE JUAN	SOLUCIONES FISCALES DE GALICIA, S.L.L.
SERV. INTEGRALES DE GESTION INMOBILIARIA, ASESORIA LEGAL Y MEDIOAMBIENTE, S.L.	SINDIN RODRIGUEZ NOELIA	SOLYGES CIUDAD RODRIGO, S.L.U.
SERVICIOS JURIDICOS VENTANOVA, C.B.	SINTAS NOGALES FRANCISCO	SOMOZA RODRIGUEZ ESCUDERO OSCAR JOSE FELIX
SERV. JURIDICOS Y ADMINISTRACION GRUPO ROPASA, S.L.	SINTES SINTES JOSE LUIS	SOMOZA SIMON Y GARCIA, C.B.
SERVICONTA ALCOY, S.L.	SISTEMA ASESORES FERROL, S.L.	SOSA BLANCO SERVANDO
SERVIGEST GESTION EMPRESARIAL, S.L.	SISTEMAS INTEGRADOS DE GESTION PARA LA EMPRESA ANDALUZA, S.L.	SOSA LOZANO JOSE RAUL
SETAYESH SHAHNAZ	SMITH BASTERRA FRANCISCO JAVIER	SOTO PASTOR RAFAEL
SEVA VERA JAVIER	SOBALER Y RODRIGUEZ ASESORIA Y GESTION, S.L.	SOUSA TEJEDA ALEJANDRA
SEVILLANO MARTINEZ JUAN	SOCIEDAD CONSULTORA DE ACTUARIOS, S.C.A.	SPI SERVICIOS JURIDICOS EMPRESARIALES, S.L.
SIERRA SANCHEZ GERMAN	S. COOPERATIVA AGRARIA SAN ANTONIO ABAD	STM NUMMOS, S.L.
SIERRA TORRE MIGUEL	S. COOPERATIVA AGRICOLA NTRA SRA DEL CARMEN	SUAREZ CUETOS MANUEL
SIGNES ASESORES, S.L.	S. COOPERATIVA ANDALUZA OLIVARERA LA PURISIMA	SUBIRATS ESPUNY MARIA DOLORES
SIGNES CASANOVES BERNARDO CRISTOBAL	S. COOPERATIVA NTRA SRA DE LOS REMEDIOS	SUGRAÑES ASSESSORS, S.L.
SILJORINE, S.L.	SOCOGADEM, S.L.	SUMA LEGAL, S.L.

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T & P SAFOR GESTIO, S.L.	TINAQUERO HERRERO JULIO ANTONIO	TORRES PEREZ JOSE ARISTIDES
T.S. GESTIO, S.L.	TIO & CODINA ASSESSOR D'INVERSIONS, S.L.	TRABA PUENTE SANDRA
TABORGA ONTAÑON ANTONIO JOAQUIN	TIRADO ZARCO ESMERALDA	TRAMITES FACILES SANTANDER ASESORES Y CONSULTORES, S.L.L.
TACASA BIAR, S.L.	TIRAMAT INVERSIONS, S.L.	TRAYSERCAN, S.L.
TALLER DE PROJECTES GRUP XXI, S.L.L.	TODOPYME, S.L.	TRES U EMPRESA DE SERVICIOS PROFESIONALES, S.L.
TAMG, S.C.	TOLEDO VALIENTE MARIA GLORIA	TRILLO PALACIOS ASESORES, S.L.
TARIN BOSCH JUAN JESUS	TOLL SERVICIOS ECONOMICOS Y FISCALES, S.L.	TRILLO PEREZ PATRICIA
TARIN MOMPO, S.L.P.	TOLOCONSULTING, S.L.	TRILLO PEREZ PATRICIA
TARSISUS FINANCIAL ADVICE, S.L.	TOMAS SECO ASESORES, S.L.	TRUJILLO COACHING EMPRESARIAL, S.L.
TAX SAN SEBASTIAN, S.L.	TOPE MEDITERRANEA ASSEGUANCES, S.L.	TRUJILLO AYMES PHILIPPE
TECNICOS AUDITORES CONTABLES Y TRIBUTARIOS EN SERVICIOS DE ASESORAMIENTO, S.L.	TORMOS MARTINEZ ISIDRO	TRUJILLO AYMES PHILIPPE
TELEMEDIDA Y GAS, S.L.	TORRE DE LA CUESTA CORREDURIA DE SEGUROS, S.L.	TUÑON GARCIA JOSE GIL
TELLECHEA ABASCAL PEDRO MANUEL	TORRECILLAS BELMONTE JOSE MARIA	TUÑON GARCIA JOSE GIL
TENA LAGUNA LORENZO	TORRENS SERRA JOAN ANTONI	TURBON ASESORES LEGALES Y TRIBUTARIOS, S.L.
THE GADO GROUP, S.L.	TORRES BONACHE MARIA DEL CARMEN	TURBON ASESORES LEGALES Y TRIBUTARIOS, S.L.
THINKCO CONSULTORIA DE NEGOCIO, S.L.	TORRES DIAZ ANTONIO	TWOINVER IBERICA, S.L.
TIGALMA, S.L.	TORRES MONTEJANO FELIX	TWOINVER IBERICA, S.L.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 51).

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	V.S. SERVICIOS JURIDICOS, S.L.	
TXIRRIENA, S.L.		VARELA Y LOPEZ ASESORES, S.L.L.
	VACA DELGADO ANDRES JESUS	
UCAR ESTEBAN ROSARIO		VASALLO RAPELA ASESORES, S.L.
	VACCEOS GESTORES, S.L.	
UGARTE ASOCIADOS SERVICIOS EMPRESARIALES, S.L.		VAZQUEZ DIEGUEZ JOSE ANDRES
	VADILLO ALMAGRO MARIA VICTORIA	
UNIPRASA, S.L.P.		VAZQUEZ FERREIRO ALFONSO
	VALCARCEL LOPEZ ALFONSO	
URBANA SOLUCIONES INTELIGENTES, S.L.		VAZQUEZ FIGUEIRAS JULIA
	VALCARCEL GRANDE FRANCISCO JAVIER	
URBANSUR GLOBAL, S.L.		VAZQUEZ SANTOS CRISTINA
	VALENCIA TRENADO MANUEL RODRIGO	
URIAGUERECA CARRILERO FRANCISCO JAVIER		VEGA & ASOCIADOS, S.C.C.L.
	VALENZUELA TENA CARMEN	
URIBITARTE FINANCIAL, S.L.		VEGA GARCIA CRISTIAN
	VALOR AFEGIT OSONA, S.L.	
URRERO SANTIAGO LUIS		VEIGUELA LASTRA CARLOS MARIA
	VAN CAMP VANESSA IRMA	
USKARTZE, S.L.		VEJERIEGA CONSULTING, S.L.
	VAQUERO GOMEZ JOSE MANUEL	

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VELASCO FERNANDEZ ALFONSO

VISEN ARTEMIZA

VIGUE PUJOL, S.L.

VELASCO LOZANO FRANCISCO

VIVER MIR JAIME JAVIER

VILA BARCELO ALFONS

VENZAL CONTRERAS FRANCISCO JAVIER

VIVIAL ASESORAMIENTO Y ALQUILERES, S.L.

VILAR AVIÑO ASESORES, S.L.P.

VIA LUSITANA COMUNICACION, S.L.

WALS FERNANDEZ PETRA

VILLACE MEDINA JUAN CARLOS

VICENTE GONZALEZ ANGEL

WEISSE KUSTE, S.L.

VILLAGRASA ROS ANTONIO

VICENTE JUAN ASESORES, S.L.

WERHEIT SCHUH HERMANN JOSEF

VILLAR MIR CONCEPCION

VICENTE OYA AMATE Y DOS MAS, C.B.

WHITE ORR ROBERT HENRY

VILLORO OLLE ROGER

VICENTE ROJAS MARIA INMACULADA

WIZNER FAMILY OFFICE, S.L.

VINYES SABATA MERCÉ

VIDAL ARAGON DE OLIVES GERARDO IGNACIO

XESDEZA, S.L.

VIÑA ARASA RICARDO

VIDAL JAMARDO LUIS RAMON

XESPRODEM ASESORES, S.L.L.

VIÑAO BALLARIN MARIA ANGELES

VIDAL TROITIÑO MARIA DE LA CONCEPCION

XESTADEM, S.L.

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YBIS XXI, S.L.

ZURAWKA ERHARD RUDOLF

YLLANA Y CABRERIZO CONSULTORES, S.L.

ZUZENBIDE KONTUAK KOOP ELK TXIKIA

YUSTE SORIANO MARIA BELEN

ZAHIR ASESORES TRIBUTARIOS, S.L.

ZALTYS, S.L.

ZATOSTE,S.L.

ZONA ENERGIA, S.L.

ZONA JURIDICA AGENTE, S.L.

ZUBIZARRETA UNCETA AITOR

ZUBIZUA, S.L.

ZUECO GIL JESUS ANGEL



## Glossary

<b>Adjusted acquisition cost</b>	The acquisition cost of the securities less accumulated amortizations, plus interest accrued, but not net of any other valuation adjustments.
<b>Amortized cost</b>	The amortized cost of a financial asset is the amount at which it was measured at initial recognition minus principal repayments, plus or minus, as warranted, the cumulative amount taken to profit or loss using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or change in measured value.
<b>Associates</b>	Companies in which the Group has a significant influence, without having control. Significant influence is deemed to exist when the Group owns 20% or more of the voting rights of an investee directly or indirectly.
<b>Available-for-sale financial assets</b>	Available-for-sale (AFS) financial assets are debt securities that are not classified as held-to-maturity investments or as financial assets designated at fair value through profit or loss (FVTPL) and equity instruments that are not subsidiaries, associates or jointly controlled entities and have not been designated as at FVTPL.
<b>Basic earnings per share</b>	Calculated by dividing profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.
<b>Business combination</b>	A business combination is a transaction, or any other event, through which a single entity obtains the control of one or more businesses.
<b>Cash flow hedges</b>	Those that hedge the exposure to variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could effect profit or loss.
<b>Commissions and fees</b>	Income and expenses relating to commissions and similar fees are recognized in the consolidated income statement using criteria that vary according to their nature. The most significant income and expense items in this connection are:
	-Fees and commissions relating linked to financial assets and liabilities measured at fair value through profit or loss, which are recognized when collected.
	-Fees and commissions arising from transactions or services that are provided over a period of time, which are recognized over the life of these transactions or services.
	-Fees and commissions generated by a single act are accrued upon execution of that act.
<b>Contingencies</b>	Current obligations of the entity arising as a result of past events whose existence depends on the occurrence or non-occurrence of one or more future events independent of the will of the entity.
<b>Contingent liabilities</b>	Possible obligations of the entity that arise from past events and whose existence depends on the occurrence or non-occurrence of one or more future events independent of the entity's will and that could lead to the recognition of financial assets.

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<b>Contingent risks</b>	Transactions through which the entity guarantees commitments assumed by third parties in respect of financial guarantees granted or other types of contracts.
<b>Correlation risk</b>	Correlation risk is related to derivatives whose final value depends on the performance of more than one underlying asset (primarily, stock baskets) and indicates the existing variability in the correlations between each pair of assets.
<b>Current service cost</b>	Current service cost is the increase in the present value of a defined benefit obligation resulting from employee service in the current period.
<b>Current tax assets</b>	Taxes recoverable over the next twelve months.
<b>Current tax liabilities</b>	Corporate income tax payable on taxable profit for the year and other taxes payable in the next twelve months.
<b>Debt certificates</b>	Obligations and other interest-bearing securities that create or evidence a debt on the part of their issuer, including debt securities issued for trading among an open group of investors, that accrue interest, implied or explicit, whose rate, fixed or benchmarked to other rates, is established contractually, and take the form of securities or book-entries, irrespective of the issuer.
<b>Deferred tax assets</b>	Taxes recoverable in future years, including loss carryforwards or tax credits for deductions and tax rebates pending application.
<b>Deferred tax liabilities</b>	Income taxes payable in subsequent years.
<b>Defined benefit plans</b>	Defined contribution plans are retirement benefit plans under which amounts to be paid as retirement benefits are determined by contributions to a fund together with investment earnings thereon. The employer's obligations in respect of its employees current and prior years' employment service are discharged by contributions to the fund.
<b>Defined contribution plans</b>	Post-employment obligation under which the entity, directly or indirectly via the plan, retains the contractual or implicit obligation to pay remuneration directly to employees when required or to pay additional amounts if the insurer, or other entity required to pay, does not cover all the benefits relating to the services rendered by the employees when insurance policies do not cover all of the corresponding post-employees benefits.
<b>Deposits from central banks</b>	Deposits of all classes, including loans and money market operations, received from the Bank of Spain and other central banks.
<b>Deposits from credit institutions</b>	Deposits of all classes, including loans and money market operations received, from credit entities.
<b>Deposits from customers</b>	Redeemable cash balances received by the entity, with the exception of debt certificates, money market operations through counterparties and subordinated liabilities that are not received from either central banks or credit entities. This category also includes cash deposits and consignments received that can be readily withdrawn.

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<b>Diluted earnings per share</b>	This calculation is similar to that used to measure basic earnings per share, except that the weighted average number of shares outstanding is adjusted to reflect the potential dilutive effect of any stock options, warrants and convertible debt instruments outstanding the year. For the purpose of calculating diluted earnings per share, an entity shall assume the exercise of dilutive warrants of the entity. The assumed proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the period shall be treated as an issue of ordinary shares for no consideration. Such shares are dilutive and are added to the number of ordinary shares outstanding in the calculation of diluted earnings per share.
<b>Early retirements</b>	Employees that no longer render their services to the entity but which, without being legally retired, remain entitled to make economic claims on the entity until they formally retire.
<b>Economic capital</b>	Eligible capital for regulatory capital adequacy calculations.
<b>Economic profit</b>	This metric measures the part of attributable adjusted profit (attributable profit + adjustment for expected loss, net income and valuation) in excess of the cost of equity employed, and measures the profits generated in excess of market expectations of returns on equity capital. This is used at the management level; for annual public reporting; for incentives in some business areas; and in the Group's value map.
<b>Effective interest rate</b>	Discount rate that exactly equals the value of a financial instrument with the cash flows estimated over the expected life of the instrument based on its contractual period as well as its anticipated amortization, but without taking the future losses of credit risk into consideration.
<b>Employee expenses</b>	All compensation accrued during the year in respect of personnel on the payroll, under permanent or temporary contracts, irrespective of their jobs or functions, irrespective of the concept, including the current costs of servicing pension plans, own share based compensation schemes and capitalized personnel expenses. Amounts reimbursed by the state Social Security or other welfare entities in respect of employee illness are deducted from personnel expenses.
<b>Equity</b>	The residual interest in an entity's assets after deducting its liabilities. It includes owner or venturer contributions to the entity, at incorporation and subsequently, unless they meet the definition of liabilities, and accumulated net profits or losses, fair value adjustments affecting equity and, if warranted, minority interests.
<b>Equity instruments</b>	An equity instrument that evidences a residual interest in the assets of an entity after deducting all of its liabilities.
<b>Equity method</b>	The method used for the consolidation of the Group's holdings in associates. These holdings are recognized at cost on the purchase date and later evaluated. This amount will then be increased or decreased based on the differences that, after said date, the equity of the entity experiences and that corresponds to the investing institution, after considering the dividends received from them and other equity eliminations. The income statement of the investing institution shall include the corresponding proportion in the earnings of the investee.

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<b>Exchange/translation differences</b>	Exchange differences (PyL): Includes the earnings obtained in currency trading and the differences arising on translating monetary items denominated in foreign currency to the functional currency. Exchange differences (valuation adjustments): those recorded due to the translation of the financial statements in foreign currency to the functional currency of the Group and others recorded against equity.
<b>Fair value</b>	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
<b>Fair value hedges</b>	Derivatives that hedge the exposure to changes in the fair value of assets and liabilities or firm commitments that have not been recognized, or of an identified portion of said assets, liabilities or firm commitments, attributable to a specific risk, provided it could affect the income statement.
<b>Fees</b>	See Commissions, fees and similar items
<b>Financial guarantees</b>	Contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument, irrespective of its instrumentation. These guarantees may take the form of deposits, technical or financial guarantees, insurance contracts or credit derivatives.
<b>Financial instrument</b>	A financial instrument is any contract that gives rise to a financial asset of one entity and to a financial liability or equity instrument of another entity.
<b>Financial liabilities at amortized cost</b>	Financial liabilities that do not meet the definition of financial liabilities designated at fair value through profit or loss and arise from the financial entities' ordinary activities to capture funds, regardless of their instrumentation or maturity.
<b>Full consolidation method</b>	Method used for the consolidation of the accounts of the Group's subsidiaries. The assets and liabilities of the Group entities are incorporated line-by-line on the consolidated balance sheets, after conciliation and the elimination in full of intragroup balances, including amounts payable and receivable.
	Group entity income statement income and expense headings are similarly combined line by line into the consolidated income statement, having made the following consolidation eliminations: a) income and expenses in respect of intragroup transactions are eliminated in full. b) profits and losses resulting from intragroup transactions are similarly eliminated.
	The carrying amount of the parent's investment and the parent's share of equity in each subsidiary are eliminated.
<b>Gains or losses on financial assets and liabilities, net</b>	This heading reflects fair value changes in financial instruments - except for changes attributable to accrued interest upon application of the interest rate method and asset impairment losses (net) recognized in the income statement - as well as gains or losses generated by their sale - except for gains or losses generated by the disposal of investments in subsidiaries, jointly controlled entities and associates and of securities classified as held to maturity.
<b>Goodwill</b>	Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not able to be individually identified and separately recognized.

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<b>Hedges of net investments in foreign operations</b>	Foreign currency hedge of a net investment in a foreign operation .
<b>Hedging derivatives</b>	Derivatives designated as hedging instruments in an accounting hedge. The fair value or future cash flows of those derivatives is expected to offset the differences in the fair value or cash flows of the items hedged.
<b>Held-to-maturity investments</b>	Held-to-maturity investments are financial assets traded on an active market, with fixed maturity and fixed or determinable payments and cash flows that an entity has the positive intention and financial ability to hold to maturity.
<b>Held for trading (assets and liabilities)</b>	Financial assets and liabilities acquired or incurred primarily for the purpose of profiting from variations in their prices in the short term.
	This category also includes financial derivatives not qualifying for hedge accounting, and in the case of borrowed securities, financial liabilities originated by the firm sale of financial assets acquired under repurchase agreements or received on loan ("short positions").
<b>Impaired/doubtful/non-performing portfolio</b>	Financial assets whose carrying amount is higher than their recoverable value, prompting the entity to recognize the corresponding impairment loss.
<b>Impaired financial assets</b>	A financial asset is deemed impaired, and accordingly restated to fair value, when there is objective evidence of impairment as a result of one or more events that give rise to:
	1. A measurable decrease in the estimated future cash flows since the initial recognition of those assets in the case of debt instruments (loans and receivables and debt securities).
	2. A significant or prolonged drop in fair value below cost in the case of equity instruments.
<b>Income from equity instruments</b>	Dividends and income on equity instruments collected or announced during the year corresponding to profits generated by investees after the ownership interest is acquired. Income is recognized gross, i.e., without deducting any withholdings made, if any.
<b>Insurance contracts linked to pensions</b>	The fair value of insurance contracts written to cover pension commitments.
<b>Inventories</b>	Assets, other than financial instruments, under production, construction or development, held for sale during the normal course of business, or to be consumed in the production process or during the rendering of services. Inventories include land and other properties held for sale at the real estate development business.
<b>Investment properties</b>	Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for own use or sale in the ordinary course of business.

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<b>Jointly controlled entities</b>	Companies that form a joint business and, consequently, over which the Group exercises joint control. A joint business is a contractual agreement by virtue of which two or more entities undertake an economic activity under joint control; that is, a contractual agreement to share the power to guide the financial and operation policies of an entity or other economic activity, so as to benefit from its operations, and in which the unanimous consent of all participants is required in all financial and operational strategic decision-making.
<b>Leases</b>	A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time, a stream of cash flows that is essentially equivalent to the combination of principal and interest payments under a loan agreement.
	a) A lease is classified as a finance lease when it substantially transfers all the risks and rewards incidental to ownership of the asset forming the subject-matter of the contract.
	b) A lease will be classified as operating lease when it is not a financial lease.
<b>Liabilities associated with non-current assets held for sale</b>	The balance of liabilities directly associated with assets classified as non-current assets held for sale, including those recognized under liabilities in the entity's balance sheet at the balance sheet date corresponding to discontinued operations.
<b>Liabilities under insurance contracts</b>	The technical reserves of direct insurance and inward reinsurance recorded by the consolidated entities to cover claims arising from insurance contracts in force at period-end.
<b>Loans and advances to customers</b>	Loans and receivables, irrespective of their type, granted to third parties that are not credit entities.
<b>Loans and receivables</b>	Financial instruments with determined or determinable cash flows and in which the entire payment made by the entity will be recovered, except for reasons attributable to the solvency of the debtor. This category includes both the investments from the typical lending activity (amounts of cash available and pending maturity by customers as a loan or deposits lent to other entities, and unlisted debt certificates), as well as debts contracted by the purchasers of goods, or users of services, that form part of the entity's business. It also includes all finance lease arrangements in which the consolidated subsidiaries act as lessors.
<b>Minority interests</b>	The net amount of the profit or loss and net assets of a subsidiary attributable to associates outside the group (that is, the amount that is not owned, directly or indirectly, by the parent), including that amount in the corresponding part of the consolidated earnings for the period.
<b>Mortgage-covered bonds</b>	Financial asset or security created from mortgage loans and backed by the guarantee of the mortgage loan portfolio of the entity.
<b>Non-current assets held for sale</b>	A non-current asset or disposal group, whose carrying amount is expected to be realized through a sale transaction, rather than through continuing use, and which meets the following requirements: a) it is immediately available for sale in its present condition at the balance sheet date, i.e. only normal procedures are required for the sale of the asset. b) the sale is considered highly probable.

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<b>Non-monetary assets</b>	Assets and liabilities that do not provide any right to receive or deliver a determined or determinable amount of monetary units, such as tangible and intangible assets, goodwill and ordinary shares subordinate to all other classes of capital instruments.
<b>Non Performing Loans (NPL)</b>	The balance of non performing risks, whether for reasons of default by customers or for other reasons as detailed in section II of Annex IX of Bank of Spain Circular 04/2004, for exposures on balance loans to customers. This figure is shown gross: in other words, it is not adjusted for value corrections (loan loss reserves) made.
<b>NPA Covered ratio</b>	Impairment allowances (generic, specific and country risk allowance) as a percentage of the non performing assets (the sum of Substandard loans and advances to customers and Substandard contingent liabilities to customers)
<b>NPA ratio</b>	Represents the sum of Substandard loans and advances to customers and Substandard contingent liabilities to customers divided by the sum of Loans and advances to customers and Contingent liabilities to customers.
<b>Other instruments equity</b>	This heading reflects the increase in equity resulting from various forms of owner contributions, retained earnings, restatements of the financial statements and valuation adjustments.
<b>Other financial assets/liabilities at fair value through profit or loss</b>	Instruments designated by the entity from the start at fair value with changes in profit or loss. Only the following can be included in the category: assets and liabilities that are deemed "hybrid financial assets and liabilities" and for which the fair value of the embedded derivatives cannot be reliably determined.
	These are financial assets managed jointly with "Liabilities under insurance contracts" valued at fair value, in combination with derivatives written with a view to significantly mitigating exposure to changes in these contracts' fair value, or in combination with financial liabilities and derivatives designed to significantly reduce global exposure to interest rate risk.
	These headings also include customer loans and deposits effected via so-called unit-linked life insurance contracts, in which the policyholder assumes the investment risk.
<b>Own/treasury shares</b>	The amount of own equity instruments held by the entity.
<b>Past service cost</b>	It is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits.
<b>Post-employment benefits</b>	Retirement benefit plans are arrangements whereby an enterprise provides benefits for its employees on or after termination of service.
<b>Property, plant and equipment/tangible assets</b>	Buildings, land, fixtures, vehicles, computer equipment and other facilities owned by the entity or acquired under finance leases.

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<b>Proportionate consolidation method</b>	Method used for the integration of the accounts of the jointly-controlled entities in the Consolidated Financial Statements. The aggregation of the different headings of the balance sheet and income statement of the entities to the consolidated financial statements through this method is performed in the proportion of the Group's holding in its capital, excluding the portion corresponding to its own equity instruments. In the same proportion, reciprocal credit and debits will be eliminated, as will be the income, expenses and earnings from internal transactions.
<b>Provisions</b>	Provisions include amounts recognized to cover the Group's current obligations arising as a result of past events, certain in terms of nature but uncertain in terms of amount and/or cancellation date.
<b>Provisions for contingent liabilities and commitments</b>	Provisions recorded to cover exposures arising as a result of transactions through which the entity guarantees commitments assumed by third parties in respect of financial guarantees granted or other types of contracts, and provisions for contingent commitments, i.e., irrevocable commitments which may arise upon recognition of financial assets.
<b>Provision for credit losses</b>	Provisions recognized during the year, net of recoveries on amounts provisioned in prior years, with the exception of provisions for pensions and contributions to pension funds which constitute current or interest expense.
<b>Provisions for pensions and similar obligation</b>	Constitutes all provisions recognized to cover retirement benefits, including commitments assumed vis-à-vis beneficiaries of early retirement and analogous schemes.
<b>Public-covered bonds</b>	Financial asset or security created from public loans and backed by the guarantee of the public debt portfolio of the entity.
<b>Recurrent economic profit (EP) from ongoing operations</b>	This indicator measures the contribution of the year's profit, after deducting the cost of the capital used. The calculation of EP requires a series of adjustments to be made to the accounting net attributable profit to enable an economic profit to be obtained, including the replacement of the accounting provisions for expected loss, as well as the change in value of the Group's equity elements (change in unrealized gains, change in the BV of investees, change in value of the treasury stock, etc).
<b>Refinanced Operation</b>	An operation which is totally or partially brought up to date with its payments as a result of a refinancing operation made by the entity itself or by another company in its group.
<b>Refinancing Operation</b>	An operation which, irrespective of the holder or guarantees involved, is granted or used for financial or legal reasons related to current or foreseeable financial difficulties that the holder(s) may have in settling one or more operations granted by the entity itself or by other companies in its group to the holder(s) or to another company or companies of its group, or through which such operations are totally or partially brought up to date with their payments, in order to enable the holders of the settled or refinanced operations to pay off their loans (principal and interest) because they are unable, or are expected to be unable, to meet the conditions in a timely and appropriate manner.



