

**DISCLAIMER:** The English version is a translation of the original in Spanish for information purposes only. In case of a discrepancy, the Spanish original will prevail.

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

Half year financial  
report to  
30th June 2016

# BBVA SENIOR FINANCE, S.A. (Unipersonal)

## BALANCE SHEETS AT 30TH JUNE 2016 and 2015

(€k)

ASSETS	30/06/2016	30/06/2015	NET ASSETS & LIABILITIES	30/06/2016	30/06/2015
<b>NON-CURRENT ASSETS:</b>			<b>TOTAL NET EQUITY:</b>		
Long-term investments in Group companies and associates			SHAREHOLDER EQUITY		
Lending to companies			Capital	1.197	1.290
Derivatives	61	5.586.589	Reserves	60	60
Long-term financial investments	61	5.585.330	Legal and statutory reserves	1.176	1.226
Derivatives	-	1.259	Other reserves	12	12
Deferred tax assets	-	1.989	End-of-period profit	1.164	1.214
Total Non-Current Assets	47	26	Total net equity	(39)	4
	108	5.588.604		1.197	1.290
<b>CURRENT ASSETS:</b>			<b>NOT-CURRENT LIABILITIES:</b>		
Trade debtors and other accounts receivable			Long-term debt	3.400.359	5.586.686
Other credit with the Public Administrations			Debentures and other negotiable securities	3.400.298	5.585.427
Short-term investments in Group companies and associates			Derivatives	61	1.259
Lending to companies			Long-term debt with Group companies and associates	-	1.989
Derivatives	3	3	Derivatives	-	1.989
Short-term financial investments	4.299.138	5.941.232	Total non-current liabilities	3.400.359	5.588.675
Derivatives	4.299.138	5.940.922			
Cash and other equivalent liquid assets			<b>CURRENT LIABILITIES:</b>		
Cash and bank balances			Short-term debt	4.299.263	5.941.220
			Debentures and other negotiable securities	4.299.263	5.940.910
			Derivatives	-	310
			Short-term debt with Group companies and associates	2.023	946
			Derivatives	2.023	946
			Other short-term debt with Group companies and associates	948	668
			Trade creditors and other accounts payable	14	35
			Suppliers	-	15
			Miscellaneous creditors	-	-
			Other debt with the Public Administrations	14	18
			Current tax liabilities	-	2
Total current assets	4.303.416	5.944.230	Total current liabilities	4.302.248	5.942.869
TOTAL ASSETS	4.303.524	11.532.834	TOTAL NET ASSETS & LIABILITIES	7.703.804	11.532.834

**BBVA SENIOR FINANCE, S.A. (Unipersonal)**

**INCOME STATEMENT TO 30TH JUNE 2016 AND 2015**  
(€k)

	Period 30/06/2016	Period 30/06/2015
<b>CONTINUING OPERATIONS</b>		
<b>Net amount of operating revenues</b>	<b>72.729</b>	<b>169.693</b>
Revenues on negotiable securities and other financial instruments	72.729	169.693
- In Group companies and associates	72.674	169.644
- In third parties	55	49
<b>Expenses on negotiable securities and other financial instruments</b>	<b>(72.733)</b>	<b>(169.658)</b>
- With Group companies and associates	(38)	(39)
- With third parties	(72.695)	(169.619)
<b>Change in fair value of financial instruments</b>	<b>-</b>	<b>-</b>
Trading portfolio and others	-	-
<b>Exchange-rate differences</b>	<b>-</b>	<b>-</b>
<b>Other operating expenses</b>	<b>(27)</b>	<b>(23)</b>
External services	(19)	(21)
Rates, taxes, etc	(8)	(2)
<b>OPERATING INCOME</b>	<b>(31)</b>	<b>12</b>
<b>Financial revenues</b>	<b>-</b>	<b>-</b>
From negotiable securities and other financial instruments	-	-
- In Group companies and associates	-	-
<b>Financial expenses</b>	<b>(8)</b>	<b>(6)</b>
On debt with Group companies and associates	(8)	(6)
<b>FINANCIAL INCOME</b>	<b>(8)</b>	<b>(6)</b>
<b>INCOME BEFORE TAX</b>	<b>(39)</b>	<b>6</b>
Taxes on profits	-	(2)
<b>END-OF-PERIOD INCOME FROM CONTINUED OPERATIONS</b>	<b>(39)</b>	<b>4</b>
<b>DISCONTINUED OPERATIONS</b>		
End-of-period income from discontinued operations net of tax	-	-
<b>END-OF-PERIOD INCOME</b>	<b>(39)</b>	<b>4</b>

## BBVA SENIOR FINANCE, S.A. (Unipersonal)

### STATEMENTS OF CHANGES IN TOTAL NET EQUITY TO 30TH JUNE 2015 AND 2014

#### A) STATEMENT OF REVENUES AND EXPENSES RECOGNISED

(€k)

	Period 30/06/2016	Period 30/06/2015
RESULT OF THE INCOME STATEMENT (I)	(39)	4
Revenues and expenses recorded directly to total net equity		
- From valuation of financial instruments	-	-
- From hedging of cash flows	-	-
- Subsidies, donations and legacies received	-	-
- From actuarial gains and losses and other adjustments	-	-
- Tax impact	-	-
TOTAL REVENUES AND EXPENSES RECORDED DIRECTLY TO TOTAL NET EQUITY (II)	-	-
Transfers to income statement		
- From valuation of financial instruments	-	-
- From hedging of cash flows	-	-
- Subsidies, donations and legacies received	-	-
- Tax impact	-	-
TOTAL TRANSFERS TO INCOME STATEMENT (III)	-	-
TOTAL REVENUES AND EXPENSES RECOGNISED (I+II+III)	(39)	4

