

**BBVA Senior Finance, S.A.
(Unipersonal)**

Financial Statements for the year ended
December 31, 2015,
together with the Management Report
and Auditor's Report.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Sole-Shareholder of
BBVA Senior Finance, S.A. (Sole-Shareholder Company):

Report on the Financial Statements

We have audited the accompanying financial statements of BBVA Senior Finance, S.A. (Sole-Shareholder Company), hereinafter "the Company", which comprise the balance sheet as at 31 December 2015, and the income statement, statement of recognised income and expense, statement of changes in total equity, cash flows statement and notes to the financial statements for the year then ended.

Directors' Responsibility for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of BBVA Senior Finance, S.A. (Sole-Shareholder Company) in accordance with the regulatory financial reporting framework applicable to the Company in Spain (identified in Note 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 judgment, 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 BBVA Senior Finance, S.A. (Sole-Shareholder Company), 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 Company and, in particular, with the accounting principles and rules contained therein.

Emphasis of matter

We draw attention to Note 1 to the accompanying financial statements, which explains that the Company carries out its business activity as an issuer of preferred securities and other financial instruments as a part of the Banco Bilbao Vizcaya Argentaria Group, from which it receives the guarantees required for its operations on an ongoing basis, and it is managed by Group personnel. Accordingly, the accompanying financial statements must be interpreted in the context of the Group in which the Company carries on its operations and not as an independent unit. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying directors' report for 2015 contains the explanations which the directors consider appropriate about the Company'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 Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

José Manuel Domínguez

April 4, 2016

**BBVA Senior Finance, S.A.
(Unipersonal)**

Financial Statements for the year ended
December 31, 2015,
together with the Management Report

Translation of financial statements originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain (see Notes 7 and 18). In the event of a discrepancy, the Spanish-language version prevails.

BVYA SENIOR FINANCE, S.A. (Sole-Shareholder Company)

BALANCE SHEETS AS OF DECEMBER 31, 2015 AND 2014 (Notes 1 to 4)

(Thousand Euro)

ASSETS		12/31/2015	12/31/2014(*)	SHAREHOLDER'S EQUITY AND LIABILITIES		12/31/2015	12/31/2014(*)
NON-CURRENT ASSETS				EQUITY			
Non-current investments in Group companies and associates	5,989,982	6,556,824	SHAREHOLDER'S EQUITY (Note 9)		1,237	1,287	
Loans to companies (Note 6)	5,989,982	6,555,318	Capital Stock		60	60	
Derivatives (Note 7)	20	1,506	Reserves		1,227	1,286	
Long-term financial investments	31	2,024	Legal and bylaw reserves		12	12	
Derivatives (Note 7)	31	2,024	Other reserves		1,215	1,274	
Deferred tax assets (Note 12)	47	26	Profit/(Loss) of the year		(60)	(69)	
Total non-current assets	6,989,030	6,558,874	Total shareholder's equity		1,237	1,287	
			NON-CURRENT LIABILITIES				
			Long-term payables		5,989,277	6,556,922	
			Debtentures and other marketable securities (Note 10)		5,989,257	6,555,416	
			Derivatives (Note 7)		20	1,506	
			Long-term payables to Group and associated companies		31	2,024	
			Derivatives (Note 7)		31	2,024	
			Total non-current liabilities		5,989,308	6,558,946	
CURRENT ASSETS			CURRENT LIABILITIES				
Trade debtors and other receivables	5	-	Short-term payables		3,776,802	5,022,149	
Other receivables from Public Administrations (Note 12)	5	-	Debtentures and other marketable securities (Note 10)		3,776,592	5,021,299	
Current investments in Group companies and associates	3,776,778	5,022,183	Derivatives (Note 7)		210	850	
Loans to companies (Note 6)	3,776,568	5,021,333	Short-term payables to Group and associated companies		1,612	2,014	
Derivatives (Note 7)	210	850	Derivatives (Note 7)		1,612	2,014	
Short-term financial investments	1,612	2,014	Other short-term payables to Group and associated companies (Note 11)		830	558	
Derivatives (Note 7)	1,612	2,014	Trade and other payables		21	78	
Cash and cash equivalents	2,385	1,961	Payable to suppliers		5	15	
Cash (Note 8)	2,385	1,961	Other accounts payable to public authorities (Note 12)		16	45	
Total current assets	3,780,780	5,028,158	Total current liabilities		3,779,265	5,024,739	
			TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		9,769,810	11,588,032	
TOTAL ASSETS	9,769,810	11,588,032					

(*) Presented for comparison purposes only

The accompanying Notes 1 to 17 and Appendices I to VI are an integral part of the balance sheet as of December 31, 2015.

Translation of financial statements originally issued in Spanish and prepared based on our work performed in accordance with the audit regulation in force in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

BBVA SENIOR FINANCE, S.A. (Sole-Shareholder Company)

INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (Notes 1 to 4)

(Thousand Euro)

	2015	2014 (*)
CONTINUING OPERATIONS		
Net Revenue	287,428	378,979
Revenue from marketable securities and other financial assets	287,428	378,979
- Group companies and associates (Notes 6)	287,336	378,867
- On revenue from third parties (Note 10)	92	112
Expenses from marketable securities	(287,427)	(378,940)
- On Group and associated companies (Note 6)	(73)	(98)
- On debts to third parties (Notes 10)	(287,354)	(378,842)
Exchange differences	-	-
Other operating expenses (Note 13)	(60)	(96)
Exterior services	(51)	(49)
Taxes	(9)	(47)
PROFIT/LOSS FROM OPERATIONS	(59)	(57)
Finance income	-	2
From marketable securities and other financial instruments	-	2
- Group companies and associates (Notes 8)	-	2
Financial expenses	(12)	(30)
- On Group and associated companies (Note 11)	(12)	(30)
FINANCIAL PROFIT/LOSS	(12)	(28)
INCOME BEFORE TAXES	(71)	(85)
Income tax (Note 12)	21	26
INCOME FROM CONTINUED OPERATIONS	(50)	(59)
DISCONTINUED OPERATIONS		
Profit/Loss for the year from discontinued operations net of tax	-	-
INCOME FOR THE YEAR	(50)	(59)

(*) Presented for comparison purposes only

The accompanying Notes 1 to 17 and Appendices I to VI are an integral part of the income statement for the year ended December 31, 2015.

Translation of financial statements originally issued in Spanish based on our work performed in accordance with the audit regulation in force in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

BBVA SENIOR FINANCE, S.A. (Sole-Shareholder Company)

STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (Notes 1 to 4)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Thousand Euro)

	2015	2014 (*)
PROFIT/LOSS PER INCOME STATEMENT (I)	(50)	(59)
Income and expenses recognised directly in equity		
- Arising from revaluation of financial instruments	-	-
- Arising from cash flow hedges	-	-
- Grants, donations or gifts and legacies received	-	-
- Arising from actuarial gains and losses and other adjustments	-	-
- Tax effect	-	-
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)	-	-
Transfers to profit or loss		
- Arising from revaluation of financial instruments	-	-
- Arising from cash flow hedges	-	-
- Grants, donations or gifts and legacies received	-	-
- Tax effect	-	-
TOTAL TRANSFERS TO PROFIT OR LOSS (III)	-	-
TOTAL INCOME AND EXPENSES FOR THE YEAR (I+II+III)	(50)	(59)

(*) Presented for comparison purposes only

The accompanying Notes 1 to 17 and Appendices I to VI are an integral part of the statement of recognised income and expense for the year ended December 31, 2015.

Translation of financial statements originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

BBVA SENIOR FINANCE, S.A. (Sole-Shareholder Company)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014 (Notes 1 to 4)

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

(Thousand Euro)

	Capital Stock (Note 9)	Reserves	Other reserves	Profit/Loss for the Year	TOTAL
BALANCE AT DECEMBER 31, 2013 (*)	60	12	1,275	(1)	1,346
Adjustments due to changes in accounting policies	-	-	-	-	-
Adjustments due to errors	-	-	-	-	-
ADJUSTED BALANCE AT THE BEGINNING OF 2014 (*)	60	12	1,275	(1)	1,346
Total recognized income and expenses	-	-	-	(59)	(59)
Other changes in equity	-	-	-	-	-
- Capital increases	-	-	-	-	-
- Capital reductions	-	-	-	-	-
- Dividends paid	-	-	-	-	-
- Treasury share transaction (net)	-	-	-	-	-
- Other transactions	-	-	-	-	-
Other changes in equity	-	-	(1)	1	-
BALANCE AT DECEMBER 31, 2014 (*)	60	12	1,274	(59)	1,287
Adjustments due to changes in accounting policies	-	-	-	-	-
Adjustments due to errors	-	-	-	-	-
ADJUSTED BALANCE AT THE BEGINNING OF 2015	60	12	1,274	(59)	1,287
Total recognized income and expenses	-	-	-	(50)	(50)
Other changes in equity	-	-	-	-	-
- Capital increases	-	-	-	-	-
- Capital reductions	-	-	-	-	-
- Dividends paid	-	-	-	-	-
- Treasury share transactions (net)	-	-	-	-	-
- Other transactions	-	-	-	-	-
Other changes in equity	-	-	(59)	59	-
BALANCE AT DECEMBER 31, 2015	60	12	1,215	(50)	1,237

(*) Presented for comparison purposes only

The accompanying Notes 1 to 17 and Appendices I to VI are an integral part of the statement of changes in total equity for the year ended December 31, 2015.

Translation of financial statements originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

BBVA SENIOR FINANCE, S.A. (Sole-Shareholder Company)

CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (Notes 1 to 4)

(Thousand Euro)

	2015	2014 (*)
CASH FLOW FROM OPERATING ACTIVITIES (I)	169	1,227
Profit/Loss for the year before tax	(71)	(89)
Adjustments for:	11	(14)
- Depreciation and amortisation charge	-	-
- Impairment losses	-	-
- Changes in provisions	-	-
- Recognition of grants in profit or loss	-	-
- Gains/Losses on derecognition and disposal of non-current assets	-	-
- Gains/Losses on derecognition and disposal of financial instruments	-	-
- Finance income	(287,428)	(378,981)
- Finance costs	287,439	378,970
- Exchange differences	-	-
- Changes in fair value of financial instruments	-	-
- Other income and expenses	-	-
Changes in working capital	(47)	(1)
- Inventories	-	-
- Trade and other receivables	(5)	-
- Other current assets	-	-
- Trade and other payables	(42)	(1)
- Other current liabilities	-	-
- Other non-current assets and liabilities	-	-
Other cash flows from operating activities	276	1,324
- Interest paid	(350,672)	(398,529)
- Dividends received	-	-
- Interest received	350,948	399,851
- Income tax recovered (paid)	-	2
- Other amounts received (paid)	-	-
CASH FLOW FROM INVESTING ACTIVITIES (II)	1,807,362	(407,238)
Payments due to investment	(3,014,201)	(3,009,554)
- Group companies and associates	(3,014,201)	(3,009,554)
- Intangible assets	-	-
- Tangible assets	-	-
- Investment property	-	-
- Other financial assets	-	-
- Non current assets classified as held for sale	-	-
- Other assets	-	-
Proceeds from disposal	4,821,563	2,602,316
- Group companies and associates	4,821,563	2,602,316
- Intangible assets	-	-
- Tangible assets	-	-
- Investment property	-	-
- Other financial assets	-	-
- Non current assets classified as held for sale	-	-
- Other assets	-	-
CASH FLOW FROM FINANCING ACTIVITIES (III)	(1,807,107)	403,851
Proceeds and payments relating to equity instruments	-	-
- Proceeds from issue of equity instruments	-	-
- Amortisation of own equity instruments	-	-
- Purchase of treasury shares	-	-
- Disposal of treasury shares	-	-
- Grants, donations or gifts and legacies received	-	-
Proceeds and payments relating to financial liability instruments	(1,807,107)	403,851
- Proceeds from issue of debt instruments and other marketable securities	4,678,308	3,009,596
- Proceeds from issue of bank borrowings	-	-
- Proceeds from issue of borrowings from Group companies and associates	272	-
- Proceeds from issue of other borrowings	-	-
- Redemption of debt instruments and other marketable securities	(6,485,687)	(2,603,284)
- Repayment of bank borrowings	-	-
- Repayment of borrowings from Group companies and associates	-	-
- Repayment of other borrowings	-	(2,461)
Dividends and returns on other equity instruments paid	-	-
- Dividends	-	-
- Returns on other equity instruments	-	-
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)	-	-
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (I+II+III+IV)	424	(2,160)
Cash or cash equivalents at the beginning of the year	1,991	4,121
Cash or cash equivalents at the end of the year	2,385	1,991

(*) Presented for comparison purposes only

The accompanying Notes 1 to 17 and Appendices I to VI are an integral part of the cash flow statement for the year ended December 31, 2015.