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<b>Renewal Operation</b>	An operation arranged to replace another one granted previously by the entity itself, when the borrower is not experiencing financial difficulties, and is not expected to experience them in the future, i.e. the operation is arranged for reasons other than refinancing.
<b>Restructured Operation</b>	An operation whose financial conditions are modified for economic or legal reasons related to the holder's (or holders') current or foreseeable financial difficulties, in order to enable payment of the loan (principal and interest), because the holder is unable, or is expected to be unable, to meet those conditions in a timely and appropriate manner, even if such modification is provided for in the contract. In any event, the following are considered restructured operations: operations in which a haircut is made or assets are received in order to reduce the loan, or in which their conditions are modified in order to extend their maturity, change the amortization table in order to reduce the amount of the installments in the short term or reduce their frequency, or to establish or extend the grace period for the principal, the interest or both; except when it can be proved that the conditions are modified for reasons other than the financial difficulties of the holders and, are similar to those applied on the market on the modification date for operations granted to customers with a similar risk profile.
<b>Reserves</b>	Accumulated net profits or losses recognized in the income statement in prior years and retained in equity upon distribution. Reserves also include the cumulative effect of adjustments recognized directly in equity as a result of costs in the issue or reduction of own equity instruments, sale of own equity instruments, actuarial gains on pension plans and the retroactive restatement of the financial statements due to changes in accounting policy and the correction of errors.
<b>Securitization fund</b>	A fund that is configured as a separate equity and administered by a management company. An entity that would like funding sells certain assets to the securitization fund, which, in turn, issues securities backed by said assets.
<b>Share premium</b>	The amount paid in by owners for issued equity at a premium to the shares' nominal value.
<b>Short positions</b>	Financial liabilities arising as a result of the final sale of financial assets acquired under repurchase agreements or received on loan.
<b>Subordinated liabilities</b>	Financing received, regardless of its instrumentation, which ranks after the common creditors in the event of a liquidation.

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<b>Subsidiaries</b>	<p>Companies over which the Group exercises control. An entity is presumed to have control over another when it possesses the right to oversee its financial and operational policies, through a legal, statutory or contractual procedure, in order to obtain benefits from its economic activities. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of an entity's voting power, unless, exceptionally, it can be clearly demonstrated that ownership of more than one half of an entity's voting rights does not constitute control of it. Control also exists when the parent owns half or less of the voting power of an entity when there is:</p> <ul style="list-style-type: none"> <li>a) An agreement that gives the parent the right to control the votes of other shareholders;</li> <li>b) Power to govern the financial and operating policies of the entity under a statute or an agreement; power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body;</li> <li>c) Power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.</li> </ul>
<b>Substandard risk</b>	<p>All debt instruments and contingent risks which do not meet the criteria to be classified individually as non-performing or written-off, but show weaknesses that may entail for the entity the need to assume losses greater than the hedges for impairment of risks subject to special monitoring.</p>
<b>Stockholders' funds</b>	<p>Contributions by stockholders, accumulated earnings recognized in the income statement and the equity components of compound financial instruments.</p>
<b>Structured credit products</b>	<p>Special financial instrument backed by other instruments building a subordination structure.</p>
<b>Tax liabilities</b>	<p>All tax related liabilities except for provisions for taxes.</p>
<b>Trading derivatives</b>	<p>The fair value in favor (assets) or again (liabilities) of the entity of derivatives not designated as accounting hedges.</p>
<b>TSR</b>	<p>Total Shareholder Return. The total return of a stock to an investor (capital gain plus dividends)</p>
<b>Unit-link</b>	<p>This is life insurance in which the policyholder assumes the risk. In these policies, the funds for the technical insurance provisions are invested in the name of and on behalf of the policyholder in shares of Collective Investment Institutions and other financial assets chosen by the policyholder, who bears the investment risk.</p>

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<b>Value at Risk (VaR)</b>	<p>Value at Risk (VaR) is the basic variable for measuring and controlling the Group's market risk. This risk metric estimates the maximum loss that may occur in a portfolio's market positions for a particular time horizon and given confidence level</p>
	<p>VaR figures are estimated following two methodologies:</p> <ul style="list-style-type: none"> <li>a) VaR without smoothing, which awards equal weight to the daily information for the immediately preceding last two years. This is currently the official methodology for measuring market risks vis-à-vis limits compliance of the risk.</li> <li>b) VaR with smoothing, which weights more recent market information more heavily. This is a metric which supplements the previous one.</li> </ul>
	<p>VaR with smoothing adapts itself more swiftly to the changes in financial market conditions, whereas VaR without smoothing is, in general, a more stable metric that will tend to exceed VaR with smoothing when the markets show less volatile trends, while it will tend to be lower when they present upturns in uncertainty.</p>



**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

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## **BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

# **Management report for the year ended December 31, 2015**

## **1. Introduction**

Banco Bilbao Vizcaya Argentaria, S.A. (the “Bank” or “BBVA”) is a private-law entity governed by the rules and regulations applicable to banks operating in Spain. The Bank conducts its business through branches and offices located throughout Spain and abroad.

The management report of BBVA, S.A. has been prepared from the individual accounting and management records of Banco Bilbao Vizcaya Argentaria, SA

BBVA is the parent company of the BBVA Group (hereinafter, “the Group”). It is an internationally diversified group with a significant presence in the business of traditional retail banking, asset management and wholesale banking.

The financial information included in this management report is presented in accordance with the criteria established by the Bank of Spain Circular 4/2004, of December 22, on Public and Confidential Financial Reporting Rules and Formats for Financial Statements, and its subsequent amendments.

## **2. Economic outlook**

The most probable global economic scenario for 2016 will be a growth slightly above 3% for the fifth year in a row. These historically moderate levels offer limited and fragile prospects of improvement with downside risks.

Three events in 2015 will continue to characterize the global economic scenario in 2016:

- China's transition toward slower and sustainable rates of growth while it rebalances its economy with a greater weight of the service sector;
- the gradual and slow normalization of U.S. monetary policy, which is a benchmark for the financial markets, with rises in interest rates that make emerging markets less attractive and investment projects highly leveraged;
- the rebalancing of commodity prices at lower levels, due to increases in production and the expectations of lower growth in demand.

These uncertainties have led to a significant increase in the volatility of the financial markets, asset price falls and major currency depreciation in emerging countries.

## **3. Balance sheet, business activity and earnings**

The key figures in the Bank's balance sheet with respect to its main business are as follow:

The Bank's total balance sheet as of December 31, 2015 stood at €397,303 million (€403,841 million in 2014). At the close of 2015, “Loans and receivables - Loans and advances to customers” amounted to €197,422 million, compared with €203,865 million for the previous year. As of December 31, 2015, customer deposits stood at €187,118 million (€187,731 million in 2014).

In 2015, the Bank had a net profit after tax of €2,864 million euros (€1,105 million in 2014). Operating expenses increased from €3,664 million in 2014 to €3,756 million in 2015. Gross income for 2015 totaled €7,701 million, compared with €8,533 million in 2014. Net interest income in 2015 stood at €3,339 million (€3,270 million in 2014).

## **4. Risk management**

BBVA's risk management system is outlined in Note 5, Risk Management, of the accompanying Financial Statements.

## 5. BBVA Group solvency and capital ratios

### The BBVA Group's capital ratios

BBVA Group's solvency and capital ratios required by the regulation in force are outlined in Note 27 of the accompanying Financial Statements.

## 6. Environmental information

### 6.1. Environmental commitment

The BBVA Group prioritizes sustainable development. As a financial institution, the Group's activities have a significant impact on the environment: be it through its consumption of natural resources, management of its properties, use of paper, travel, etc. (direct impacts), or through the consequences for the environment of the products and services it provides, particularly those related to financing, asset management and management of its chain of suppliers (indirect impacts).

### 6.2. Aims of the environmental policy

The objectives of the BBVA Group's environmental policy are as follows:

- To comply with prevailing environmental legislation where the BBVA Group operates.
- To continuously improve the identification and management of environmental risks in the Group's financial and investment operations.
- To integrate the environmental variables into the development of financial products and services.
- To reach Eco-efficiency in the use of natural resources, setting and fulfilling objectives for improvement as set out in the Global Eco-efficiency Plan.
- To manage direct impacts through an environmental management system based on ISO 14001 and other recognized environmental certifications.
- To have a positive influence on the environmental behavior of stakeholders through communication and raising awareness of the importance of the environment as an additional input in business and human management practice.
- To inform, raise awareness of, and train employees in environmental issues.
- To provide support for sponsorship, voluntary work and environmental research.
- To provide support for the main initiatives aimed at fighting and preventing climate change.

The main international environmental commitments undertaken by the BBVA Group are:

- United Nations Global Compact (since 2002): [www.globalcompact.org](http://www.globalcompact.org)
- UNEP- FI (since 1998): [www.unepfi.org](http://www.unepfi.org)
- Equator Principles (since 2004): [www.equator-principles.com](http://www.equator-principles.com)
- Carbon Disclosure Project (since 2004): [www.cdproject.net](http://www.cdproject.net)
- Principles for Responsible Investment (since 2008) [www.unpri.org](http://www.unpri.org)

### 6.3. Environmental policy scope, governance and review

This environmental policy has worldwide scope and affects all the activities undertaken by the Group.

The Eco-efficiency and Responsible Procurement Committee is responsible for coordinating the Environmental Policy and ensuring compliance with it through an environmental management system. The members of the BBVA Group's Management Committee oversee correct compliance with this Policy. To this end, its members strive to develop and oversee the implementation of this Policy in the Group. This Policy will be reviewed and updated at least every two years.

### 6.4. Main environmental actions in 2015

The main environmental actions that the BBVA Group carried out in 2015 are as follows:

- Global Eco-Efficiency Plan for 2013-2015, which establishes the following objectives:
  - 6% reduction in CO2 emissions (per employee).
  - 3% reduction in paper consumption (per employee).
  - 3% reduction in water consumption (per employee).
  - 3% reduction in energy consumption (per employee).
  - 33% of employees working in buildings awarded environmental certifications.
- Improved environmental risk management systems in project finance through Equator Principles and in determining borrower credit profiles through the tool Ecorating.
- Social and environmental risk training for the Group's risk analysts.
- Leadership in financing of renewable energy projects internationally.
- Activity with multilateral institutions that contribute to regional development through the project finance and trading operations, mainly in the agricultural and energy efficiency sectors.
- Support for major international initiatives to fight against climate change such as CDP, Green Bonds Principles, Global Investor Statement on Climate Change, declaration of the European Financial Services Roundtable in support of a response to climate change and the Joint Declaration on Energy Efficiency in the financial sector, promoted by UNEP FI.
- Accession to the Green Growth Group of Spain, a platform for public-private collaboration in order to advance together in the fight against climate change and to a low-carbon economy.
- Development of ambitious environmental sponsorship programs, particularly through the BBVA Foundation. Worth noting are the BBVA Foundation Frontiers of Knowledge awards in the Ecology, Conservation Biology and Climate Change categories, each provided with €400,000, as well as the BBVA Foundation Award for Biodiversity Conservation which carry a total cash prize of €580,000
- Environmental awareness-raising activities with the Group's employees.

As of December 31, 2015, there are no items in the BBVA Group's consolidated Financial Statements that warranted inclusion in the separate environmental information document set out in the Ministry of Economy Order dated October 8, 2001.

## 7. Customer Care Service and Customer Ombudsman

In accordance with the stipulations of Article 17 of the Ministry of Economy Order ECO/734/2004, dated March 11, regarding customer care and consumer ombudsman departments at financial institutions, and in line with the new "Regulations for Customer Protection in Spain" of the BBVA Group approved by the BBVA Board of Directors on September 27, 2011, regulating the activities and powers of the Customer Care Service and Customer Ombudsman, and a summary of related activities. The summary in 2015 is included below.

The Customer Care Service processes all the grievances and complaints addressed to the Customer Ombudsman and to the Customer Care Service itself, except for those which under the new Regulations are the responsibility of the Customer Ombudsman.

## 7.1. Report on the activity of the Customer Care Service department

### Statistical summary of the grievances and complaints handled in 2015

The number of customer complaints received by the BBVA's Customer Care Service in Spain in 2015 is 15,440, of which 1,879 have finally not been processed because they did not meet the requirements of Ministerial Order ECO/734. A total of 93.8% of the complaints, 12,726 cases, have been resolved within the year, and 835 complaints had not yet been analyzed as of December 31, 2015.

The grievances and complaints handled are classified:

Type of Complaint to the Customer Care Service	Percentage of Complaints
Resources	29.1%
Asset products/Loans	21.2%
Collection and payment services	19.0%
Financial counselling and quality service	9.6%
Credit cards	7.9%
Securities and equity portfolios	4.5%
Insurances	0.8%
Other	7.9%
<b>Total</b>	<b>100%</b>

The complaints handled in 2015, broken down by the nature of their final resolution, are as follows:

Resolution for Complaints to the Customer Service Center	Number of Complaints
In favor of the person submitting the complaint	4,167
Partially in favor of the person submitting the complaint	1,546
In favor of the BBVA Group	7,013
<b>Total</b>	<b>12,726</b>

The principles and methods used by the Customer Care Service to resolve complaints are based on the application of the rules on transparency and customer protection and best banking practices. This department adopts its decisions independently, notifying the various units involved of any actions which require review or adaptation to the related regulations.

### Recommendations or suggestions

In 2015 the Customer Care Service department consolidated the initiatives which begun in 2014 and strengthened the governance of Quality, in accordance with the corporate strategy and objectives that the Group has for Service Quality, while complying with European guidelines established by the competent authorities, according to the joint report on the management of ESMA and EBA complaints.

Work teams have been organized to correct operational errors and bad commercial practices, backed by senior management and extended to the rest of the organization.

In addition, the criteria and policies for action with respect to complaints are being updated in coordination with a number of departments, as are specific training plans that provide the knowledge needed to work on claim resolution, in line with the recommendations of regulatory bodies.

The area was also transformed in 2015 with the aim of ensuring that the Customer Care Service department focuses all its efforts on the customers, and on providing a reasoned response to them. The management of claims has been centralized to guarantee that criteria are applied uniformly.



In addition, a new complaints management tool has been established with a single repository that includes all the information available relating to the management of complaints and claims. It allows a more precise analysis of the data, including both the reasons and the basic elements of the decision, with the aim of resolving the deficiencies detected and providing internal recommendations to the team and the Bank's different organizational levels.

This more exhaustive analysis of the data allows better identification of any recurring or potential systemic problem, detecting weaknesses and aiming to ensure compliance with the transparency regulations and good banking practice. The above are the priorities of this Service, as is improving the quality of the service we provide to our customers.

## 7.2. Report on the activity of BBVA's Customer Ombudsman

### Statistical summary of grievances and complaints handled in 2015

The number of customer complaints received by BBVA's Customer Ombudsman in 2015 was 834. Of these, 41 have finally not been processed as they did not fulfill the requirements of Ministerial Order ECO/734. 90.16% (752 complaints) of the complaints were resolved within the year, with 41 complaints still pending assessment as of December 31, 2015.

The grievances and complaints handled are classified in the table below in line with the criteria established by the Complaints Service of the Bank of Spain in its requests for information:

Type of Complaint to the Customer Ombudsman	Number of Complaints
Assets operations	158
Investment services	59
Liabilities operations	100
Other banking products (cash, ATM, etc.)	40
Collection and payment services	43
Insurance and welfare products	343
Other	91
<b>Total</b>	<b>834</b>

The details of the complaints resolved in 2015, broken down according to their final resolution, are as follows:

Resolution for Complaints of the Ombudsman	Number of Complaints
In favor of the person submitting the complaint	2
Partially in favor of the person submitting the complaint	482
In favor of the BBVA Group	268
<b>Total</b>	<b>752</b>

Based on the above, it can be concluded that more than 60.78% of customers bringing a complaint before the Customer Ombudsman were in some way satisfied, either as a consequence of Ombudsman's formal resolution or because of the outcome of its action as mediator between the customer and the Bank.

The Customer Ombudsman's decisions are based on current legislation, on the contractual relationships in place between the parties, on current standards on transparency and customer protection, on best banking practices and, especially, on the principle of equity.

Independence is an essential aspect of the Customer Ombudsman. Resolutions by the Ombudsman that are favorable to the customer are binding on BBVA.

## Recommendations or suggestions

Among the various initiatives implemented by the Bank at the behest of the Ombudsman in 2015, we would highlight the following:

- Suggestions have been made to relevant departments, for improving the Bank's claims system which can contribute to a better and more satisfactory customer service.
- Recommendations for clarity, simplicity and transparency of the information provided to customers on products and services offered by the Bank, as well as improving personal treatment quality with those.
- There have been recommendations on the suitability of matching product profile with customer profile, advertising and marketing and to streamline and improve insurance claims management.
- In partnership with Quality, Legal Services in Spain and Portugal, and the Customer Care Service, a Quality Committee has been set up, which meets on a monthly basis with the participation of various of the Group's Units and Areas in Spain to discuss and share problems, ideas or suggestions related to the grievances and complaints lodged by the customers, in order to improve the Group's complaints system and thus contribute to providing better and more satisfactory care to the customers.
- Group representatives are in constant contact and meet regularly with the Complaints Service of the Bank of Spain, the CNMV and the Spanish General Directorate of Insurance and Pension Funds, with the common goal of harmonizing criteria and fostering more robust customer protection and security.

Customers not satisfied with the resolution of the Customer Ombudsman can appeal before the Bank of Spain, the CNMV or the Spanish General Directorate of Insurance and Pension Funds. The Ombudsman always informs the customers of this option.

In 2015, 69 complaints by BBVA, S.A. customers were filed before the various public supervisory institutions, which were processed in the Office of the Ombudsman previously.

## 8. Innovation and Technology

### Engineering and Digital Transformation

In 2015, the Group organized its Engineering and Digital Transformation activity around the following lines of action:

- Developing the technological architectures toward more uniform models, boosting the adoption of cloud computing.
- Transforming the Technology production function by incorporating elements of new technologies.
- Optimizing processes in search of improved customer experience, efficiency and operational control.
- Guaranteeing integrated management of security, as well as control of operations and information security.
- Facilitating the integration of Catalunya Banc Group and Garanti Group.

### Infrastructure

The increasing use of digital channels by customers has exponentially increased the processing needs of technological infrastructure. In 2015 the Group continued to make progress in its plan to construct a network of four new next-generation data centers, two in Madrid and two in Mexico, which will operate on a crossed Business Recovery Services (BRS) model. In 2012 the first Data Processing Center (DPC) became operational in Madrid and in 2015 the first entered service in Mexico. In 2016 two additional ones will begin operations in Mexico and Madrid.

In 2015 the BBVA DPC 1 in Madrid obtained Tier IV certification in construction from the Uptime Institute and the LEED® Gold Sustainable Building Certification granted by the U.S. Green Building Council (USGBC). In Mexico, rooms 1 and 2 of the DPC obtained Tier IV certification in construction from the Uptime Institute.

A number of projects have been completed over the year, with the aim of boosting the construction of new corporate headquarters in Spain, Mexico and Chile to improve efficiency, corporate culture and digital transformation. With this aim, work has been carried out on the design of "new forms of work" and the implementation of technological teams to respond to these designs with the aim of creating spaces that favor collaboration, simplicity and improved user experience.

Of note is the technological renewal of the equipment in the branch network in Spain, which has involved the renewal and update of 19,402 pieces of equipment, the replacement of 3,600 financial printers and the acquisition of 2,600 personal scanners. The Ulises Project has been a highlight in Mexico, culminating with the successful installation of more than 1,600 devices (ATMs and "practicajas") in over 600 branches that have been completely refurbished.

## Architecture

Continuing with the technological transformation project begun by BBVA in 2007, the role of Core Banking systems has been strengthened in each of the geographical areas (Spain and Portugal, Mexico, the United States, South America and CIB at global level), with the aim of having modular technological platforms available with a customer-centric vision.

Our main core banking platforms have continued to gain power in products and functionality (product catalog, configurability, etc.), and the migration and/or shutdown of old applications has continued. The data platforms have also carried on their development under the boost from the Informational Platform project, with particular emphasis in Spain and Mexico, also incorporating new technologies that use Big Data into our capabilities.

Similarly, with respect to Architecture the rate of improvement in the channels has been maintained, above all the web channel (bbva.net) and the mobile app channel, with the incorporation of new products and functionalities such as one-click purchase of products and services. There has also been work on the continuous improvement of user experience, with technological foundations that are both solid and innovative (for example, the use of the HTML5 language in the digital channel). Specifically, in Spain there has been progress in migration toward a robust multi-channel architecture focused on integrating Net, Mobile, Branches, etc., and acting as a launching pad for plans in the rest of the countries.

In most of the Group's geographical areas, there has been significant progress in the expansion of three-layer ASO Architecture Services designed to simplify, modularize and reuse our technological services.

In the area of architecture and infrastructure, a new low-cost and scalable processing architecture (APX) has been extended in Spain and Mexico to absorb the exponential flow of transactions efficiently and migrate some of the loads with the biggest impact on processing costs.

Looking forward, an architectural transformation plan has been implemented in two phases:

- The first phase includes a new boost to the adoption of technologies and models for Cloud operations. Infrastructure with low-cost servers, automation and operational scalability (SW-defined everything), platforms constructed "as services" (Middleware, Data, Core Banking, SaaS), with open-source systems and code reuse (global and more uniform developments).
- The second phase focuses on artificial intelligence to capture all the potential for extreme automation of the processes, based on machine learning and cognitive computing technologies.

The aim of this plan, on which the Group is already working, is to provide an architecture that can improve the productivity and reliability of its platforms: process high volumes of transactions at low cost and with the highest levels of stability; develop quality software globally and efficiently; increase the delivery times of our products; and work on automating our productive life cycle.

## Process transformation

In 2015 significant progress has been made on process transformation, providing many processes with multi-channel capacity and aiming to increase of the level of customer satisfaction and loyalty. This goal involves a clear commitment to investment in projects designed to increase customer satisfaction, regardless of the channels through which customers operate. These projects include:

- Progress in implementing BBVA Wallet in Spain, Mexico, various parts of South America and Turkey (where it is called BonusFlas).
- The development and implementation of one-click strategies, which allow quick and easy product purchase.
- Complete renewal of banking websites in Chile and Uruguay and the implementation of the NetCash website for companies in Chile.
- The BBVA Provincial Onboarding project, which aims to improve customer experience, starting from the time the customer makes initial contact with the bank.
- The implementation of the Ekip platform for loans to retailers in Mexico and Chile.
- The development and implementation of the Digital Signature, both in Spain, Mexico and countries in South America.

Finally, it should be noted that the magazine Money chose BBVA Compass as the "Best regional bank in the South and West of the United States" and its BBVA Compass Mobile Banking app as the best mobile application in its annual Best U.S. Banks awards in November 2015.

## **Operational and Technological Risk Management**

In 2015, as part of the organizational reconfiguration of the Engineering area, a Control function called Engineering Risk & Corporate Assurance was set up to develop and maintain the control model, and to manage the active risks related to business and technological processes, within the framework of the Corporate Assurance model.

As part of the business process control model, in 2015 the Operational Control function has focused on implementing a new scheme of standardized control in all the Group's companies and businesses, with the focus on the most relevant processes and risks. At the same time, significant progress has been made in managing the main operational weaknesses.

In terms of Technological Risk, the Group has continued to make progress on the three pillars that make up this discipline: information security, technological fraud management and IT risk management. It is worth highlighting the effort made in 2015 in terms of adapting the levels of information protection to the new challenges arising from the Group's Digital Strategy.

At the same time, in 2015 BBVA CERT (Computer Emergency Response Team) has consolidated its position as the nerve center of BBVA Group's cybersecurity and fraud strategy. CERT carries out all the monitoring, immediate response, limitation and investigation of incidents 24/7, supported by sound analytical and intelligence capabilities to handle both cybersecurity and fraud threats.

In addition, a technological risk measurement methodology was developed and implemented in 2015, based on indicators linked to the international Cobit 5.0 standard. BBVA has also initiated a process of adopting the standard issued by NIST (National Institute for Standards and Technologies) relating to cybersecurity, as a framework of reference for management and control.

Lastly, in the area of Business Continuity improvements are being made to the different procedures for recovering content in the Continuity Plans in the case of low-probability but very high-impact events. Work has been done to update and improve the plans through technical and crisis management tests that also allow training of the people involved in these situations. Some of these plans were fully or partially activated during the year, as in the following cases: the eruption of the volcano Calbuco on the border between Chile and Argentina; the threat posed by Hurricane Patricia in Mexico; and minor seismic movements that nevertheless affected operations in the state of Mérida (Venezuela) and the north of Chile.

## **Catalunya Banc and the Garanti Group**

In Catalunya Banc, one of the relevant milestones achieved in 2015 has been the creation of a complete Business Recovery Services (BRS) environment for its DPC 2 systems in Madrid, with the aim of ensuring the uninterrupted continuity of operations in case of a disaster. The Garanti Group also serves as a key point of reference for best practice in the development and operation of technology through Garanti Teknoloji.

## **9. Other information**

### **9.1. Capital and treasury stock**

Information about common stock and transactions with treasury stock is detailed in Notes 22 and 25 of the accompanying Financial Statements.

### **9.2. Shareholder remuneration and allocation of earnings**

Information about shareholder remuneration and application of earnings can be found in Note 3 of the accompanying Financial Statements.

### **9.3. Average period for payment to suppliers**

The average period payment to suppliers during the year 2015 is 47 days, below the maximum legal limit of 60 days established by Law 15/2010 of July 5, for which measures are put into place combating late payment in commercial transactions. The calculation of the average period for payment was made as established in the Act.