## BBVA SENIOR FINANCE, S.A. (Unipersonal)

### STATEMENTS OF CHANGES IN NET EQUITY AT 30TH JUNE 2015

#### B) TOTAL STATEMENT OF CHANGES IN NET EQUITY

(€k)

	Capital	Reserve Legal	Reserves Voluntary	Result of the period	TOTAL
<b>END OF YEAR BALANCE 2015</b>	60	12	1.214	(50)	1.236
Adjustments for changes in accounting standards 2015	-	-	-	-	-
Adjustments for errors 2015	-	-	-	-	-
<b>ADJUSTED BALANCE AT BEGINNING OF 2016</b>	60	12	1.214	(50)	1.236
<b>Total revenues and expenses recognised</b>					
Transactions with Shareholders	-	-	-	(39)	(39)
- Capital increases	-	-	-	-	-
- Capital reductions	-	-	-	-	-
- Distribution of dividends	-	-	-	-	-
- Transactions with treasury stock (net)	-	-	-	-	-
- Other transactions	-	-	-	-	-
<b>Other changes in net equity</b>			(50)	50	-
<b>FINAL BALANCE AT 30/jun/2016</b>	60	12	1.164	(39)	1.197

# **BBVA SENIOR FINANCE, S.A. (Unipersonal)**

## **CASH FLOW STATEMENTS FOR THE FINANCIAL PERIODS TO 30TH JUNE 2015 AND 2014**

(€k)

	Period 30/06/2016	Period 30/06/2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES (I)</b>	<b>(686)</b>	<b>(267)</b>
End-of-period profit before tax	(39)	6
Adjustment to earnings:	12	(29)
- Depreciation of fixed assets	-	-
- Impairment valuation corrections	-	-
- Change in provisions	-	-
- Allocation of subsidies	-	-
- Earnings from divestments and disposals of fixed assets	-	-
- Earnings from divestments and disposals of financial instruments	-	-
- Financial revenues	(73.422)	(169.693)
- Financial expenses	73.434	169.664
- Exchange-rate differences	-	-
- Change in fair value of financial instruments	-	-
- Other revenues and expenses	-	-
<b>Changes in current capital</b>	<b>(6)</b>	<b>(3)</b>
- Stock	-	-
- Debtors and other accounts receivable	2	-
- Other current assets	-	-
- Creditors and other accounts payable	(8)	(3)
- Other current liabilities	-	-
- Other non-current assets and liabilities	-	-
<b>Other cash flows from operating activities</b>	<b>(653)</b>	<b>(241)</b>
- Interest payments	(173.028)	(178.776)
- Dividend collections	-	-
- Interest collections	172.375	178.402
- Collections (payments) for tax on profits	-	(2)
- Other collections (payments)	-	135
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES (II)</b>	<b>1.966.918</b>	<b>(3.583)</b>
<b>Payments on investments</b>	<b>(700.995)</b>	<b>(2.472.831)</b>
- Group companies and associates	(700.995)	(2.472.831)
- Intangible fixed assets	-	-
- Material fixed assets	-	-
- Real-estate investments	-	-
- Other financial assets	-	-
- Non-current assets held for sale	-	-
- Other assets	-	-
<b>Collections on divestments</b>	<b>2.667.913</b>	<b>2.469.248</b>
- Group companies and associates	2.667.913	2.469.248
- Intangible fixed assets	-	-
- Material fixed assets	-	-
- Real-estate investments	-	-
- Other financial assets	-	-
- Non-current assets held for sale	-	-
- Other assets	-	-
<b>CASH FLOWS FROM FUNDING ACTIVITIES (III)</b>	<b>(1.966.366)</b>	<b>3.938</b>
<b>Collections and payments on equity instruments</b>	-	-
- Issuance of equity instruments	-	-
- Redemption of equity instruments	-	-
- Acquisition of own equity instruments	-	-
- Disposal of own equity instruments	-	-
- Subsidies, donations and legacies received	-	-
<b>Collections and payments on financial liability instruments</b>	<b>(1.966.366)</b>	<b>3.938</b>
- Issuance of debentures and other negotiable securities	701.744	2.472.831
- Issuance of debt with credit institutions	-	-
- Issuance of debt with Group companies and associates	116	-
- Issuance of other debt	-	-
- Return and redemption of debentures and other negotiable securities	(2.668.225)	(2.469.248)
- Return and redemption of debt with credit institutions	-	-
- Return and redemption of debt with Group companies and associates	-	355
- Return and redemption of other debt	-	-
<b>Payments on dividends and yields of other equity instruments</b>	-	-
- Dividends	-	-
- Yield on other equity instruments	-	-
<b>EFFECT OF EXCHANGE RATE CHANGES (IV)</b>	-	-
<b>NET INCREASE/DECREASE OF CASH OR EQUIVALENT (I+II+III+IV)</b>	<b>(133)</b>	<b>88</b>
Cash or equivalent at beginning of period	2.385	1.961
Cash or equivalent at end of period	2.252	2.049

**DISCLAIMER:**

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

## **BBVA SENIOR FINANCE, S.A. (Unipersonal)**

Notes to the accounts for the half year  
ending 30th June 2016

### **1. Presentation standards**

The accounting standards applied in the financial statements to 30th June 2016 are those explicitly described in the audited annual accounts for 2015. There has been no change.