Translation of financial statements originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

BBVA Senior Finance, S.A. (Sole-Shareholder Company)

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

1. Company description

BBVA Senior Finance, S.A. (Sole-Shareholder Company) (“the Company”) was incorporated on October 29, 2004, for an indefinite period and has its registered office in Bilbao, Gran Vía, 1.

The Company’s exclusive corporate purpose is to issue preferred securities and/or other financial instruments, including debt instruments of any kind, for their placement in Spanish and international markets. The cash obtained from the issues of financial instruments is deposited by the Company at Banco Bilbao Vizcaya Argentaria, S.A.

For a proper interpretation of these financial statements it must be taken into account that the Company carries out its business activity as an issuer company of the Banco Bilbao Vizcaya Argentaria Group (the “Group” or the “Group BBVA”, see Note 9), whose parent company is Banco Bilbao Vizcaya Argentaria, S.A. (which has its registered office in Plaza San Nicolás 4, Bilbao), obtaining permanently from the same the guarantees necessary for its activity and being managed by personnel from the Group. Consequently, these financial statements must be interpreted in the context of the Group in which the Company performs its operations, not as an independent company. The BBVA Group’s consolidated financial statements for 2015 were prepared by Banco Bilbao Vizcaya Argentaria S.A.’s Directors at the Board Meeting held on February 2, 2016 and approved by the Annual General Shareholders’ Meeting held on March 11, 2016 to be subsequently filed with the Mercantile Registry of Vizcaya.

Given the business activity of the Company, it does not have any responsibilities, expenses, assets, provisions or contingencies of environmental nature that could be significant in relation with the equity, financial position and income of the Company. Therefore, no specific disclosures relating to environmental issues are included in these notes.

Regulation of Sole-Shareholder companies

As discussed in Note 9, as of December 31, 2015, all the Company’s share capital was held by Banco Bilbao Vizcaya Argentaria, S.A. and, accordingly, the Company was a Sole-Shareholder company as of such date. Pursuant to current legislation on Sole-Shareholder companies (article 12 et seq. of the consolidated text of the Spanish Companies Act, approved by Royal Decree 1/2010, of July 2, “Spanish Companies Act”) it is hereby stated that, at the date of preparation of these financial statements, the Company had legalised the appropriate register book of contracts with its Sole-Shareholder.

The nature and main characteristics of the most significant contracts entered between the Sole-Shareholder and the Company are detailed in Note 6 for contracts of deposits, in Note 8 for the remunerated bank account with Bank Bilbao Vizcaya Argentaria, S.A. and in Note 11 for the credit facility.

2. Basis of presentation of the financial statements

a) Regulatory financial reporting framework applicable to the Company

The financial statements have been prepared by the Company's Directors according to the regulatory financial reporting framework that applies to the Company, which is established in:

- The Spanish Trade Code and the other commercial regulation,
- The Spanish National Chart of Accounts approved by the Royal Decree 1514/2007 and its adjustments included by Royal Decree 1159/2010, of September 17, for the different economic sectors,
- The mandatory rules approved by the Spanish Accounting and Audit Institute (ICAC) in accordance to the Spanish National Chart of Accounts and its complementary regulation, and
- The other Spanish accounting regulation that applies to the Company.

The Spanish Auditing of Accounts Act 22/2015, of July 20, has introduced specific modifications to the Spanish Trade Code (article 39.4) that affect the intangible assets and goodwill. The new wording establishes that the intangible assets are assets with a defined depreciation period, and whenever this depreciation period cannot be estimated in a reliable way, it will be depreciated in 10 years, unless a legal or regulatory provision establishes a different term. Regarding the goodwill, it specifies that it will be presumed, unless evidence to the contrary exists, that it will be depreciated in 10 years. These modifications apply to those financial statements starting as from January 1, 2016.

Additionally, on December 2015 the ICAC published a draft Royal Decree modifying the Spanish National Chart of Accounts, which develops the accounting impact of the changes made to the Trade Code mentioned above, although at the date of preparation of these financial statements, the mentioned Royal Decree had not been approved.

The Company is currently analysing the future impact of these modifications, however, as of December 31, 2015 the Company does not have intangible assets with an undefined depreciation period in its balance, therefore this regulatory change will not affect its financial statements.

b) True and fair view

The accompanying financial statements have been obtained from the Company's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein, so that they provide a true and fair view of the Company's net worth, financial position, results of operations and cash flows generated during 2015. These financial statements, which were formally prepared by the Company's Directors, will be submitted for approval to the sole-Shareholder and it is expected that they will be approved without changes. The financial statements for 2014 were approved by the Company's Sole-Shareholder on April 20, 2015.

c) Non-mandatory accounting principles applied

The financial statements were prepared by applying the generally accepted accounting principles described in Note 3. All mandatory accounting principles and/or valuation standards with a material effect on the financial statements were applied in preparing them.

Article 537 of the Spanish Companies Act provides that companies that have issued securities listed on a regulated market of any Member State of the European Union and that, pursuant to current legislation, only publish individual financial statements, must disclose in the notes to the financial statements the main changes that, if any, would have arisen in the equity and in the income statement of the Company had International Financial Reporting Standards as adopted under the regulations of the European Union ("EU-IFRSs") been applied, indicating the measurement criteria applied.

In this regard, the Company's equity at December 31, 2015 and its income statement for this year would not include any changes had EU-IFRSs been applied.

Given the characteristics and the symmetry of the financial assets and financial liabilities measured at amortized cost (see Notes 6, 7 and 10), the fair value of the issues launched does not differ significantly from

the amount of the deposits made because their features (amount, term and interest rate) are equal (see Note 10).

d) Key issues in relation with the measurement and estimation of the uncertainty

In preparing the accompanying financial statements estimates were made by the Company's Directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported therein. These estimates relate to the following:

- The assessment of eventual impairment losses on certain financial assets (see Note 3.a and 6).
- The fair value of certain financial instruments (see Notes 6, 7 and 10)

Although these estimates were made on the basis of the best information available at 2015 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with applicable legislation.

e) Grouping of items

Certain items in the balance sheets, income statement, statements of changes in equity and cash flow statements are grouped together in order to enhance their understanding. However, whenever the information is material, it is presented broken down in the related notes to these financial statements.

f) Comparative information

For comparison purposes the Company's Directors present, in addition to the figures for 2015 for each item in the balance sheet, income statement, statement of changes in equity, cash flows statement and notes to the financial statements, the figures for 2014. Consequently, the figures for 2014 included in these notes to the financial statements are presented for comparison purposes only and do not constitute the Company's statutory financial statements for 2014.

g) Changes in accounting policies

In 2015 there were no significant changes in accounting policies with respect to those applied in 2014.

h) Correction of errors

During the preparation of these financial statements there has not been detected any significant error that would require the re-expression of the amounts included in the financial statements for 2014.

3. Accounting policies and measurement bases

The main accounting principles and valuation methods applied by the Company in preparing its financial statements, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Financial Instruments

Financial Assets

Classification

The financial assets held by the Company are classified in the following categories:

- Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial origin, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
- Financial assets held for trading: financial derivatives arising from certain deposits constituted with the funds of certain issues of structured notes (see Notes 6, 7 and 10). These types of structures are called hybrid financial instruments.

Hybrid financial instruments simultaneously include a non-derivative host contract and a financial derivative, known as an embedded derivative, that cannot be transferred separately and whose effect is that some of the cash flows of the hybrid contract vary in a similar way to a stand-alone derivative (e.g. bonds tied to the price of certain shares or changes in a stock market index).

The Company recognises measures and presents separately the host contract (either the deposit or the issue) and the embedded derivative, when the following circumstances concur:

- a) The economic characteristics and risks inherent to the embedded derivative are not closely related to those of the host contract.
- b) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- c) The hybrid contract is not measured at fair value with changes in the profit or loss statement.

In these situations, the embedded derivative is treated for accounting purposes as a derivative financial instrument and the host contract is recognised according to its nature (either the deposit or the issue). This valuation is only made at the initial recognition unless there is a change in the terms of the contract that significantly alters the future cash flows, in which case the derivative must be valued again.

Initial recognition

Financial assets are initially recognised at fair value of the consideration given, plus any directly attributable transaction costs.

When the deposits were first made at Banco Bilbao Vizcaya Argentaria, S.A. in connection with bond and structured note issues (see Note 10), the balance of "Non-current investments in Group companies and associates - Loans to companies" reflected the nominal amount of the deposits that have an expiration date superior to 12 months, net of:

- The amount of the premiums collected ("Up-front" premiums, see Note 6) at the time the deposits were made at Banco Bilbao Vizcaya Argentaria, S.A., which is equal to the placement expenses of each issue.
- The amount of the premiums corresponding to the initial valuation of the embedded options ("Option Premiums", see Note 6) in certain deposits made at Banco Bilbao Vizcaya Argentaria, S.A.

At the contract date of the deposit the balance of "Derivatives" includes the value of the embedded option of the deposit at the initial moment.

Subsequent measurement

Loans and receivables are measured at amortised cost.

The balance of "Non-current investments in Group companies and associates – Loans to companies" in the accompanying balance sheets reflects the nominal amount of the deposits held by the Company at Banco Bilbao Vizcaya Argentaria, S.A. in connection with the issues (see Note 10), which mature at more than one year, net of:

- The amount of the unearned "Up-front" premiums which are recorded in the income statement over the term of the long-term deposits.
- The amount of the unearned "Option premiums" of the embedded options on the long-term deposits, which are recorded in the income statement over the life of the option.

"Current investments in Group companies and associates - Loans to companies" in the accompanying balance sheets includes the accrued uncollected interest with maturity under 12 months generated by the aforementioned long and/or short-term deposits, and the nominal amount of the deposits relating to the

issues that whose maturity is under 12 months (as well as option premiums on deposits under 12 months, if any).

This line item also includes the placement expenses of the deposits (with maturity under 12 months), net of the expenses recorded in the income statement over the term of deposits.

Embedded derivatives, which are initially recognised by the value of the "Option premiums" from the deposits, are recognized at fair value (see Note 7) and the gains or losses arising from changes in said fair value are taken to the accompanying income statements under the caption "Change in fair value of financial instruments – Trading book portfolio".

Mainly, the methodology applied to the valuation of those embedded derivatives is based on valuation techniques that use variables obtained from observable market data.

At least at the end of the financial year, the Company makes an impairment test to its financial assets that are not registered at fair value. The impairment will be equal to the difference between the book value and the present value of the cash flows that are expected to generate, discounted to the effective interest rate calculated at the moment of its initial recognition. The value adjustment of the impairment, as well as its reversion when the amount of that loss decreases as a result of a subsequent event, will be recognized as a profit or a loss, respectively, in the income statement. The limit of the reversion of impairment will be the book value of the credit recognized at the moment of the reversion if the impairment had not been registered yet. At December 31, 2015 and 2014, the company have not registered any impairment due to the fact that the counterparties of all financial assets are companies owned by the BBVA Group.

The Company derecognises a financial asset when it expires or when the rights to the cash flows, the risks and rewards of ownership related to the financial asset have been substantially transferred.

Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial origin cannot be classified as derivative financial instruments.

The financial liabilities held by the Company are classified into the following categories:

- Accounts payable: financial liabilities arising from the purchase of operating goods or services or those which have no commercial origin and cannot be classified as derivative instruments.
- Held-for-trading financial liabilities: financial derivatives tied to issues of certain structured notes (see Notes 7 and 10). This type of structure is called hybrid financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

As of December 31, 2015 and 2014, the Company has recognised the amount of the outstanding bonds and structured notes issues with maturity over one year under "Long-term payables – Debentures and other marketable securities" on the liability side of the accompanying balance sheets, net of:

- The expenses incurred on the issues of bonds and structured notes, minus the expenses taken to income over the term of the issues.
- The amount of the placement expenses of the bond and structured note issues and, for those issued below par, the difference between the issue price and the nominal value or repayment value, net of the expenses charged to income over the term of the above-mentioned issues.
- For those issued at par, the difference between the issue price and the nominal value or repayment value.
- The amount of the "Option premiums" on the embedded options in certain long-term issues launched by the Company that are pending to accrue, which are recorded to income over the life of the option.

The accrual of the above mentioned concepts is recorded under the caption “Expenses from marketable securities – On debts to third parties” of the accompanying income statements.

The caption “Short-term payables – Debentures and other marketable securities” in the accompanying balance sheets includes the accrued unpaid interest generated by the Company’s long and short-term issues, as well as the issues maturing under one year (the unearned premiums on the embedded options tied to certain issues maturing under 12 months are also recognised under this line item).

The embedded derivatives, whose fair value at the initial moment is identical to the one recorded as “Premium options” of the issues, will be recorded at fair value (see Note 7). The changes in the mentioned fair value will be recorded under “Changes in fair value of financial instruments - Held for trading financial assets/liabilities and other” in the accompanying income statements.