## 10. Subsequent events

After the year ended December 31, 2015, it is expected that on February 2, 2016, under the powers delegated by the Company's AGM held on March 16, 2012, under point five of its agenda, the Board of Directors meeting submits for approval an agreement for the issue of debentures convertible into ordinary BBVA shares, excluding the pre-emptive subscription right.

In case such agreement is approved, and for the purposes set out in articles 414, 417 and 511 of the Spanish Corporations Act, the mandatory Directors report explaining the conversion conditions and types will be issued, justifying the proposal for the abolition of the pre-emptive subscription right, to be accompanied, as appropriate, by another report drafted by an auditor other than the company's auditor, appointed for this purpose by the Companies Register.

The interim dividend approved on December 22, 2015 was paid out on January 12, 2016, as detailed in Note 3.

From January 1, 2016 to the date of preparation of these financial statements, no other subsequent events not mentioned above in these financial statements have taken place that significantly affect the Bank's earnings or its equity position.

## 11. Annual corporate governance report

In accordance with the provisions of Article 540 of the Spanish Corporate Act, the BBVA Group prepared the Annual Corporate Governance Report for 2014 (which is an integral part of the Management Report for that year) following the content guidelines set down in Order ECC/461/2013, dated March 20, and in CNMV Circular 7/2015, dated December 22, including a section detailing the degree to which the Bank is compliant with existing corporate governance recommendations in Spain. In addition, all the information required by Article 539 of the Spanish Corporations Act can be accessed on BBVA's website [www.bbva.com](http://www.bbva.com).

**ANNUAL CORPORATE GOVERNANCE REPORT ON THE PUBLICLY TRADED COMPANIES**

**ISSUER IDENTIFICATION**

REFERENCE YEAR END DATE

31/12/2015

TAX ID No.: A-  
48265169

Registered name: BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Registered Address: Plaza de San Nicolás 4, 48005 Bilbao (Vizcaya)

*This English version is a translation of the original in Spanish for information purposes only. In case of a discrepancy, the Spanish original will prevail.*

**ANNUAL CORPORATE GOVERNANCE REPORT  
ON THE PUBLICLY TRADED COMPANIES**

**A. OWNERSHIP STRUCTURE**

A.1 Fill in the following table on the company's share capital:

Date of last change	Share capital (EUR)	Number of shares	Number of voting rights
26/10/2015	3,119,673,257.82	6,366,680,118	6,366,680,118

Indicate if there are different classes of shares with different rights associated with them.

NO

Class	Number of shares	Nominal unit value	Number of voting rights per unit	Different rights

A.2 Detail the direct and indirect owners of significant holdings in your company at year-end, excluding directors:

Name of shareholder (person or company)	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	

Indicate the most significant movements in the shareholding structure during the year.

Name of shareholder (person or company)	Date of the transaction	Description of the transaction

A.3 Fill in the following tables with the members of the company's Board of Directors with voting rights on company shares:

Name of director	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	
FRANCISCO GONZÁLEZ RODRÍGUEZ	2,023,183		1,626,151	0.06%
CARLOS TORRES VILA	108,454			0.00%
TOMÁS ALFARO DRAKE	16,421			0.00%
JOSÉ MIGUEL ANDRÉS TORRECILLAS	10,252			0.00%
RAMÓN BUSTAMANTE Y DE LA MORA	14,616		2,835	0.00%

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JOSÉ ANTONIO FERNÁNDEZ RIVERO	71,796			0.00%
IGNACIO FERRERO JORDI	4,634		86,269	0.00%
BELÉN GARIJO LÓPEZ	0		0	0.00%
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	19,855			0.00%
CARLOS LORING MARTÍNEZ DE IRUJO	56,219			0.00%
LOURDES MÁIZ CARRO	0		0	0.00%
JOSÉ MALDONADO RAMOS	37,937			0.00%
JOSÉ LUIS PALAO GARCÍA-SUELTO	10,536			0.00%
JUAN PI LLORENS	0		0	0.00%
SUSANA RODRÍGUEZ VIDARTE	25,432		951	0.00%

<b>% total voting rights held by the Board of Directors</b>	<b>0.06%</b>
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Fill in the following tables with the members of the company's Board of Directors with voting rights on company shares:

Name of director (person or company)	Number of direct voting rights	Indirect rights		Number of equivalent shares	% of total voting rights
		Direct owner	Number of voting rights		
FRANCISCO GONZÁLEZ RODRÍGUEZ	207,449	0	0	0	0.00%
CARLOS TORRES VILA	59,292	0	0	0	0.00%
JOSÉ MANUEL GONZÁLEZ PÁRAMO MARTÍNEZ MURILLO	14,576	0	0	0	0.00%

A.4 Where applicable, indicate any family, commercial, contractual or corporate relationships between holders of significant shareholdings, insofar as the company is aware of them, unless they are of little relevance or due to ordinary trading or exchange activities:

Related name (person or company)	Type of relationship	Brief description

A.5 Where applicable, indicate any commercial, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary trading or exchange activities:

Related name (person or company)	Type of relationship	Brief description

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A.6 Indicate whether the company has been informed of any shareholder agreements that may affect it as set out under articles 530 and 531 of the Corporate Enterprises Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

NO

Participants in shareholders agreements	% of share capital affected	Brief description of agreement

Indicate whether the company is aware of the existence of concerted actions amongst its shareholders. If so, describe them briefly.

NO

Participants in concerted action	% of share capital affected	Brief description of concerted action

If there has been any amendment or breaking-off of said pacts or agreements or concerted actions, indicate this expressly:

A.7 Indicate whether any person or organisation exercises or may exercise control over the company pursuant to article 5 of the Securities Exchange Act. If so, identify names:

NO

Name (person or company)

Comments

A.8 Fill in the following tables regarding the company's treasury stock:

**At year- end:**

Number of direct shares	Number of indirect shares (*)	Total % of share capital
1,840,378	37,077,287	0.61%

**(\*) Through:**

Name of direct owner of shareholding (person or company)	Number of direct shares
CORPORACIÓN GENERAL FINANCIERA, S.A.	37,077,287
<b>Total:</b>	<b>37,077,287</b>

Give details of any significant changes during the year, pursuant to Royal Decree 1362/2007.

Explain the significant changes
Seven treasury stock communications were made in 2015, of which three correspond to a change in the number of voting rights in the "Dividend Option", which let shareholders decide whether to receive shares or cash for their

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dividend payment. These communications are detailed below:

- Communication date: 20 January 2015 with a total of 377,341 direct shares and 42,305,105 indirect shares acquired for 0.686% on the total share capital in the "Dividend Option" program.
- Communication date: 23 February 2015 with a total of 19,403,428 direct shares and 18,291,946 indirect shares acquired for 0.606% on the total share capital. This communication was made after acquisitions passed the 1% threshold.
- Communication date: 20/04/2015. The total number was 5,540,505 direct shares and 282,242 indirect shares acquired for 0.094% on the total share capital. This communication was made after acquisitions passed the 1% threshold.
- Communication date: 28 April 2015 with a total of 1,567,663 direct shares and 690,535 indirect shares acquired for 0.036% on the total share capital. This communication was made on execution of the "Dividend Option" program.
- Communication date: 09/07/2015. The total number was 2,861,915 direct shares and 8,153,454 indirect shares acquired for 0.174% on the total share capital. This communication was made after acquisitions passed the 1% threshold.
- Communication date: 31 August 2015 with a total of 10,515,744 direct shares and 23,800,220 indirect shares acquired for 0.544% on the total share capital. This communication was made after acquisitions passed the 1% threshold.
- Communication date: 2 November 2015 with a total of 771,723 direct shares and 27,682,475 indirect shares acquired for 0.447% on the total share capital in the "Dividend Option" program.

#### A.9 Describe the conditions and term of the prevailing mandate from the general meeting to the Board of Directors to issue, buy back and transfer treasury stock.

- The Annual General Meeting of Shareholders of BBVA held on 16 March 2012, under item three of the agenda, passed a resolution to delegate to the Board of Directors the power to increase the Bank's share capital, within a maximum term of 5 years following the date of the resolution, up to a maximum amount corresponding to 50% of BBVA's share capital on the date of such authorization, on one or several occasions, by issuing new ordinary or privileged shares with or without voting rights, including redeemable shares or shares of any other kind, with or without an issue premium, the countervalue of said shares comprising cash considerations. The authorization includes the setting out of the terms and conditions of the common stock increase, the determination of the nominal value of the shares to be issued, their characteristics and any privileges they may confer, the attribution of the right of redemption and the conditions of redemption, and the exercise of that right by BBVA; and grants the Board of Directors with the capacity to exclude the first refusal rights regarding shares issued by virtue of said resolution, though this capacity is limited to 20% of the share capital of BBVA on the date of said authorization.

In the meeting held on 19 November 2014, the BBVA's Board of Directors, by virtue of the aforementioned delegation, agreed to a common stock increase with exclusion to the rights to first refusal through an Accelerated Bookbuilding Offering (ABO). On 20 November 2014, the common stock increase was executed for a nominal amount of €118,787,879.56 by issuing 242,424,244 ordinary shares of BBVA, each one at a nominal value of €0.49, in the same class and series as the shares currently in circulation.

- The fifth item on the agenda at BBVA's Ordinary General Meeting of Shareholders held on 16 March 2012 agreed to powers to the Board of Directors to issue securities convertible and/or exchangeable for BBVA shares on one or multiple occasions within a maximum period of 5 years from the date of the adoption the agreement to do so, for a maximum amount of €12,000,000,000 or its equivalent in any other currency, extending the delegation's aspects and capacities to: establish the different aspects and conditions of each issue; increase the share capital by the amount needed to address the requests for conversion or subscription; exclude the right to first refusal to shareholders whenever necessary or required in the interest of the company; and determine the rate of conversion and/or exchange and the date of conversion and/or exchange.

In exercising this delegation in 2015, 2014 and 2013, BBVA executed three issues of convertible perpetual securities into new issues of ordinary BBVA shares (capital instruments of level 1 additional) with exclusion of the first refusal rights on subscription amounting to €1.5 billion, €1.5 billion and USD \$1.5 billion, respectively.

- The General Meeting of Shareholders of BBVA on 14 March 2014, under agenda item three, agreed to authorized BBVA, directly or via any of its subsidiaries, for a maximum term of five years from the date of said

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resolution, for the derivative acquisition of BBVA shares at any time and on as many occasions as it deems appropriate, by any means permitted by law, including charging the acquisition to the year's profits and/or unrestricted reserves, and to subsequently dispose of the shares acquired, indicating that derivative acquisition of shares will at all times be carried out in compliance with the conditions established under applicable legislation and, in particular, the following conditions: (i) at no time will the nominal value of the treasury stock acquired, directly or indirectly, under this authorization, added to the shares already owned by the Company and its subsidiaries, exceed 10% of the subscribed share capital of BBVA or, as appropriate, the maximum amount permitted by applicable legislation; (ii) the acquisition shall not result in the equity being less than the share capital plus the legal reserves or the reserves that are restricted by the Company bylaws; (iii) a restricted reserve, equivalent to the sum of treasury stock of the company recorded to assets, may be established against the net equity; (iv) shares acquired must be fully paid up, unless the acquisition is without consideration, and must not entail any obligation to provide ancillary benefits; and (v) the acquisition price per share will not be below the nominal value of the share or more than 20% above the listed price or any other price associated with the shares on the acquisition date. Moreover, said General Meeting expressly authorized that the shares acquired by BBVA or its subsidiaries by exercising the aforementioned authorization may be earmarked for delivery to workers or administrators of BBVA or its subsidiaries.

- The General Meeting of Shareholders of BBVA held on 13 March 2015 resolved, under item four, sections 4.3 and 4.4 of the agenda, to perform two common stock increases to be charged to voluntary reserves through the issue of new ordinary shares each with a nominal value of €0.49, without issue premium, which as of 31 December 2015 had not been executed. The maximum term for the execution of said increases is one year from the date of the adoption of said resolutions.

A.9 bis Estimated floating capital:

	%
<b>Estimated floating capital</b>	100

A.10 Indicate whether there is any restriction on the transferability of securities and/or any restriction on voting rights. In particular, report the existence of any restrictions that might hinder the take-over of control of the company by purchasing its shares on the market.

NO

A.11 Indicate whether the General Meeting has agreed to adopt measures to neutralise a public takeover bid, pursuant to Act 6/2007.

NO

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

A.12 Indicate whether the company has issued securities that are not traded on a regulated market in the EU.

YES

Where applicable, indicate the different classes of shares, and what rights and obligations each share class confers.

All the shares in BBVA's capital have the same class and series, and confer the same voting and economic rights. There are no different voting rights for any shareholder. There are no shares that do not represent capital.

The Bank's shares are admitted for trading on the Securities Exchanges in Madrid, Barcelona, Bilbao and Valencia, through the Spanish electronic trading platform (Continuous Market), and the stock markets in London and Mexico. BBVA's American Depositary Shares (ADS) are traded on the New York Stock Exchange and also on the Lima Exchange (Peru) under an exchange agreement between both markets.

Additionally, as of 31 December 2015, shares of BBVA Banco Continental, S.A., Banco Provincial S.A., BBVA Colombia, S.A., BBVA Chile, S.A. and BBVA Banco Francés, S.A., were traded on their respective local securities

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markets and, for the latter entity, on the New York Stock Exchange and in the Latin American securities exchange (LATIBEX) on the Stock Market of Madrid.

## B GENERAL MEETING

B.1 Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Corporate Enterprises Act (CEA) with respect to the quorum and constitution of the General Meeting.

YES

	<b>% quorum different from quorum in art. 193 of CEA for general circumstances</b>	<b>% quorum different from quorum in art. 194 of CEA for special circumstances in art. 194 of CEA</b>
<b>Quorum required on first summons</b>	0.00%	66.66%
<b>Quorum required on second summons</b>	0.00%	60.00%

<b>Description of differences</b>
<p>Article 194 of the Corporate Enterprises Act establishes that in order for a General Meeting (whether annual or extraordinary) to validly resolve to increase or reduce capital or make any other amendment to the Company Bylaws, bond issuance, the cancellation or restriction of first refusal subscription rights over new shares, or the conversion, merger or spin-off of the company or global assignment of assets and liabilities or the transfer of the registered office abroad, the shareholders present and represented on first summons must own at least fifty percent of the subscribed capital with voting rights.</p> <p>On second summons, twenty-five percent of said capital will be sufficient.</p> <p>The above notwithstanding, article 25 of the BBVA Company Bylaws establishes that a reinforced quorum of two-thirds of the subscribed voting capital must attend the General Meeting at first summons or 60% of that capital at second summons, in order to adopt resolutions on replacing the corporate purpose, the transformation, total spin off, winding up of the Company and amending that article of Bylaws establishing this reinforced quorum.</p>

B.2 Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Corporate Enterprises Act (CEA) for the adoption of corporate resolutions:

NO

Describe any differences from the minimum standards established under the CEA.

B.3 Indicate the rules applicable to amendments to the company bylaws. In particular, report the majorities established to amend the bylaws, and the rules, if any, to safeguard shareholders' rights when amending the bylaws.

Article 30 of the BBVA Company Bylaws establishes that the General Meeting is empowered to amend the Company Bylaws and to confirm and/or rectify Board of Directors' interpretation of them.

To such end, the rules established under articles 285 et seq. of the Corporate Enterprises Act shall apply.

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The above paragraph notwithstanding, article 25 of the Company Bylaws establishes that in order to adopt resolutions regarding any change to the corporate purpose, transformation, total spin-off or winding up the Company and amendment of the second paragraph of said article 25, two-thirds of the subscribed voting capital must attend the General Meeting at first summons, or 60% of that capital at second summons.

As regards the procedure for amending the Company Bylaws, article 4.2 c) of Act 10/2014 dated 26th June, on the regulation, supervision and solvency of credit institutions, establishes that the Bank of Spain shall be responsible for authorising the amendments to the bylaws of credit institutions.

Moreover, article 10 of Royal Decree 84/2015 dated 13rd February, implementing Act 10/2014, stipulates that the Bank of Spain shall have two months to decide following receipt of the request for amendment, which must be accompanied by a certification of minutes recording the agreement, a report substantiating the proposal drawn up by the board of directors and a project of new bylaws, identifying the cited amendments.

Notwithstanding the foregoing, article 10 of Royal Decree 84/2015 also establishes that no previous authorization from the Bank of Spain is required, though notification of said amendment must nevertheless be made, for amendments with the following purposes:

- Change of the registered office within the national territory.
- Stock capital increase.
- Incorporating verbatim into the bylaws legal or regulatory precepts of a mandatory or prohibitive nature, or for the purpose of complying with legal or administrative decisions.
- Those amendments for which the Bank of Spain, in response to a prior enquiry made by the affected bank, deems that authorization is not required due to their little relevance.

B.4 Indicate the data on attendance at general meetings held during the year to which this report refers and the previous year:

General Meeting date	Attendance figures				Total
	% shareholders present	% attending by proxy	% voting remotely		
			Electronic vote	Other	
14/03/2014	4.05%	38.36%	0.05%	20.72%	63.18%
13/03/2015	2.69%	39.68%	0.04%	19.64%	62.05%

B.5 Indicate the number of shares, if any, that are required to be able to attend the General Meeting and whether there are any restrictions on such attendance in the bylaws:

YES

<b>Number of shares necessary to attend the General Meetings</b>	500
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B.6 Section repealed.

B.7 Indicate the address and means of access through the company website to the information on corporate governance and other information on the general meetings that must be made available to shareholders on the company's website.

The contents on corporate governance and other information on the latest general meetings are directly accessible through the Banco Bilbao Vizcaya Argentaria corporate website, [www.bbva.com](http://www.bbva.com), in the Shareholders and Investors, Corporate Governance section, [www.bbva.com/Accionistas e Inversores/Gobierno Corporativo](http://www.bbva.com/Accionistas e Inversores/Gobierno Corporativo).

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## C CORPORATE GOVERNANCE STRUCTURE

### C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the bylaws:

<b>Maximum number of Directors</b>	15
<b>Minimum number of Directors</b>	5

C.1.2 Fill in the following table on the Board members:

<b>Name of director (person or company)</b>	<b>Representative</b>	<b>Type of directorship</b>	<b>Position on the Board</b>	<b>Date first appointed</b>	<b>Date last appointed</b>	<b>Election procedure</b>
FRANCISCO GONZÁLEZ RODRÍGUEZ	-	EXECUTIVE	CHAIRMAN	28/01/2000	15/03/2013	GENERAL MEETING RESOLUTION
CARLOS TORRES VILA	-	EXECUTIVE	CEO	04/05/2015	04/05/2015	CO-OPTING
TOMÁS ALFARO DRAKE	-	INDEPENDENT	DIRECTOR	18/03/2006	14/03/2014	GENERAL MEETING RESOLUTION
JOSÉ MIGUEL ANDRÉS TORRECILLAS	-	INDEPENDENT	DIRECTOR	13/03/2015	13/03/2015	GENERAL MEETING RESOLUTION
RAMÓN BUSTAMANTE Y DE LA MORA	-	OTHER EXTERNAL	DIRECTOR	28/01/2000	15/03/2013	GENERAL MEETING RESOLUTION
JOSÉ ANTONIO FERNÁNDEZ RIVERO	-	INDEPENDENT	LEAD DIRECTOR	28/02/2004	13/03/2015	GENERAL MEETING RESOLUTION
IGNACIO FERRERO JORDI	-	OTHER EXTERNAL	DIRECTOR	28/01/2000	15/03/2013	GENERAL MEETING RESOLUTION
BELÉN GARIJO LÓPEZ	-	INDEPENDENT	DIRECTOR	16/03/2012	13/03/2015	GENERAL MEETING RESOLUTION
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	-	EXECUTIVE	DIRECTOR	03/06/2013	14/03/2014	GENERAL MEETING RESOLUTION
CARLOS LORING	-	INDEPENDENT	DIRECTOR	28/02/2004	14/03/2014	GENERAL MEETING

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MARTÍNEZ DE IRUJO						RESOLUTION
LOURDES MÁIZ CARRO	-	INDEPENDENT	DIRECTOR	14/03/2014	14/03/2014	GENERAL MEETING RESOLUTION
JOSÉ MALDONADO RAMOS	-	OTHER EXTERNAL	DIRECTOR	28/01/2000	13/03/2015	GENERAL MEETING RESOLUTION
JOSÉ LUIS PALAO GARCÍA-SUELTO	-	INDEPENDENT	DIRECTOR	01/02/2011	14/03/2014	GENERAL MEETING RESOLUTION
JUAN PI LLORENS	-	INDEPENDENT	DIRECTOR	27/07/2011	13/03/2015	GENERAL MEETING RESOLUTION
SUSANA RODRÍGUEZ VIDARTE	-	OTHER EXTERNAL	DIRECTOR	28/05/2002	14/03/2014	GENERAL MEETING RESOLUTION

<b>Total number of Directors</b>	15
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Indicate the severances that have occurred on the Board of Directors during the reporting period:

Name of director (person or company)	Condition of director at time of severance	Date of leaving
ÁNGEL CANO FERNÁNDEZ	EXECUTIVE	04/05/2015

C.1.3 Fill in the following tables on the Board members and their different kinds of directorship:

#### EXECUTIVE DIRECTORS

Name of director (person or company)	Position within company organisation
FRANCISCO GONZÁLEZ RODRÍGUEZ	GROUP EXECUTIVE CHAIRMAN
CARLOS TORRES VILA	CHIEF EXECUTIVE OFFICER
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	DIRECTOR OF GLOBAL ECONOMICS, REGULATION & PUBLIC AFFAIRS

<b>Total number of executive Directors</b>	<b>3</b>
<b>% of total directors</b>	<b>20%</b>

#### EXTERNAL PROPRIETARY DIRECTORS

#### EXTERNAL INDEPENDENT DIRECTORS

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Name of director (person or company)	PROFILE
BELÉN GARIJO LÓPEZ	<p>CHAIR AND CEO OF MERCK SERONO, MEMBER OF THE EXECUTIVE BOARD. CEO OF MERCK HEALTH CARE AND CHAIR OF THE PHARMA INTERNATIONAL EXECUTIVE COMMITTEE, ISEC (PHARMACEUTICAL RESEARCH AND MANUFACTURERS OF AMERICA).</p> <p>OTHER RELEVANT POSITIONS: WAS PRESIDENT FOR COMMERCIAL OPERATIONS FOR EUROPE AND CANADA AT SANOFI AVENTIS.</p> <p>GRADUATED IN MEDICINE FROM UNIVERSIDAD DE ALCALÁ DE HENARES, MADRID.</p> <p>SPECIALIST IN CLINICAL PHARMACOLOGY HOSPITAL DE LA PAZ - UNIVERSIDAD AUTÓNOMA DE MADRID.</p>
CARLOS LORING MARTÍNEZ DE IRUJO	<p>CHAIR OF THE BOARD'S REMUNERATION COMMITTEE. LAWYER SPECIALIZING IN CORPORATE GOVERNANCE.</p> <p>OTHER RELEVANT POSITIONS: WAS PARTNER AND MEMBER OF THE MANAGEMENT COMMITTEE AT GARRIGUES LAW FIRM.</p> <p>GRADUATED IN LAW FROM THE COMPLUTENSE UNIVERSITY OF MADRID.</p>
JOSÉ ANTONIO FERNÁNDEZ RIVERO	<p>CHAIR OF THE BOARD'S RISK COMMITTEE AND LEAD DIRECTOR.</p> <p>OTHER RELEVANT POSITIONS: GENERAL MANAGER OF THE BBVA GROUP UNTIL JANUARY 2003. HAS REPRESENTED BBVA AS A MEMBER OF THE BOARDS OF: TELEFÓNICA, IBERDROLA, BANCO DE CRÉDITO LOCAL AND CHAIRMAN OF ADQUIRA.</p> <p>GRADUATED IN ECONOMICS FROM UNIVERSIDAD DE SANTIAGO DE COMPOSTELA.</p>
JOSÉ LUIS PALAO GARCÍA-SUELTO	<p>HAS BEEN SENIOR PARTNER OF THE FINANCIAL DIVISION AT ARTHUR ANDERSEN SPAIN. EX-CHAIR OF THE BOARD'S AUDIT &amp; COMPLIANCE COMMITTEE (UNTIL MAY 2015).</p> <p>OTHER RELEVANT POSITIONS: WAS HEAD OF THE AUDIT &amp; INSPECTION SERVICES AT THE INSTITUTO DE CRÉDITO OFICIAL (OFFICIAL CREDIT INSTITUTE) AND HAS ALSO BEEN A FREELANCE CONSULTANT.</p> <p>GRADUATED IN AGRICULTURAL ENGINEERING FROM THE MADRID SCHOOL OF AGRICULTURAL ENGINEERS AND BUSINESS STUDIES FROM THE COMPLUTENSE UNIVERSITY OF MADRID.</p>
JUAN PI LLORENS	<p>HAD A PROFESSIONAL CAREER AT IBM HOLDING VARIOUS SENIOR POSITIONS AT A NATIONAL AND INTERNATIONAL LEVEL INCLUDING VICE PRESIDENT FOR IBM EUROPE SALES, VICE PRESIDENT, TECHNOLOGY &amp; SYSTEMS AT IBM EUROPE AND VICE PRESIDENT, FINANCIAL SERVICES SECTOR, GMU (GROWTH MARKETS UNITS) IN CHINA. HE WAS EXECUTIVE CHAIRMAN OF IBM SPAIN.</p> <p>READ INDUSTRIAL ENGINEERING AT UNIVERSIDAD POLITECNICA DE BARCELONA AND TOOK A GENERAL MANAGEMENT PROGRAM AT IESE.</p>
LOURDES MÁIZ CARRO	<p>SECRETARY OF THE BOARD OF DIRECTORS AND DIRECTOR OF THE LEGAL SERVICES AT IBERIA, LÍNEAS AÉREAS DE ESPAÑA.</p> <p>PHD IN PHILOSOPHY, WORKED IN RESEARCH AND GAVE CLASSES IN METAPHYSICS AT THE COMPLUTENSE UNIVERSITY DURING FIVE YEARS. GRADUATED IN LAW, JOINED THE STATE COUNSEL CORPS AND HELD VARIOUS POSTS OF RESPONSIBILITY IN THE PUBLIC ADMINISTRATIONS SUCH AS GENERAL ORGANIZATIONAL DIRECTOR, WORK AND COMPUTING POSITIONS AT THE MINISTRY OF PUBLIC ADMINISTRATIONS, GENERAL DIRECTOR OF THE SOCIEDAD ESTATAL DE PARTICIPACIONES PATRIMONIALES (SEPPA) IN THE MINISTRY OF ECONOMY AND FINANCES AND GENERAL SECRETARY AT THE MINISTRY OF AGRICULTURE. SHE HAS BEEN A DIRECTOR IN NUMEROUS COMPANIES, INCLUDING RENFE, ADIF (ERSTWHILE GIF), ICO (INSTITUTO DE CRÉDITO OFICIAL), ALDEASA AND BANCO HIPOTECARIO.</p>
TOMÁS ALFARO DRAKE	<p>CHAIR OF THE BOARD'S APPOINTMENTS COMMITTEE. DIRECTOR OF INTERNAL DEVELOPMENT AND TEACHER IN THE FINANCE AREA AT UNIVERSIDAD FRANCISCO DE VITORIA.</p>

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	OTHER RELEVANT POSITIONS: WAS DIRECTOR OF THE FOLLOWING BACHELOR'S DEGREES AT UNIVERSIDAD FRANCISCO DE VITORIA: BUSINESS ADMINISTRATION AND MANAGEMENT; BUSINESS SCIENCES; MARKETING. GRADUATED IN ENGINEERING AT ICAI.
JOSÉ MIGUEL ANDRÉS TORRECILLAS	CHAIR OF THE BOARD'S AUDIT & COMPLIANCE COMMITTEE. HIS PROFESSIONAL CAREER BEGAN WITH ERNST & YOUNG AS GENERAL MANAGING PARTNER FOR AUDIT AND ADVISORY SERVICES AND CHAIRMAN OF ERNST & YOUNG SPAIN UNTIL 2014. MEMBER OF SEVERAL ENTITIES SUCH AS THE OFFICIAL REGISTRY OF ACCOUNT AUDITORS (ROAC), REGISTRY OF ECONOMIST AUDITORS (REA), SPANISH INSTITUTE OF CHARTERED ACCOUNTANTS AND THE ADVISORY BOARD OF THE INSTITUTE OF INTERNAL AUDITORS. GRADUATED IN ECONOMIC AND BUSINESS SCIENCES FROM THE COMPLUTENSE UNIVERSITY OF MADRID.