### **2. Loans to Group companies**

The following is a breakdown of the components comprising the item "Long-term investments in Group companies and associates - Loans to companies" from the balance sheet at 30th June 2016:

Item	€k
Long-term deposits	3,414,881
Non-accrued premiums on "up-front deposits"	(5,190)
Non-accrued premiums on "implicit options"	(50)
Total	<b>3,400,280</b>

The following is a breakdown of the components comprising the item "Short-term Investments in Group companies and associates - Loans to companies" from the balance sheet at 30th June 2016:

Item	€k
Short-term deposits	4,299,204
Non-accrued premiums on "up-front deposits"	(466)
Non-accrued premiums on "implicit options"	-
Total	<b>4,299,138</b>



**DISCLAIMER:**

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

Below are the details of the principal features of the deposits constituted during the six-month period by the Company in Banco Bilbao Vizcaya Argentaria, S.A., stemming from its issues of senior bonds and commercial paper.

	Date of Constitution	Maturity Date	Interest	Amount (Currency k)	Amount (€k)
Issue 2016-Commercial Paper 77 (USD) (*)	11/01/2016	11/04/2016	FIXED INTEREST: 0,74%	4.991	4.495
Issue 2016-Commercial Paper 78 (EUR)	21/01/2016	19/01/2017	FIXED INTEREST: 0,12%	19.976	19.976
Issue 2016-Commercial Paper 79 (USD) (*)	25/01/2016	25/04/2016	FIXED INTEREST: 0,75%	16.968	15.284
Issue 2016-Commercial Paper 80 (EUR)	28/01/2016	28/10/2016	FIXED INTEREST: 0,04%	19.994	19.994
Issue 2016-Commercial Paper 81 (EUR)	28/01/2016	26/01/2017	FIXED INTEREST: 0,12%	19.976	19.976
Issue 2016-Commercial Paper 82 (EUR)	28/01/2016	26/01/2017	FIXED INTEREST: 0,12%	69.915	69.915
Issue 2016-Commercial Paper 83 (EUR)	29/01/2016	27/01/2017	FIXED INTEREST: 0,1%	6.993	6.993
Issue 2016-Commercial Paper 84 (USD) (*)	29/01/2016	31/03/2016	FIXED INTEREST: 0,61%	17.981	16.196
Issue 2016-Commercial Paper 85 (EUR)	05/02/2016	03/02/2017	FIXED INTEREST: 0,1%	39.960	39.960
Issue 2016-Commercial Paper 86 (EUR)	08/02/2016	06/02/2017	FIXED INTEREST: 0,1%	19.980	19.980
Issue 2016-Commercial Paper 87 (EUR)	07/03/2016	06/03/2017	FIXED INTEREST: 0,06%	39.976	39.976
Issue 2016-Commercial Paper	08/03/2016	07/03/2017	FIXED INTEREST: 0,06%	9.994	9.994



**DISCLAIMER:**

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

88 (EUR)					
Issue 2016- Commercial Paper 89 (USD) (*)	18/03/2016	20/06/2016	FIXED INTEREST: 0,86%	19.955	17.974
Issue 2016- Commercial Paper 90 (USD) (*)	21/03/2016	22/06/2016	FIXED INTEREST: 0,82%	4.490	4.045
Issue 2016- Commercial Paper 91 (EUR)	30/03/2016	29/03/2017	FIXED INTEREST: 0%	50.000	50.000
Issue 2016- Commercial Paper 92 (USD)	04/04/2016	05/07/2016	FIXED INTEREST: 0,83%	6.237	5.618
Issue 2016- Commercial Paper 93 (USD) (*)	13/04/2016	13/05/2016	FIXED INTEREST: 0,65%	44.976	40.511
Issue 2016- Commercial Paper 94 (USD) (*)	20/04/2016	20/05/2016	FIXED INTEREST: 0,65%	37.979	34.210
Issue 2016- Commercial Paper 95 (USD)	26/04/2016	26/07/2016	FIXED INTEREST: 0,87%	11.974	10.785
Issue 2016- Commercial Paper 96 (USD) (*)	28/04/2016	27/05/2016	FIXED INTEREST: 0,64%	5.997	5.402
Issue 2016- Commercial Paper 97 (USD) (*)	28/04/2016	28/06/2016	FIXED INTEREST: 0,78%	30.959	27.886
Issue 2016- Commercial Paper 99 (EUR)	02/05/2016	28/04/2017	FIXED INTEREST: 0%	20.000	20.000
Issue 2016- Commercial Paper 100 (USD)	03/05/2016	06/09/2016	FIXED INTEREST: 0,93%	9.968	8.978
Issue 2016- Commercial Paper 98 (USD)	03/05/2016	06/09/2016	FIXED INTEREST: 0,93%	19.935	17.956
Issue 2016- Commercial Paper 101 (GBP)	06/05/2016	07/11/2016	FIXED INTEREST: 0,84%	9.958	12.048

**DISCLAIMER:**

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

Issue 2016- Commercial Paper 102 (USD) (*)	09/05/2016	27/06/2016	FIXED INTEREST: 0,73%	24.975	22.496
Issue 2016- Commercial Paper 103 (USD)	19/05/2016	19/08/2016	FIXED INTEREST: 0,875%	11.973	10.785
Issue 2016- Commercial Paper 104 (USD) (*)	19/05/2016	20/06/2016	FIXED INTEREST: 0,65%	44.974	40.510
Issue 2016- Commercial Paper 105 (USD) (*)	24/05/2016	24/06/2016	FIXED INTEREST: 0,65%	37.979	34.209
Issue 2016- Commercial Paper 106 (USD)	26/05/2016	23/08/2016	FIXED INTEREST: 0,89%	9.978	8.988
Issue 2016- Commercial Paper 107 (EUR)	30/05/2016	29/05/2017	FIXED INTEREST: - 0,03%	25.008	25.008
Issue 2016- Commercial Paper 108 (GBP)	08/06/2016	08/09/2016	FIXED INTEREST: 0,76%	7.985	9.661
Issue 2016- Commercial Paper 109 (GBP)	20/06/2016	19/08/2016	FIXED INTEREST: 0,71%	19.977	24.170

(\*) Deposits issued and redeemed in the half year.