The main methodology applied to the valuation of those embedded derivatives is based on valuation techniques that use variables obtained from observable market data.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

b) Foreign currency transactions

The Company’s functional currency is the Euro. Therefore, transactions in currencies other than the Euro are deemed to be “foreign currency transactions” and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each financial year, monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates prevailing at the date of the balance sheet. Any resulting income or loss is recognised directly in the income statement of the year in which they arise.

At December 31, 2015, the Company had outstanding bonds, structured notes and commercial paper issues in foreign currency (see Appendix III, IV and V), constituting deposits with the full amounts of the funds obtained and in the same currency (see Appendix I and II). The interest rate of the deposit is the same than the one of the issue, and, accordingly, there were no exchange differences in this connection.

c) Corporate income tax

The Company files consolidated corporate income tax returns as part of the consolidated tax group headed by Banco Bilbao Vizcaya Argentaria, S.A. (see Notes 9 and 12).

The expense for corporate income tax is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences from taxable income, understood as the corporate income tax base.

The income or expense from deferred taxes arises from the recognition and cancellation of the deferred tax assets or liabilities. They include the temporary differences between the book income and the taxable income, the negative basis of book income that has not been compensated and the tax deduction credits that have not been applied. Those amounts are registered by applying the temporary difference or correspondent credit to the tax rate at which the Company expects their recovery or settlement.

The tax benefit relating to double taxation tax credits is treated as a reduction of the amount of the corporate income tax for the year in which the tax credits are used. Entitlement to these tax credits is conditional upon compliance with the legally stipulated requirements.

d) Income and expenses

The revenues and expenses related to the issuance of structured notes and bonds and to the constitution of deposits with the parent of the Group are registered using the amortized cost method as part of the “Profit from Operations” under the headings “Net Revenue – Revenue from marketable securities and other financial assets” and “Expenses from marketable securities” of the income statement of the year, respectively, according to consultation number 79 of the Spanish Accounting and Audit Institute. Other income and expenses are recognised on an accrual basis.

e) Related party transactions

The Company performs all its transactions with related parties on an arm's length basis (see Note 15). Also, the transfer prices are adequately supported and, therefore, the Company's Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

f) Current and non-current items

Different items on the balance sheet have been classified as either current or non-current depending on the fact that they will reach maturity within or after one year, from the end of the period onwards.

4. Distribution of income

The Board of Directors will submit for approval by the Sole-Shareholder the application of the net loss for the year ended 2015, amounting EUR 50 thousand, to "Losses from previous years".

The Board of Directors will submit for approval by the Sole-Shareholder the reduction of the voluntary reserves account during the fiscal year of 2016 in order to compensate the losses from previous years.

5. Risk exposure

The Company carries out its business activity as a debt issuer as part of the BBVA Group, obtaining from it the financing facilities required for its operations on an on-going basis and is managed by employees of the Group.

The main financial risks affecting the Company are as follows:

- **Interest rate risk:** Changes in interest rates affect the interest received from deposits and the interest paid on issues. Therefore, the changes in interest rates offset each other.
- **Liquidity risk:** The Company obtains the liquidity required to meet interest payments, redemptions of issues and the needs for its business activities from subordinated deposits on the issues arranged with Banco Bilbao Vizcaya Argentaria, S.A., the cash or the credit facility lines maintained by its Sole-Shareholder.
- **Credit risk:** Since the counterparty of the deposits is Banco Bilbao Vizcaya Argentaria, S.A., the Company considers that its exposure to credit risk is not relevant.
- **Other market risks:** Since the funds obtained by the Company from the issues launched in foreign currencies are invested in deposits in the same currency, the exposure to currency risk is not relevant.

The fair value of the issues launched does not differ significantly from the fair value of the deposits made because their features (amount, term and interest rate) are the same. In the case of issues that include embedded financial derivatives, the Company has made a "mirror" deposit with Banco Bilbao Vizcaya Argentaria S.A. and, accordingly, the Company is not exposed to changes in the fair value of these financial instruments, assuming that the credit spread of the Company and the BBVA Group is the same and therefore the estimation of the counterparty risk associated to derivatives ("CVA-DVA") is the same in the derivative assets and liabilities (see note 10).

6. Investments in Group companies and associates

The detail of "Non-current investments in Group companies and associates - Loans to companies" is as follows:

Year 2015

	Thousand Euros							2015
	2014	Additions	Anticipated Amortization	Transfers	Income	Expenses	Exchange Differences	
Long-term Amount	6,586,985	2,535,000	-	(3,156,956)	-	-	43,783	6,008,812
“Up-front” Premiums	(13,222)	(151)	-	841	5,824	-	-	(6,708)
Option Premiums	(18,606)	-	-	1	7,295	-	(2,000)	(13,310)
Prepaid Expenses	161	28	-	-	-	(51)	-	138
Total	6,555,318	2,534,877	-	(3,156,114)	13,119	(51)	41,783	5,988,932

Year 2014

	Thousand Euros							2014
	2013	Additions	Anticipated Amortization	Transfers	Income	Expenses	Exchange Differences	
Long-term Amount	8,466,266	2,210,000	(4,350)	(4,130,969)	-	-	46,038	6,586,985
“Up-front” Premiums	(22,290)	(5,255)	-	8,620	5,703	-	-	(13,222)
Option Premiums	(28,293)	-	-	6,003	6,096	-	(2,412)	(18,606)
Prepaid Expenses	-	193	-	-	-	(32)	-	161
Total	8,415,683	2,204,745	(4,350)	(4,116,346)	11,799	(32)	43,626	6,555,318

The change in “Current investments in Group companies and associates - Loans to companies” is as follows:

Year 2015

	Thousand Euros						2015
	2014	Additions	Transfers	income	Exchange Differences	Maturity	
Short-term Amount	4,821,563	479,284	3,156,956	-	-	(4,821,563)	3,636,240
“Up-front” Premiums	(3,294)	-	(841)	3,294	-	-	(841)
Option Premiums	(1,648)	-	(1)	1,709	(61)	-	(1)
Interest repayment	204,690	141,170	-	-	-	(204,690)	141,170
Prepaid expenses	22	-	-	-	-	(22)	-
Total	5,021,333	620,454	3,156,114	5,003	(61)	(5,026,275)	3,776,568

Year 2014

	2013	Additions	Transfers	income	Exchange Differences	Maturity	2014
Short-term Amount	2,483,751	804,809	4,130,969	-	-	(2,597,966)	4,821,563
"Up-front" Premiums	(1,036)	(235)	(8,620)	6,597	-	-	(3,294)
Option Premiums	(227)	-	(6,003)	4,749	(167)	-	(1,648)
Interest repayment	248,705	204,690	-	-	-	(248,705)	204,690
Prepaid expenses	48	40	-	-	-	(66)	22
Total	2,731,241	1,009,304	4,116,346	11,346	(167)	(2,846,671)	5,021,333

At December 31, 2015, the Company had deposits in Banco Bilbao Vizcaya Argentaria, S.A, arising out of bonds and structured notes issues (see Note 10), whose maturity exceeds one year, for a nominal value of Euros 6,008,812 thousand (Euros 6,586,985 thousand at December 31, 2014) (see Appendix I).

In years 2015 and 2014 the income from the "Up-front" premiums collected at the time the deposits were made amounted to EUR 151 and EUR 5,490 thousand respectively. The amount charged to income in 2015 and 2014 amounted to EUR 9,118 thousand and EUR 12,300 thousand respectively, and was recognised by the Company under the heading "Net revenue – Revenue from marketable securities and other financial assets - Group companies and associates". As of December 31, 2015 and 2014 the amount that has not been taken yet to income in this connection amounted to EUR 6,708 thousand and EUR 13,222 thousand, respectively.

"Current investments in Group companies and associates - Loans to companies" in the accompanying balance sheets for years 2015 and 2014 also include the amount of the premiums that have been collected at the time of creation of the deposits maturing under one year, but have not been taken to income yet, amounting to EUR 841 thousand and EUR 3,294 thousand, respectively.

The amount of the outstanding balance of premiums on the options embedded in long-term and short-term deposits in the previous table as of December 31, 2015 and 2014 amounted to EUR 13,311 thousand and EUR 20,254 thousand respectively, of which EUR 9,004 thousand and EUR 10,845 thousand respectively were taken to 2015 and 2014 income under the heading "Net Revenue – Revenue from marketable securities and other financial assets - Group companies and associates".

The column "Exchange differences" shown above reflects the exchange differences arising on deposits and outstanding premiums in foreign currency at 31 December 2014 and 31 December 2015.

The balance of "Current investments in Group companies and associates - Loans to companies" in the balance sheets as of December 31, 2015 and 2014, mainly includes the short-term deposits held by the Company at that date with Banco Bilbao Vizcaya Argentaria, S.A. in relation to bonds, structured notes issues and commercial paper (see Note 10) plus the accrued uncollected interest on all the deposits held by the Company as of December 31, 2015. The detail of the short-term deposits held by the Company as of that date is presented in Appendix II.

The amount of the accrued uncollected interest from the aforementioned deposits amounted to EUR 141,170 thousand and EUR 204,690 thousand as of December 31, 2015 and 2014 respectively, and this amount was recognised under "Current investments in Group companies and associates - Loans to companies" in the accompanying balance sheets.

The interest on the deposits held by the Company in 2015 and 2014 amounted to EUR 269,214 thousand and EUR 355,722 thousand respectively. These amounts were recognised under "Net revenue – Revenue from marketable securities and other financial assets - Group companies and associates" in the 2015 and 2014 income statements.

The detail, by maturity, of the nominal amount of deposits under this heading is as follows:

Outstanding deposits as of:	Thousand Euros					
	One Year	Two Years	Three Years	Four Years	More than four years	Total
December 31, 2015	3,636,240	2,887,894	1,712,800	1,083,307	324,811	9,645,052
December 31, 2014	4,821,563	3,154,110	319,762	1,712,800	1,400,313	11,408,548

7. Derivatives

Certain issues of the Company include embedded derivatives, usually options, which are segregated and recognised separately from the issue to which they are linked initially (see Note 2.a). The Company uses the funds obtained from these issues to make a deposit with Banco Bilbao Vizcaya Argentaria S.A. linked to a financial derivative with the same terms, but of the opposite sign to the related issue.

As of December 31, 2015 and 2014 the fair value of the embedded options, either the ones linked to deposits held at Banco Bilbao Vizcaya Argentaria S.A. or the issues launched, amounted to 1,413 EUR thousand and EUR 1,682 thousand respectively, which were recognised under the following captions of the accompanying balance sheets:

	Thousand Euros	
	2015	2014
Valuation Embedded Option -Deposits		
Non-current investments in Group companies and associates-Derivatives	20	1,506
Current investments in Group companies and associates-Derivatives	210	850
Long term payables with Group companies and associates-Derivatives	(31)	(2,024)
Short term payables with Group companies and Associates-Derivatives	(1,612)	(2,014)
Total	(1,413)	(1,682)
Valuation Embedded Option -Issues		
Long-term payables-Derivatives	(20)	(1,506)
Short-term payables-Derivatives	(210)	(850)
Long-term financial investments-Derivatives	31	2,024
Short-term financial investments-Derivatives	1,612	2,014
Total	1,413	1,682

The variation of the valuation of the embedded options on deposits has led to a loss of EUR 543 thousand in 2015 and loss of EUR 2,054 thousand in 2014, respectively, being recorded under the caption "Change in fair value of financial instruments – Trading book portfolio". Similarly, the variation of the valuation on the embedded options on issues has led to a gain of EUR 543 thousand in 2015 and a gain of EUR 2,054 thousand in 2014, respectively. These changes in valuation have been recorded under the caption "Change in fair value of financial instruments – Trading book portfolio" of the accompanying income statements. Therefore, the final balance is zero.

In the following table, a detail of the main features of the options held at December 31, 2015 and 2014 by the Company arising from bonds and structured notes issues (see Note 10), and the related deposits (see Note 6) is presented:

Year 2015

	Thousand Euros			
	Notional	Assets Fair Value	Liabilities Fair Value	Net Fair Value
Embedded options on deposits	305,693	230	(1,643)	(1,413)
Embedded options on issues	(305,693)	(230)	1,643	1,413

Year 2014

	Thousand Euros			
	Notional	Assets Fair Value	Liabilities Fair Value	Net Fair Value
Embedded options on deposits	401,452	2,356	(4,038)	(1,682)
Embedded options on issues	(401,452)	(2,356)	4,038	1,682

The detail, by maturity, of the items composing these headings is as follows:

Year 2015

	Thousand Euros				
	2016	2017	2018	2019	Total
Embedded options on deposits	(1,402)	20	(31)	-	(1,413)
Embedded options on issues	1,402	(20)	(31)	-	1,413

Year 2014

	Thousand Euros				
	2015	2016	2017	2018	Total
Embedded options on deposits	(1,164)	(1,527)	1,309	(300)	(1,682)
Embedded options on issues	1,164	1,527	(1,309)	300	1,682

8. Cash and cash equivalents

The balance of this caption of the balance sheets as of December 31, 2015 and 2014 includes the amount of a current account held by the Company at Banco Bilbao Vizcaya Argentaria, S.A. The interest rate accrued by the current account is 1-year Euribor minus 0.1%.