<b>Total number of independent Directors</b>	<b>8</b>
<b>% of total directors</b>	<b>53.33%</b>

Indicate whether any director considered an independent director is receiving from the company or from its group any amount or benefit under any item that is not the remuneration for his/her directorship, or maintains or has maintained over the last year a business relationship with the company or any company in its group, whether in his/her own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such a relationship.

Where applicable, include a reasoned statement from the Board with the reasons why it deems that this director can perform his/her duties as an independent director.

Name of director (person or company)	Description of relationship	Reasons

#### OTHER EXTERNAL DIRECTORS

Identify all other external Directors and explain why these cannot be considered proprietary or independent Directors and detail their relationships with the company, its executives or its shareholders.

Name of director (person or company)	Reasons	Company, executive or shareholder to which related
JOSÉ MALDONADO RAMOS	José Maldonado Ramos has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.
RAMÓN BUSTAMANTE Y DE LA MORA	Ramón Bustamante y de la Mora has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.
IGNACIO FERRERO JORDI	Ignacio Ferrero Jordi has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.
SUSANA RODRÍGUEZ VIDARTE	Susana Rodríguez Vidarte has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.

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<b>Total number of other external Directors</b>	<b>4</b>
<b>% of total directors</b>	<b>26.67%</b>

Indicate any changes that may have occurred during the period in the type of directorship of each director:

<b>Name of director (person or company)</b>	<b>Date of change</b>	<b>Previous category</b>	<b>Current category</b>

C.1.4 Fill in the following table with information regarding the number of female directors over the last 4 years, and the category of their directorships:

	<b>Number of female directors</b>				<b>% of total female directors of each category</b>			
	<b>Year 2015</b>	<b>Year 2014</b>	<b>Year 2013</b>	<b>Year 2012</b>	<b>Year 2015</b>	<b>Year 2014</b>	<b>Year 2013</b>	<b>Year 2012</b>
<b>Executive</b>	0	0	0	0	0.00%	0.00%	0.00%	0.00%
<b>Proprietary</b>	0	0	0	0	0.00%	0.00%	0.00%	0.00%
<b>Independent</b>	2	2	2	2	25%	28.57%	20%	18.18%
<b>Other external</b>	1	1	0	0	25%	25%	0.00%	0.00%
<b>Total:</b>	3	3	2	2	20%	21.43%	14.29%	14.29%

C.1.5 Explain the measures, if any, that have been adopted to try to include a number of female directors on the Board that would mean a balanced presence of men and women.

<b>Explanation of measures</b>
<p>Article 3 of the Board of Directors Regulations establishes that the proposals submitted to the General Meeting for appointment or reelection of directors and the appointments the Board makes directly to cover vacancies, exercising its powers of co-option, will be approved at the proposal of the Appointments Committee in the case of independent directors, and following a report from said Committee for all other directors. In any case, the proposal must be accompanied by a report of the Board of Directors explaining the grounds on which the Board of Directors has assessed the competence, experience and merits of the candidate proposed, which will be attached to the minutes of the General Meeting or of the Board of Directors. When there is a proposal to re-elect directors, the Board of Directors' resolutions and deliberations on these matters will take place in the absence of the directors whose re-election is proposed who, if present, must leave the meeting.</p> <p>The Appointments Committee's mission is to assist the Board of Directors in matters concerning the selection and appointment of directors and, in particular, to submit to the Board of Directors the proposals for the appointment, re-election or removal of independent directors and to report on the proposals for the appointment, re-election or removal of all other directors.</p> <p>To such end, article 33 of the Board of Directors Regulations establish that the Committee will evaluate the balance of skills, knowledge and expertise that the Board of Directors requires, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in view of the needs that the Company's governing bodies may have at any time. The Committee will ensure that, in line with the principles set out in the BBVA Board of Directors Regulations, when filling new vacancies, the selection procedures are not marred by implicit biases that may entail any discrimination and, in particular, discrimination that may hinder the selection of female directors, trying to ensure that women who display the professional profile being sought are included on the shortlists.</p>

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Moreover, BBVA has established a director selection policy stating that the selection procedures cannot involve discrimination in selecting female directors and that in 2020 the number of female board members will represent at least 30% of the total number of members of the Board of Directors.

In the latest selection processes, the Appointments Committee has ensured that there are no implicit biases that may hinder the access of women to the vacancies. It evaluated the skills, knowledge and expertise of all the candidates according to the needs of the governing bodies at any given time, assessing the dedication necessary to be able to suitably perform their duties in the light of the principles contained in the BBVA Board of Directors Regulations. For these selection processes, the Committee has received support from renowned consultancy firms in the selection of directors at the international level.

During these processes, the external expert was expressly requested to include women with the suitable profile among the candidates to be presented and the Committee analyzed the personal and professional profiles of all the candidates presented on the basis of the information provided by the consultancy firm, according to the needs of the Bank's governing bodies at any given time. The skills, knowledge and expertise necessary to be a director of the Bank were assessed and the rules on incompatibilities and conflicts of interest as well as the dedication deemed necessary to be able to comply with the duties were taken into account.

BBVA currently has three female directors on its governing body, one of whom is a member of the Group's Executive Committee.

C.1.6 Explain the measures, if any, agreed by the Appointments Committee to ensure that selection procedures do not suffer from implicit biases that may hinder the selection of female directors, and that the company deliberately seeks and includes potential female candidates that meet the professional profile sought:

Explanation of measures
See above section.
During the selection processes, the Appointments Committee, pursuant to the Board of Directors Regulations, has ensured that women who meet the sought-after professional profile are included among the potential candidates. In addition it has made sure that the selection procedures do not include implicit biases that might hinder the selection of female directors.

When, despite any measures that might have been adopted, the number of female directors is low or zero, explain the reasons:

Explanation of reasons

C.1.6.bis Explain the conclusions of the Appointments Committee regarding verification of compliance with the board member selection policy. And, in particular, explain how this policy is fostering the goal for 2020 to have the number of female board members represent at least 30% of the total number of members of the board of directors.

The Board of Directors has established a director selection policy stating that the individuals proposed for appointment as members of the Board of Directors must meet the requirements set out in current legislation, in the specific regulations applicable to credit institutions, Company Bylaws and Board Regulations. In particular, the directors must meet the suitability requirements needed to hold the position and display recognized commercial and professional repute, possess adequate knowledge and experience to hold the position, and be committed to good governance.

The selection policy states that the member selection, appointment and rotation procedures for the Board of Directors shall be aimed at attaining a composition of the company's corporate bodies that enable the powers established by law, Company Bylaws and its own regulations to be properly discharged in the company's best interest.

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To this effect, the Board of Directors shall ensure that the appointment, selection and rotation procedures enable the most suitable candidates to be identified at all times, based on the requirements of the corporate bodies and that they favor diversity of experience, knowledge, skills and gender and, in general, do not suffer from implicit biases that may involve any kind of discrimination.

In particular, the director selection policy establishes that the selection procedures cannot entail any discrimination for the selection of female directors and that in 2020 the number of female board members will represent at least 30% of the total number of members of the Board of Directors. In this regard, the number of women on the Board of Directors has increased in recent years and women meeting the required professional profile have been expressly requested to be nominated for director selection processes.

Additionally, it sets out that the composition of the Board of Directors shall attempt to have an appropriate balance between the different types of board members and that non-executive members represent an ample majority over executive directors, taking steps so that the number of independent directors accounts for at least 50% of the total seats.

This policy has been followed by the Appointments Committee when submitting candidate proposals to the Board of Directors to be raised for appointment at the General Meeting of Shareholders in 2016. On approval of said proposal by the General Meeting of Shareholders of BBVA, Board of Directors' composition shall continue being 50% independent directors and a percentage of female directors on the board representing 25% of non-executive directors.

C.1.7 Explain the form of representation on the Board of shareholders with significant holdings.

C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the behest of a shareholder whose holding is less than 3% of the capital:

Indicate whether formal petitions have been ignored for presence on the Board from shareholders whose holding is equal to or higher than that of others at whose behest proprietary directors were appointed. Where applicable, explain why these petitions have been ignored.

NO

C.1.9 Indicate if any director has stood down before the end of his/her term of office, if the director has explained his/her reasons to the Board and through which channels, and if reasons were given in writing to the entire Board, explain below, at least the reasons that were given:

Name of director	Reason for leaving
Ángel Cano Fernández	Ángel Cano Fernández ceased as a member of the Board of Directors and President & COO of BBVA as of 4 May 2015, date on which he and the Bank jointly agreed to his early retirement as President & COO and, therefore, his dismissal as director, thus giving way to others to resume the new BBVA project to drive the transformation process of the Bank.

C.1.10 Indicate any powers delegated to the managing directors(s):

Name of director (person or company)	Brief description
FRANCISCO GONZÁLEZ RODRÍGUEZ	Holds broad-ranging powers of representation and administration in line with his duties as Group Executive Chairman.
CARLOS TORRES VILA	Holds broad-ranging powers of representation and administration in line with his duties as Company CEO.

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JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	Holds powers of representation and administration in line with his duties as Head of Global Economics, Regulation & Public Affairs.
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C.1.11 Identify any members of the Board holding positions as directors or managers in other companies belonging to the listed company's group:

Name of director (person or company)	Name of the Group Company	Position	Does the director hold executive functions?
FRANCISCO GONZÁLEZ RODRÍGUEZ	BBVA BANCOMER, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA BANCOMER	DIRECTOR	NO
FRANCISCO GONZÁLEZ RODRÍGUEZ	GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	DIRECTOR	NO

C.1.12 Detail, where applicable, any company directors that sit on Boards of other companies publicly traded on regulated securities markets outside the company's own group, of which the company has been informed:

Name of director (person or company)	Name of the listed company	Position
BELÉN GARIJO LÓPEZ	L'ORÉAL SOCIÉTÉ ANONYME	DIRECTOR
JUAN PI LLORENS	ECOLUMBER, S.A.	CHAIRMAN
JOSÉ MIGUEL ANDRÉS TORRECILLAS	ZARDOYA OTIS, S.A.	DIRECTOR

C.1.13 Indicate and, where applicable, if board regulations have established rules on the maximum number of company boards on which its directors may sit:

YES

Explanation of rules
<p>Article 11 of the Board of Directors Regulations establishes that in the performance of their duties, directors will be subject to the rules on limitations and incompatibilities established under the applicable regulations at any time, and in particular to the provisions of Spanish Act 10/2014 on the organisation, supervision and solvency of credit institutions.</p> <p>Article 26 of Act 10/2014 establishes that the directors of credit institutions may not hold at the same time more positions than those set out in one of the following combinations: (i) an executive position together with two non-executive positions; or (ii) four non-executive positions. Executive positions are defined as those performing management duties irrespective of the legal bond attributed by those duties. The following will count as a single position: 1) executive or non-executive positions held within the same group; 2) executive or non-executive positions held within: (i) entities belonging to the same institutional protection scheme; or (ii) companies in which the entity holds a significant stake. The positions held in non-profit organizations or entities pursuing non-commercial purposes shall not count when determining the maximum number of positions. Nonetheless, the Bank of Spain may authorize members of the Board of Directors and general directors (or assimilated parties) to hold an additional non-executive post if deeming that such a post would not interfere with the correct performance of the</p>

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activities thereof in the credit institution.

Likewise, directors may not provide professional services to enterprises competing with the Bank or of any of its Group companies, or be an employee, manager or director of such companies unless they have received express prior authorization from the Board of Directors or the General Meeting, whichever may be the authorizing party, or unless these activities had been provided or performed before they became a Bank director, do not involve effective competition and had been reported to the Bank at that time.

Directors may not take a direct or indirect stake in businesses or enterprises in which the Bank or its Group companies hold an interest, unless such stake was held prior to joining the Board of Directors or to the time when the Group took out its holding in such business or enterprise, or unless such companies are listed on domestic or international securities exchanges, or unless authorized to do so by the Board of Directors.

Directors of the Bank may not be a director in companies in which the Group or any of the Group companies hold a stake. As an exception and when proposed by the Bank, executive directors are able to hold directorships in companies directly or indirectly controlled by the Bank with the approval of the Executive Committee, and in other associate companies with the approval of the Board of Directors. A person ceasing to be an executive director is obliged to resign from any office in a subsidiary or associate company that is held by virtue of such directorship.

Non-executive directors may hold a directorship in the Bank's associate companies or in any other Group company provided the directorship is not related to the Group's holding in such companies. They must have prior approval from the Bank's Board of Directors. For these purposes, holdings of the Bank or its Group in companies resulting from its ordinary business activities, asset management, treasury trading, derivative hedging and/or other transactions will not be taken into account.

Likewise, directors may not hold political office or engage in other activities that might have a public significance or affect the image of the Company in any manner, unless there is prior authorisation from the Board of Directors of the Bank.

#### C.1.14 Section repealed.

#### C.1.15 Indicate the overall remuneration for the Board of Directors:

<b>Remuneration of the Board of Directors (thousands of euros)</b>	15,761
<b>Cumulative amount of rights of current Directors in pension scheme (thousands of euros)</b>	13,559
<b>Cumulative amount of rights of former Directors in pension scheme (thousands of euros)</b>	136,123

#### C.1.16 Identify members of senior management that are not in turn executive directors, and indicate the total remuneration accruing to them during the year:

<b>Name (person or company)</b>	<b>Position(s)</b>
JUAN ASÚA MADARIAGA	CORPORATE & INVESTMENT BANKING (CIB)
VICENTE RODERO RODERO	COUNTRY NETWORKS
CRISTINA DE PARIAS HALCÓN	SPAIN
EDUARDO OSUNA OSUNA	MEXICO
DONNA LEE DE ANGELIS	TALENT & CULTURE
JAVIER ESCOBEDO	GLOBAL MARKETING & DIGITAL SALES
RICARDO ENRIQUE MORENO GARCÍA	ENGINEERING

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TEPPO TAPIO PAAVOLA	NEW DIGITAL BUSINESSES
DAVID PUENTE VICENTE	BUSINESS DEVELOPMENT SPAIN
RICARDO FORCANO GARCÍA	BUSINESS DEVELOPMENT GROWTH MARKETS
JAIME SÁENZ DE TEJADA PULIDO	FINANCE
RAFAEL SALINAS MARTÍNEZ DE LECEA	GLOBAL RISK MANAGEMENT
EDUARDO ARBIZU LOSTAO	LEGAL SERVICES AND COMPLIANCE
FRANCISCO JAVIER RODRÍGUEZ SOLER	STRATEGY AND M&A
RICARDO GÓMEZ BARREDO	GLOBAL ACCOUNTING & INFORMATION MANAGEMENT
DOMINGO ARMENGOL CALVO	GENERAL SECRETARY
JOSÉ LUIS DE LOS SANTOS TEJERO	INTERNAL AUDIT

<b>Total senior management remuneration (€k)</b>	19,453
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C.1.17 Indicate the identity of the Board members, if any, who are in turn members of the Board of Directors in companies of significant shareholders and/or in entities of their group:

Detail the relevant affiliations, other than those considered in the above paragraph, that link Board members to significant shareholders and/or companies in their group:

C.1.18 Indicate whether there has been any change in the Board regulations during the year:

YES

<b>Description of changes</b>
<p>In its session held on 4 May 2015, the Board of Directors approved an amendment to the Board of Directors Regulations for adapting the definition of senior management to the new organisational structure of the Group.</p> <p>Moreover, as a result of the publication of the new Code of Good Governance for listed companies in February 2015 and the Account Auditing Act (Law 22/2015 of 20 July), which amends the Corporate Enterprises Act insofar as the duties of the Audit and Compliance Committee, the Board of Directors agreed during its session on 22 December to modify the wording of the BBVA's Board of Directors Regulations to adapt to the new requirements:</p> <ul style="list-style-type: none"> <li>• The duties of the Lead Director have been adapted as established in Recommendation 34 of the Code of Good Governance.</li> <li>• The duties of the Board of Directors have been expanded to include new duties attributed thereto in the Code of Good Governance and Law 22/2015 (Account Auditing Act).</li> <li>• The duties of the Audit and Compliance Committee has been adapted as established in article 529 quaterdecies of the Corporate Enterprises Act, amended by the Account Auditing Act (Law 22/2015).</li> <li>• A new duty was added to the Remuneration Committee in accordance with Recommendation 50 of the Code of Good Governance.</li> </ul>

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C.1.19. Indicate procedures for selection, appointment, re-election, assessment and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

Selection and appointment procedure:

BBVA has established a policy setting out the main general principles applicable in the selection and appointment of directors. Additionally, articles 2 and 3 of the Board of Directors Regulations stipulate that the General Meeting is responsible for the appointment of members of the Board. However, if a seat falls vacant, the Board has the authority to co-opt members. In any event, persons proposed for appointment as directors must meet the requirements of prevailing legislation, the specific regulations applicable to financial institutions and the provisions of the Company Bylaws. In particular, directors should meet the necessary suitability requirements to exercise their directorship. Thus, they must be considered to be of commercial and professional good repute, with adequate knowledge and expertise to perform their duties and in situation in which they can exercise good governance of the entity.

The Board of Directors will endeavor to ensure that the selection procedures for directors favour diversity in experience, knowledge, skills and gender and, in general, do not suffer from implicit biases that may imply any discrimination. The Board will submit its proposals to the General Meeting in such a way that there is an ample majority of non-executive directors over the number of executive directors on the Board. The proposals submitted to the General Meeting for appointment or re-election of directors and the appointments the Board makes directly to cover vacancies, exercising its powers of co-option, will be approved at the proposal of the Appointments Committee in the case of independent directors, and following a report from said Committee for all other directors. In any case, the proposal must be accompanied by a report of the Board explaining the grounds on which the Board of Directors has assessed the competence, experience and merits of the candidate proposed, which will be attached to the minutes of the General Meeting or of the Board of Directors. The Board's resolutions and deliberations on these matters will take place in the absence of the director whose re-election is proposed who, if present, must leave the meeting.

To such end, the Board of Directors Regulations establish that the Appointments Committee will evaluate the balance of skills, knowledge and expertise on the Board of Directors, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in view of the needs that the Company's governing bodies may have at any time. The Committee will ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may involve any discrimination and, in particular, those that hinder the selection of female directors, trying to ensure that women who display the professional profile being sought are included on the shortlists.

Directors will stay in office for the term established by the Company Bylaws or, if they have been co-opted, until the first General Meeting is held.

Re-election: See above section.

Assessment:

As indicated in article 17 w) of the Board's Regulations, the Board of Directors is responsible for assessing the quality and efficiency of the Board's operation and assessment of the performance of the duties of the Chairman of the Board. Such assessment will always begin with the report submitted by the Appointments Committee. Likewise, evaluation of the operation of its Committees, on the basis of the report that these submit to it. Moreover, article 5 of the Board's Regulations establishes that the Chairman, who is responsible for efficiently running of the Board, will organize and coordinate the regular assessment of the Board with the Chairs of the relevant Committees. Moreover, article 5 ter of the Board's Regulations establishes that the Lead Director is especially empowered to conduct the regular assessment of the Chairman of the Board.

Pursuant to the provisions of the Board Regulations, as in previous years, in 2015 the Board of Directors assessed the quality and efficiency of its own running and that of its Committees, as well as the performance of the duties of the Chairman, both as Chairman of the Board and as the first executive of the Bank, based on the report of the Appointments Committee.

Severance:

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Directors will stand down from office when the term for which they were appointed has expired, unless they are re-elected.

Directors must apprise the Board of any circumstances affecting them that might harm the Company's reputation and credit and circumstances that may impact their suitability for the post. Directors must place their directorship at the disposal of the Board and accept its decision regarding their continuity or non-continuity in office, under the circumstances listed in section C.1.21 below. If its decision is negative, they are obliged to tender their resignation. In any event, directors will resign their positions on reaching 75 years of age. They must present their resignation at the first meeting of the Bank's Board of Directors after the General Meeting of Shareholders that approves the accounts for the year in which they reach this age.

C.1.20 Explain to what degree the self- assessment has led to significant changes in its internal organization and the procedures applicable to its activities:

Description of changes
<p>Article 17 of the Board of Directors Regulations establishes that the Board will assess the quality and efficiency of the Board's operation, based on the report submitted by the Appointments Committee, which it has done in 2015, likewise producing certain changes (indicated below), similar to previous years, to continue the ongoing adaptation process of corporate governance to the regulatory requirements and best practices, though none of the changes was particularly significant.</p> <p>Throughout 2015, the Bank analyzed its needs for improvement and changes in the regulatory, supervisory and market areas, both at a national and international level, and introduced various measures to adapt its Corporate Governance system and practices to the new environment in which the Bank carries out its activity, including yet not restricted to the following measures: (i) improvements and progress was made in the procedure for verifying the information submitted for consideration by the corporate bodies, coordinated by a specific unit independent of the areas that prepare the information. This procedure seeks to improve the quality, consistency and uniformity thereof and ensure that corporate bodies have sufficient, adequate and complete information to exercise their duties. The implementation of the duties of this new unit underwent reporting to the Audit and Compliance Committee of the Board of Directors as part of its information oversight and control duties; (ii) progress was made on the training program for directors and persons incorporated as members of the corporate bodies; (iii) the composition of their committees was adapted, during the session of the Board of Directors on 4 May 2015, so that they have the most suitable composition to discharge their duties; (iv) a decision was made to commission a renowned independent expert to assist the Appointments Committee in assessing the operations of the Board of Directors and the Chairman of the Board; (v) the duties of the Lead Directors were expanded; and (vi) the duties of the Audit and Risk (and other) Committees were enlarged.</p>

C.1.20.bis Describe the assessment process and the assessed areas conducted by the board of directors assisted, as the case may be, by an external consultant, regarding the diversity in its composition and capacities, duties and composition of its committees, the performance of the chair of the board of directors and the first executive of the company, and the performance and contribution of each board member.

According to article 17 of the Board of Directors Regulations, the Board shall evaluate the quality and efficiency of its running and the performance of the functions of the Chairman of the Board, based in each case on the report submitted by the Appointments Committee. Likewise, the Board of Directors shall assess of the running of its Committees, based on the report they submit.

In the most recent assessment process carried out for 2015, the Board of Directors assessed: (i) the quality and efficiency of the Board of Directors' operation, (ii) the performance of the Chairman of the Board of Directors; and (iii) the running of the Committees of the Board of Directors. The procedure to conduct these assessments was:

- Throughout the year, the Committee has been analyzing the structure, size and composition of the Board of Directors during the selection processes to incorporate new members of the Board of Directors and to re-elect directors and also to conduct the yearly assessment on the running of the Board of Directors. Thus the quality and efficiency of the running of the Board of Directors was examined based on the prior report submitted by the Appointments Committee and raised to the Board of Directors. The Appointments Committee, with a view to drawing up this report, mined detailed reports on the composition and operations thereof, and on the main activities implemented by these bodies in the performance of the duties attributed thereto by the Company Bylaws and the Board of Directors Regulations. The committee also had the support of a renowned external expert.

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- The performance of the duties of the Chairman of the Board of Directors, as Chair and first executive was examined by the Board of Directors based on the previous report submitted by the Appointments Committee, and the Lead Director conducted the assessment process as established in article 5 ter of the Board Regulations. The Appointments Committee drew up its report with detailed information on the performance of the duties by the Chairman and the support of a renowned external expert.
- The Board of Directors conducted the quality and efficiency assessment on the operations of the Audit and Compliance, Risk, Appointment and Remuneration Committees based on the reports submitted by their respective Chairs. Thus, the activities carried out by the Audit and Compliance Committee underwent the corresponding examination in the Board during the meeting held on 29 October 2015 by the director Chair of the Committee. Moreover, during its meeting on 25 November 2015, the Board of Directors received the report of the director Chair of the Risk Committee regarding the activities undertaken by the Committee during 2015, apprising of the tasks executed by the Committee in the analysis and preparation of the proposals for resolution that, within the scope of risks, were conveyed to the Executive Committee and the Board for consideration; and insofar as risk tracking and control. In its session on 22 December 2015, the Board received the report of the director Chair of the Remuneration Committee regarding the activities undertaken by the Committee during 2015, apprising of the tasks executed by the Committee in the analysis and preparation of the remuneration-related proposals for resolution presented to the Board, particularly regarding the amendment to the remuneration policy; tracking of the application of the remuneration policy approved by the Board, which had been analyzed based on the report issued for such purpose by Internal Audit; and regarding the other tasks executed. Likewise, in its session on 22 December 2015, the Board received the report of the director Chair of the Appointments Committee regarding the activities undertaken by the Committee during 2015 within the different scopes of duties. The operations of the Committees were also analyzed in the Board's general assessment process described above.