On 30th June 2016, the Company held deposits in Banco Bilbao Vizcaya Argentaria, S.A., stemming from issues of senior bonds and structured notes, with a maturity exceeding one year, for a par value of €3,414,880k.

During the first half of 2016 no revenues were generated by up-front premiums collected when the deposits were constituted. The amount recorded to 2016 earnings was €2,193k. The Company recorded this under the item "Net amount of operating revenues – From negotiable securities and other financial instruments – In Group companies and associates". The amount yet to be recorded to the income statement for the up-front premiums with maturity exceeding twelve months at 30th June 2016 stood at €5,190k.

The item "Short-term financial investments in Group companies and associates - Loans to companies" corresponds to the amount of premiums collected when the deposits were constituted with maturity of less than one year yet to be recorded to the income statement, which stood at €66k.

The amount of the premiums for implicit options on the deposits at 30th June 2016 was €9,411k, of which €3,624k were recorded to 2016 earnings under the item "Net amount of operating revenues - Revenues from negotiable securities and other financial instruments" - In Group companies and associates".

The balance on the item "Short-term investments in Group companies and associates - Loans to companies" on the balance sheets at 30th June 2016 basically correspond to the short-term deposits that



**DISCLAIMER:**

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

the Company held on that date in Banco Bilbao Vizcaya Argentaria, S.A., stemming from its issues of senior bonds and commercial paper, plus the interest accrued and outstanding on the deposits the Company held at 30th June 2016.

The amount corresponding to interest accrued and not collected on the deposits outstanding at 30th June 2016 with maturities of less than one year was €40,062k. It is recorded under the item "Short-term investments in Group companies and associates - Loans to companies" on the attached balance sheet.

Interest generated for the Company from these deposits during the first half of 2016 was €66,857k. It was recorded under the item "Net amount of operating revenues – Revenues from negotiable securities and other financial instruments – In Group companies and associates" on the income statement for the period.

### **3. Derivatives**

Certain issues the Company made have implicit financial derivatives, normally options, which are taken out and recorded separately from the issue to which they are initially linked. The Company used the funds obtained in these issues to constitute a deposit with Banco Bilbao Vizcaya Argentaria, S.A., that has a financial derivative linked to it, under the same conditions but with the opposite sign (positive or negative) to the related issue.

At 30th June 2016, the fair value of the implicit options, both those indexed to the deposits under contract with Banco Bilbao Vizcaya Argentaria, S.A., and to the issues made, stands at €2,084k. The respective amounts are recorded under the item "Derivatives" of the assets and liabilities on the attached balance sheet. The change in the value of the implicit options on deposits has been recorded under the item "Change in fair value of financial instruments - Trading portfolio and others" for the sum of €549k. Likewise, the change in the value of the implicit options of issues has been recorded under the item "Change in fair value of financial instruments - Trading portfolio and others" for the sum of €549k, giving a final balance of zero.

### **4. Cash and bank balances**

The balance of €2,252k under this item of the balance sheet at 30th June 2016 corresponds to a remunerated account in euros that the Company held on said date in Banco Bilbao Vizcaya Argentaria, S.A., whose annual interest rate is Euribor minus a 0.1% spread.

### **5. Shareholder equity**

#### **Subscribed capital**

At 30th June 2016 the Company's share capital, €60,102, is represented by 10,017 nominative shares, each with a par value of €6, fully paid up and subscribed by Banco Bilbao Vizcaya Argentaria, S.A.

The Company shares are not traded on the Stock Exchange.

#### **Legal reserve**

Pursuant to the Corporate Enterprises Act, companies obtaining profits in the economic period must set aside 10% of those profits to the legal reserve until this reaches at least 20% of the share capital. The legal reserve may be used to increase the share capital in the part of its balance that exceeds 10% of the capital already increased. Except for such purpose, and as long as it does not exceed 20% of the share capital, this reserve may only be used to offset losses and only in the event that there are not sufficient other reserves available to do so. At 30th June 2016, the Company's legal reserve was totally constituted.

**DISCLAIMER:**

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

## 6. Long- and short-term debt - Debentures and other negotiable instruments

The following is a breakdown of the components comprising the item "Long-term debt - Debentures and other negotiable securities" from the balance sheet at 30th June 2016:

Item	€k
Long-term issues	3,414,880
Depreciable expenses on long-term issues	(160)
Expenses brought forward on long-term issues	(5,011)
Non-accrued premiums on "implicit options"	(9,411)
<b>Total</b>	<b>3,400,298</b>

The following is a breakdown of the components comprising the item "Short-term debt - Debentures and other negotiable securities" from the balance sheet at 30th June 2016:

Item	€k
Short-term issues	4,299,635
Short-term expenses brought forward on issues	(372)
Non-accrued premiums on "implicit options"	-
<b>Total</b>	<b>4,299,263</b>

The following is a breakdown of the main characteristics of senior bond and commercial paper issues that the Company made during the half-year period:

	Date of Constitution	Maturity Date	Interest	Amount (Currency k)	Amount (€k)
Issue 2016-Commercial Paper 77 (USD) (*)	11/01/2016	11/04/2016	FIXED INTEREST: 0,74%	5.000	4.504
Issue 2016-Commercial Paper 78 (EUR)	21/01/2016	19/01/2017	FIXED INTEREST: 0,12%	20.000	20.000
Issue 2016-	25/01/2016	25/04/2016	FIXED	17.000	15.313