During 2015 there was no interest earned on this current account while in 2014 it amounted to EUR 2 thousand, and it is recorded under "Finance income - From marketable securities and other financial instruments - Group companies and associates" of the income statements for the aforementioned periods.

9. Equity

Share capital

As of December 31, 2015 and 2014, the share capital amounted to EUR 60,102, and it is represented by 10,017 shares of EUR 6 par value each, fully subscribed and paid by Banco Bilbao Vizcaya Argentaria, S.A.

The Company's shares are not listed on the Stock Exchange.

Legal reserves

Under the Spanish Companies Act, the companies who obtain profits in the economic exercise will have to allocate 10% of such profits as legal reserve until this one reaches, at least, 20% of the share capital. The legal reserve could be used for increasing the share capital. Apart from this purpose, and while it does not overcome the 20% of the share capital, this reserve will only be able to be used to compensate for losses, providing that there do not exist other available sufficient reserves for this purpose. As of December 31, 2015 and 2014, the legal reserve of the Company had reached the stipulated level.

10. Long-term and short-term payables

The change in the balance of the caption "Long-term payables – Debentures and other marketable securities" in the balance sheets is as follows:

Year 2015

	Thousand Euros							
	2014	Additions	Transfers	income	Expenses	Exchange Differences	Anticipated Amortization	2015
Long-term Issues	6,586,985	2,535,000	(3,156,956)	-	-	43,783	-	6,008,812
"Up-front" Premiums	(12,932)	-	3,877	-	2,632	-	-	(6,423)
Option Premiums	(18,606)	-	1	-	7,295	(2,000)	-	(13,310)
Accrued interest	-	170	-	-	-	-	-	170
Anticipated Income	182	57	-	(58)	-	-	-	181
Deferred Charges	(213)	(62)	53	-	49	-	-	(173)
Total	6,555,416	2,535,165	(3,153,025)	(58)	9,976	41,783	-	5,989,257

Year 2014

	Thousand Euros							
	2013	Additions	Transfers	income	Expenses	Exchange Differences	Anticipated Amortization	2014
Long-term Issues	8,466,266	2,210,000	(4,130,969)	-	-	46,038	(4,350)	6,586,985
"Up-front" Premiums	(22,065)	(5,050)	8,526	-	5,657	-	-	(12,932)
Option Premiums	(28,293)	-	6,003	-	6,096	(2,412)	-	(18,606)
Anticipated Income	-	218	-	(36)	-	-	-	182
Deferred Charges	(267)	(86)	79	-	61	-	-	(213)
Total	8,415,641	2,205,082	(4,116,361)	(36)	11,814	43,626	(4,350)	6,555,416

The following table includes the change in the balance of “Short-term payables – Debentures and other marketable securities” during year 2015:

Year 2015

Thousand Euros							
	2014	Additions	Transfer	Expenses	Exchange Differences	Maturity	2015
Short-term Issues	4,822,303	2,143,184	3,156,956	-	-	(6,485,687)	3,636,756
“Up-front” Premiums	(3,639)	(1,272)	(3,877)	7,595	(3)	-	(1,196)
Option Premiums	(1,648)	-	(1)	1,709	(61)	-	(1)
Anticipated Income	34	-	-	-	-	(34)	-
Accrued interest	204,297	141,052	-	-	-	(204,297)	141,052
Deferred Charges	(48)	(7)	(53)	89	-	-	(19)
Total	5,021,299	2,282,957	3,153,025	9,393	(64)	(6,690,018)	3,776,592

Year 2014

Thousand Euros							
	2013	Additions	Transfers	Expenses	Financial Expenses	Maturity	2014
Short-term Issues	2,484,569	805,699	4,130,969	-	-	(2,598,934)	4,822,303
“Up-front” Premiums	(1,572)	(1,053)	(8,526)	7,523	(11)	-	(3,639)
Option Premiums	(227)	-	(6,003)	4,749	(167)	-	(1,648)
Anticipated Income	50	60	-	-	-	(76)	34
Accrued interest	248,145	204,297	-	-	-	(248,145)	204,297
Deferred Charges	(16)	(45)	(79)	92	-	-	(48)
Total	2,730,949	1,008,958	4,116,361	12,364	(178)	(2,847,155)	5,021,299

GMTN Program

In use of the authority conferred by the General Shareholder’s Meeting held on December 21, 2004, the Board of Directors approved a GMTN Securities Issuance Program with the purpose of issuing bonds, notes and other securities, up to a maximum of EUR 20,000,000 thousand or the equivalent in any other currency. In June 5, 2006, the Board of Directors resolved to approve an increase of the maximum amount of debt issuance under this program up to a maximum of EUR 40,000,000 thousand or its equivalent in any other currency. Since then, this program has been renovated yearly until December 18, 2015, date as from which the Company will not continue making additional issues in with this program.

Structured Notes Program

In use of the authority conferred by the General Shareholder’s Meeting held on January 25, 2008, the Board of Directors of the Company approved a Structured Note Program for the issuance of bonds, notes or other instruments that recognize or create debt, standard, registered or bearer and freely transferable, for a maximum amount of EUR 2,000,000 thousand or the equivalent in any other currency. On May 26, 2009, June 21, 2010 and May 30, 2012, the Board of Directors of the Company resolved to renew the mentioned program, which expired on June 26, 2013.

ECP Program

In use of the authority conferred by the General Shareholder's Meeting held on December 11, 2012, the Company's Board of Directors approved the establishment of a program named "ECP Program" (the "ECP Program"), of which the Company is issuer, for the issuance, on one or several times, of commercial paper for a maximum outstanding balance of USD 10,000,000 thousand or its equivalent in any other currency, which has the irrevocable and solidary guarantee of Banco Bilbao Vizcaya Argentaria, S.A. The term of the commercial paper issued under the ECP Program will be, at least, one day and 364 days as maximum. The securities issued will be listed on the Irish Stock Exchange. The ECP Program was last renewed on December 18, 2015 for a year. Under the ECP Program, 47 issuances have been made during the year 2015, of which 12 are still outstanding at December 31, 2015, amounting EUR 479,800 thousand. The detail of such issues at December 31, 2015, whose maturity is under 12 months, is presented in Appendix IV and V.

The issues launched prior to 2015 whose maturity is over 12 months and still outstanding as of December 31, 2015 (under the GMTN Program and under the Structured Notes Program) are presented in Appendix III. The detail of the issues launched during 2015 (under the GMTN Program and under the ECP Program) is presented in Appendix IV (of which issues amounted EUR 1,663,384 thousand were amortized during the year).

During years 2015 and 2014 the expenses incurred on bonds and structured notes issues amounted to EUR 69 thousand and EUR 131 thousand respectively and the expenses charged to income in 2015 and 2014 amounted to EUR 138 thousand and EUR 153 thousand respectively, which the Company recognised under "Expenses from marketable securities – On debts to third parties" in the income statements for 2015 and 2014. As of December 31, 2015 and 2014, deferred charges from long-term issues amounted EUR 173 thousand and EUR 213 thousand, respectively, and deferred charges from short-term issues that had not been taken to income yet raised up to EUR 19 thousand and EUR 48 thousand respectively.

The placement expenses ("Up-front" premiums), long-term and short-term, recognised in 2015 and 2014 amounted to EUR 1,272 thousand and EUR 6,103 thousand respectively. During years 2015 and 2014 the Company charged to income EUR 10,227 thousand and EUR 13,180 thousand respectively that were registered under "Expenses from marketable securities – On debts to third parties" in the income statements for 2015 and 2014. At December 31, 2015 and 2014, EUR 6,423 thousand and 12,932 thousand of placement expenses of long-term issues had not been taken to income yet.

Also, the caption "Short-term payables - Debentures and other marketable securities" in the accompanying balance sheets as of December 31, 2015 and 2014 reflects the amount of the unearned placement expenses from the short-term issues not taken to income yet, which totalled EUR 1,196 thousand and EUR 3,639 thousand, respectively.

The amount of the premiums of the embedded options in both long-term and short-term issues as of December 31, 2015 and 2014 amounted to EUR 13,311 thousand and EUR 20,254 thousand, respectively, having been charged to income EUR 9,004 thousand in 2015 and EUR 10,845 thousand in 2014 under the caption "Expenses from marketable securities – On debts to third parties".

The column "Exchange differences" reflects the exchange differences arising from the currency issues outstanding as of December 31, 2014 and are still outstanding as of December 31, 2015.

The balance of "Short-term payables - Debentures and other marketable securities" in the accompanying balance sheets mainly reflects the short-term issues, plus the accrued uncollected interest on all the outstanding issues as of December 31, 2015. The detail of the short-term issues is presented in Appendix IV and V.

Also, the amount corresponding to the difference between the issue price and the nominal value or the repayment value of the issue for those issues launched above par (with maturity over 12 months) is included in this caption. At December 31, 2015, the Company has EUR 181 thousand for this concept (EUR 216 thousand in 2014), having recorded in the accompanying financial statements EUR 92 thousand (EUR 112 thousand in 2014), registered in the caption "Net Revenue – Revenue from marketable securities and other financial assets-on revenue from third parties".

The interests accrued from all the issues in years 2015 and 2014 amounted to EUR 267,879 thousand and EUR 354,569 thousand, respectively, and have been recorded under the caption "Expenses from marketable securities – On debts to third parties" of the 2015 and 2014 income statements.

Similarly, the accrued unpaid interest on these issues as of December 31, 2015 and 2014 were recorded under "Short-term payables - Debentures and other marketable securities" in the balance sheet and amounted to EUR 141,052 thousand and EUR 204,297 thousand respectively.

The expenses of the programs incurred during 2015 and 2014 amount to EUR 106 thousand and EUR 95 thousand, respectively, and they are recorded under the caption "Expenses from marketable securities - On debts to third parties" of the accompanying income statements.

The detail, by maturity, of the items under this heading, disregarding accrued uncollected interest and accrued earned premiums collected as of December 31, 2015 and 2014, is as follows:

Outstanding issues as of:	Thousand Euros					Total
	One Year	Two Years	Three Years	Four Years	More than Four Years	
December 31, 2015	3,636,756	2,887,894	1,712,800	1,083,307	324,811	9,645,568
December 31, 2014	4,822,303	3,154,110	319,762	1,712,800	1,400,313	11,409,288

All the bond issues outstanding as of December 31, 2015 and 2014 are listed on the London Stock Exchange, the structured notes issues are listed on the Spanish AIAF fixed-income securities market and the commercial paper issues are listed on the Irish Stock Exchange.

In Appendix VI, attached to these annual accounts, the fair value is broken down on the nominal value at 31 December 2015, either by listing (level 1) or by workflows (level 2) discount, excluding commercial paper and deposits segregated in structured notes due to considering that significant differences between fair value and the book value do not exist, considering their short term maturities. Given the symmetrical nature of the associated deposits, the fair value thereof is equivalent to the issues they are linked to.

All the issues are jointly and irrevocably guaranteed by Banco Bilbao Vizcaya Argentaria, S.A. The funds obtained from these issues were deposited, once the issue and management expenses were discounted, at Bank Bilbao Vizcaya Argentaria, SA (see Note 6).

11. Short-term payables to Group and associated companies

The balance of this caption of the balance sheets as of December 31, 2015 and 2014, relates to a credit facility that the Company maintained with Banco Bilbao Vizcaya Argentaria, S.A. with a limit of EUR 3,000 thousand. It was renewed on March 22, 2015 and its new maturity date is March 22, 2016, when such credit facility was renewed on an annual basis. This credit facility bears an interest rate equal to 3-month Euribor plus a 1.75% spread.

The interest accrued during 2015 and 2014 amounted to EUR 12 thousand and EUR 30 thousand, respectively and this amount was recorded under the caption "Finance cost – On Group and associated companies" from 2015 and 2014 income statements.

In addition, the accrued unpaid interest on this facility as of December 31, 2015 and 2014 amounted to EUR 3 thousand and EUR 2 thousand, respectively, which were recognised under this line item on the liability side of the accompanying balance sheets.

12. Tax matters

Pursuant to the provisions of Law 27/2014, of November 27, 2014, of the Corporate Income Tax Law, the Company is subject to corporate income tax. The Company also files consolidated tax returns as part of the 2/82 Group, whose parent company is Banco Bilbao Vizcaya Argentaria, S.A.