C.1.20.ter Break down, where pertinent, the business relationship that the consultant or any company of its group maintains with the company or any company of its group.

The external consultant assisting in the self-assessment process of the Board of Directors also participated as a benchmark company in the field of director selection in the selection process for new board members and directors that the Group carried out.

C.1.21 Indicate the circumstances under which directors are obliged to resign.

In addition to the circumstances set out in applicable legislation, as established in article 12 of the BBVA Board of Directors Regulations, the directors will stand down from office when the term for which they were appointed has expired, unless they are re-elected. Directors must apprise the Board of Directors of any circumstances affecting them that might harm the Company's reputation and credit circumstances that may impact their suitability for the post.

As set out in article 12 of the BBVA Board of Directors Regulations, directors must place their office at the disposal of the Board of Directors and accept the its decision regarding their continuity or non-continuity in office, under the circumstances given below. Should the Board resolve they not continue, they will be obliged to tender their resignation:

- When they are affected by circumstances of incompatibility or prohibition as defined under prevailing legislation, in the Company Bylaws or in the Board of Directors Regulation;
- When significant changes occur in their personal or professional situation that may affect the condition by virtue of which they were appointed to the Board;
- When they are in serious dereliction of their duties as directors;
- When for reasons attributable to the director in his or her condition as such, serious damage has been done to the Company's net worth, credit or reputation; or
- When they lose their suitability to hold the position of director of the Bank.

C.1.22 Section repealed.

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C.1.23 Are reinforced qualified majorities required, other than the legal majorities, for some type of resolution?

NO

Where applicable, describe the differences.

C.1.24 Explain whether there are specific requirements, other than those regarding directors, to be appointed Chairman of the Board of Directors.

NO

C.1.25 Indicate whether the Chairman has a casting vote:

NO

C.1.26 Indicate whether the bylaws or the Board Regulations establish an age limit for directors:

YES

Age limit for Chairman	Age limit for Chief Executive Officer	Age limit for directors
0	0	75

C.1.27 Indicate whether the bylaws or the Board Regulations establish a limited term of office for independent directors, other than that established by law:

NO

C.1.28 Indicate whether the bylaws or the Board Regulations establish specific rules for proxy voting in the Board of Directors, the way this is done and, in particular, the maximum number of proxies a director may have, and whether it has established any limit regarding the categories that may be delegated beyond the limits stipulated by legislation. If so, briefly give details on such standards.

The BBVA Board of Directors Regulations establishes that directors are required to attend the meetings of corporate bodies and the meetings of the Board Committees on which they sit, except for a justifiable reason. Directors shall participate in the deliberations, discussions and debates on matters submitted for their consideration.

However, article 21 of the Board of Directors Regulations establishes that should it not be possible for directors to attend any of the Board of Directors meetings, they may grant proxy to another director to represent and vote for them. This may be done by a letter or e-mail sent to the Company with the information required for the proxy director to be able to follow the absent director's indications, in observance of the applicable legislation, though non-executive directors may only grant their proxy to another director that is also non-executive.

C.1.29 Indicate the number of meetings the Board of Directors has held during the year. Where applicable, indicate how many times the Board has met without the Chairman in attendance. In calculating this number, proxies given with specific instructions will be counted as attendances.

<b>Number of Board meetings</b>	<b>13</b>
<b>Number of Board meetings not attended by the Chairman</b>	<b>0</b>

If the Chairman is an executive Director, indicate the number of meetings held without an executive director present or represented and chaired by the Lead Director

<b>Number of meetings</b>	<b>0</b>
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Indicate the number of meetings of the Board's different committees have held during the year.

<b>Number of Executive Committee meetings</b>	<b>20</b>
<b>Number of Audit Committee meetings</b>	<b>11</b>
<b>Number of Appointments Committee meetings</b>	<b>7</b>
<b>Number of Remuneration Committee meetings</b>	<b>7</b>
<b>Number of Risks Committee meetings</b>	<b>45</b>

C.1.30 Indicate the number of meetings held by the Board of Directors during the year attended by all its members. In calculating this number, proxies given with specific instructions will be counted as attendances.

<b>Number of meetings attended by all directors</b>	<b>13</b>
<b>% of attendances to total votes during the year</b>	<b>100%</b>

C.1.31 Indicate whether the individual and consolidated financial statements presented for Board approval are certified beforehand:

NO

Where applicable, identify the person(s) who has(have) certified the Company's individual and consolidated financial statements to be filed by the Board:

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements that it files from being presented to the General Meeting with a qualified auditors report.

Article 29 of BBVA's Board of Directors Regulations establishes that the Audit and Compliance Committee will be formed exclusively by independent directors and its main task is to assist the Board of Directors in supervising the financial information and exercising oversight for the Group. In this regard, its functions are as follows: oversee the efficacy of the internal control of the Company, the internal audit and the risk management systems in the process of drawing up and reporting the regulatory financial information, including tax-related risks, as well as to discuss with the financial auditor any significant weaknesses in the internal control system detected when the audit is conducted and oversee the process of drawing up and reporting the financial information. For such purposes, the Audit and Compliance Committee may submit recommendations or proposals to the Board of Directors.

Moreover, article 3 of the Audit and Compliance Committee Regulations establishes that the Committee shall verify that the external audit schedule is conducted under the agreed conditions at appropriate intervals, and that it meets the requirements of the competent authorities and the Bank's governing bodies. The Committee will also periodically – at least once a year – request from the auditor its evaluation of the quality of the group's internal control procedures regarding the drafting and presentation the financial information of the Group.

The Committee shall also be apprised of any infringements, situations requiring adjustments, or anomalies that may be detected during the course of the external audit and are of a material nature; materiality in this context signifies those issues that, in isolation or as a whole, may give rise to a significant and substantive impact or harm to assets, earnings or the reputation of the Group; discernment of such matters shall be at the discretion of the auditor who, if in doubt, must opt to report on them

In exercising these duties, the Audit and Compliance Committee holds monthly meetings with the external auditor without the presence of executives, to monitor on an ongoing basis their work, guaranteeing that the activity is carried out under the best conditions and with no interference in management.

C.1.33 Is the company Secretary a director?

NO

Complete if the Secretary is not also a Director:

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Name or corporate name of Secretary	Representative
DOMINGO ARMENGOL CALVO	-

C.1.34 Section repealed.

C.1.35 Indicate what mechanisms the company has established, if any, to preserve the independence of the external auditors, the financial analysts, the investment banks and the rating agencies.

The BBVA Audit and Compliance Committee Regulations establish that this Committee's duties, described in section C.2.1, include ensuring the independence of the external audit in two ways:

- Avoiding any possibility of the warnings, opinions or recommendations of the auditors being adversely influenced. To this end, ensure that compensation for the auditor's work does not compromise either its quality or independence, in compliance with current legislation on auditing at all times.
- Stipulating as incompatible the provision of audit and consulting services unless they are not available in the market alternatives as regards content, quality or efficiency of equal value to those which the auditor could provide; in this case approval by the Committee will be required, but this decision may be delegated in advance to its Chair. The auditor shall be prohibited from providing prohibited services outside the audit, in compliance with what is set out at all times by audit legislation.

This matter is the subject of special attention by the Audit and Compliance Committee, which holds regular meetings with the external auditor, without Bank directors being present, to know the details of the progress and quality of the external audit work, as well as to confirm the independence of the performance of their duties. It also monitors the engagement of consultancy services to ensure compliance with the Committee's Regulations and applicable legislation in order to safeguard the independence of the external auditor.

Moreover, in accordance with the provisions of point f), section 4 of article 529 quaterdecies of the Corporate Enterprises Act and article 30 of the BBVA Board of Directors Regulations, the Audit and Compliance Committee each year before the external financial auditor issues their report on the financial statements, has to issue a report expressing an opinion on the independence of the auditor.

This report must in any event contain the reasoned assessment of the provision of additional services of any kind by the auditors to the Group's entities, considered individually and as a whole, other than the legal audit and in relation to the regime of independence or the rules regulating the account audit activity. The external auditor must issue, also on an annual basis, a report confirming its independence via-à-vis BBVA or entities linked to BBVA, either directly or indirectly, with information on the additional services of any kind provided to these entities by the external auditor, or by the individuals or entities linked to them, as set out in the redrafted text of the Audit Act.

In keeping with the legislation in force, the relevant reports confirming the auditor's independence were issued in 2015.

In addition, as BBVA's shares are listed on the New York Stock Exchange, it is subject to compliance with the Sarbanes Oxley Act and its implementing regulations.

C.1.36 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

NO

If there were disagreements with the outgoing auditor, explain their grounds.

Explanation of disagreements

C.1.37 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees on the total fees charged to the company and/or its group:

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YES

	Company	Group	Total
Amount of non-audit work (thousands euros)	1,233	1,129	2,362
Amount of non-audit work / total amount billed by the audit firm (%)	9.09%	5.92%	7.24%

C.1.38 Indicate whether the audit report on the annual financial statements for the previous year contained reservations or qualifications. If so, indicate the reasons given by the chair of the audit committee to explain the content and scope of such reservations or qualifications.

NO

C.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements for the company and/or its group. Indicate the percentage of the number of years audited by the current audit firm to the total number of years in which the annual financial statements have been audited:

	Company	Group
Number of consecutive years	13	13
Number of years audited by current audit firm / number of years the company has been audited (%)	86.67%	86.67%

C.1.40 Indicate and, where applicable, give details on the existence of a procedure for directors to engage external advisory services:

YES

Details of the procedure
<p>Article 6 of the BBVA Board of Directors Regulations expressly recognizes that directors may request any additional information or advice they require to comply with their duties, and may request the Board of Directors for assistance from external experts on matters subject to their consideration whose special complexity or importance so requires.</p> <p>The Audit &amp; Compliance Committee, pursuant to article 31 of the Board of Directors Regulations, may engage external advisory services for relevant issues when it considers that these cannot be properly provided by experts or technical staff within the Group on grounds of specialization or independence.</p> <p>Under articles 34, 37 and 40 of the Board of Directors Regulations, the rest of the Committees may obtain such advice as may be necessary to establish an informed opinion on matters related to its business. This will be done through the Secretariat of the Board.</p>

C.1.41 Indicate and, where applicable, give details on the existence of a procedure for directors to obtain the information they need to prepare the meetings of the governing bodies with sufficient time:

YES

Details of the procedure
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Article 6 of the Board of Directors Regulations establishes that before meetings the directors will be apprised of the necessary information to be able to form their own opinions regarding questions corresponding to the Bank's corporate bodies. They may request any additional information and advice they require to comply with their duties.

Exercise of these rights will be channeled through the Chairman and/or Secretary of the Board of Directors, who will attend to requests by providing the information directly or by establishing suitable arrangements within the organisation for this purpose, unless a specific procedure has been established in the regulations governing the Board of Directors Committees.

C.1.42 Indicate and, where applicable give details, whether the company has established rules requiring directors to inform and, where applicable, resign under circumstances that may undermine the company's credit and reputation:

YES

Explanation of the rules
In accordance with article 12 of the Board of Directors Regulations, directors must apprise the Board of Directors of any circumstances affecting them that might harm the Company's reputation and credit and circumstances that may impact their suitability for the post.
Directors must place their office at the disposal of the Board of Directors and accept its decision regarding their continuity or non-continuity in office. Should the Board resolve they not continue, they will be obliged to tender their resignation when for reasons attributable to the director in his or her condition as such, serious damage has been done to the Company's net worth, credit and/or reputation or when they lose their suitability to hold the position of director of the Bank.

C.1.43 Indicate whether any member of the Board of Directors has informed the company of any legal suit or court proceedings against him or her for any of the offences listed in article 213 of the Corporate Enterprises Act:

NO

Indicate whether the Board of Directors has analysed the case. If so, explain the grounds for the decision taken as to whether or not the director should retain his/her directorship or, where applicable, describe the actions taken or planned to be taken by the Board of Directors on the date of this report.

Decision adopted/action taken	Reasoned explanation

C.1.44 Detail significant agreements reached by the Company that come into force, are amended or concluded in the event of a change in the control of the company stemming from a public takeover bid, and its effects.

C.1.45 Identify in aggregate terms and indicate in detail any agreements between the company and its directors, managers or employees that have guarantee or ring-fencing severance clauses for when such persons resign or are wrongfully dismissed or if the contractual relationship comes to an end due to a public takeover bid or other kinds of transactions.

Number of beneficiaries	64
Type of beneficiary	Description of the agreement
1 Executive Director 17 members of Senior	The Bank is committed to pay severance indemnity to the director José Manuel González-Páramo Martínez-Murillo, whose contract recognises his right to receive an indemnity in the event of severance on grounds not due to his own will, death, retirement, invalidity or dereliction of duties, equivalent to twice his

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Management (excluding executive directors) 46 technical & specialist professionals	<p>fixed remuneration.</p> <p>In addition, 17 members of Senior Management are entitled to receive compensation payment in the event of severance on grounds other than their own will, retirement, disability or dereliction of duties. Its amount will be calculated by factoring in the fixed elements of the Bank employee's remuneration and length of office and which under no circumstances are paid in the event of lawful dismissal for misconduct by decision of the employer on grounds of the worker's dereliction of duties.</p> <p>The Bank has also agreed compensation clauses with some employees (46 technical and specialist professionals) in the event of unfair dismissal. The amount of this compensation is calculated as a function of the wage and professional conditions of each employee.</p>
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Indicate whether these contracts must be disclosed to and/or approved by the company or group governance bodies:

	<b>Board of Directors</b>	<b>General Meeting</b>
<b>Body authorising the clauses</b>	<b>YES</b>	<b>NO</b>

	<b>YES</b>	<b>NO</b>
<b>Is the General Meeting informed of the clauses?</b>	<b>x</b>	

## C.2 Board of Directors Committees

C.2.1 Detail all the Board Committees, their members and the proportion of executive, proprietary, independent and other external directors sitting on them:

### EXECUTIVE OR DELEGATE COMMITTEE

<b>Name</b>	<b>Position</b>	<b>Category</b>
FRANCISCO GONZÁLEZ RODRÍGUEZ	CHAIRMAN	EXECUTIVE
CARLOS TORRES VILA	MEMBER	EXECUTIVE
SUSANA RODRÍGUEZ VIDARTE	MEMBER	OTHER EXTERNAL
IGNACIO FERRERO JORDI	MEMBER	OTHER EXTERNAL
JOSÉ MALDONADO RAMOS	MEMBER	OTHER EXTERNAL

<b>% of executive Directors</b>	40%
<b>% of proprietary Directors</b>	0%
<b>% of independent Directors</b>	0%
<b>% of other external Directors</b>	60%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarize the main actions taken during the year.

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In accordance with article 27 of BBVA's Board of Directors Regulations, the Executive Committee shall be apprised of matters delegated by the Board of Directors, in accordance with the pertinent legislation currently in force or the Company Bylaws.

As regards its organisational and operating rules of this Committee, article 28 of the Board Regulations establishes that the Executive Committee shall meet on the dates set out in the annual calendar of meetings and at the request of the Chair or the Chair's delegate. All other aspects of its organisation and operation will be subject to the provisions established for the Board of Directors by the Board Regulations. Once the minutes of the meeting of the Executive Committee are approved, they shall be signed by the meeting's Secretary and countersigned by whoever has chaired the meeting.

Directors will be given access to the approved minutes of the Executive Committee at the beginning of Board meetings, so that they can be apprised of the content of its meetings and the resolutions it has adopted.

Regarding its most important activities during 2015, the Executive Committee has ascertained and examined the quarterly and annual results of the Bank, and the monthly performance of the activity and results of the Group throughout 2015. It has been informed on the main resolutions of the Committee regarding Bank Assets and Liabilities; undertaken tasks of risk management, control and supervision at the BBVA Group during 2015; analyzed the most relevant aspects regarding the BBVA share performance; been informed on the most prominent aspects of legal and regulatory developments affecting financial institutions; analyzed and, where pertinent, approved the different operations and projects arising in Group activities; and been informed of the amendments made to the internal rules and regulations of the Bank.

Indicate whether the composition of the Executive Committee reflects the distribution of different classes of directorship on the Board:

YES

<b>Otherwise, explain the composition of the Executive Committee.</b>

#### AUDIT COMMITTEE

Name	Position	category
JOSÉ MIGUEL ANDRÉS TORRECILLAS	CHAIRMAN	INDEPENDENT
BELÉN GARIJO LÓPEZ	MEMBER	INDEPENDENT
CARLOS LORING MARTÍNEZ DE IRUJO	MEMBER	INDEPENDENT
TOMÁS ALFARO DRAKE	MEMBER	INDEPENDENT
LOURDES MÁIZ CARRO	MEMBER	INDEPENDENT

<b>% of proprietary Directors</b>	0%
<b>% of independent Directors</b>	100%
<b>% of other external Directors</b>	0%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarize the main actions taken during the year.

As established in article 30 of the Board of Directors Regulations, the duties of the Audit and Compliance Committee include the following:

- Report to the General Meeting on questions raised with respect to those matters falling within the Committee's

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competence.

- Oversee the efficacy of the internal control of the Company, the internal audit and the risk-management systems in the process of drawing up and reporting the regulatory financial information, including tax risks. Also to discuss with the financial auditor any significant weaknesses in the internal control system detected when the audit is conducted, without undermining its independence.
- Oversee the process of drawing up and reporting financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its completeness.
- Submit to the Board of Directors proposals on the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process in accordance with applicable regulations, as well as their contractual conditions, and regularly collect information from the external auditor regarding the audit plan and its implementation, as well as preserving the auditor's independence in the performance of their duties.
- Establish correct relations with the external auditor in order to receive information on any matters that may jeopardise their independence, for examination by the Committee, and any others relating to the process of the financial auditing; as well as those other communications provided for by law and by the auditing regulations.
- Each year before the external financial auditor issues their report on the financial statements, to issue a report expressing an opinion on whether the independence of the external financial auditor has been compromised. This report must unfailingly contain the reasoned valuation of the provision of each of the additional services referred to in the previous subsection, considered individually and as a whole, other than the legally-required audit and with respect to the regime of independence or to the standards regulating the audit activity.
- Report, prior to the Board of Directors adopting resolutions, on all those matters established by law, by the Company Bylaws and by these Regulations, and in particular on: (i) the financial information that the Company must periodically publish; (ii) the creation or acquisition of a holding in special-purpose entities or entities domiciled in countries or territories considered tax havens; and (iii) related-party transactions.
- Oversee compliance with applicable domestic and international regulations on matters related to money laundering, conduct on the securities markets, data protection and the scope of Group activities with respect to anti-trust regulations. Also to ensure that any requests for action or information made by official authorities with competence in these matters are dealt with in due time and in due form.
- Ensure that the codes of ethics and of internal conduct and conduct on the securities market, as they apply to Group personnel, comply with regulatory requirements and are adequate.
- Especially to oversee compliance with the provisions applicable to directors contained herein, as well as their compliance with the applicable standards of conduct on the securities markets.

In keeping with the organisational and operating rules, article 31 of the Board Regulations states that the Audit and Compliance Committee shall meet as often as necessary to discharge its duties, though an annual calendar of meetings will be drawn up in accordance with its tasks. The officers responsible for the areas within their remit, in particular, Accounting, Internal Audit and Compliance, may be invited to attend Committee meetings. They may request that other staff be invited from their areas who have particular knowledge or responsibility in the matters contained on the agenda, when their presence at the meeting is deemed advisable. However, only the Committee members and the Secretary shall be present when the results and conclusions of the meeting are assessed. The Committee may hire external advisory services for matters of importance if, for reasons of specialization or independence, it considers that such services cannot be rendered by Group experts or technical personnel. The Committee may also call on the personal cooperation and reports of any employee when it considers that this is necessary to fulfill its duties with regard to relevant issues. The usual channel for a request of this nature shall be through the reporting lines of the Company. However, in exceptional cases the request may be notified directly to the person in question. The system of convening meetings, quorums, the approval of resolutions, minutes and other details of its system of operation will be governed by the provisions of the Board Regulations insofar as they are applicable to the Committee and by any specific Regulations that may be established.

The most important activities carried out by the Audit & Compliance Committee in 2015 are detailed in section C.2.5.

Identify the Director who has been appointed Chairman on the basis of knowledge and experience of accounting or auditing, or both and state the number of years they have been Chairman.

<b>Name of Director</b>	JOSÉ MIGUEL ANDRÉS TORRECILLAS
<b>Number of years as Chairman</b>	0

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## APPOINTMENTS COMMITTEE

Position	Position	category
TOMÁS ALFARO DRAKE	CHAIRMAN	INDEPENDENT
JOSÉ ANTONIO FERNÁNDEZ RIVERO	MEMBER	INDEPENDENT
JOSÉ MALDONADO RAMOS	MEMBER	OTHER EXTERNAL
JOSÉ LUÍS PALAO GARCÍA-SUELTO	MEMBER	INDEPENDENT
SUSANA RODRÍGUEZ VIDARTE	MEMBER	OTHER EXTERNAL

<b>% of proprietary Directors</b>	0%
<b>% of independent Directors</b>	60%
<b>% of other external Directors</b>	40%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

The Appointments Committee is bound to assist the Board of Directors in matters relating to the selection and appointment of Board members. Thus, as provided for under article 33 of the Board Regulations, the Appointments Committee will discharge the following duties:

- Submit proposals to the Board of Directors on the appointment, re-election or separation of independent directors and report in proposals for the appointment, re-election or separation of the other directors.

To such end, the Committee will evaluate the balance of skills, knowledge and expertise on the Board of Directors, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in view of the needs that the Company's governing bodies may have at any time.

The Committee will ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may entail any discrimination and in particular discrimination that may hinder the selection of female directors, trying to ensure that women who display the professional profile being sought are included on the shortlists.

Likewise, when drawing up proposals within its scope of competence for the appointment of directors the Committee will take into account in case they may be considered suitable, any applications that may be made by any member of the Board of Directors for potential candidates to fill the vacancies.

- Submit proposals to the Board of Directors for policies on the selection and diversity of members of the Board of Directors.

- Establish a target for representation of the underrepresented gender in the Board of Directors and draw up guidelines on how to reach that target.

- Analyse the structure, size and composition of the Board of Directors, at least once a year when carrying out its operational assessment.

- Analyse the suitability of the various members of the Board of Directors.

- Perform an annual review of the status of each director, so that this may be reflected in the annual corporate governance report.

- Report the proposals for the appointment of the Chairman and the Secretary and, where applicable, of the Deputy Chairman and the Deputy Secretary.

- Report on the performance of the duties of the Chairman of the Board, for the purposes of the periodic assessment by the Board of Directors, under the terms established in the Board Regulations.

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- Examine and organise the succession of the Chairman in conjunction with the Lead Director and, as applicable, file proposals with the Board of Directors so that the succession takes place in an planned and orderly manner.
- Review the Board of Directors policy on the selection and appointment of members of senior management, and file recommendations with the Board when applicable.
- Report on proposals for appointment and separation of senior managers.

Moreover, article 34 of the Board Regulations regulates the organisational and operating rules of the Appointments Committee, establishing that it will meet as often as necessary to fulfill its duties, convened by its Chair or by whoever stands in for its Chair pursuant to the provisions of article 32 of the Regulations. The Committee may request the attendance at its sessions of persons with tasks in the Group that are related to the Committee's duties. It may also obtain advice as necessary to establish criteria related to its business. This will be done through the Secretary of the Board. For all else, the system for convening meetings, quorums, adopting resolutions, minutes and other details of its operation will be in accordance with the provisions of the Board Regulations insofar as they are applicable.

The most important activities carried out by the Appointments Committee in 2015 are detailed in section C.2.5.

## REMUNERATION COMMITTEE

Position	Position	category
CARLOS LORING MARTÍNEZ DE IRUJO	CHAIRMAN	INDEPENDENT
IGNACIO FERRERO JORDI	MEMBER	OTHER EXTERNAL
RAMÓN BUSTAMANTE Y DE LA MORA	MEMBER	OTHER EXTERNAL
JUAN PI LLORENS	MEMBER	INDEPENDENT
TOMÁS ALFARO DRAKE	MEMBER	INDEPENDENT

<b>% of proprietary Directors</b>	0%
<b>% of independent Directors</b>	60%
<b>% of other external Directors</b>	40%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

The Remuneration Committee's main task is to assist the Board of Directors in matters related to the remuneration policy for directors, senior management and any employees whose professional activities have a significant impact on the Bank's risk profile, ensuring that the established remuneration policy is observed. Thus, as provided for under article 36 of the Board of Directors Regulations, it will discharge the following duties:

- Propose to the Board of Directors, for its submission to the General Meeting, the directors' remuneration policy, with respect to its items, amounts, and parameters for its determination and its vesting. Also to submit the corresponding report, in the terms established by applicable law at any time.
- Determine the extent and amount of the individual remunerations, entitlements and other economic compensations and other contractual conditions for the executive directors, so that these can be reflected in their contracts. The Committee's proposals on such matters will be submitted to the Board of Directors.
- Propose the annual report on the remuneration of the Bank directors to the Board of Directors each year, which will then be submitted to the Annual General Meeting, in compliance with the applicable legislation.
- Propose the remuneration policy to the Board of Directors for senior managers and employees whose professional activities have a significant impact on the Company's risk profile.