**DISCLAIMER:**

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

Commercial Paper 79 (USD) (*)			INTEREST: 0,75%		
Issue 2016-Commercial Paper 80 (EUR)	28/01/2016	28/10/2016	FIXED INTEREST: 0,04%	20.000	20.000
Issue 2016-Commercial Paper 81 (EUR)	28/01/2016	26/01/2017	FIXED INTEREST: 0,12%	20.000	20.000
Issue 2016-Commercial Paper 82 (EUR)	28/01/2016	26/01/2017	FIXED INTEREST: 0,12%	70.000	70.000
Issue 2016-Commercial Paper 83 (EUR)	29/01/2016	27/01/2017	FIXED INTEREST: 0,1%	7.000	7.000
Issue 2016-Commercial Paper 84 (USD) (*)	29/01/2016	31/03/2016	FIXED INTEREST: 0,61%	18.000	16.213
Issue 2016-Commercial Paper 85 (EUR)	05/02/2016	03/02/2017	FIXED INTEREST: 0,1%	40.000	40.000
Issue 2016-Commercial Paper 86 (EUR)	08/02/2016	06/02/2017	FIXED INTEREST: 0,1%	20.000	20.000
Issue 2016-Commercial Paper 87 (EUR)	07/03/2016	06/03/2017	FIXED INTEREST: 0,06%	40.000	40.000
Issue 2016-Commercial Paper 88 (EUR)	08/03/2016	07/03/2017	FIXED INTEREST: 0,06%	10.000	10.000
Issue 2016-Commercial Paper 89 (USD) (*)	18/03/2016	20/06/2016	FIXED INTEREST: 0,86%	20.000	18.015
Issue 2016-	21/03/2016	22/06/2016	FIXED	4.500	4.053



**DISCLAIMER:**

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

Commercial Paper 90 (USD) (*)			INTEREST: 0,82%		
Issue 2016-Commercial Paper 91 (EUR)	30/03/2016	29/03/2017	FIXED INTEREST: 0%	50.000	50.000
Issue 2016-Commercial Paper 92 (USD)	04/04/2016	05/07/2016	FIXED INTEREST: 0,83%	6.250	5.630
Issue 2016-Commercial Paper 93 (USD) (*)	13/04/2016	13/05/2016	FIXED INTEREST: 0,65%	45.000	40.533
Issue 2016-Commercial Paper 94 (USD) (*)	20/04/2016	20/05/2016	FIXED INTEREST: 0,65%	38.000	34.228
Issue 2016-Commercial Paper 95 (USD)	26/04/2016	26/07/2016	FIXED INTEREST: 0,87%	12.000	10.809
Issue 2016-Commercial Paper 96 (USD) (*)	28/04/2016	27/05/2016	FIXED INTEREST: 0,64%	6.000	5.404
Issue 2016-Commercial Paper 97 (USD) (*)	28/04/2016	28/06/2016	FIXED INTEREST: 0,78%	31.000	27.923
Issue 2016-Commercial Paper 99 (EUR)	02/05/2016	28/04/2017	FIXED INTEREST: 0%	20.000	20.000
Issue 2016-Commercial Paper 100 (USD)	03/05/2016	06/09/2016	FIXED INTEREST: 0,93%	10.000	9.007
Issue 2016-Commercial Paper 98 (USD)	03/05/2016	06/09/2016	FIXED INTEREST: 0,93%	20.000	18.015
Issue 2016-	06/05/2016	07/11/2016	FIXED	10.000	12.099



**DISCLAIMER:**

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

Commercial Paper 101 (GBP)			INTEREST: 0,84%		
Issue 2016-Commercial Paper 102 (USD) (*)	09/05/2016	27/06/2016	FIXED INTEREST: 0,73%	25.000	22.518
Issue 2016-Commercial Paper 103 (USD)	19/05/2016	19/08/2016	FIXED INTEREST: 0,875%	12.000	10.809
Issue 2016-Commercial Paper 104 (USD) (*)	19/05/2016	20/06/2016	FIXED INTEREST: 0,65%	45.000	40.533
Issue 2016-Commercial Paper 105 (USD) (*)	24/05/2016	24/06/2016	FIXED INTEREST: 0,65%	38.000	34.228
Issue 2016-Commercial Paper 106 (USD)	26/05/2016	23/08/2016	FIXED INTEREST: 0,89%	10.000	9.007
Issue 2016-Commercial Paper 107 (EUR)	30/05/2016	29/05/2017	FIXED INTEREST: - 0,03%	25.000	25.000
Issue 2016-Commercial Paper 108 (GBP)	08/06/2016	08/09/2016	FIXED INTEREST: 0,76%	8.000	9.679
Issue 2016-Commercial Paper 109 (GBP)	20/06/2016	19/08/2016	FIXED INTEREST: 0,71%	20.000	24.198

(\*) Issues put out and redeemed in the half year.

**GMTN PROGRAMME**

During the Shareholder's meeting of December 21, 2004, The Board of Directors approved a GMTN Securities Issuance Program with the purpose of issue bonds and other simple securities forms of debt, up to a maximum of EUR 20,000,000 thousand or the equivalent in any other currency. Later, during the

**DISCLAIMER:**

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

Shareholder's meeting in June 5, 2006, the Board of Directors approved to increase the amount limit of debt issuance under this Program to a maximum of EUR 40,000,000 thousand or its equivalent in any other currency, and since then, this program has been renovated yearly until December 18, 2015, date from which the Company will not continue making additional issues in with this program.