At the date in which these financial statements are prepared, the Company has the last four years open for inspection by tax authorities for the main taxes.

The breakdown of the account reconciliation between taxable income and taxable corporate income tax as of December 31, 2015 and 2014 is as follows:

	Thousand Euro	
	2015	2014
Profit before taxes	(71)	(85)
Permanents differences		
Increases	-	-
Decreases	-	-
Adjusted profit	(71)	(85)
Set-off of tax losses	-	-
Temporary differences		
Increases	-	-
Decreases	-	-
Taxable base	(71)	(85)
Tax rate	30%	30%
Gross tax payable	-	-
Deductions	-	-
Tax withholdings and pre-payments	-	-
Net tax payable	-	-

As of December 31, 2015 the Company has generated losses to offset in future periods amounting to 71 thousand euros, and EUR 85 thousand in 2014.

The detail of the corporate income tax expense for year 2015 is as follows:

	Thousand Euros	
	2015	2014
Adjusted profit	(71)	(85)
Compensation of negative taxable incomes	-	-
30% on the adjusted profit	(21)	(26)
Impact due to temporary differences	-	-
Deduction due to double taxation	-	-
Tax accrued in the fiscal year	21	21
Set-off of activated tax losses	-	-
Adjust due to Corporate Income Tax on variation of temporary difference	-	-
Adjust due to Corporate Income Tax in previous fiscal years	-	-
Expense/(Income) due to Corporate Income Tax	(21)	(26)

The tax loss, the tax credit carry forwards and other deferred tax assets recognised by the Company are offset by the BBVA tax group in its income tax returns to the extent that the tax group obtains sufficient profits.

Until 2011, the companies belonging to the afore mentioned tax group only recognised deferred tax assets (tax loss and tax credit carry forwards) in their financial statements in two cases, either when these companies generated sufficient profits to be able to use them, or when the company's own financial projections supported them, within the limits established by law. In 2011 Banco Bilbao Vizcaya Argentaria, S.A., as the head of the tax group before the tax authorities, changed the criterion for offsetting then in force, and recognised these tax assets at the companies belonging to the tax group to the extent that the tax group had offset them or was going to offset them in consolidated income tax returns.

Due to the diversity of interpretations that can be made of the applicable tax legislation, the outcome of the tax audits of the open years that could be conducted by the tax authorities in the future might originate contingent tax liabilities which cannot be objectively quantified at the present time. However, the Company's 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 Company's financial statements.

In the liabilities of the balance sheet, in the account "Trade and other payables - Other accounts payable to public authorities", retentions to third parties as of December 31, 2015 and 2014 amounted to EUR 16 thousand and EUR 45 thousand, respectively.

13. Other operating expenses

The balance of "Other operating expenses – Exterior services" for 2015 includes the fees paid to the external auditors for the audit of the Company's financial statements. During the year 2015, the fees paid for auditing the Company's financial statements and other services given by the external auditors, Deloitte, S.L., or any other company related to the auditor by control are the following:

	Thousand Euros
Auditing Services	18
Other Advising or Consulting Services	-
Total fees from Auditing and related services	18
Tax Advising Services	-
Other services	-
Total fees from Professional services	18

The services provided by our auditors meet the independence requirements established in Legislative Royal Decree 1/2011, of July 1, approving the Consolidated Audit Law, and accordingly they did not include the performance of any work that is incompatible with the audit function.

The Company does not incur salary expenses, as it has no workforce. The Company's management is carried out by personnel of the BBVA Group.

14. Remuneration of the Company's Board of Directors

The Company does not accrue or pay any wages, salaries or attendance fees to the members of its Board of Directors. It also did not grant any loans or advances or acquire any commitments derived from pension plans with any current or former members of the Board of Directors.

All of the members of the Board of Directors perform their professional activity at Banco Bilbao Vizcaya Argentaria, S.A., the Company's Sole-Shareholder.

As of December 31, 2015 and 2014, the Board of Directors of the Company consists of three members, all of them were men.

15. Related party balances and transactions

The main balances and transactions held by the Company with Banco Bilbao Vizcaya Argentaria Group companies as of December 31, 2015 and 2014, were as follows:

	Thousand Euros	
	2015	2014
BALANCE SHEET		
Assets		
Non-current loans to companies (Note 6)	5,988,932	6,555,318
Long-term derivatives (Note 7)	20	1,506
		26
Deferred tax assets (Note 12)	47	-
Current loans to companies (Note 6)	3,776,568	5,021,333
Short-term derivatives (Note 7)	210	850
Cash (Note 8)	2,385	1,961
Liabilities		
Long-term derivatives (Note 7)	31	2,024
Short-term derivatives (Note 7)	1,612	2,014
Short-term payables to Group and associated companies (Note 11)	830	558
INCOME STATEMENT		
Revenue / (Expense)		
Net Revenue – Revenue from marketable securities and other financial assets (Note 6)	287,336	378,867
Expenses from marketable securities (Note 6)	(73)	(98)
Finance income (Note 8)	-	2
Finance cost (Note 11)	(12)	(30)
Change of fair value of financial instruments (Note 7) (*)	(543)	(2,054)

(*) This account also includes the negative or positive changes in fair value of financial instruments held to third parties for the same amount.

16. Other creditors

Down below we present the information required by the third additional provision of the Law 15/2010, of July 5 (modified through the second final provision of the Law 31/2014, of December 3) that has been prepared in accordance with the ICAC Resolution of January 29, 2016 on the information to be included in the notes of the financial statements in relation to the average payment period to suppliers in commercial operations.

In accordance with the sole additional provision of the Resolution mentioned above, as this is the first year of application of the Resolution, no comparative information is presented.

	2015
	Days
Average suppliers' payment period	17
Paid operations ratio	17
Unpaid operations ratio	1
	Thousands of euros
Total payments made in the year	268
Total pending payments	5

Under the Resolution of the ICAC, to calculate the average payment period to suppliers, it is necessary to take into account the relevant commercial operations related to delivery of goods or services accrued from the date of implementation of the Law 31/2014, of 3 December.

"Average suppliers' payment period" means the period of time between the delivery of goods or the provision of services by the supplier and the effective payment of the operation.

The maximum legal payment term applicable to the Company as of December 31, 2015 and 2014, according to Law 15/2010, of July 5, that modifies Law 3/2004, by which measures to prevent late payment in commercial transactions is established, is 30 days. However, Law 11/2013, of July 26, on measures to support the entrepreneur and for the stimulation of growth and job creation, amended Law 3/2004, establishing the legal maximum period for payment in 30 days, which is extendable by agreement between the parties with a limit of 60 calendar days. As a result, the Company has taken as reference 60 days in both exercises.

17. Subsequent events

The following significant events have taken place from 1 January 2016 until the date of preparation of these financial statements:

- On January 11, 2016, the Company launched issue "ECP 77", for a total amount of USD 5,000 thousand (EUR 4,593 thousand), whose maturity has been on April 11, 2016. The remuneration was at a fix interest rate of 0.740%. The amount received was USD 4,991 thousand (EUR 4,584 thousand).
- On January 21, 2016, the Company launched issue "ECP 78", for a total amount of EUR 20,000 thousand, whose maturity has been on January 19, 2017. The remuneration was at a fix interest rate of 0.120%. The amount received was EUR 19,976 thousand.
- On January 25, 2016, the Company launched issue "ECP 79", for a total amount of USD 17,000 thousand (EUR 15,615 thousand), whose maturity has been on April 26, 2016. The remuneration was at fixed interest rate of 0.750%. The amount received was USD 16,968 thousand (EUR 15,585 thousand).
- On January 28, 2016, the Company launched issue "ECP 80", for a total amount of EUR 20,000 thousand, whose maturity has been on October 28, 2016. The remuneration was at a fix interest rate of 0.004%. The amount received was EUR 19,994 thousand.
- On January 28, 2016, the Company launched issue "ECP 81", for a total amount of EUR 20,000 thousand, whose maturity has been on January 26, 2017. The remuneration was at a fix interest rate of 0.120%. The amount received was EUR 19,976 thousand.
- On January 28, 2016, the Company launched issue "ECP 82", for a total amount of EUR 70,000 thousand, whose maturity has been on January 26, 2017. The remuneration was at a fix interest rate of 0.120%. The amount received was EUR 69,915 thousand.
- On January 29, 2016, the Company launched issue "ECP 83", for a total amount of EUR 7,000 thousand, whose maturity has been on January 27, 2017. The remuneration was at a fix interest rate of 0.100%. The amount received was EUR 6,993 thousand.
- On January 29, 2016, the Company launched issue "ECP 84", for a total amount of USD 18,000 thousand (EUR 16,533 thousand), whose maturity has been on March 31, 2016. The remuneration was at a fix interest rate of 0.610%. The amount received was USD 17,981 thousand (EUR 16.516 thousand).
- On February 5, 2016, the Company launched issue "ECP 85", for a total amount of EUR 40,000 thousand, maturing on February 3, 2017. The issue earns a fixed interest rate of 0.100%. The amount received was EUR 39,960 thousand.
- On February 8, 2016, the Company launched issue "ECP 86", for a total amount of EUR 20,000 thousand, maturing on February 6, 2017. The remuneration was at fixed interest rate of 0.100%. The amount received was EUR 19,980 thousand.

- On March 7, 2016, the Company launched issue “ECP 87”, for a total amount of EUR 40,000 thousand, maturing on March 6, 2017. The remuneration was at fixed interest rate of 0.060%.The amount received was EUR 39,976 thousand.
- On March 8, 2016, the Company launched issue “ECP 88”, for a total amount of EUR 40,000 thousand, maturing on March 7, 2017. The remuneration was at fixed interest rate of 0.060%.The amount received was EUR 39,976 thousand.
- On March 18, 2016, the Company launched issue “ECP 89”, for a total amount of USD 20,000 thousand (EUR 18,371 thousand), maturing on June 20, 2017. The remuneration was at fixed interest rate of 0.860%. The amount received was USD 19,955 thousand (EUR 18,329 thousand).
- On March 21, 2016, the Company launched issue “ECP 90”, for a total amount of USD 4,500 thousand (EUR 4,133 thousand), maturing on June 22, 2017. The remuneration was at fixed interest rate of 0.820%. The amount received was USD 4,490 thousand (EUR 4,125 thousand).
- On March 30, 2016, the Company launched issue “ECP 91”, for a total amount of EUR 50,000 thousand, maturing on March 29, 2017. The remuneration was at fixed interest rate of 0.000%.The amount received was EUR 50,000 thousand.

All the issues are jointly and severally irrevocably guaranteed by Banco Bilbao Vizcaya Argentaria, S.A. The Company placed the funds obtained from these issues in deposits at Banco Bilbao Vizcaya Argentaria, S.A., which had the same features as the related issues.

Explanation added for translation to English

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

APPENDIX I

DETAIL OF THE DEPOSITS HELD BY THE COMPANY AT DECEMBER 31, 2015 WITH MATURITY OVER 12 MONTHS

Deposits	Date of Placement	Date of Maturity	Interest Rate	Amount (Thousand in Foreign currency)	Amount (Thousand Euro)
2006-27 (euros)	02/08/2006	02/08/2021	Quarterly settlements. Fixed rate referred to interest rate indexes.	100,000	100,000
2006-29 (Pound Sterling)	03/10/2006	03/10/2036	Annual settlements. Up to 10/03/2009 (included) 12 months GBP Libor + 1%. From 09/03/2009: 1,29xLibor GBP 12 months; 3x Real State.	165,000	224,811
2007-37 (japanese yen)	04/01/2007	04/01/2017	Annual settlements. Fixed rate 1.835%.	5,000,000	38,150
2007-40 (euros)	20/02/2007	20/02/2017	Quarterly settlements. 3-months Euribor + 0.090%.	30,000	30,000
2007-53 (US dollars) (*)	06/08/2007	31/07/2017	Annual settlements. Up to 07/31/2009 fixed rate to 8.5%. From to 07/31/2009: rate referenced to a basket of funds.	110,000	101,038
2007-54 (US dollars) (*)	20/09/2007	31/10/2017	Annual settlements. Up to 09/30/2008 fixed rate to 10%. From to 09/30/2008: rate referenced to a basket of funds.	100,000	91,853
2007-55 (US dollars) (*)	20/09/2007	31/10/2017	Annual settlements. Up to 09/30/2008 fixed rate to 10%. From to 09/30/2008: rate referenced to a basket of funds.	100,000	91,853
4	28/04/2011	30/04/2018	No coupon payment. Payment to maturity, depending on the evolution of the underlying securities.	2,800	2,800
2013-130 (euros)	17/01/2013	17/01/2018	3.750 % Annual settlements on 17/01.	1,500,000	1,500,000
2013-133 (NOK)	22/03/2013	22/03/2019	Annual settlements 5.75%.	800,000	83,307
2014-134 (euros)	22/01/2014	22/01/2019	Annual settlements 2.375%	1,000,000	1,000,000
2014-135 (euros)	03/04/2014	03/04/2018	Quarterly settlements. Variable rate EURIBOR 3M+0.80%	100,000	100,000
2014-135 (Tranch 2) (euros)	12/05/2014	03/04/2018	Quarterly settlements. Variable rate EURIBOR 3M+0.80%	110,000	110,000
2015-140 (euros)	08/05/2015	20/04/2017	Quarterly settlements. Fixed rate EURIBOR 3M+0.53%	1,100,000	1,160,000
2015-141 (euros)	18/09/2015	18/09/2017	Quarterly settlements. Variable rate EURIBOR 3M+0.30%	40,000	40,000
2015-142 (euros)	04/12/2015	02/01/2017	Sole coupon at maturity. Fixed rate del 1.21%.	550,000	550,000
2015-142 (Tranch 2) (euros)	14/12/2015	02/01/2017	Sole coupon at maturity. Fixed rate 1.21%.	525,000	525,000
2015-140 (Tranch 2) (euros)	15/12/2015	20/04/2017	Quarterly settlements. Variable rate EURIBOR 3M+0.53%	320,000	320,000
Total					6,008,812

(*) These issues have options implied. (See Note 7).