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- Propose the basic conditions of the senior management contracts to the Board, and directly supervise the remuneration of the senior managers in charge of risk management and compliance functions within the Company.
- Oversee observance of the remuneration policy established by the Company and periodically review the remuneration policy applied to directors, senior managers and employees whose professional activities have a significant impact on the Company's risk profile.
- Verify the information on directors and senior managers remunerations contained in the different corporate documents, including the annual report on directors' remuneration.

Moreover, article 37 of the Board of Directors Regulations states that the Remuneration Committee will meet as often as necessary to fulfill its duties, convened by its Chair or by whoever stands in for its Chair pursuant to the provisions of article 35 of the Regulations. The Committee may request the attendance at its sessions of persons with tasks in the Group that are related to the Committee's duties. It may also obtain advice as necessary to establish criteria related to its business. This will be done through the Secretary of the Board. For all else, the system for convening meetings, quorums, adopting resolutions, minutes and other details of its operation will be in accordance with the provisions of the Board Regulations insofar as they are applicable.

The most important activities carried out by the Remuneration Committee in 2015 are detailed in section C.2.5.

## RISKS COMMITTEE

Position	Position	category
JOSÉ ANTONIO FERNÁNDEZ RIVERO	CHAIRMAN	INDEPENDENT
JOSÉ LUIS PALAO GARCÍA-SUELTO	MEMBER	INDEPENDENT
JUAN PI LLORENS	MEMBER	INDEPENDENT
RAMÓN BUSTAMANTE Y DE LA MORA	MEMBER	OTHER EXTERNAL
SUSANA RODRÍGUEZ VIDARTE	MEMBER	OTHER EXTERNAL
JOSÉ MIGUEL ANDRÉS TORRECILLAS	MEMBER	INDEPENDENT

<b>% of proprietary Directors</b>	0%
<b>% of independent Directors</b>	66,67%
<b>% of other external Directors</b>	33,33%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarize the main actions taken during the year.

The Risk Committee will be tasked with assisting the Board of Directors in determining and monitoring the Group's risk control and management policy and its strategy in this area. Thus, as provided for under article 39 of the Board of Directors Regulations, it will discharge the following duties:

- Analyse and assess proposals to the Group's risk management, control and strategy. In particular, these will identify:
  - i. The Group's risk appetite; and
  - ii. Establishment of the level of risk considered acceptable according to the risk profile and capital at risk, broken down by the Group's businesses and areas of activity.
- Analyse and assess the control and management policies for the Group's different risks and the information and internal control systems.
- The measures established to mitigate the impact of the risks identified, should they materialise.

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- Monitor the performance of the Group's risks and their fit with the strategies and policies and the Group's risk appetite.
- Analyse, prior to submitting them to the Board of Directors or the Executive Committee, those risk transactions that must be put to its consideration.
- Examine whether the prices of the assets and liabilities offered to customers take fully into account the Bank's business model and risk strategy and, if not, present a remedy plan to the Board of Directors.
- Participate in the process for establishing the remuneration policy, checking that is consistent with sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company.
- Check that the Company and its Group has the means, systems, structures and resources in line with best practices that enable it to implement its risk management strategy, ensuring that the entity's risk management mechanisms are matched to its strategy.

Moreover, article 40 of the Board Regulations regulates the organisational and operating rules of the Risk Committee, establishing that it will meet as often as necessary to fulfill its duties, convened by its Chair or by whoever stands in for its Chair pursuant to the provisions of article 38 of the Board Regulations, though an annual calendar of meetings will be drawn up in accordance with its tasks. The Committee may request the attendance at its meetings of the Group's Chief Risk Officer, as well as the executives to whom the various risk areas report or the persons with tasks in the Group that are related to the Committee's duties. It may also obtain advice as necessary to establish criteria related to its business. This will be done through the Secretary of the Board. The system of convening meetings, quorums, the approval of resolutions, minutes and other details of its system of operation will be governed by the provisions of the Board Regulations insofar as they are applicable to the Committee and by any specific Regulations that may be established.

The most important activities carried out by the Risk Committee in 2015 are detailed in section C.2.5.

C.2.2 Fill in the following table with information on the number of female directors sitting on Board Committees over the last four years:

	Number of female directors							
	Year 2015		Year 2014		Year 2013		Year 2012	
	Number	%	Number	%	Number	%	Number	%
<b>Executive Committee</b>	1	20%	1	20%	1	16.67%	-	-
<b>Audit Committee</b>	2	40%	1	25%	1	20%	2	33.33%
<b>Appointments Committee</b>	1	20%	1	20%	1	20%	1	20%
<b>Remuneration Committee</b>	-	-	-	-	1	20%	1	20%
<b>Risk Committee</b>	1	16.67%	1	20%	-	-	-	-

C.2.3 Section repealed.

C.2.4 Section repealed.

C.2.5 Indicate, where applicable, the existence of regulations for the Board Committees, where they can be consulted and any amendments made to them during the year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

The Board Regulations are available on the Company's website and regulate the composition, duties and operation of the Board Committees. In its meeting on 22 December 2015, the Board agreed to modify the duties of the Audit and Compliance, Appointments and Remuneration Committees to adapt them to the Account Audit Act (Law 22/2015) and the Code of Good Governance.

**REMUNERATION COMMITTEE:** The Chair of the Remuneration Committee presented a report to the Board on its activities during 2015, describing the following aspects: the proposal to the Board of a new remuneration policy of

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directors, implementation thereof, determination of a new structure for indicators and weighting for generating the 2015 Annual Variable Remuneration was submitted for the consideration by the General Meeting and included the scales associated therewith; the proposal to the Board for its approval of the remuneration policy of the identified group; the assignment of "theoretical shares" of the remuneration system with deferred distribution to non-executive directors; the basic contractual conditions for Senior Management; and the remuneration for executive directors, such as liquidation of the 2014 Annual Variable Remuneration, the updated of the deferred portions of the variable remuneration from previous years, and the revision of the fixed and variable remuneration of reference for 2015. This also included, inter alia, the tasks executed by the Committee in relation to the Annual Report on Directors' Remuneration, proposed to the Board for a consultative vote by the General Meeting, review of the application of the Remuneration Policy in the previous year and the monitoring of the remuneration for the officers in the Risk and Compliance areas.

**AUDIT & COMPLIANCE COMMITTEE:** The Audit & Compliance Committee has specific Regulations approved by the Board and available on the company's website, which govern its operation and powers. These Regulations have been amended by the Board in 2015 to adapt them to the new legislative requirements and best practices in corporate governance.

The Chair of the Audit and Compliance Committee submitted to the Board a report on its activity in 2015, giving an account of the tasks performed by the Committee in relation to the functions within its remit, indicating that the Committee had carried out its activity with no incidents and fulfilled its duties in relation to the supervision of financial information; the internal control system for financial-accounting information; the monitoring and supervision of the internal and external audits; the matters related to compliance; and those related to the regulatory area. Informing on the Supervisory Review and Evaluation Process (SREP) regarding prudent capital requirements, carried out by the European Central Bank; on the annual plan for the Compliance area and its regular monitoring; and the communications with both national and international supervisory and regulatory authorities. With respect to the external audit, it covered the working plans, schedules and communication with the persons responsible for the account auditors, the Committee having ensured the independence of the account auditor in compliance with applicable regulations.

**RISK COMMITTEE:** The Risk Committee has specific Regulations approved by the Board and available on the company's website, which govern matters including its duties and procedural standards. These Regulations were amended in 2015 to adapt to the new legislative requirements.

The Chair of the Risk Committee submitted to the Board a report related to the most significant aspects of the activity carried out in 2015 by the Committee in the performance of its duties, giving an account of the analysis conducted on the corporate policies, the proposed limits on the Group's different risks and the treatment of the transactions put to its consideration, on which the relevant report had been issued. The Chair also informed on the Group's general control and risk management model and its progress, also giving an account of the regular monitoring of the development of the fundamental metrics established in the Group's risk management system and the solvency indicators of the Group and for its capital ratios. The Chair likewise reported on the work carried out by the Committee concerning the review of the general policies for the purposes of risk management governance, monitoring and oversight tasks insofar as the Risk Data Aggregation (RDA) Project and the liquidity and financing ratio monitoring established by the Group. Likewise, Chair reported on the monitoring of the Committee on the Group risk profile; risk weighted assets; evolution of the Group's structural risks, particularly management on the structural change risk; evolution of market risks; and the management and development of credit risk, with a detailed analysis of its positioning by classes of assets, distribution by geographical area, portfolio and customer, as well as on the development of the main ratios and metrics; and provisions for charge-offs. The Chair also reported on the tracking and progress of the other main risks managed by the Group, underscoring the monitoring made by the Committee regarding the evolution of technology and real estate risks.

C.2.6 Section repealed.

## **D RELATED-PARTY TRANSACTIONS AND INTRA-GROUP TRANSACTIONS**

D.1 Explain the procedure, if any, for approving related-party and intra-group transactions.

<b>Procedures for approving related party transactions</b>
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Article 17 v) of the Board of Directors Regulations establishes that the Board is responsible for approving, where applicable, the transactions that the Company or its Group companies may make with directors or with shareholders that individually or in concert hold a significant interest. This includes shareholders represented on the Company's Board of Directors or the boards of other Group companies, or with parties related to them, with the exceptions established by law.

Moreover, article 8 of the Board of Directors Regulations establishes that approval of the transactions of the Company or its Group companies with directors needing to be approved by the Board of Directors will be granted after receiving a report from the Audit Committee. The only exceptions to this approval will be transactions that simultaneously meet the three following specifications: (i) they are carried out under contracts with standard terms and are applied en masse to a large number of customers; (ii) they go through at market rates or prices set in general by the party acting as supplier of the goods or services; and (iii) they are worth less than 1% of the Company's annual revenues.

D.2 Detail any significant transactions, entailing a transfer of a significant amount or obligations between the company or its group companies, and the company's significant shareholders:

Name of significant shareholder (person or company)	Name of the company or group entity	Type of transaction	Type of transaction	Amount (€k)

D.3 Detail any significant transactions entailing a transfer of a significant amount or obligations between the company or its group companies, and the directors and/or senior managers:

Name of the directors and/or senior managers (person or company)	Name of the related party (person or company)	Nature of relationship	Nature of transaction	Amount (€k)

D.4 Detail the significant transactions in which the company has engaged with other companies belonging to the same group, except those that are eliminated in the process of drawing up the consolidated financial statements and that do not form part of the company's usual trade with respect to its object and conditions.

In any event, provide information on any intragroup transaction with companies established in countries or territories considered tax havens.

Name of the Group Company	Brief description of the transaction	Amount (€k)
BBVA GLOBAL FINANCE LTD.	Holding of securities representing debt	1,410
BBVA GLOBAL FINANCE LTD.	Current account deposits	1,403
BBVA GLOBAL FINANCE LTD.	Issue-linked subordinated liabilities	351,942

D.5 State the amount of the transactions carried out with other related parties.

D.6 Detail the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, managers and/or significant shareholders.

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Articles 7 and 8 of the Board Regulations regulate issues relating to possible conflicts of interest as follows:

#### Article 7

Directors must adopt necessary measures to avoid finding themselves in situations where their interests, whether for their own account or for that of others, may enter into conflict with the corporate interest and with their duties with respect to the Company, unless the Company has granted its consent under the terms established in applicable legislation and in the Board of Directors Regulations.

Likewise, they must refrain from participating in deliberations and votes on resolutions or decisions in which they or a related party may have a direct or indirect conflict of interest, unless these are decisions relating to appointment to or severance from positions on the governing body.

Directors must notify the Board of Directors of any situation of direct or indirect conflict that they or parties related to them may have with respect to the Company's interest.

#### Article 8

The duty of avoiding situations of conflict of interest referred to in the previous article obliges the directors to refrain from, in particular:

- Carrying out transactions with the Company, unless these are ordinary business, performed under standard conditions for the customers and of insignificant quantity. Such transactions are deemed to be those whose information is not necessary to provide a true picture of the net worth, financial situation and performance of the Company.
- Using the Company's name or invoking their position as director to unduly influence the performance of private transactions.
- Making use of the corporate assets, including the Company's confidential information, for private ends.
- Taking advantage of the Company's business opportunities.
- Obtaining advantages or remuneration from third parties other than the Company and its Group, associated to the performance of their position, unless they are mere tokens of courtesy.
- Engaging in activities for their own account or on behalf of third parties that involve effective actual or potential competition with the Company or that, in any other way, bring them into permanent conflict with the Company's interests.

The above provisions will also apply should the beneficiary of the prohibited acts or activities described in the previous subsections be a related party related to the director. However, the Company may dispense with the aforementioned prohibitions in specific cases, authorising a director or a related party to carry out a certain transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity or to obtain an advantage or remuneration from a third party.

When the authorization is intended to dispense with the prohibition against obtaining an advantage or remuneration from third parties, or affects a transaction whose value is over 10% of the corporate assets, it must necessarily be agreed by a General Meeting resolution.

The obligation not to compete with the Company may only be dispensed with when no damage is expected to the Company or when any damage that is expected is compensated by benefits that are foreseen from the dispensation. The dispensation will be conferred under an express and separate resolution of the General Meeting.

In other cases, the authorisation may also be resolved by the Board of Directors, provided the independence of the members conferring it is guaranteed with respect to the director receiving the dispensation. Moreover, it will be necessary to ensure that the authorized transaction will not do harm to the corporate net worth or, where applicable, that it is carried out under market conditions and that the process is transparent.

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Approval of the transactions of the Company or its Group companies with directors needing to be approved by the Board will be granted after receiving a report from the Audit Committee. The only exceptions to this approval will be transactions that simultaneously meet the following 3 specifications: 1) they are carried out under contracts with standard terms and are applied en masse to a large number of customers; 2) they go through at market rates or prices set in general by the party acting as supplier of the goods or services; and 3) they are worth less than one per cent of the Company's annual revenues.

Since BBVA is a credit institution, it is subject to the provisions of Act 10/2014, dated 26th June, on the regulation, supervision and solvency of credit institutions, whereby the directors and general managers or similar may not obtain credits, bonds or guarantees from the Bank on whose board or management they work, above the limit and under the terms established in article 35 of Royal Decree 84/2015, which implemented Law 10/2014, unless expressly authorized by the Bank of Spain.

All the members of the Board of Directors and the senior management are subject to the Company's Code of Conduct on the Securities Markets. This Code is intended to control possible conflicts of interest. It establishes that everyone subject to it must notify the head of their area or the Compliance Unit of situations that could potentially and under specific circumstances may entail conflicts of interest that could compromise their impartiality, before they engage in any transaction or conclude any business in which they could arise.

D.7 Are more than one of the Group's companies listed in Spain as publicly traded companies?

NO

Identify the subsidiaries listed in Spain

Subsidiaries listed

Indicate whether the respective areas of business and any potential relations between them and any potential business relations between the holding company and the listed subsidiary and other group companies have been publicly defined;

Define any potential business relations between the holding company and the listed subsidiary company and between the listed subsidiaries and other group companies

Identify the mechanisms established to resolve any potential conflicts of interest between the listed subsidiary and other companies of the group.

Mechanisms to resolve possible conflicts of interest

**E RISK CONTROL AND MANAGEMENT SYSTEMS**

E.1 Explain the scope of the company's Risk Management System, including risks of a tax-related nature.

The BBVA Group has a general model of risk management and control in place which is appropriate to its business model, its organization and countries in which it operates, that enables it to carry out its activity within the framework of the risk control and management strategy and policy defined by the Bank's corporate bodies and adapt to a changing economic and regulatory environment, addressing its management in a global way adapted to the circumstances in any given time.

The risk management function at BBVA (Global Risk Management) is organized and developed by establishing procedures and specific rules for each type of risk, bringing the elements of the model closer to the day-to-day management of risks in the Group.

The elements comprising the model are:

1. A system of governance and organization of the risk management function that has an adequate definition of

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roles and responsibilities in all areas, a series of committees and delegation structures, and an internal control system which is consistent with the nature and scale of the risks.

2. A Group risk appetite approved by the Board that determines the risks and the risk level that the Group is willing to assume to achieve its business objectives.

3. A management model that, in addition to a risk planning scheme, also includes a homogeneous set of regulations and comprehensive management of the risks throughout their life cycle.

4. A framework of risk identification, evaluation, monitoring and reporting that provides the model with a dynamic and proactive vision to enable compliance with the risk appetite, even in adverse scenarios.

5. An adequate infrastructure that ensures that the Group has the human, technological and methodological resources needed for effective management and supervision of risks in order to carry out the functions included in the model.

Some notes on the management of different risks are given below:

- Credit risk: the most relevant for the Group and includes management of counterparty, issuer, settlement and country-specific risks. Management of this risk is based on the following principles: A) availability of basic information for assessing risks, proposing risks and having supporting documentation for approval purposes; B) sufficient customer fund generation and solvency to assume the repayments of principal and interest on loans owed; C) establishment of adequate and sufficient guarantees to allow effective recovery of the operation, considered a secondary and exceptional method of recovery for when the first has failed. Credit risk management is based on a comprehensive structure covering for objective and independent decision-making throughout its life cycle.

- Structural interest-rate risk: This includes the potential impact that changes in market interest rates have on the net interest income and book value of entities. Its management model in the Group is decentralized, thus the Balance-Sheet Management unit, pertaining to Finance, designs and executes the strategies to implement via ALCO in accordance with the tolerances set out in the risk appetite framework.

- Structural exchange-rate risk: Managed centrally in the Group and is focused on the risk that arises when consolidating holdings in subsidiaries with functional currencies other than the euro. The corporate Balance-Sheet Management unit, through ALCO, designs and executes the hedging strategies with the main purpose of controlling the potential negative effect of exchange-rate fluctuations on capital ratios and on the equivalent value in euros of the foreign-currency earnings of the different subsidiaries, considering the transactions according to market expectations and their cost.

- Structural equity risk: the exposure to this risk mainly stems from holdings in non-strategic industrial and financial companies with medium- and long-term investment horizons. It is managed in accordance with risk management policies for equity positions in the equity portfolio to ensure their adaptation to BBVA's business model and risk tolerance level.

- Market risk (trading portfolio): This arises from the probability of losses in the value of the positions held as a result of changes in the market prices of financial instruments. The Value at Risk (VaR) model is employed to measure market risk.

- Liquidity risk: The short-term aim of the control, monitoring and management of liquidity and funding risk is to meet the payment commitments in due time and form, without having to raise funds under burdensome conditions or conditions that may damage the institution's reputation. In the medium and long term, the aim is to ensure that the Group's funding structure is appropriate and that its evolution is suitable regarding the economic situation, the markets and the regulatory changes, in accordance with the established risk appetite.

- Operational risk: operational risk management is based on the value provided by the Advanced Measurement Approach model (AMA): knowledge, identification, prioritization and management of potential and actual risks, supported by a governance model to drive management across all of the Group's units. The aim is to reduce operating losses by managing an adequate control environment.

Regarding taxation, BBVA has defined a tax-related management policy based on a suitable control environment, a system for identifying risks and a monitoring process including continuous improvement of the effectiveness of the established controls.

## E.2 Identify the corporate bodies responsible for drawing up and enforcing the Risk Management System, including tax-related risks.

BBVA's risk governance system is characterized by a special involvement of its corporate bodies, both in setting the risk strategy and in monitoring and supervising its implementation on an ongoing basis.

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The Board of Directors approves the risk strategy and supervises the internal control and management systems. Specifically, the strategy approved by the Board includes, at least, the Group's risk appetite statement, the fundamental metrics and the basic structure of limits by geographical areas, types of risk and classes of assets, as well as the bases of the risk management and control model established in this way. The Board ensures that the budget is in line with the approved risk appetite.

On the basis established by the Board of Directors, the Executive Committee approves specific corporate policies for each type of risk. This Committee also approves and monitors the Group's risk limits, and is kept informed of any over-limits and of the corrective measures established.

Lastly, the Board of Directors has set up a committee specializing in risks, the Risks Committee. This committee conducts an ongoing analysis and monitoring of risks within the remit of the corporate bodies, assisting the Board of Directors and the Executive Committee in the determination and monitoring of the risk strategy and the corporate policies, respectively. Another task of special relevance it carries out is detailed control and monitoring of the risks that affect the Group as a whole, which enables it to supervise the effective integration of the risk strategy into management and the application of the corporate policies approved by the corporate bodies.

The head of GRM is the Group's Chief Risk Officer (CRO), whose main responsibility is to ensure that the Group's risks are managed in accordance with the model. For the better performance of his duties, the Chief Risk Officer is supported by a structure consisting of cross-cutting risk units in the corporate area and specific risk units in the Group's geographical areas and/or business areas. Each of these units is headed by a Risk Officer who, within his/her field of competence, carries out risk management and control functions and is responsible for applying the corporate policies and rules approved at the Group level in a consistent manner, adapting them if necessary to the local requirements and reporting to the local corporate bodies.

The Risk Officers of the geographical and/or business areas report both to the Group's Chief Risk Officer and to the head of their geographical and/or business area. This dual reporting system aims to ensure the independence of the local risk management function from the operating functions and enable its alignment with the Group's corporate policies and goals related to risks.

The risks function has a decision-making process supported by a structure of committees. The Global Risk Management Committee (GRMC) is the highest executive body in the risk area and proposes, examines and, where applicable, approves, among others, the internal risk regulatory framework and the procedures and infrastructures needed to identify, assess, measure and manage the risks facing the Group in its businesses, as well as the admission of operations involving more relevant risks.

Regarding the tax-related risk, the Tax Department establishes the control mechanisms and internal rules necessary to ensure compliance with the tax laws in force and the tax strategy approved by the Board of Directors.

This duty undergoes supervision by the Audit Committee of the BBVA Group.

### E.3 Indicate the principal risks, including tax-related risks that could prevent business targets from being met.

BBVA has processes for risk identification and scenario analysis that enable the Group to conduct a dynamic and proactive risk management.

The risk identification processes are forward-looking to ensure the identification of emerging risks, and take into account the concerns of both the business areas, which are closer to the reality of the different geographical areas, and the corporate areas and senior management.

Risks are captured and measured in a consistent way using the most appropriate methodologies in each case. Their measurement includes the design and application of scenario analyses and stress testing, and considers the controls the risks are subjected to.

As part of this process, a forward projection is performed of the risk appetite variables in stress scenarios with the aim of identifying possible deviations from the established thresholds; if such deviations are detected, the appropriate measures are adopted to keep those variables within the target risk profile.

In this context, there are a series of emerging risks that could affect the Group's business performance. These risks are organized into the following large blocks:

- Macroeconomic and geopolitical risks
  - A slowdown in growth in emerging economies and possible difficulties in Europe's economic recovery

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are major focal points for the Group.

- On the other hand, financial institutions are exposed to the risks derived from political and social instability in the countries in which they operate, which can have a major impact on their economies and even at regional level.

The Group's diversification is the key to achieving a high level of recurring revenue, despite the conditions of the environment and the economic cycles of the economies in which it operates.

• Regulatory, legal, tax-related and reputational risks

- Financial institutions are exposed to a complex and changing regulatory and legal environment that can impact their growth capacity and the conducting of certain businesses, with higher liquidity and capital requirements and lower profitability ratios. The Group monitors changes in the regulatory framework on an ongoing basis to enable it to anticipate and adapt to those changes sufficiently in advance, adopt the best practices and the most efficient and rigorous criteria for their implementation.
- The financial sector is coming under intense scrutiny by regulators, governments and society itself. Negative news or inappropriate conduct can seriously damage an institution's reputation and affect its ability to conduct a sustainable business. The attitudes and conduct of the Group and of its members are governed by the principles of integrity, honesty, long-term vision and best practices, thanks to the internal control model, the Code of Conduct, tax strategy and the Group's Responsible Business strategy, among others.
- The financial sector is exposed to growing litigation rates in that financial entities are facing an elevated number of lawsuits whose economic consequences cannot be easily foreseen. The Group carries out a constant management and tracking of such lawsuits in defense of its own interests, and allocates, when considered necessary, the corresponding provisions for coverage thereof, following the criteria of internal lawyers and external legal experts handling the legal prosecution of the proceedings themselves and based on the applicable laws and regulations.

• Business and operational risks

- New technologies and forms of customer relations: The development of the digital world and the information technologies poses major challenges for financial institutions, that represent threats (new competitors, disintermediation...) and also opportunities (new customer relations framework, greater ability to adapt to their needs, new products and distribution channels...). In this regard, digital transformation is one of the priorities for the Group, which aims to lead the digital banking of the future.
- Technological risks and security breaches: Financial institutions are exposed to new threats such as cyber-attacks, internal and customer database theft, payment system fraud... that require major investments in security from the technological and human point of view. The Group attaches a great deal of importance to active management and control of operational and technological risk. One example is the early adoption of advanced models for managing these risks (AMA - Advanced Measurement Approach).

#### E.4 Identify whether the entity has a risk tolerance level, including tax-related risks.

The Group's risk appetite approved by the Board of Directors determines the risks and the risk level that the Group is willing to assume to achieve its business objectives. These are expressed in terms of capital, liquidity, profitability, recurring revenue, cost of risk or other metrics.

The definition of the risk appetite has the following goals:

- To express the Group's strategy and the maximum levels of risk it is willing to assume, at both Group and geographical and/or business area level.
- To establish a set of action guidelines and a management framework in the medium and long term that prevent actions (at both Group and geographical and/or business area level) that could compromise the future viability of the Group.
- To establish a framework for relations with the geographical and/or business areas that, while preserving their decision-making autonomy, ensures their consistency, avoiding inconsistent conduct.
- To establish a common language throughout the organization and develop an enforcement-oriented risk culture.
- Alignment with the new regulatory requirements, facilitating communication with regulators, investors and other

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stakeholders, thanks to an integrated and stable risk management framework.

The risk appetite is expressed through the following elements:

- Risk appetite statement: sets out the general principles of the Group's risk strategy and the target risk profile. BBVA's risk policy is aimed at maintaining the risk profile expressed in the Group's risk appetite statement, which is structured around a series of metrics (fundamental metrics and limits).
- Fundamental metrics: they reflect, in quantitative terms, the principles and the target risk profile set out in the risk appetite statement.
- Limits: they shape the risk appetite at geographical area, risk type and asset class level, enabling its integration into management.

The corporate risk area works with the various geographical and/or business areas to define their risk appetite, so that it is coordinated with, and integrated into the Group's risk appetite, making sure that its profile is in line with the one defined.