**STRUCTURED NOTES PROGRAMME**

Under the agreement achieved at the Shareholder's General Meeting held on January 25, 2008, the Company's Board of Directors approved, at that same date, a new Structured Note Program for the issuance of bonds, debentures or other securities in order to recognize or create, registered or bearer, freely transferable debt up to a maximum amount of EUR 2,000,000 thousand or the equivalent in any other currency. Likewise, on May 26, 2009, on June 21, 2010 and on May 30, 2012, the Company's Board of Directors renewed the mentioned program, having expired on June 26, 2013.

**ECP PROGRAMME**

Under the agreement achieved by the Shareholder's General Meeting, on December 11, 2012 the Company's Board of Directors approved, at the same date the issue on one or several times of commercial paper through a program named "ECP Program" from which the Company participates as issuer, for a maximum outstanding of USD 10,000,000 thousand or its equivalent in any other currency, counting with the irrevocable and solidary guarantee of Banco Bilbao Vizcaya Argentaria, S.A. Due date of the commercial paper will be at least of one day and 364 days as maximum. Commercial paper could be listed at the Irish Stock Exchange and/or at an organised secondary market determined by the Program. The last time the program has been renovated was December 18, 2015 for a one more year.

During the first half of 2016, 33 issues were made under the ECP Programme, of which 21 issues are outstanding.

During the first half of 2016, the expenses incurred in the senior-bond and structured-note and commercial-paper issues were €34k and the expenses recorded to the income statement were €66k. The Company recorded these under the item "Expenses from negotiable securities and other financial instruments - With third parties". At 30th June 2016 there were depreciable expenses on issues yet to be recorded to the income statement to the sum of €160k.

There were no placement expenses during the first half year of 2016. During the half year, the Company recorded €2,111k to the income statement for said period under the item "Expenses from negotiable securities and other financial instruments - With third parties". At 30th June 2016, the amount of the placement expenses for long-term issues yet to be recorded to the income statement was €5,011k.

Likewise, the item "Short-term debt - Debentures and other negotiable securities" from the attached balance sheets at 30th June 2016 corresponds to the amount of the placement expenses of the short-term issues yet to be recorded to the income statement. These stood at €403k.

The amount for premiums on implicit options in the issues at 30th June 2016 was €9,411k. Of this, €3,624k were recorded to the 2016 income statement under the item "Expenses from negotiable securities and other financial instruments - With third parties".

The balance on the item "Short term debt - Debentures and other negotiable securities" in the attached balance sheets mainly corresponds to the short-term issues, plus the interest accrued and not collected on all the outstanding issues.

This item also includes the amount corresponding to the difference ("Revenue brought forward") between the issue price and the nominal or reimbursement value of the issue for those issues made over par (with maturity exceeding 12 months). During the first half of 2016, the Company has a balance of €98k on the income statement for said period, having recorded €55k to the income statement, under the item "Net amount of operating revenues - Revenues from negotiable securities and other financial instruments - In third parties".

Interest accrued and paid on all the issues during the first half of 2016 was €466,857k. It was recorded under the item "Expenses from negotiable securities and other financial instruments - With third parties" on the income statement for the period.



**DISCLAIMER:**

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

The amount corresponding to interest accrued and not paid on the issues outstanding at 30th June 2016 with maturity of less than one year was €39,541k. It was recorded under the item "Short-term debt - Debentures and other negotiable securities" on the attached balance sheet.

Likewise, expenses on the programmes accrued during 2016 were €37k. These were recorded under the item "Expenses from negotiable securities and other financial instruments - With third parties" on the income statement for the period.

The totality of senior bond issues outstanding at 30th June 2016 trades on the London Stock Exchange; the structured note issues on AIAF and the commercial paper issues on the Irish Stock Exchange.

All the issues are secured with the joint and several unconditional guarantee of Banco Bilbao Vizcaya Argentaria, S.A. The funds obtained from these issues, after discounting the issuance and management costs, have been deposited in their totality with Banco Bilbao Vizcaya Argentaria, S.A.

## **7. Short-term debt with Group companies and associates**

The €948k balance under this item on the balance sheet at 30th June 2016 mainly corresponds to a credit facility held by the Company, which was renewed on 22nd March 2016 with Banco Bilbao Vizcaya Argentaria, S.A. Its maturity date is 22nd March 2017. This policy bears interest at a rate equivalent to 3-month Euribor plus a 1.75% spread.

Interest accrued during the first half of 2016 amounted to €8k. It was recorded under the item "Financial expenses – On debt with Group companies and associates" in the income statement for the period.

## **8. Related-party transactions**

The main balances the Company held with companies belonging to the Banco Bilbao Vizcaya Argentaria Group at 30th June 2016 are as follows:

	€k
<b>BALANCE SHEET :</b>	
<b>Assets</b>	
Long-term loans to companies	3,400,280
Long-term derivatives	61
Deferred tax assets	47
Other credit with the Public Administrations	3
Short-term loans to companies	4,299,138
Short-term derivatives	-
Cash and bank balances	2,252
<b>Liabilities</b>	
Long-term derivatives	-
Short-term derivatives	2,023
Short-term debt with Group companies and associates	948
<b>INCOME STATEMENT:</b>	
<b>Revenues/(Expenses)</b>	
Net amount of operating revenues -Revenues from negotiable securities	72,674

**DISCLAIMER:**

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

and other financial instruments	
Expenses on negotiable securities and other financial instruments	(38)
Finance revenues	-
Financial and assimilated expenses	(8)

## 9. Other Creditors

Down below it is stated 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 included in the notes of the financial statements in relation to the average payment period to suppliers in commercial operations.