APPENDIX II

DETAIL OF THE DEPOSITS HELD BY THE COMPANY AT DECEMBER 31, 2015 WITH MATURITY UNDER 12 MONTHS

Deposits	Date of Placement	Date of Maturity	Interest Rate	Amount (Thousand in Foreign currency)	Amount (Thousand Euro)
2011-113 (UN dollars)	04/06/2011	04/06/2016	Annual settlements. Fixed rate 4.060%.	30,000	27,556
2011-115 (euros)	04/15/2011	04/15/2016	Annual settlements. Fixed rate 4.875%.	500,000	500,000
2011-Nota Estruct. 79 (euros) (*)	04/18/2011	04/15/2016	Payment to maturity. Sole coupon at 04/25/2011. Payment to maturity, depending on the evolution of the underlying securities. Early redemption right at 04/18/2012 and at 04/20/2015.	1,050	1,050
2011-Nota Estruct. 83 (euros)	06/30/2011	06/30/2016	Quarterly maturity coupon. Variable rate of 3-month Euribor, or 5%, if Euribor is greater than or equal to 2.50%.	9,350	9,350
2012-115 (Tranch 2) (euros)	08/08/2012	04/15/2016	Annual settlements. Fixed rate 4.88%.	20,000	20,000
2012-115 (Tranch 3) (euros)	08/08/2012	04/15/2016	Annual settlements. Fixed rate 4.88%.	85,000	85,000
2013-132 (euros)	03/21/2013	03/21/2016	Annual settlements. Fixed rate 3.25%.	1,500,000	1,500,000
13-Nota estruct. 88 (euros)	06/10/2013	12/12/2016	Coupon: N.A. Payment to maturity, depending on the evolution of the underlying securities.	5,000	5,000
2013-Nota estruct. 89 (euros) (*)	06/10/2013	12/12/2016	Coupon: N.A. Payment to maturity, depending on the evolution of the underlying securities.	9,000	9,000
2014-139 (euros)	12/19/2014	12/19/2016	Quarterly settlements. Variable rate EURIBOR 3M+0.37%	1,000,000	1,000,000
2015-ECP-59 (euros)	08/04/2015	08/02/2016	Fixed rate 0.165%	25,957	25,957
2015-ECP-65 (euros)	10/09/2015	01/11/2016	Fixed rate 0.04%	24,997	24,997
2015-ECP-66 (euros)	10/19/2015	01/19/2016	Fixed rate 0.03%	9,999	9,999
2015-ECP-68 (euros)	10/27/2015	05/04/2016	Fixed rate 0.08%	29,987	29,987
2015-ECP-69 (euros)	10/28/2015	01/28/2016	Fixed rate 0.03%	99,992	99,992
2015-ECP-70 (dollars)	10/29/2015	01/29/2016	Fixed rate 0.52%	22,969	21,098
2015-ECP-71 (euros)	10/30/2015	04/29/2016	Fixed rate 0.04%	3,999	3,999
2015-ECP-72 (dollars)	11/04/2015	02/04/2016	Fixed rate 0.51%	3,995	3,669
2015-ECP-73 (euros)	11/05/2015	11/03/2016	Fixed rate 0.21%	169,640	169,640
2015-ECP-74 (euros)	11/09/2015	11/07/2016	Fixed rate 0.18%	24,955	24,955
2015-ECP-75 (euros)	11/24/2015	02/03/2016	Fixed rate 0.01%	59,999	59,999
2015-ECP-76 (euros)	11/24/2015	11/22/2016	Fixed rate 0.17%	4,992	4,992
Total					3,636,240

(*) Deposits with embedded options (see Note 7).

APPENDIX III

DETAIL OF THE ISSUES WITH MATURITY OVER 12 MONTHS, MADE BY THE COMPANY BEFORE 2015 AND REMAINED ON DECEMBER 31, 2015

Issues	Date of Placement	Date of Maturity	Interest Rate	Amount (Thousand in Foreign currency)	Amount (Thousand Euros)	Placement Expenses
2006-27 (euros)	08/02/2006	08/02/2021	Quarterly settlements. Fixed rate referred to interest rate indexes.	100,000	100,000	The issue was launched at par.
2006-29 (Pound sterling)	10/03/2006	10/03/2036	Annual settlements. Up to 10/03/2009 (included) 12-months GBP Libor + 1%. From to 09/03/2009: 1.29x12-months GBP Libor; 3xReal State.	165,000	224,811	The Company did not incur in colocation expenses, the issue was launched at par.
2007-37 (japanese yen)	01/04/2007	01/04/2017	Annual settlements. Fixed rate to 1.835%.	5,000,000	38,150	The Company did not incur in colocation expenses, the issue was launched at par.
2007-40 (euros)	02/20/2007	02/20/2017	Quarterly settlements. 3 months Euribor + 0.090%.	30,000	30,000	The issue was launched at par.
2007-53 (dollars) (*)	08/06/2007	07/31/2017	Annual settlements. Fixed rate to 8.5% until 07/31/2009. From 07/31/2009, rate referred to a basket of securities.	110,000	101,038	The issue was launched at par.
2007-54 (US dollars) (*)	09/20/2007	10/31/2017	Annual settlements. Fixed rate to 10% until to 09/30/2008. From to 09/30/2008, rate referred to a basket of funds.	100,000	91,853	The issue was launched at par.
2007-55 (US dollars) (*)	09/20/2007	10/31/2017	Annual settlements. Fixed rate to 10% until to 09/30/2008. From to 09/30/2008, rate referred to a basket of funds.	100,000	91,853	The issue was launched at par.
2011- Notas estructuradas 80 (euros) (*)	04/28/2011	04/30/2018	No coupon payment. Payment to maturity, depending on the evolution of the underlying securities.	2,800	2,800	The issue was launched at par.
2013-130 (euros)	01/17/2013	01/17/2018	Annual settlements. Fixed rate to 3.750%.	1,500,000	1,500,000	The issue was launched 6,032% below par.
2013-133 (NOK)	03/22/2013	03/22/2019	Annual settlements. Fixed rate to 3.25%.	800,000	83,307	The issue was launched 96,032% below par.
2014-134 (euros)	01/22/2014	01/22/2019	Fixed annual rates 2.375 %	1,000,000	1,000,000	The issue was launched 99,5% below par.
2014-135 (euros)	04/03/2014	04/03/2018	Coupon EURIBOR 3m + 0.80%.	100,000	100,000	The issue was launched 99,96% below par.
2014-135 (tranch 2) (euros)	05/12/2014	04/03/2018	Coupon EURIBOR 3m + 0.80%.	110,000	110,000	The issue was launched at par.
Total					3,473,812	

(*) This issues have options implied (See Note 7).

APPENDIX IV

DETAIL OF THE ISSUES MADE BY COMPANY DURING THE YEAR 2015 AND REMAINED ON DECEMBER 31, 2015

Issues	Date of Placement	Date of Maturity	Interest Rate	Amount (Thousand in Foreign currency)	Amount (Thousand Euros)
2015-140 (euros)	05/08/2015	04/20/2017	Quarterly coupons. Euribor 3m + 0.30%	1,100,000	1,100,000
2015-ECP-59 (euros)	08/04/2015	08/02/2016	Fixed rate 0.165%	26,000	26,000
2015-141 (euros)	09/18/2015	09/18/2017	Quarterly coupons. Euribor 3m + 0.30%	40,000	40,000
2015-ECP-65 (euros)	10/09/2015	01/11/2016	Fixed rate 0.04%	25,000	25,000
2015-ECP-66 (euros)	10/09/2015	01/19/2016	Fixed rate 0.03%	10,000	10,000
2015-ECP-68 (euros)	10/27/2015	05/04/2016	Fixed rate 0.08%	30,000	30,000
2015-ECP-69 (euros)	10/28/2015	01/28/2016	Fixed rate 0.03%	100,000	100,000
2015-ECP-70 (US dollars)	10/29/2015	01/29/2016	Fixed rate 0.52%	23,000	21,126
2015-ECP-71 (euros)	10/30/2015	04/29/2016	Fixed rate 0.04%	4,000	4,000
2015-ECP-72 (US dollars)	11/04/2015	02/04/2016	Fixed rate 0.51%	4,000	3,674
2015-ECP-73 (euros)	11/05/2015	11/03/2016	Fixed rate 0.21%	170,000	170,000
2015-ECP-74 (euros)	11/09/2015	11/07/2016	Fixed rate 0.18%	25,000	25,000
2015-ECP-75 (euros)	11/24/2015	02/03/2016	Fixed rate 0.01%	60,000	60,000
2015-ECP-76 (euros)	11/24/2015	11/22/2016	Fixed rate 0.17%	5,000	5,000
2015-142 (euros)	12/04/2015	01/02/2017	Single coupon at maturity. Fixed annual rate of 1.21%.	550,000	550,000
2015-142 (Tranch 2) (euros)	12/14/2015	01/02/2017	Single coupon at maturity. Fixed annual rate of 1.21%.	525,000	525,000
2015-140 (Tranch 2) (euros)	12/15/2015	04/20/2017	Quarterly coupons. Euribor 3m + 0.33%	320,000	320,000
Total					3,014,800