The BBVA Group assumes a certain degree of risk to be able to provide financial services and products to its customers and obtain attractive returns for its shareholders. The organization must understand, manage and control the risks it assumes.

The aim of the organization is not to eliminate all risks, but to assume a prudent level of risks that allows it to generate returns while maintaining acceptable capital and funding levels and generating recurrent earnings.

#### E.5 State what risks, including tax-related risks, have occurred during the year.

Risk is inherent to financial business, so the occurrence of risk to a greater or lesser extent is absolutely implicit in the Group's activities. BBVA thus provides detailed information on its yearly financial statements (note 7 in the Report and note 19 in the consolidated accounts insofar as tax-related risks) regarding the developments of such risks, since their very nature can permanently affect the Group in undertaking its activities.

#### E.6 Explain the response and supervision plans for the principal risks faced by the company, including tax-related risks

The BBVA Group's internal control system takes its inspiration from the best practices developed both in the COSO (Committee of Sponsoring organizations of the Treadway Commission) "Enterprise Risk Management - Integrated Framework" and in the "Framework for Internal Control Systems in Banking Organizations", drawn up by the Basel Bank of International Settlements (BIS).

The control model has a system comprising three lines of defense:

- The first line is made up of the Group's business units, which are responsible for control within their remit and for implementing any measures that have been established higher up the management chain.
- The second line of defense comprises the specialist control units (Regulatory Compliance, Global Accounting & Information Management/Internal Financial Control, Internal Risk Control, Cybersecurity & digital trust, Operational Control and Control of the Production Departments of the support units, such as Talent&Culture, Legal Department, etc.). This line supervises control over the different units within its cross-cutting area of specialization, defines the mitigation and improvement measures necessary and promotes their proper implementation. The Corporate Operational Risk Management unit is also part of this line of defense, providing a common management methodology and tools.
- The third line consists of the Internal Audit unit, which conducts an independent review of the model, verifying the effectiveness and compliance with corporate policies, and providing independent information about the control model.

In addition, within the risk area, the Group has units for Internal Risk Control and Internal Validation that are independent of the units that develop the models, manage the processes and execute the controls.

Its scope of action is global, both from the geographical point of view and in terms of the types of risks. It encompasses all the areas of the organization and is designed to identify and manage the risks faced by the Group entities, in order to guarantee the established corporate objectives.

The main function of Internal Risk Control is to ensure the existence of a sufficient internal regulatory framework,

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a process and measures defined for each type of risks identified in the Group, and for those other types of risk that may potentially affect the Group, control their application and operation, and ensure that the risk strategy is integrated into the Group's management. Among other functions, Internal Validation is responsible for the independent review and validation, at internal level, of the models used to measure and assume the risks and for determining the Group's capital requirements.

The Group's Internal Risk Control Director is responsible for the function and reports its activities and informs on its work plans to CRO and to the Board's Risks Committee, assisting it in any matters where requested.

To perform its duties, the unit has a structure of teams at a corporate level and also in the most important geographical areas in which the Group operates. As in the corporate area, the local units remain independent from the business areas that implement the processes, and from the units that carry out the controls, reporting functionally to the Internal Risk Control unit. The unit's lines of action are established at Group level and it is then responsible for their local-level adaptation and implementation, and for reporting on the most relevant aspects.

Turning to tax risks, the Board of Directors approved the Tax Strategy for the BBVA Group on 1 July 2015. This strategy reflects the tax-related postures of the Group. In this regard, the Tax Department establishes the policies and control processes for guaranteeing compliance with the tax laws currently in force and the tax strategy.

## **F SYSTEMS OF INTERNAL RISK MANAGEMENT AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)**

Describe the mechanisms comprising the risk management and control systems for financial reporting (ICFR) in the entity.

### **F.1 The entity's control environment**

Give information, describing the key features of at least:

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

Pursuant to article 17 of the Board Regulations, the Board of Directors approves the financial information that BBVA is required to publish periodically as a publicly traded company. The Board of Directors has an Audit & Compliance Committee, whose mission is to assist the Board supervise financial information and exercise control over the BBVA Group.

In this respect, the BBVA Audit & Compliance Committee Regulations establishes that the Committee's duties include the supervision of the sufficiency, suitability and effective operation of the internal control systems in the process of drawing up and preparing financial information, so as to rest assured of the correctness, accuracy, sufficiency and clarity of the financial information of the Entity and its consolidated Group.

The BBVA Group complies with the requirements imposed by the Sarbanes Oxley Act ("SOX") for each year's consolidated annual accounts due to its status as a publicly traded company listed with the U.S. Securities Exchange Commission ("SEC"). The main Group executives are involved in the design, compliance and maintenance of an effective internal control model that guarantees the quality and veracity of the financial information. The Global Accounting & Information Management Department ("GA&IM") is responsible for the operation and maintenance of the internal financial control model.

In addition, and with the aim of reinforcing internal control in the Group, the Corporate Assurance model was implemented in 2013 (which includes the ICFR). It establishes a framework for the supervision of the internal control model. The Corporate Assurance model (in which the business areas, support areas and the areas specializing in internal control participate) is organized into a system of committees that analyze the most relevant issues related to internal control in each geographical area, with the participation of the country's top managers. These committees report to the Group's Global Committee, chaired by the CEO with the assistance of the main executives responsible for the business and control areas.

The different internal control units at holding and local level are responsible for implementing and applying the internal control and operational risk methodology defined in the Group. These internal control units are responsible,

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together with the business areas, for identifying, prioritizing and assessing the risks, helping the units to implement a control model, documenting it and supervising it periodically as well as defining risk mitigating measures and promoting their proper implementation.

The effectiveness of this internal control system is assessed on an annual basis for those risks that may have an impact on the proper drawing up of the Group's financial statements. The Internal Financial Control area, the control specialists of the business and support areas and the Group's Internal Audit department collaborate in this assessment. In addition, the external auditor of the BBVA Group issues an opinion every year on the effectiveness of internal control over financial reporting based on criteria established by COSO (Committee of Sponsoring Organizations of the Treadway Commission) and in accordance with the standards of the U.S. Public Company Accounting Oversight Board (PCAOB). This opinion appears in the Form 20-F that is filed every year with the SEC.

The result of the annual assessment of the System of Internal Control over Financial Reporting is reported to the Group's Audit and Compliance Committee by the heads of Internal Control and Internal Financial Control.

F.1.2. Whether, especially in the process of drawing up the financial information, the following elements exist:

- Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) the clear definition of lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) ensuring that sufficient procedures exist for their correct dissemination within the entity.

The drafting of the financial information is carried out by the local Financial Management units of the countries and in a centralized manner by the GA&IM Division, which is overall responsible for the drafting and reporting of accounting and regulatory information.

The BBVA Group has organizational structure design and review mechanisms that clearly define action lines, responsibility and authority so as to guarantee compliance with all legal requirements in force that would the drawing up of financial information of the entity and consolidated group, and also has the channels and circuits necessary for their communication and distribution. The units responsible for drawing up these financial statements have a distribution of tasks and segregation of functions necessary to draw up these statements in an appropriate operational and control framework.

Additionally, there is an accountability model aimed at extending the culture of, and commitment to internal control. Those in charge of the design and operation of the processes that have an impact on financial reporting certify that all the controls associated with its operation under their responsibility are sufficient and have worked correctly.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether specific mention is made of recording the transactions and drawing up of the financial information), body in charge of analysing non-compliance and proposing corrective measures and sanctions.

BBVA has a Code of Conduct, approved by the Board of Directors, that sets out BBVA's specific commitments in developing one of the principles of its Corporate Culture: Integrity as a way of understanding and carrying out its businesses. This Code likewise establishes the corresponding channel for whistleblowers regarding possible infringements of the Code. It is the subject of ongoing training and refresher programs including key personnel in the financial function. The Code of Conduct has been updated in 2015 insofar as content and form to adjust its content to developments in the sector and the experience accumulated during the application thereof in recent years; simplifying and rendering its style more clear, accessible and integrative; adapting it even more to the international structure of the Group; and attempting to cover the ever-growing expectations of stakeholders and society in general regarding the manner to conduct business, especially in the financial sector.

The Code of Conduct applies to all entities comprising the BBVA Group and all its employees and management team. It has thus been distributed to apprise them of its content, and is published on the Bank's corporate website ([www.bbva.com](http://www.bbva.com)) and on the employees' website (intranet). Additionally, Group integrants undertake to observe its principles and rules in an express declaration of awareness and adhesion.

The content of the Code of Conduct is structured around the following blocks: Conduct with clients, conduct with coworkers, conduct with the company, conduct with society, and application of the code; with particular mention to the conduct criteria applicable when recording operations in sections 3.1 and 3.2 therein; and the transparency in financial information and market in sections 1.2, 3.13 and 3.17 therein.

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The dissemination of its content is supplemented with training activities. They are underpinned by a mandatory online training course for all the employees and on-site refresher sessions, where deemed necessary.

The duties of the Audit & Compliance Committee include ensuring that the internal codes of ethics and conduct and on securities market, applicable to all personnel of the Group, comply with legal requirements and are adequate for the Bank.

Additionally, BBVA has adopted a structure of Corporate Integrity Management Committees (with individual powers at jurisdiction or Group entity levels, as applicable). Their joint scope of action covers all the Group businesses and activities and their main duty is to ensure effective application of the Code of Conduct. There is also a Corporate Integrity Management Committee whose scope of responsibility extends throughout BBVA. The fundamental mission of this committee entails ensuring uniform application of the Code in BBVA.

The Compliance Unit in turn independently and objectively promotes and supervises to ensure that BBVA acts with integrity, particularly in areas such as money-laundering prevention, conduct with clients, security market conduct, corruption prevention, data protection and other areas that could entail a reputational risk for BBVA. The unit's duties include fostering the knowledge and application of the Code of Conduct, promoting the drafting and distribution of its implementing standards, assisting in the resolution of any concern insofar as interpretation of the Code that may arise, and managing the Whistle-Blowing Channel.

- Whistle-blowing channel, to allow financial and accounting irregularities to be communicated to the Audit Committee, as well as possible non-compliance with the code of conduct and irregular activities in the organization, reporting where applicable if this is confidential in nature.

Preservation of the Corporate Integrity of BBVA transcends the merely personal accountability for individual actions, it calls for all employees to have zero tolerance for activities outside the Code of Conduct or that could harm the reputation or good name of BBVA, an attitude that is reflected in everyone's commitment to whistle-blowing, by timely communication, of situations that, even when unrelated to their activity or area of responsibility, could be illegal or infringe upon the values and guidelines of the Code.

The Code of Conduct itself establishes the communication guidelines to follow and contemplates a Whistle-Blowing Channel, likewise guaranteeing the duty to reserve of the reporting parties, confidentiality of the investigations and the prohibition of retaliation or adverse consequences in light of communications made in good faith.

Telephone lines and email boxes have been set up for these communications in each jurisdiction. A list of these appears on the Group Intranet.

As described in the previous section, BBVA has adopted a structure of Corporate Integrity Management Committees (with individual powers at jurisdiction or Group entity levels, as applicable), whose joint scope of action covers all the Group businesses and activities and whose functions (explained in greater detail in their corresponding regulations) include:

- To promote adoption of the measures necessary to resolve ethically questionable actions that any of the Group members may have become aware of, either in the pursuit of their duties within the areas they represent, or as a consequence of receiving the aforementioned communications.

- To promptly report on those circumstances that could lead to significant risks for BBVA to:

- (1) the Board of Directors or the Audit & Compliance Committee, as appropriate.

- (2) Senior Management.

- (3) The person in charge of drawing up the financial statements in order to ensure that they reflect what may be appropriate.

- Periodic training and refresher courses for employees involved in preparing and revising the financial information, and in ICFR assessment, covering at least accounting standards, audit, internal control and risk management.

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Specific training and periodic refresher courses are given on accounting and tax-related standards, internal control and risk management in units involved in preparing and reviewing the financial and tax-related information and in evaluating the internal control system, to help them perform their functions correctly.

Within GA&IM there is an annual training program for all members of the area on aspects related to the drawing up of financial information: accounting, finance and tax matters, and other courses in accordance with the needs of the area. These courses are taught by professionals from the area and renowned external providers.

This specific training program includes bank-wide training, which includes courses on finance and technology.

Additionally, the BBVA Group has a personal development plan for all employees, which forms the basis of a personalized training program to deal with the areas of knowledge necessary to perform their functions.

## **F.2 Financial reporting risk assessment**

Give information on at least:

F.2.1. The key features of the risk identification process, including error and fraud risks, with respect to:

- Whether the process exists and is documented.

The ICFR was developed by the Group Management in accordance with international standards set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), establishing five components on which the effectiveness and efficiency of internal control systems must be based:

- Establishing an adequate control environment for monitoring all these activities.
- Evaluating the risks that may be incurred by an entity in drawing up its financial information.
- Designing the necessary controls to mitigate the most critical risks.
- Establishing the adequate information circuits to detect and communicate the system's weaknesses or inefficiencies.
- Monitoring such controls to ensure they are operational and the validity of their effectiveness over time.

In order to identify the risks with a greater potential impact on the generation of financial information, the processes from which such information is derived are identified and documented, and an analysis of the risks that may arise in each one is conducted.

Based on the corporate internal control and operational risk methodology, the risks are included in a range of categories by type, which include the error and fraud (internal/external) categories, and their probability of occurrence and possible impact is analyzed.

The process of identifying risks of error, falsehood or omission in the drawing up of the financial statements is carried out by the Financial Reporting Internal Control unit. The scope of the annual/quarterly or monthly assessment of their controls is determined based on the materiality of the risks, thus ensuring coverage of the critical risks for the financial statements.

The assessment of the aforementioned risks and of the effectiveness of their controls begins with the management's understanding of and insight into the business and the analyzed operating process, considering criteria of quantitative materiality, likelihood of occurrence and economic impact, in addition to qualitative criteria associated with the type, complexity and nature of the risks or of the business structure itself.

The system for identifying and assessing the risks of internal control over financial reporting is dynamic. It evolves continuously, always reflecting the reality of the Group's business, changes in operating processes, the risks affecting them and the controls that mitigate them.

All this is documented in a corporate management tool developed and managed by Operational Risk (Storm). This tool documents all the processes, risks and controls managed by the different control specialists, including the Financial Reporting Internal Control unit.

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- Whether the process covers all the objectives of financial reporting (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations), whether the information is updated and with what frequency.

All the processes developed in the BBVA Group for drawing up financial information aim to record all financial transactions, value the assets and liabilities in accordance with applicable accounting regulations and provide a breakdown of the information in accordance with regulatory requirements and market needs.

The model of control over financial information analyses each of the aforementioned processes in order to ensure that error or fraud risks are properly covered with controls that work efficiently, and is updated when there are changes in the relevant processes for drawing up the financial information.

- The existence of a process for identifying the consolidation perimeter, taking into account aspects including the possible existence of complex corporate structures, instrumental or special purpose vehicles.

The GA&IM (Global Accounting and Information Management) organization includes a Consolidation department that carries out a monthly process of identification, analysis and updating of the Group's consolidation perimeter.

In addition, the information from the consolidation department on new companies set up by the Group's different units and the changes made to existing companies is compared with the issues analyzed by two specific committees whose function is to analyze and document the changes in the composition of the corporate group (Holding Structure Committee and Investments in Non-Banking Companies Committee, both corporate).

- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax-related, reputational, environmental, etc.) insofar as they impact the financial statements.

The model of internal control over financial reporting applies to processes for drawing up such financial information and all operational or technical processes that could have a relevant impact on the financial, accounting, tax-related or management information.

As explained above, all the specialist control areas apply a standard methodology and use a common tool (Storm) to document the identification of the risks, including tax risks, of the controls that mitigate those risks, and of the assessment of their effectiveness.

There are control specialists in all the operational or support areas, and therefore any type of risk that may affect the Group's operations is analyzed under that methodology (market, credit, operational, technological, financial, legal, tax-related, reputational or any other type of risk) and is included in the ICFR insofar as it may have an impact on the financial information.

- Which of the entity's governance bodies supervises the process.

The process for identifying risks and assessing the effectiveness and suitability of the controls is documented at least once a year, supervised by the Internal Audit area and reported to the Global Corporate Assurance Committee of the Group.

Moreover, the Internal Audit Director and head of the Group's Internal Financial Control report each year to the Audit & Compliance Committee on the analysis and certification work carried out pursuant to SOX methodology, to comply with the legal requirements of the Sarbanes Oxley Act on internal control systems for the financial reporting included in Form 20-F, which is filed every year with the SEC (as explained in point one regarding the control environment).

### **F.3 Control activities**

Give information on the main features, if at least the following exist:

F.3.1. Procedures for review and authorisation of the financial information and the description of the ICFR, to be published on the securities markets, indicating who is responsible for it, and the documentation describing the activity flows and controls (including those concerning risk of fraud) for the different types of transactions that may materially impact the financial statements, including the procedure for closing the accounts and the specific review of the relevant judgments, estimates, valuations and projections.

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All the processes related to the drawing up of the financial information are documented, together with their control model: risks in each process and controls established for their mitigation. As explained in point F.2.1, the aforementioned risks and controls are recorded in the corporate tool Storm, which also includes the result of the assessment of the operation of the controls and the degree of risk mitigation.

In particular, the main processes related to the generation of financial information are: accounting, consolidation, financial reporting, financial planning and monitoring, financial and tax-related management. The analysis of these processes, their risks and their controls is also supplemented by all other critical risks that may have a financial impact from business areas or other support areas.

Likewise, there are procedures for review by the areas responsible for generating the financial and tax-related information disseminated to the securities markets, including the specific review of the relevant judgments, estimates and projections.

As mentioned in the annual financial statements, it is occasionally necessary to make estimates to determine the amount at which some assets, liabilities, income and expenses and commitments should be recorded. These estimates are mainly related to:

- Impairment losses on certain financial assets.
- The assumptions used to quantify certain provisions and in the actuarial calculation of liabilities and commitments for post-employment and other obligations.
- The useful life and impairment losses of tangible and intangible assets.
- The appraisal of goodwill and price assignments in business combinations.
- The fair value of certain unlisted assets and liabilities.
- The recoverability of deferred tax assets.

These estimates are made based on the best information available on the financial statement closing date and, together with the other relevant issues for the closing of the annual and six-monthly financial statements, are analyzed and authorized by a Technical Committee at GA&IM (GA&IM Executive Steering Committee) and submitted to the Audit and Compliance Committee before their filing by the Board of Directors.

**F.3.2. Internal control procedures and policies for information systems (among others, access security, change control, their operation, operational continuity and segregation of functions) that support the relevant processes in the entity with respect to the drawing up and publication of the financial information.**

The internal control models include procedures and controls regarding the operation of information systems and access security, functional segregation, development and modification of computer applications used to generate financial information.

The current methodology for internal control and operational risk establishes a list of controls by category whose breakdown includes (among others) two categories: access control and functional segregation. Both categories are identified in the model of internal control of financial information and their risks and controls are analyzed and assessed on a regular basis, so the integrity and reliability of the information drawn up can be guaranteed.

Additionally, there is a corporate level procedure for managing system access profiles. It is developed, implemented and updated by the Group's internal technology control unit. This unit is also in charge of providing support for control processes in change management (development in test environments and putting changes into production), incident management, management of transactions, media and backup copy management, and management of business continuity, inter alia.

With all these mechanisms, the BBVA Group ensures the maintenance of adequate management of access control, the establishment of the correct and necessary steps to put applications into production and their subsequent support, the creation of backup copies, and assurance of continuity in the processing and recording of transactions.

**F.3.3. Internal control procedures and policies designed to supervise the management of activities subcontracted to third parties, and those aspects of the evaluation, calculation and assessment outsourced to independent experts, which may materially impact the financial statements.**

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The internal control policies establish controls and procedures for the management of subcontracted activities or those aspects of evaluation, calculation and assessment outsourced to independent experts.

There is a set of standards and an Outsourcing Committee that establishes and supervises the requirements that must be met at group level for the activities to be subcontracted. Regarding the financial processes, there are procedural manuals contemplating the outsourced activity that identify the processes to be executed and the controls to be applied by the service provider units and units entrusted with the outsourcing thereof. The controls established in the outsourced processes concerning the generation of financial information are also tested by the Internal Financial Control area.

The valuations from independent experts used for matters relevant for generating financial information are included within the standard circuit of review procedures executed by internal control, internal auditing and external auditing.

#### **F.4 Information and communication**

Give information on the main features, if at least the following exist:

F.4.1. A specific function in charge of defining and keeping the accounting policies updated (accounting policy department or area) and dealing with queries or conflicts stemming from their interpretation, ensuring fluent communication with those in charge of operations in the organization, and an up-to-date manual of accounting policies, communicated to the units through which the entity operates.

The organization has two areas within GA&IM (Group Financial Accounting and Global Supervisory Relations) in charge of the Accounting (Accounting Working Group) and Solvency Technical Committees. Their purpose is to analyze, study and issue standards that may impact the drawing up of the Group's financial information, determining the accounting and solvency criteria required to ensure correct recording of transactions to the accounts and calculation of capital requirements within the framework of standards issued by the Bank of Spain, the European Union (IASB, directives on equity) and the Basel Committee.

There is an updated accounting policies manual, disseminated over the Company intranet to all the units in the Group. This manual is the tool that guarantees that all the decisions related to accounting policies or specific accounting criteria to be applied in the Group are supported and are standardized. The Accounting Policies Manual is approved in the Accounting Working Group and is documented and updated for its use and analysis by all the Group's entities.

F.4.2. Mechanisms to capture and prepare the financial reporting in standardised formats, for application and use by all the units of the entity or the group, that support the main financial statements and the notes, and the information detailed on ICFR.

The GA&IM area of the Group and the financial areas of each countries are responsible of the elaboration of the financial reporting in accordance with the applicable accounting and consolidation rules. There is also a consolidation computer application that includes the information on the accounting of the various Group companies and performs the consolidation processes, including the standardization of accounting criteria, aggregation of balances and consolidation adjustments.

Control measures have also been implemented in each process to guarantee that all the data underpinning the financial information are collected in a comprehensive, exact and timely manner. There is also a single and standardized format for the financial reporting system. It is applicable to and used by all the Group units and supports the main financial statements and the explanatory notes. There are also control measures and procedures to ensure that the information disclosed to the markets includes a sufficient level of detail to enable investors and other users of the financial information to understand and interpret it.

#### **F.5 Supervision of the system's operation**

Give information, describing the key features of at least:

F.5.1. The ICFR supervision activities carried out by the Audit Committee and whether the entity has an internal audit function whose powers include providing support to the Audit Committee in its task of supervising the internal control system, including the ICFR. Likewise, give information on the scope of the ICFR assessment carried out during the year and of the procedure by which the person in charge of performing the assessment communicates its results,

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whether the entity has an action plan listing the possible corrective measures, and whether its impact on the financial reporting has been considered.

The internal control units of the business areas and of the support areas conduct a preliminary assessment of the internal control model, assess the risks of the processes and the degree of mitigation of the controls, identify weaknesses, design, implement and monitor the mitigation measures and action plans.

BBVA also has an Internal Audit unit that provides support to the Audit & Compliance Committee on the independent supervision of the financial information internal control system. The Internal Audit function is entirely independent of the units that draw up the financial information.

All the control weaknesses, mitigation measures and specific action plans are documented in the corporate tool Storm and submitted to the internal control and operational risk committees of the areas, as well as to the local or global Corporate Assurance Committees, based on the relevance of the detected issues.

To sum up: both the weaknesses identified by the internal control units and those detected by the internal or external auditor have an action plan in place to correct or mitigate the risks.

During 2015, internal control areas conducted a full assessment of the financial information internal control system, and, to date, no material or significant weakness have been revealed therein. The assessment was reported to the Audit & Compliance Committee, and the Global Corporate Assurance Committee.

Additionally, in compliance with SOX, the Group annually assesses the effectiveness of the internal control model for financial reporting on group of risks (within the perimeter of SOX companies and critical risks) that could impact the drawing up of financial statements at local and consolidated levels. This perimeter considers risks and controls of other specialities that are not directly financial (regulatory compliance, technology, risks, operational, human resources, procurement, legal, etc.).

F.5.2. Whether there is a discussion procedure by which the auditor (in line with the technical auditing notes), the internal audit function and other experts can inform senior management and the audit committee or the directors of the entity of significant weaknesses in the internal control encountered during the review processes for the annual accounts or any others within their remit. Likewise, give information on whether there is an action plan to try to correct or mitigate the weaknesses observed.

As mentioned in the preceding section (F.5.1) of this Annual Corporate Governance Report, the Group does have a procedure in place whereby the internal auditor, the external auditor and the heads of Internal Financial Control can report to the Audit Committee any significant internal control weaknesses detected in the course of their work.

Since BBVA is a company listed with the SEC, the BBVA Group's auditor issues on an annual basis its opinion on the effectiveness of the internal control over the financial information contained in the Group's annual consolidated statements as of 31 December each year under PCAOB standards ("Public Company Accounting Oversight Board"), with a view to filing the financial information under Form 20-F with the SEC. The latest report issued on the financial information for 2014 is available on [www.sec.gov](http://www.sec.gov). As of the date of this report, the auditor of the annual consolidated statements corresponding to 2015 reported no significant or material weakness to the Audit Committee, the Board of Directors or executive management bodies of the Group.

The internal control oversight carried out by the Audit & Compliance Committee, described in the Audit & Compliance Committee Regulations published on the Group website, includes the following activities:

- Analyse the financial statements of the Bank and of its consolidated Group contained in the annual, six-monthly and quarterly reports prior to their submission to the Board and in sufficient depth to verify their correctness, sufficiency and clarity, as well as all other required financial information, with the necessary detail deemed appropriate. For this purpose, the Committee shall be provided with the necessary support by the Group's executive management, especially that of the Accounting Department and the Company and Group auditor.
- Review the necessary scope of consolidation, the correct application of accounting criteria, and all the relevant changes relating to the accounting principles used and the presentation of the financial statements.