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

	<b>2016</b>
	<b>Days</b>
Average suppliers' payment period	25
Paid operations ratio	25
Unpaid operations ratio	-
	<b>Thousands of euros</b>
Total payments made in the year	105
Total pending payments	-

Under Resolution of the ICAC, to calculate the average payment period to suppliers, it's necessary to take into account the relevant commercial operations of goods or services deliveries accrued from the effective day of the implementation of the Law 31/2014, of 3 December.

It is understood by "average suppliers' payment period" the time that elapses from the delivery of goods or the provision of services by the supplier and 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, December 29, by which measures to fight late payment in commercial transactions is established, is of 30 days. However, Law 11/2013, of July 26, measures to support the entrepreneur and stimulation of growth and job creation, changed Law 3/2004, establishing the statutory maximum of payment in 30 days, extendable by covenant between the parties with a limit of 60 calendar days. As a result, the Society has taken as reference 60 days for 2016.

## 10. Subsequent events

From 30th June 2016 to the date of filing these financial statements, the following significant events occurred:

- On 4th July 2016, the Company made the "ECP110" issue for the amount of EUR25,000k, maturing on 3<sup>rd</sup> July 2017. The yield on the issue is at a fixed -0.04% rate. The amount received on the issue was EUR 25,010k.



**DISCLAIMER:**

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

## **BBVA SENIOR FINANCE, S.A. Unipersonal**

Interim management report  
for the half year ending  
30th June 2016

In accordance with the purpose of the Company, during first half of fiscal year 2016 BBVA Senior Finance, S.A. (Sole-Shareholder Company) has continued with the issuance of senior debt through some of the outstanding programs for placement in both domestic and international markets.

### **GMTN PROGRAMME**

During the Shareholder's meeting of December 21, 2004, The Board of Directors approved a GMTN Securities Issuance Program with the purpose of issue bonds and other simple securities forms of debt, up to a maximum of EUR 20,000,000 thousand or the equivalent in any other currency. Later, during the Shareholder's meeting in June 5, 2006, the Board of Directors approved to increase the amount limit of debt issuance under this Program to a maximum of EUR 40,000,000 thousand or its equivalent in any other currency, and since then, this program has been renovated yearly until December 18, 2015, date from which the Company will not continue making additional issues in with this program.

### **STRUCTURED NOTES PROGRAM**

Under the agreement achieved at the Shareholder's General Meeting held on January 25, 2008, the Company's Board of Directors approved, at that same date, a new Structured Note Program for the issuance of bonds, debentures or other securities in order to recognize or create, registered or bearer, freely transferable debt up to a maximum amount of EUR 2,000,000 thousand or the equivalent in any other currency. Likewise, on May 26, 2009, on June 21, 2010 and on May 30, 2012, the Company's Board of Directors renewed the mentioned program, having expired on June 26, 2013.

### **ECP PROGRAM**

Under the agreement achieved by the Shareholder's General Meeting, on December 11, 2012 the Company's Board of Directors approved, at the same date the issue on one or several times of commercial paper through a program named "ECP Program" from which the Company participates as issuer, for a maximum outstanding of USD 10,000,000 thousand or its equivalent in any other currency, counting with the irrevocable and solidary guarantee of Banco Bilbao Vizcaya Argentaria, S.A. Due date of the commercial paper will be at least of one day and 364 days as maximum. Commercial paper could be listed at the Irish Stock Exchange and/or at an organised secondary market determined by the Program. The last time the program has been renovated was December 18, 2015 for a one more year.

During the first half of 2016, 33 issues were made under the ECP Programme, of which 21 issues are outstanding.

Issue 2016- Commercial Paper 77 (USD) (*)	11/01/2016	11/04/2016	INTEREST: 0,74%	5.000.000
Issue 2016- Commercial Paper 78 (EUR)	21/01/2016	19/01/2017	INTEREST: 0,12%	20.000.000

**DISCLAIMER:**

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

Issue 2016- Commercial Paper 79 (USD) (*)	25/01/2016	25/04/2016	INTEREST: 0,75%	17.000.000
Issue 2016- Commercial Paper 80 (EUR)	28/01/2016	28/10/2016	INTEREST: 0,04%	20.000.000
Issue 2016- Commercial Paper 81 (EUR)	28/01/2016	26/01/2017	INTEREST: 0,12%	20.000.000
Issue 2016- Commercial Paper 82 (EUR)	28/01/2016	26/01/2017	INTEREST: 0,12%	70.000.000
Issue 2016- Commercial Paper 83 (EUR)	29/01/2016	27/01/2017	INTEREST: 0,1%	7.000.000
Issue 2016- Commercial Paper 84 (USD) (*)	29/01/2016	31/03/2016	INTEREST: 0,61%	18.000.000
Issue 2016- Commercial Paper 85 (EUR)	05/02/2016	03/02/2017	INTEREST: 0,1%	40.000.000
Issue 2016- Commercial Paper 86 (EUR)	08/02/2016	06/02/2017	INTEREST: 0,1%	20.000.000
Issue 2016- Commercial Paper 87 (EUR)	07/03/2016	06/03/2017	INTEREST: 0,06%	40.000.000
Issue 2016- Commercial Paper 88 (EUR)	08/03/2016	07/03/2017	INTEREST: 0,06%	10.000.000
Issue 2016- Commercial Paper 89 (USD) (*)	18/03/2016	20/06/2016	INTEREST: 0,86%	20.000.000
Issue 2016- Commercial Paper 90 (USD) (*)	21/03/2016	22/06/2016	INTEREST: 0,82%	4.500.000
Issue 2016- Commercial Paper 91 (EUR)	30/03/2016	29/03/2017	INTEREST: 0%	50.000.000
Issue 2016- Commercial Paper 92 (USD)	04/04/2016	05/07/2016	INTEREST: 0,83%	6.250.000
Issue 2016- Commercial Paper 93 (USD) (*)	13/04/2016	13/05/2016	INTEREST: 0,65%	45.000.000
Issue 2016- Commercial Paper 94 (USD) (*)	20/04/2016	20/05/2016	INTEREST: 0,65%	38.000.000
Issue 2016- Commercial Paper 95 (USD)	26/04/2016	26/07/2016	INTEREST: 0,87%	12.000.000
Issue 2016- Commercial Paper 96 (USD) (*)	28/04/2016	27/05/2016	INTEREST: 0,64%	6.000.000
Issue 2016- Commercial Paper 97 (USD) (*)	28/04/2016	28/06/2016	INTEREST: 0,78%	31.000.000