DETAIL OF THE ISSUES MADE BY COMPANY AND EXPIRED DURING THE YEAR 2015

Issues	Date of Placement	Date of Maturity	Interest Rate	Amount (Thousand in Foreign currency)	Amount (Thousand Euros)
2015-ECP-30 (euros)	01/08/2015	06/08/2015	Fixed rate 0.21%	36,000	36,000
2015-ECP-31 (euros)	01/09/2015	04/09/2015	Fixed rate 0.095%	100,000	100,000
2015-ECP-32 (US dollars)	01/16/2015	05/18/2015	Fixed rate 0.41%	10,000	9,185
2015-ECP-33 (US dollars)	02/25/2015	03/25/2015	Fixed rate 0.27%	60,000	55,112
2015-ECP-34 (US dollars)	03/03/2015	04/07/2015	Fixed rate 0.27%	50,000	45,926
2015-ECP-35 (US dollars)	03/13/2015	04/13/2015	Fixed rate 0.31%	40,000	36,741
2015-ECP-36 (US dollars)	03/19/2015	04/20/2015	Fixed rate 0.33%	78,000	71,645
2015-ECP-37 (US dollars)	03/20/2015	04/20/2015	Fixed rate 0.32%	79,000	72,564
2015-ECP-38 (US dollars)	03/23/2015	06/23/2015	Fixed rate 0.43%	10,000	9,185
2015-ECP-39 (US dollars)	04/02/2015	10/02/2015	Fixed rate 0.58%	56,000	51,438
2015-ECP-40 (US dollars)	04/07/2015	05/07/2015	Fixed rate 0.34%	50,000	45,926
2015-ECP-41 (US dollars)	04/10/2015	05/11/2015	Fixed rate 0.32%	45,000	41,334
2015-ECP-42 (US dollars)	04/13/2015	05/13/2015	Fixed rate 0.32%	90,000	82,667
2015-ECP-43 (US dollars)	04/15/2015	07/15/2015	Fixed rate 0.47%	25,000	22,963
2015-ECP-44 (US dollars)	04/20/2015	05/20/2015	Fixed rate 0.32%	78,000	71,645
2015-ECP-45 (US dollars)	04/22/2015	05/22/2015	Fixed rate 0.32%	75,000	68,890
2015-ECP-46 (US dollars)	04/24/2015	05/26/2015	Fixed rate 0.32%	50,000	45,926
2015-ECP-47 (US dollars)	04/27/2015	05/27/2015	Fixed rate 0.32%	75,000	68,890
2015-ECP-48 (euros)	05/05/2015	06/30/2015	Fixed rate 0.02%	100,000	100,000
2015-ECP-49 (US dollars)	05/11/2015	05/21/2015	Fixed rate 0.26%	100,000	91,853
2015-ECP-50 (US dollars)	05/22/2015	08/24/2015	Fixed rate 0.45%	40,000	36,741
2015-ECP-51 (US dollars)	05/26/2015	06/26/2015	Fixed rate 0.32%	30,000	27,556
2015-ECP-52 (US dollars)	05/27/2015	06/29/2015	Fixed rate 0.32%	60,000	55,112
2015-ECP-53 (US dollars)	06/22/2015	07/22/2015	Fixed rate 0.33%	70,000	64,297
2015-ECP-54 (US dollars)	06/26/2015	07/27/2015	Fixed rate 0.32%	30,000	27,556
2015-ECP-55 (US dollars)	06/29/2015	07/29/2015	Fixed rate 0.32%	71,000	65,215
2015-ECP-56 (US dollars)	07/15/2015	08/17/2015	Fixed rate 0.32%	50,000	45,926
2015-ECP-57 (euros)	07/21/2015	10/21/2015	Fixed rate 0.045%	45,000	45,000
2015-ECP-58 (US dollars)	07/29/2015	10/29/2015	Fixed rate 0.47%	25,000	22,963
2015-ECP-60 (US dollars)	08/04/2015	11/04/2015	Fixed rate 0.48%	6,000	5,511
2015-ECP-61 (US dollars)	08/19/2015	09/21/2015	Fixed rate 0.32%	11,000	10,104
2015-ECP-62 (US dollars)	08/24/2015	12/24/2015	Fixed rate 0.54%	40,000	36,741
2015-ECP-63 (US dollars)	09/08/2015	11/09/2015	Fixed rate 0.415%	20,000	18,371
2015-ECP-64 (US dollars)	10/09/2015	12/09/2015	Fixed rate 0.4%	30,000	27,556
2015-ECP-67 (US dollars)	10/20/2015	12/21/2015	Fixed rate 0.43%	51,000	46,845
Total					1,663,384

APPENDIX V

DETAIL OF ISSUES WITH MATURITY UNDER 12 MONTHS, MADE BY THE COMPANY BEFORE 2015 AND REMAINED ON DECEMBER 31, 2015

Issues	Date of Placement	Date of Maturity	Interest Rate	Amount (Thousand in Foreign currency)	Amount (Thousand Euros)	Placement Expenses
2011-113 (US dollars)	04/06/2011	04/06/2016	Annual settlement. Fixed rate of 4.060%.	30,000	27,556	The issue was launched at par.
2011-115 (euros)	04/15/2011	04/15/2016	Annual settlement. Fixed rate of 4.875%.	500,000	500,000	The issue was launched 99,831% below par.
2011- Notas estructuradas 79 (euros) (*)	04/18/2011	04/15/2016	Payment at the maturity date. Single coupon on 25/04/2011. Payment at maturity depending on the evolution of the underlying securities with early repayment options on 18/04/2012 and 20/04/2015.	1,050	1,050	The issue was launched at par.
2011- Notas estructuradas 83 (euros)	06/30/2011	06/30/2016	Quarterly settlements. Variable rate EURIBOR 3m or 5%, if the EURIBOR is higher than or 2.5%.	9,350	9,350	The issue was launched at par.
2012-115 (Tranch 2) (euros)	08/08/2012	04/15/2016	Annual settlement. Fixed rate of 4.88%.	20,000	20,000	The issue was launched 94,023% below par.
2012-115 (Tranch 3) (euros)	08/08/2012	04/15/2016	Annual settlement. Fixed rate of 4.88%.	85,000	85,000	The issue was launched 96,032% below par.
2013-132 (euros)	03/21/2013	03/21/2016	Annual settlement. Fixed rate of 3.25%.	1,500,000	1,500,000	The issue was launched 96,032% below par.
2011- Notas estructuradas 88 (euros) (*)	06/10/2013	12/12/2016	No coupon payment. Payment to maturity, depending on the evolution of the underlying securities.	5,000	5,000	The issue was launched at par.
2011- Notas estructuradas 89 (euros) (*)	06/10/2013	12/12/2016	No coupon payment. Payment to maturity, depending on the evolution of the underlying securities.	9,000	9,000	The issue was launched at par.
2014-139 (euros)	12/19/2014	12/19/2016	Quarterly settlements. Euribor 3m 0.37%	1,000,000	1,000,000	The issue was launched at par.
Total					3,156,956	

(*) This issues have options implied (See Note 7).

APPENDIX VI**INFORMATION ABOUT THE FAIR VALUE OF ISSUES AS OF DECEMBER 31, 2015**

Issues	LEVEL 1 (%)	LEVEL 2 (%)
GMTN27	-	105.76
GMTN29	-	100.00
GMTN37	-	101.53
GMTN40	-	99.47
GMTN53	-	100.00
GMTN54	-	97.69
GMTN55	-	97.69
GMTN113	-	100.60
GMTN115	-	101.34
GMTN115 TRANCH 2	-	101.30
GMTN115 TRANCH 3	-	101.30
GMTN130	-	105.02
GMTN132	-	100.67
GMTN133	-	112.98
GMTN134	-	105.74
GMTN135	-	100.68
GMTN135 TRANCH 2	-	100.12
GMTN139	-	100.05
GMTN140	-	100.02
GMTN140 TRANCH 2	-	99.78
GMTN141	-	99.74
GMTN142	-	100.03
GMTN142 TRANCH 2	-	100.03

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

BBVA SENIOR FINANCE, S.A. (Sole-Shareholder Company)

Management Report for the year ended December 31, 2015

In accordance with the corporate purpose of the Company, during fiscal year 2015 BBVA Senior Finance, S.A. (Sole-Shareholder Company) has continued with the issuance of senior debt under the outstanding programs, to be placed in both domestic and international markets.

GMTN PROGRAM

In use of the authority conferred by the General Shareholder's Meeting held on December 21, 2004, the Board of Directors approved a GMTN Securities Issuance Program with the purpose of issuing bonds, notes and other securities, up to a maximum of EUR 20,000,000 thousand or the equivalent in any other currency. In June 5, 2006, the Board of Directors resolved to approve an increase of the maximum amount of debt issuance under this program up to a maximum of EUR 40,000,000 thousand or its equivalent in any other currency. Since then, this program has been renovated yearly until December 18, 2015, date as from which the Company will not continue making additional issues in with this program.

STRUCTURED NOTES PROGRAM

In use of the authority conferred by the General Shareholder's Meeting held on January 25, 2008, the Board of Directors of the Company approved a Structured Note Program for the issuance of bonds, notes or other instruments that recognize or create debt, standard, registered or bearer and freely transferable, for a maximum amount of EUR 2,000,000 thousand or the equivalent in any other currency. On May 26, 2009, June 21, 2010 and May 30, 2012, the Board of Directors of the Company resolved to renew the mentioned program, which expired on June 26, 2013.

ECP PROGRAM

In use of the authority conferred by the General Shareholder's Meeting held on December 11, 2012, the Company's Board of Directors approved the establishment of a program named "ECP Program" (the "ECP Program"), of which the Company is issuer, for the issuance, on one or several times, of commercial paper for a maximum outstanding balance of USD 10,000,000 thousand or its equivalent in any other currency, which has the irrevocable and solidary guarantee of Banco Bilbao Vizcaya Argentaria, S.A. The term of the commercial paper issued under the ECP Program will be, at least, one day and 364 days as maximum. The securities issued will be listed on the Irish Stock Exchange. The ECP Program was last renewed on December 18, 2015 for a year. Under the ECP Program, 47 issuances have been made during the year 2015, of which 12 are still outstanding at December 31, 2015.

During fiscal year 2015, the Company has made the following issues under the existing programs:

Issuance	Issuance Date	Maturity Date	Interest Rate	Nominal (Thousand local currency)	Nominal (Thousand euros)
(*) 2015-ECP-30 (euros)	01/08/15	06/08/15	Fixed rate 0.21%	36,000	36,000
(*) 2015-ECP-31 (euros)	01/09/15	04/09/15	Fixed rate 0.095%	100,000	100,000
(*) 2015-ECP-32 (US dollars)	01/16/15	05/18/15	Fixed rate 0.41%	10,000	9,185
(*) 2015-ECP-33 (US dollars)	02/25/15	03/25/15	Fixed rate 0.27%	60,000	55,112
(*) 2015-ECP-34 (US dollars)	03/03/15	04/07/15	Fixed rate 0.27%	50,000	45,926
(*) 2015-ECP-35 (US dollars)	03/13/15	04/13/15	Fixed rate 0.31%	40,000	36,741
(*) 2015-ECP-36 (US dollars)	03/19/15	04/20/15	Fixed rate 0.33%	78,000	71,645
(*) 2015-ECP-37 (US dollars)	03/20/15	04/20/15	Fixed rate 0.32%	79,000	72,564
(*) 2015-ECP-38 (US dollars)	03/23/15	06/23/15	Fixed rate 0.43%	10,000	9,185
(*) 2015-ECP-39 (US dollars)	04/02/15	10/02/15	Fixed rate 0.58%	56,000	51,438
(*) 2015-ECP-40 (US dollars)	04/07/15	05/07/15	Fixed rate 0.34%	50,000	45,926
(*) 2015-ECP-41 (US dollars)	04/10/15	05/11/15	Fixed rate 0.32%	45,000	41,334
(*) 2015-ECP-42 (US dollars)	04/13/15	05/13/15	Fixed rate 0.32%	90,000	82,667
(*) 2015-ECP-43 (US dollars)	04/15/15	07/15/15	Fixed rate 0.47%	25,000	22,963
(*) 2015-ECP-44 (US dollars)	04/20/15	05/20/15	Fixed rate 0.32%	78,000	71,645
(*) 2015-ECP-45 (US dollars)	04/22/15	05/22/15	Fixed rate 0.32%	75,000	68,890
(*) 2015-ECP-46 (US dollars)	04/24/15	05/26/15	Fixed rate 0.32%	50,000	45,926
(*) 2015-ECP-47 (US dollars)	04/27/15	05/27/15	Fixed rate 0.32%	75,000	68,890
(*) 2015-ECP-48 (euros)	05/05/15	06/30/15	Fixed rate 0.02%	100,000	100,000
2015-140 (euros)	05/08/15	04/20/17	Quarterly settlements. Euribor 3 months + 0.33%	1,100,000	1,100,000
(*) 2015-ECP-49 (US dollars)	05/11/15	05/21/15	Fixed rate 0.26%	100,000	91,853
(*) 2015-ECP-50 (US dollars)	05/22/15	08/24/15	Fixed rate 0.45%	40,000	36,741

(* 2015-ECP-51 (US dollars)	05/26/15	06/26/15	Fixed rate 0.32%	30,000	27,556
(* 2015-ECP-52 (US dollars)	05/27/15	06/29/15	Fixed rate 0.32%	60,000	55,112
(* 2015-ECP-53 (US dollars)	06/22/15	07/22/15	Fixed rate 0.33%	70,000	64,297
(* 2015-ECP-54 (US dollars)	06/26/15	07/27/15	Fixed rate 0.32%	30,000	27,556
(* 2015-ECP-55 (US dollars)	06/29/15	07/29/15	Fixed rate 0.32%	71,000	65,215
(* 2015-ECP-56 (US dollars)	07/15/15	08/17/15	Fixed rate 0.32%	50,000	45,926
(* 2015-ECP-57 (euros)	07/21/15	10/21/15	Fixed rate 0.045%	45,000	45,000
(* 2015-ECP-58 (US dollars)	07/29/15	10/29/15	Fixed rate 0.47%	25,000	22,963
2015-ECP-59 (euros)	08/04/15	08/02/16	Fixed rate 0.165%	26,000	26,000
(* 2015-ECP-60 (US dollars)	08/04/15	11/04/15	Fixed rate 0.48%	6,000	5,511
(* 2015-ECP-61 (US dollars)	08/19/15	09/21/15	Fixed rate 0.32%	11,000	10,104
(* 2015-ECP-62 (US dollars)	08/24/15	12/24/15	Fixed rate 0.54%	40,000	36,741
(* 2015-ECP-63 (US dollars)	09/08/15	11/09/15	Fixed rate 0.415%	20,000	18,371
(* 2015-ECP-64 (US dollars)	10/09/15	12/09/15	Fixed rate 0.4%	30,000	27,556
2015-141 (euros)	09/18/15	09/18/17	Quarterly settlements. Euribor 3 months + 0.30%	40,000	40,000
2015-ECP-65 (euros)	10/09/15	01/11/16	Fixed rate 0.04%	25,000	25,000
2015-ECP-66 (euros)	10/09/15	01/19/16	Fixed rate 0.03%	10,000	10,000
(* 2015-ECP-67 (US dollars)	10/20/15	12/21/15	Fixed rate 0.43%	51,000	46,845
2015-ECP-68 (euros)	10/27/15	05/04/16	Fixed rate 0.08%	30,000	30,000
2015-ECP-69 (euros)	10/28/15	01/28/16	Fixed rate 0.03%	100,000	100,000
2015-ECP-70 (US dollars)	10/29/15	01/29/16	Fixed rate 0.52%	23,000	21,126

2015-ECP-71 (euros)	10/30/15	04/29/16	Fixed rate 0.04%	4,000	4,000
2015-ECP-72 (US dollars)	11/04/15	02/04/16	Fixed rate 0.51%	4,000	3,674
2015-ECP-73 (euros)	11/05/15	11/03/16	Fixed rate 0.21%	170,000	170,000
2015-ECP-74 (euros)	11/09/15	11/07/16	Fixed rate 0.18%	25,000	25,000
2015-ECP-75 (euros)	11/24/15	02/03/16	Fixed rate 0.01%	60,000	60,000
2015-ECP-76 (euros)	11/24/15	11/22/16	Fixed rate 0.17%	5,000	5,000
2015-142 (euros)	12/04/15	01/02/17	Sole payments at maturity. Fixed annual rate 1.21%.	550,000	550,000
2015-142 (Tramo 2) (euros)	12/14/15	01/02/17	Sole payments at maturity. Fixed annual rate 1.21%.	525,000	525,000
2015-140 (Tramo 2) (euros)	12/15/15	04/20/17	Quarterly settlements. Euribor 3 months+ 0.33%	320,000	320,000

(*) Bonds issued and redeemed during the year.