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- Oversee the effectiveness of the company's internal control, internal audit and risk management systems in the process of drawing up and reporting the mandatory financial information, including tax-related risks, as well as discuss with the auditor any significant weaknesses in the internal control systems detected during the audit, without undermining its independence. For such purposes, and where appropriate, they may submit recommendations or proposals to the Board of Directors, at the corresponding period for monitoring.
- Analyze, and approve as the case may be, the Annual Internal Audit Plan, monitoring it and being apprised of the degree to which the audited units are complying with the corrective measures recommended.
- Examine the draft codes of ethic and conduct, and respective amendments thereto drawn up by the corresponding areas of the Group, and express an opinion before the proposals being put to the Bank's governing bodies.

The external auditor regularly attends the Audit and Compliance Committee and is duly informed of the matters addressed therein.

## **F.6 Other relevant information**

### **F.7 External auditor report**

Report on:

F.7.1. Whether the ICFR information disclosed to the markets has been submitted by the external auditor, in which case the entity must attach the corresponding report as an annexe. Otherwise, explain the reasons why it was not.

The information related to internal control over the financial information of the BBVA Group described in this report is reviewed by the external auditor, which issues its opinion on the control system and on its effectiveness in relation to the statements published at the close of each financial year.

On 15 April 2015, the BBVA Group, as a private foreign issuer in the United States, filed the Annual Report (Form 20-F) which was published on the SEC website on that same date.

In accordance with the requirements set out in Section 404 of the Sarbanes-Oxley Act of 2002 by the Securities and Exchange Commission (SEC), the annual report Form 20-F included the certification of the main Group executives on the establishment, maintenance and assessment of the Group's financial reporting internal control system. Form 20-F report also included the opinion of the external auditor regarding the effectiveness of the entity's financial reporting internal control system at year-end 2014.

## **G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Indicate the extent to which the company follows the recommendations of the Good Governance Code of listed companies.

Should any recommendation not be followed or be only partially followed, a detailed explanation should be given of the reasons so that the shareholders, investors and the market in general have sufficient information to assess the way the company works. General explanations will not be acceptable.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

COMPLIANT

2. When a dominant and a subsidiary company are both listed, they should provide detailed disclosure on:

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- a) The activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.
- b) The mechanisms in place to resolve possible conflicts of interest.

NOT APPLICABLE

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

- a) Changes taking place since the previous annual general meeting.
- b) The specific reasons for the company not following a given Good Governance Code recommendation and any alternative procedures followed in its stead.

COMPLIANT

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

COMPLIANT

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

COMPLIANT

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

- a) Report on auditor independence.
- b) Reviews of the operation of the audit committee and the nomination and remuneration committee.
- c) Audit committee report on third-party transactions.
- d) Report on corporate social responsibility policy.

COMPLIANT

7. The company should broadcast its general meetings live on the corporate website.

COMPLIANT

8. The audit committee should strive to ensure that the board of directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

COMPLIANT

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9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

COMPLIANT

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

NOT APPLICABLE

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

NOT APPLICABLE

12. The board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

COMPLIANT

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.

COMPLIANT

14. The board of directors should approve a director selection policy that:

- a) Is concrete and verifiable.
- b) Ensures that the appointment or reelection proposals are based on a prior analysis of the board's needs.
- c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

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The nomination committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

COMPLIANT

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

COMPLIANT

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

- a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

COMPLIANT

17. Independent directors should be at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent directors should occupy, at least, a third of board places.

COMPLIANT

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

- a) Background and professional experience.
- b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
- c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.
- d) Dates of their first appointment as a board member and subsequent re-elections.
- e) Shares held in the company, and any options on the same.

COMPLIANT

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

NOT APPLICABLE

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

COMPLIANT

21. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Bylaws, except where they find just cause, based on a proposal from the Nomination Committee.

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In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

COMPLIANT

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the offences stated in company legislation, the board of directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The board should give a reasoned account of all such determinations in the annual corporate governance report.

COMPLIANT

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

COMPLIANT

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the annual corporate governance report.

COMPLIANT

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should lay down the maximum number of company boards on which directors can serve.

COMPLIANT

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

COMPLIANT

27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

COMPLIANT

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28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

COMPLIANT

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

COMPLIANT

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

COMPLIANT

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

COMPLIANT

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

COMPLIANT

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

COMPLIANT

34. When a lead independent director has been appointed, the Bylaws or Board of Directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman and vice chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

COMPLIANT

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

COMPLIANT

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the board's operation.
- b) The performance and membership of its committees.
- c) The diversity of board membership and competences.

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d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

#### COMPLIANT

37. When an executive committee exists, its membership mix by director class should resemble that of the board. The secretary of the board should also act as secretary to the executive committee.

#### PARTIALLY COMPLIANT

The Executive Committee of the Board of Directors comprises two executive directors and 3 other external directors.

As of 31 December 2015, the BBVA Executive Committee partially reflected the participation of the Board of Directors, since its Chair and Secretary sit on the Board of Directors, and according to article 26 of the Board of Directors Regulations, has more non-executive directors than executive directors.

38. The board of directors should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

#### COMPLIANT

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.

#### COMPLIANT

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

#### COMPLIANT

41. The head of the unit handling internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

#### COMPLIANT

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

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b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

COMPLIANT

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

COMPLIANT

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

COMPLIANT

45. Risk control and management policy should identify at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other offbalance-sheet risks.

b) The determination of the risk level the company sees as acceptable.

c) The measures in place to mitigate the impact of identified risk events should they occur.

d) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balancesheet risks.

COMPLIANT

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.

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- b) Participate actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

COMPLIANT

47. Appointees to the nomination and remuneration committee – or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

COMPLIANT

48. Large cap companies should operate separately constituted nomination and remuneration committees.

COMPLIANT

49. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Directors.

When there are vacancies on the board, any Director may approach the Nomination Committee to propose candidates that it might consider suitable.

COMPLIANT

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
- e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

COMPLIANT

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior officers.

COMPLIANT

52. The terms of reference of supervision and control committees should be set out in the board of directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

- a) Committees should be formed exclusively by non-executive directors, with a majority of independents.
- b) They should be chaired by independent directors.
- c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

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- d) They may engage external advice, when they feel it necessary for the discharge of their functions.
- e) Meeting proceedings should be minuted and a copy made available to all board members.

COMPLIANT

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-organisation, with at the least the following functions:

- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.
- b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
- c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
- d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.
- e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.
- f) Monitor and evaluate the company's interaction with its stakeholder groups.
- g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
- h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

COMPLIANT

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

- a) The goals of its corporate social responsibility policy and the support instruments to be deployed.
- b) The corporate strategy with regard to sustainability, the environment and social issues.
- c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.
- d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.
- e) The mechanisms for supervising non-financial risk, ethics and business conduct.
- f) Channels for stakeholder communication, participation and dialogue.
- g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

COMPLIANT

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

COMPLIANT

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56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

COMPLIANT

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

COMPLIANT

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

COMPLIANT

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

COMPLIANT

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

COMPLIANT

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

COMPLIANT

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

PARTIALLY COMPLIANT

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As a credit entity and thus bound to requirements insofar as remunerations, BBVA establishes its specific rules and regulations by furnishing its remuneration policy with a variable remuneration system that includes deferral conditions, payment in shares, unavailability and clauses for the ex-post adjustment of the remuneration depending on the risk.

In this regard, the BBVA remuneration policy establishes that the executive directors will receive 50% of the Annual Variable Remuneration in equal parts in cash and in shares, in the first quarter of the financial year following the year to which the remuneration corresponds, and the remaining 50% (in cash and shares) deferred as a whole for a period of three years, whereby its accrual and vesting shall be subject to compliance with a series of multi-year indicators, which may reduce the deferred amount even to zero. Moreover, all shares paid for the settlement of Annual Variable Remuneration, both the initial percentage and deferred amounts subject to multi-year indicators shall be unavailable during a certain period, which shall be established on an annual basis by the Board of Directors, applying such a withholding on the resulting number of shares after discounting the part required to honor the tax payments.

Lastly, the payment of the variable shall be conditioned to the non-occurrence of the cases contemplated in the policy insofar as the reduction or suppression thereof (malus clauses).

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.

COMPLIANT

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

COMPLIANT

## **H OTHER INFORMATION OF INTEREST**

1. If there is any other aspect relevant to the corporate government in the company or in the group entities that has not been reflected in the rest of the sections of this report, but is necessary to include to provide more comprehensive and well grounded information on the corporate governance structure and practices in your entity or its group, detail them briefly.

2. This section may also include any other relevant information, clarification or detail related to previous sections of the report insofar as they are relevant and not reiterative.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the mandatory information to be provided when different from that required by this report.

3. The company may also indicate if it has voluntarily signed up to other international, industry-wide or any other codes of ethical principles or best practices. Where applicable, the code in question will be identified along with the date of signing. In particular, mention will be made as to whether it has adhered to the Code of Best Tax Practices (Código de Buenas Prácticas Tributarias) of 20 July 2010.

The data in this report refer to the year ending 31 December 2015, except in those cases when another date of reference is specifically stated.

Further to Section A.2, State Street Bank and Trust Co., The Bank of New York Mellon S.A.N.V. and Chase Nominees Ltd., as international custodian/depositary banks, held 13.48%, 4.19% and 7.11% of BBVA's share capital, respectively, as of December 31 2015. Of said positions held by the custodian banks, BBVA is not aware of any individual shareholders with direct or indirect holdings greater than or equal to 3% of the BBVA common stock.

Filings of significant holdings to CNMV: On 21 December 2015, Blackrock Inc. filed a report with the CNMV (securities exchange authority) stating that it now had an indirect holding of 4.893% of the BBVA share capital, through the company Blackrock Investment Management. Likewise, on 18 January 2016, Blackrock Inc. filed a report

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with the CNMV (securities exchange authority) stating that it now had an indirect holding of 5.032% of the BBVA share capital.

The director holdings indicated in section A.3 are those reported as of 31 December 2015 and therefore may have subsequently changed. Moreover, following the instructions in Circular 7/2015 of the CNMV to complete the Corporate Governance Report, the owners of indirect holdings are not identified in this section, as none of them reaches the 3% of share capital and none of them reside in tax havens.

Moreover, as an explanation to section A.3., the number of direct rights on shares in the Company corresponds with the shares from the Annual Variable Remuneration from previous years that was deferred and pending payment on the date of this Report. Thus, the following "rights to shares" of BBVA executive directors are included:

1) 207,449 shares deferred and pending payment for the Group Executive Chairman. Among these shares, in 2016 he shall receive the corresponding total of 36,163 shares equivalent to the last third of the Annual Variable Remuneration for 2012; in 2016 and 2017 he shall receive 29,557 shares and 29,555 shares equivalent to the second and third thirds of the Annual Variable Remuneration for 2013, respectively; and in 2016, 2017 and 2018 he shall receive 37,392 shares, 37,392 shares and 37,390 shares equivalent to the first, second and third thirds of the Annual Variable Remuneration for 2014, respectively.

2) 59,292 shares deferred and pending payment for the CEO. Among these shares, in 2016 he shall receive the corresponding total of 8,120 shares equivalent to the last third of the Annual Variable Remuneration for 2012; in 2016 and 2017 he shall receive 7,937 shares and 7,937 shares equivalent to the second and third thirds of the Annual Variable Remuneration for 2013, respectively; and in 2016, 2017 and 2018 he shall receive 11,766 shares equivalent to the first, second and third thirds of the Annual Variable Remuneration for 2014, respectively.

3) 14,576 shares deferred and pending payment for José Manuel González-Páramo. Among these shares, in 2016 and 2017 he shall receive the corresponding total of 1,768 shares equivalent to the second and third thirds of the Annual Variable Remuneration for 2013; in 2016, 2017 and 2018 he shall receive 3,681 shares, 3,681 shares and 3,678 shares equivalent to the first, second and third thirds of the Annual Variable Remuneration for 2014, respectively.

The distribution of these deferred shares is subject to the non-occurrence of any of the situations established by the Board of Directors that could reduce or impede payment thereof (malus clauses) in addition the remaining conditions of the liquidation and payment system.

Further to the information in section A.8, regarding earnings from treasury-stock trading, rule 21 of Circular 4/2004 and IAS 32, paragraph 33, expressly prohibit the recognition in the income statement of profits or losses made on transactions carried out with treasury stock, including their issue and redemption. Said profits and losses are directly booked against the company's net assets. The table listing significant changes includes the date of the CNMV incoming register of Annex VI of communications with treasury stock and the reason for the communication.

Regarding section A.9 bis, the resulting estimated floating capital of BBVA less the capital held by the members of the Board of Directors and as treasury stock, both as of 31 December 2015, following the instructions to complete the Corporate Governance Report contained in Circular 7/2015, is 98.52%.

Further to the information in section A.10, there are no legal or bylaws restrictions on the exercise of voting rights and there are no legal or bylaws restrictions on the free acquisition or transfer of shares in the company's share capital. As for the legal restrictions on the free acquisition or transfer of shares in the company's share capital, Spanish Act 10/2014, dated 26th June, on the regulation, supervision and solvency of credit institutions establishes that the direct or indirect acquisition of a significant holding (as defined in section 16 of that Act) is subject to assessment by the Bank of Spain as set out in sections 16 et seq. of that Act. Additionally, article 25 of Royal Decree 84/2015, implementing Law 10/2014, establishes that the Bank of Spain shall evaluate proposals for acquisitions of significant shares and submit a proposal to the European Central Bank regarding whether to oppose this acquisition or not. This same article establishes the criteria that should be considered during said evaluation and the applicable timelines.

Further to section C.1.12, Juan Pi Llorens is the Chairman of the Board of Directors of Ecolumber, S.A. as a natural person representing the company Relocation Inversiones, S.L.

Further to the information included in section C.1.15:

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The amount indicated as "Remuneration of the Board of Directors" includes remuneration stemming from the remuneration systems established for non-executive and executive directors as provided for in the Remuneration policy for BBVA directors and pursuant to article 33 bis and 50 bis of the Company Bylaws, respectively, and includes:

a) The fixed remuneration (for pertaining to the Board and Committees) and remuneration in kind corresponding to 2015 of non-executive board members.

b) The fixed remuneration and in kind for executive directors currently seated on the date of this Report (3) corresponding to 2015, including the remuneration settled to the Group Executive Chairman; to the current CEO (for the part proportional to the 4 months as Digital Banking Director and to the 8 months holding the post as CEO); and the executive director José Manuel González-Páramo.

c) The Annual Variable Remuneration 2015, equally distributed in cash and shares, for executive directors seated on the date of this Report (3), including the remuneration of the Group Executive Chairman; current CEO (for the part proportional to the 4 months as Digital Banking Director and to the 8 months holding the post as CEO); and the executive director José Manuel González-Páramo. It should nonetheless be noted that this remuneration, has not accrued to the executive directors in its entirety on the date of this Report, since, according to the BBVA director remuneration policy applicable to them, described in the Annual Report on Directors' Remuneration of BBVA, they will only receive 50% of this amount in 2016, while the remaining amount will be deferred for a period of three years, and its accrual and payment is subject to the concurrence of the multi-year assessment indicators. Furthermore, the deferred Annual Variable Remuneration will be subject to the non-occurrence of any of the situations established by the Board of Directors that could reduce or impede payment thereof (malus clauses) in addition the remaining conditions of the liquidation and payment system of the Annual Variable Remuneration.

d) The fixed remuneration in kind and the Annual Variable Remuneration for 2015, in cash and shares, to the Former President & COO, who opted for early retirement as of 4th May 2015, for the part proportional to the 4 months during which he held this post. It should also be mentioned that this remuneration has not fully accrued on the date of this Report in application of the rules mentioned in section c) above for executive directors.

The total amount indicated, pursuant to the instructions in this Report, corresponds to the amount declared as total remuneration accrued according to chart c) "Summary of Remuneration", section D.1 in the Annual Report on Directors' Remuneration of BBVA.

For calculating the cash value of the shares corresponding to the Annual Variable Remuneration for 2015, and in accordance with the Remuneration Policy, the reference used was the average BBVA share closing price corresponding to the trading days between 15 December 2015 and 15 January 2016, namely €6.631 per share.

All these items are included for each individual director in Note 53 of the Annual Report.

The provisions recorded as of 31 December 2015 to cover the pension commitments assumed for executive directors stood at €13,123 thousand for the CEO, which include the amounts accumulated as Group director and currently rendered in his current position as CEO in the terms expressed above; and €436 thousand for José Manuel González-Páramo Martínez-Murillo; after the sums of €9,856 thousand and €261 thousand were set aside in 2015 for the CEO and José Manuel González-Páramo Martínez-Murillo, respectively, to cover contractually recognized contingencies for retirement, death and disability.

Furthermore, in 2015 the Board of Directors determined the pension entitlements of the Former President & COO in accordance with the initial contractual terms and conditions, that establish that when no longer holding said position for any reason other than his/her own will, retirement, disability or serious breaches of duty, he/she would be given early retirement with a pension payable, as he chooses, through a lifelong annuity pension or capital, of 75% on the pensionable base; having established his entitlements to pension at a lifelong annuity at an annual gross amount of €1,795 thousand, which will be settled in twelve monthly payments, with a deduction of the amounts necessary to satisfy the corresponding taxes.

To these effects, the provision on record on the date of his stepping down for attending to the pension commitments assumed for the Former President & COO stood at €45,209 thousand, of which €26,026 thousand are contingent upon the results from previous years, hereby contributing an additional €19,252 thousand.

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No other obligations regarding pensions for other executive directors are in place.

The balance of the item "Provisions - Funds for pensions and similar liabilities" on the Group's consolidated balance sheet as of 31 December 2015 includes €136 million under the item for post-employment benefit commitments maintained with former members of the Board of Directors.

Further to the information included in section C.1.16:

The heading "Total senior management remuneration" includes the remuneration of members of Senior Management listed as such as of 31 December 2015 (17 members), comprising:

- a) The fixed remuneration and the remuneration in kind during 2015
- b) The annual variable remuneration received during the first quarter of 2015 corresponding to 2014, both in cash and in shares
- c) The deferred part of the variable remuneration received during the first quarter of 2015, corresponding to previous years (2013, 2012 and 2011), both in cash and in shares, as well as the part of the ILP 2010-2011, which was deferred in shares, plus the amount of the corresponding updates.

For calculating the cash value of the shares corresponding to said remuneration, the reference used was the average BBVA share closing price corresponding to the trading days between 15 December 2014 and 15 January 2015, namely €7.72 per share.

Moreover, members of Senior Management of the BBVA Group who had ceased activities as such in 2015 (7) received an overall total amount during this period of: €2,082 thousand as fixed remuneration; €1,596 thousand and 181,256 shares in BBVA corresponding to 50% of the Annual Variable Remuneration for 2014; and €1,432 thousand and 196,539 shares in BBVA as liquidation of the parts deferred from the Annual Variable Remuneration from 2013, 2012 and 2011, and the ILP 2010-2011, whose corresponding payment was settled during the first quarter of 2015, including the corresponding update; and as remuneration in kin and others amounting to €682 thousand. The sum of these remunerations, using the aforementioned share price of €7.72, represents a total of €8,709 thousand.

Moreover, in 2015 following the severance with some members of senior management from the group, compensations were settled for a total amount of €26,277 thousand, which is recorded in note 43 to the Annual Report under Other Personnel Expenses. Payments have been made to beneficiaries for a part equivalent to amounts that the Group have previously allocated to attend to the commitments assumed contractually for provisions amounting to €11,458 thousand.

Lastly, the provisions on record as of 31 December to fulfill the provision-related obligations assumed with current members of Senior Management, excluding executive directors, amount to €55,666 thousand, of which €6,782 thousand were allocated in 2015. These amounts include the allocations to cover possible retirement contingency and provisions for death and disability contingencies.

The balance of the item "Provisions - Funds for pensions and similar liabilities" on the Group's consolidated balance sheet as of 31 December 2015 includes €229 million under the item for post-employment benefit commitments maintained with former members of the Bank's Senior Management.

In reference to section C.1.29, the Board of Directors always meets with the attendance of its chair and therefore the Lead Director has never chaired a meeting of the Board of Directors. The Lead Director, in the scope of his entrusted duties, maintains fluid contact with the independent directors to simplify the discharge of his duties.

With regard to section C.1.31, as BBVA shares are listed on the New York Stock Exchange, it is subject to the supervision of the Securities & Exchange Commission (SEC) and, thus, to compliance with the Sarbanes Oxley Act and its implementing regulations, and for this reason each year the Group Executive Chairman, the CEO and the executive tasked with preparing the Accounts sign and submit the certifications described in sections 302 and 906 of this Act, related to the content of the Annual Financial Statements. These certificates are contained in the annual registration statement (Form 20-F) which the Company files with this authority for the official record.

As reference to section C.1.45, the contractual terms and conditions insofar as provisions of the CEO, shall determine that when no longer holding said position for any reason other than his/her own will, retirement, disability or

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serious breaches of duty, he/she would be given early retirement with a pension payable, as he chooses, through a lifelong annuity pension or capital, whose amount will be calculated on the basis of the provisions that, according to current actuarial criteria applicable at that moment, the Bank might have made to said date in fulfillment of the pension commitments for retirement as established in his/her contract, though in no case whatsoever shall this commitment bind the Bank to any additional provisions. This pension may not exceed 75% on the pensionable base if the event occurs before turning 55 or 85% on the pensionable base if the event occurs after turning said age. Likewise, the Board of Directors only approves the contract conditions related to executive directors and senior management members as set out in article 17 of the Board Regulations, which are reported to the General Meeting through this Report and the Annual Report on Directors' Remuneration of BBVA, but does not authorize those of other technical and specialist professionals.

Further to section C.2.1, on 31 December 2015, the BBVA Executive Committee partially reflected participation in the Board of Directors, since its Chair and Secretary sit on the Board of Directors whose composition, according to article 26 of the Regulations of the Board of Directors, has more non-executive directors than executive directors.

Moreover, and further to section C.2.1, we provide brief indications regarding what the regulations establish about the composition and functions of each board committee:

- **Audit & Compliance Committee:** Article 29 of the Board Regulations establishes that the Audit and Compliance Committee will exclusively comprise independent directors tasked with assisting the Board of Directors in supervising the financial information and exercising oversight for the Group. The members of the Audit and Compliance Committee, and particularly its Chair, shall be appointed with regard to their knowledge and background in accounting, auditing and risk management. It will be made up of four members appointed by the Board, one of whom will be appointed taking into account his/her knowledge of accounting, auditing or both. The Board will also appoint the Chair of this Committee, who must be replaced every four years and may be re-elected one year after the end of his/her term of office. When the Chair cannot be present, his/her duties will be performed by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest. The Committee will appoint a Secretary who may or may not be a member of the Committee.

Turning to the duties of the Audit and Compliance Committee mentioned in section C.2.1, in addition to the duties cited in said section, the Audit and Compliance Committee has its own operating regulations available on the BBVA website ([www.bbva.com](http://www.bbva.com)) and includes a full breakdown of the duties of this Committee.

Further, in its meeting on 4 May 2015, the Board of Directors appointed José Miguel Andrés Torrecillas as Chair of the BBVA Audit and Compliance Committee.

- **Appointments Committee:** Article 32 of the Board Regulations establish that the Appointments Committee will comprise a minimum of three members who will be appointed by the Board of Directors, which will also appoint its Chair. All the members of this Committee must be non-executive directors, and a majority of them independent directors, as its Chair. When the Chair cannot be present, the meetings will be chaired by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest.

- **Remuneration Committee:** Article 35 of the Board Regulations establish that the Remuneration Committee will comprise a minimum of three members who will be appointed by the Board of Directors, which will also appoint its Chair. All the members of this Committee must be non-executive directors, and a majority of them independent directors, as its Chair. When the Chair cannot be present, the meetings will be chaired by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest.

- **Executive Committee:** Article 26 of the Board Regulations establishes the following: In accordance with the Company Bylaws, the Board of Directors may, with the favorable vote of two-thirds of its members, appoint an Executive Committee, ensuring that there is a majority of non-executive directors over executive directors. The Executive committee will be chaired by the Chairman of the Board of Directors, or when this is not possible, by whomever the Company Bylaws determines. The secretary of the Committee will be the Secretary of the Board. If absent, the person the meeting's members appoint for this purpose will stand in for the secretary.

- **Risks Committee:** Article 38 of the Company Board Regulations establishes that the Risks Committee will comprise a minimum of three members who will be appointed by the Board of Directors, which will also appoint its Chair. All the

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members of this Committee must be non-executive directors of whom at least one third, and in any event the Chair, must be independent. When the Chair cannot be present, the meetings will be chaired by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest.

In addition to section C.2.5, the Chair of the Appointments Committee submitted a report to the Board of Directors regarding the activities of said Committee during 2015, including the tasks carried out with respect to the appointments and re-elections of directors throughout the year, the assessment of the Chairman of the Board, analysis on the structure, size and composition of the Board with a view to evaluating the quality and efficiency of its operations, review of the suitability of the directors and condition of independent directors, and proposals for appointment and severance of the members of Senior Management.

With respect to section D (Related-party and Intragroup Transactions), see Note 52 of the BBVA Annual Consolidated Accounts for 2015. With respect to section D.4, it details the transactions conducted by Banco Bilbao Vizcaya Argentaria, S.A. at the close of the year, with companies issuing securities on international markets, carried out as part of ordinary trading related to the management of outstanding issuances. Moreover, with respect to section D.4, please refer to the section entitled "Offshore financial centers" in the BBVA Consolidated Management Report for 2015.

During 2011, the BBVA Board of Directors approved the Bank's adhesion to the Code of Best Tax Practices (Código de Buenas Prácticas Tributarias) approved by Foro de Grandes Empresas according to the wording proposed by the State Tax Administration Agency (AEAT). During this year, it has been compliant with the contents of this Code. Moreover, BBVA is committed to applying the provisions of the Universal Declaration of Human Rights, Principles of United Nations Global Compact (which BBVA has formally signed), Equator Principles (to which BBVA has been formally adhered since 2004) and other conventions and treaties involving international organizations such as the Organization for Economic Cooperation and Development and the International Labor Organization.

This annual report on corporate governance has been approved by the Company's Board of Directors on 2 February 2016.

List whether any Directors voted against or abstained from voting on the approval of this Report.

NO

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