**DISCLAIMER:**

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

Issue 2016- Commercial Paper 99 (EUR)	02/05/2016	28/04/2017	INTEREST: 0%	20.000.000
Issue 2016- Commercial Paper 100 (USD)	03/05/2016	06/09/2016	INTEREST: 0,93%	10.000.000
Issue 2016- Commercial Paper 98 (USD)	03/05/2016	06/09/2016	INTEREST: 0,93%	20.000.000
Issue 2016- Commercial Paper 101 (GBP)	06/05/2016	07/11/2016	INTEREST: 0,84%	10.000.000
Issue 2016- Commercial Paper 102 (USD) (*)	09/05/2016	27/06/2016	INTEREST: 0,73%	25.000.000
Issue 2016- Commercial Paper 103 (USD)	19/05/2016	19/08/2016	INTEREST: 0,875%	12.000.000
Issue 2016- Commercial Paper 104 (USD) (*)	19/05/2016	20/06/2016	INTEREST: 0,65%	45.000.000
Issue 2016- Commercial Paper 105 (USD) (*)	24/05/2016	24/06/2016	INTEREST: 0,65%	38.000.000
Issue 2016- Commercial Paper 106 (USD)	26/05/2016	23/08/2016	INTEREST: 0,89%	10.000.000
Issue 2016- Commercial Paper 107 (EUR)	30/05/2016	29/05/2017	INTEREST: - 0,03%	25.000.000
Issue 2016- Commercial Paper 108 (GBP)	08/06/2016	08/09/2016	INTEREST: 0,76%	8.000.000
Issue 2016- Commercial Paper 109 (GBP)	20/06/2016	19/08/2016	INTEREST: 0,71%	20.000.000

(\*) Issues put out and redeemed in the half year.

The Company's issues are secured by an unconditional joint and several guarantee from its sole shareholder, Banco Bilbao Vizcaya Argentaria, S.A.

### **Risk exposure**

The Company conducts its business as debt issuer within the BBVA Group, permanently obtaining the lines of finance from the Group that it needs for its trading and with Group personnel performing its management.

Below are the principal financial risks impacting the Company:

- Interest-rate risk. Changes in interest rates affect both interest collected on the deposits and interest paid on the issues, thereby offsetting fluctuations in interest rates.
- Liquidity risk. The Company obtains the liquidity needed to meet its payments of interest and redemption of issues and its business requirements through deposits subordinated to said issues taken out with Banco Bilbao Vizcaya Argentaria, S.A. .

**DISCLAIMER:**

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

- Credit risk. Given that the counterparty of the deposits constituted is Banco Bilbao Vizcaya Argentaria, S.A., the Company deems its exposure to credit risk not to be relevant.
- Other market risks. Given that the Company uses the funds obtained to constitute deposits in the same currency, exposure to exchange-rate risk is irrelevant.

The fair value of the issues made does not differ significantly from the fair value of the deposits constituted, since their characteristics (amount, term and interest rate) coincide. Should the issues incorporate an implicit financial derivative, the Company constitutes 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.

### Other Creditors

Down below it is stated 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 included in the notes of the financial statements in relation to the average payment period to suppliers in commercial operations.

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

	<b>2016</b>
	<b>Days</b>
Average suppliers' payment period	25
Paid operations ratio	25
Unpaid operations ratio	-
	<b>Thousands of euros</b>
Total payments made in the year	105
Total pending payments	-

Under Resolution of the ICAC, to calculate the average payment period to suppliers, it's necessary to take into account the relevant commercial operations of goods or services deliveries accrued from the effective day of the implementation of the Law 31/2014, of 3 December.

It is understood by "average suppliers' payment period" the time that elapses from the delivery of goods or the provision of services by the supplier and 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, December 29, by which measures to fight late payment in commercial transactions is established, is of 30 days. However, Law 11/2013, of July 26, measures to support the entrepreneur and stimulation of growth and job creation, changed Law 3/2004, establishing the statutory maximum of payment in 30 days, extendable by covenant between the parties with a limit of 60 calendar days. As a result, the Society has taken as reference 60 days for 2016.

### Important events occurring after closing the accounts

From 30th June 2016 to the date of filing these financial statements, the following significant events occurred:

- On 4th July 2016 the Company made the "ECP110" issue for the amount of EUR25,000k, maturing on 3<sup>rd</sup> July 2017. The yield on the issue is at a fixed -0.04% rate. The amount received on the issue was EUR 25,010k.

**DISCLAIMER:**

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

**DECLARATION OF RESPONSIBILITY FOR THE HALF YEAR 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 summary financial statements for the period between 1<sup>st</sup> January until 30<sup>th</sup> June 2016, drafted at the meeting, 22<sup>nd</sup> July 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, 22<sup>nd</sup> July 2016

\_\_\_\_\_  
President

MR. ERIK SCHOTKAMP

\_\_\_\_\_  
Director

MR. ESTEBAN AZACETA ÁLVAREZ

\_\_\_\_\_  
Director

MR. RAÚL MORENO CARNERO