All issues are jointly, severally and irrevocably guaranteed by Banco Bilbao Vizcaya Argentaria, S.A, the Company's Sole Shareholder.

Income Statement

The losses for year 2015 amounted to EUR 50 thousand.

The Company recognizes a negative operating result of EUR 59 thousand, derived from net income arising from a turnover amounting EUR 287,428 thousand, costs of securities and other financial instruments amounting to EUR 287,427 thousand and other operating expenses amounting to EUR 60 thousand.

There was no financial income during the year 2015 and financial expenses amounted to EUR 12 thousand.

During year 2015, the Company has recognized an income tax of EUR 21 thousand, due to the recognition of a tax asset. Under current legislation, tax losses can be offset for tax purposes of an exercise can offset for tax purposes with the profits arising from the following eighteen years under several conditions.

Due to its activity, the Company does not incur in any environmental expenses.

The Company has no staff expenses, as it has no workforce. The Company's management is carried out by personnel from Banco Bilbao Vizcaya Argentaria Group (hereinafter, the "BBVA Group").

Distribution of Income

The Board of Directors will submit for approval by the Sole-Shareholder the application of the net loss for the year ended 2015, amounting EUR 50 thousand, to "Losses from previous years".

The Board of Directors will submit for approval by the Sole-Shareholder the reduction of the voluntary reserves account during the fiscal year of 2016 in order to compensate the losses from previous years.

Portfolio Shares

No purchase of the Company's own shares or of its sole-shareholder has taken place.

Risk Exposure

The Company carries out its business activity as a debt issuer as part of the BBVA Group, obtaining from it the financing facilities required for its operations on an on-going basis and is managed by employees of the Group.

The main financial risks affecting the Company are as follows:

- Interest rate risk: Changes in interest rates affect the interest received from deposits and the interest paid on issues. Therefore, the changes in interest rates offset each other.
- Liquidity risk: The Company obtains the liquidity required to meet interest payments, redemptions of issues and the needs for its business activities from subordinated deposits on the issues arranged with Banco Bilbao Vizcaya Argentaria, S.A., the cash or the credit facility lines maintained by its Sole- Shareholder.
- Credit risk: Since the counterparty of the deposits is Banco Bilbao Vizcaya Argentaria, S.A., the Company considers that its exposure to credit risk is not relevant.
- Other market risks: Since the funds obtained by the Company from the issues launched in foreign currencies are invested in deposits in the same currency, the exposure to currency risk is not relevant.

The fair value of the issues launched does not differ significantly from the fair value of the deposits made because their features (amount, term and interest rate) are the same. In the case of issues that include embedded financial derivatives, the Company has made a "mirror" deposit with Banco Bilbao Vizcaya Argentaria S.A. so the Company is not exposed to changes in the fair value of these financial instruments.

Use of financial instruments

Hybrid financial instruments simultaneously include a non-derivative host contract and a financial derivative, known as an embedded derivative, that cannot be transferred separately and whose effect is that some of the cash flows of the hybrid contract vary in a similar way to a stand-alone derivative.

The Company recognises measures and presents separately the host contract (either the deposit or the issue) and the embedded derivative, when the following circumstances concur:

- a) The economic characteristics and risks inherent to the embedded derivative are not closely related to those of the host contract.
- b) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- c) The hybrid contract is not measured at fair value with changes in the profit or loss statement.

In these situations, the embedded derivative is treated for accounting purposes as a derivative financial instrument and the host contract is recognised according to its nature (either the deposit or the issue). This valuation is only made at the initial recognition unless there is a change in the terms of the contract that significantly alters the future cash flows, in which case the derivative must be valued again.

The features of the options held by the Company as of December 31, 2015, arising from the issues of bonds and structured notes and the correspondent deposits are the following:

	Thousand Euros			
	Notional	Assets Fair Value	Liabilities Fair Value	Net Fair Value
Embedded options on deposits	305,693	230	(1,643)	(1,413)
Embedded options on issues	(305,696)	(230)	1,643	1,413

Research and Development

Due to the Company's activity, it does not incur into any research and development expenses.

Other Creditors

Down below we present the information required by the third additional provision of the Law 15/2010, of July 5 (modified through the second final provision of the Law 31/2014, of December 3) that has been prepared in accordance with the ICAC Resolution of January 29, 2016 on the information to be included in the notes of the financial statements in relation to the average payment period to suppliers in commercial operations.

In accordance with the sole additional provision of the Resolution mentioned above, as this is the first year of application of the Resolution, no comparative information is presented.

	2015
	Days
Average suppliers' payment period	17
Paid operations ratio	17
Unpaid operations ratio	1
	Thousands of euros
Total payments made in the year	268
Total pending payments	5

Under the Resolution of the ICAC, to calculate the average payment period to suppliers, it is necessary to take into account the relevant commercial operations related to delivery of goods or services accrued from the date of implementation of the Law 31/2014, of 3 December.

"Average suppliers' payment period" means the period of time between the delivery of goods or the provision of services by the supplier and the material payment of the operation.

The maximum legal payment term applicable to the Company as of December 31, 2015 and 2014, according to Law 15/2010, July 5, that modifies Law 3/2004, by which measures to prevent late payment in commercial transactions is established, is 30 days. However, Law 11/2013, of July 26, on measures to support the entrepreneur and for the stimulation of growth and job creation, amended Law 3/2004, establishing the legal maximum period for payment in 30 days, which is extendable by agreement between the parties with a limit of 60 calendar days. As a result, the Society has taken as reference 60 days in both exercises.

Subsequent events

The following significant events have taken place from 1 January 2016 until the date of preparation of these financial statements:

- On January 11, 2016, the Company launched issue “ECP 77”, for a total amount of USD 5,000 thousand (EUR 4,593 thousand), whose maturity has been on April 11, 2016. The remuneration was at a fix interest rate of 0.740%. The amount received was USD 4,991 thousand (EUR 4,584 thousand).
- On January 21, 2016, the Company launched issue “ECP 78”, for a total amount of EUR 20,000 thousand, whose maturity has been on January 19, 2017. The remuneration was at a fix interest rate of 0.120%.The amount received was EUR 19,976 thousand.
- On January 25, 2016, the Company launched issue “ECP 79”, for a total amount of USD 17,000 thousand (EUR 15,615 thousand), whose maturity has been on April 26, 2016. The remuneration was at fixed interest rate of 0.750%. The amount received was USD 16,968 thousand (EUR 15,585 thousand).
- On January 28, 2016, the Company launched issue “ECP 80”, for a total amount of EUR 20,000 thousand, whose maturity has been on October 28, 2016. The remuneration was at a fix interest rate of 0.004%. The amount received was EUR 19,994 thousand.
- On January 28, 2016, the Company launched issue “ECP 81”, for a total amount of EUR 20,000 thousand, whose maturity has been on January 26, 2017. The remuneration was at a fix interest rate of 0.120%. The amount received was EUR 19,976 thousand.
- On January 28, 2016, the Company launched issue “ECP 82”, for a total amount of EUR 70,000 thousand, whose maturity has been on January 26, 2017. The remuneration was at a fix interest rate of 0.120%. The amount received was EUR 69,915 thousand.
- On January 29, 2016, the Company launched issue “ECP 83”, for a total amount of EUR 7,000 thousand, whose maturity has been on January 27, 2017. The remuneration was at a fix interest rate of 0.100%. The amount received was EUR 6,993 thousand.
- On January 29, 2016, the Company launched issue “ECP 84”, for a total amount of USD 18,000 thousand (EUR 16,533 thousand), whose maturity has been on March 31, 2016. The remuneration was at a fix interest rate of 0.610%. The amount received was USD 17,981 thousand (EUR 16.516 thousand).
- On February 5, 2016, the Company launched issue “ECP 85”, for a total amount of EUR 40,000 thousand, maturing on February 3, 2017. The issue earns a fixed interest rate of 0.100%.The amount received was EUR 39,960 thousand.
- On February 8, 2016, the Company launched issue “ECP 86”, for a total amount of EUR 20,000 thousand, maturing on February 6, 2017. The remuneration was at fixed interest rate of 0.100%.The amount received was EUR 19,980 thousand.
- On March 7, 2016, the Company launched issue “ECP 87”, for a total amount of EUR 40,000 thousand, maturing on March 6, 2017. The remuneration was at fixed interest rate of 0.060%.The amount received was EUR 39,976 thousand.
- On March 8, 2016, the Company launched issue “ECP 88”, for a total amount of EUR 40,000 thousand, maturing on March 7, 2017. The remuneration was at fixed interest rate of 0.060%.The amount received was EUR 39,976 thousand.
- On March 18, 2016, the Company launched issue “ECP 89”, for a total amount of USD 20,000 thousand (EUR 18,371 thousand), maturing on June 20, 2017. The remuneration was at fixed interest rate of 0.860%. The amount received was USD 19,955 thousand (EUR 18,329 thousand).

- On March 21, 2016, the Company launched issue “ECP 90”, for a total amount of USD 4,500 thousand (EUR 4,133 thousand), maturing on June 22, 2017. The remuneration was at fixed interest rate of 0.820%. The amount received was USD 4,490 thousand (EUR 4,125 thousand).
- On March 30, 2016, the Company launched issue “ECP 91”, for a total amount of EUR 50,000 thousand, maturing on March 29, 2017. The remuneration was at fixed interest rate of 0.000%.The amount received was EUR 50,000 thousand.

All the issues are jointly and severally irrevocably guaranteed by Banco Bilbao Vizcaya Argentaria, S.A. The Company placed the funds obtained from these issues in deposits at Banco Bilbao Vizcaya Argentaria, S.A., which had the same features as the related issues.

Outlook for 2016

The Company will maintain its corporate purpose and will continue its strategy of managing its current issues, undertaking, if any, new issues under the Group’s strategy.

Report of corporate governance

The Company is a company located in Spain which voting rights are wholly and directly held by BBVA. Pursuant to Article 9 of the Order ECC/461/2013 of March 20, BBVA the Company has not prepared an Annual Report of Corporate Governance since it has been prepared and presented by Banco Bilbao Vizcaya Argentaria, S.A., as the parent company of the Group, on February 5, 2016 to the National Securities Market Commission.

DISCLAIMER:

This English version is only a translation of the original in Spanish for information purposes. In case of discrepancy, the Spanish original prevails.

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of BBVA SENIOR FINANCE, S.A. UNIPERSONAL hereby declare that, to the extent of their knowledge, the annual financial statements corresponding to financial year 2015, drafted at the meeting dated 30th March 2016, prepared in accordance with applicable accounting standards, offer a faithful image of the net assets, financial situation and results of BBVA SENIOR FINANCE, S.A. UNIPERSONAL, and that the management report include a faithful analysis of the performance, business earnings and position of BBVA SENIOR FINANCE, S.A. UNIPERSONAL, together with the description of the main risks and uncertainties that the Company faces.

Madrid, 30th March 2016.

SIGNED BY ALL MEMBERS OF THE BOARD