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**Caixa Terrassa Societat de
Participacions Preferents, S.A.
Unipersonal**

Half year financial
report to
30th June 2015

Caixa Terrassa Societat de Participacions Preferents, S.A.U.

BALANCE SHEETS AT 30TH JUNE 2015 AND 2014

(€k)

ASSETS		30/jun/2015	30/jun/2014	NET ASSETS & LIABILITIES		30/jun/2015	30/jun/2014
NON-CURRENT ASSETS:				TOTAL NET EQUITY:			
Long-term investments in Group companies and associates	75.014	75.285	75.285	SHAREHOLDER EQUITY (Note 8)		1.582	1.614
Lending to companies	75.014	75.285	75.285	Capital		100	100
Total Non-Current Assets	75.014			Reserves		1.504	1.536
				Legal and statutory reserves		20	20
				Other reserves		1.484	1.516
				End-of-period profit		(22)	(22)
				Total Net Equity		1.582	1.614
				NON-CURRENT LIABILITIES:			
				Long-term debt		73.793	74.039
				Debentures and other negotiable securities		73.793	74.039
				Total non-current liabilities		73.793	74.039
CURRENT ASSETS:				Short-term debt		947	1.420
Short-term investment in Group companies and associates	947	1.420	1.420	Debentures and other negotiable securities		947	1.420
Lending to companies	947	1.420	1.420	Trade creditors and other accounts payable		6	7
Cash and other equivalent liquid assets	367	375	375	Miscellaneous creditors		6	1
Cash and bank balances	367	375	375	Short-term debt with Group companies and associates		6	6
Total current assets	1.314	1.795	1.795	Total current liabilities		953	1.427
TOTAL ASSETS	76.328	77.080	77.080	TOTAL NET ASSETS & LIABILITIES		76.328	77.080

Caixa Terrassa Societat de Participacions Preferents, S.A.U.

INCOME STATEMENT TO 30/JUN/2015 AND TO 30/JUN/2014

(€k)

	Period 30/06/2015	Period 30/06/2014
CONTINUING OPERATIONS		
Net amount of operating revenues	532	796
Revenues on negotiable securities and other financial instruments	532	796
- In Group companies and associates	532	796
Expenses on negotiable securities and other financial instruments	(551)	(815)
- With third parties	(551)	(815)
Other operating expenses	(3)	(3)
External services	(2)	(3)
Rates, taxes, etc	(1)	
OPERATING INCOME	(22)	(22)
Financial expenses	-	-
On borrowing from Group companies and associates	-	-
FINANCIAL INCOME	-	-
INCOME BEFORE TAX	(22)	(22)
Tax on profits		
END-OF-PERIOD INCOME FROM CONTINUED OPERATIONS	(22)	(22)
DISCONTINUED OPERATIONS		
End-of-period income from discontinued operations net of tax	-	-
END-OF-PERIOD INCOME	(22)	(22)

Caixa Terrassa Societat de Participacions Preferents, S.A.U.

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

A) STATEMENTS OF REVENUES AND EXPENSES RECOGNISED

(€k)

	Period 30/06/2015	Period 30/06/2014
RESULT OF THE INCOME STATEMENT (I)	(22)	(22)
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)	(22)	(22)

Caixa Terrassa Societat de Participacions Preferents, S.A.U.

STATEMENTS OF CHANGES IN NET EQUITY AT 30TH JUNE 2015

B) TOTAL STATEMENTS OF CHANGES IN NET EQUITY
(€k)

	Capital	Legal reserve	Voluntary reserves	End-of-period profit	TOTAL
END OF YEAR BALANCE 2014	100	20	1.516	(32)	1.604
Adjustments for changes in accounting standards 2014	-	-	-	-	-
Adjustments for errors 2014	-	-	-	-	-
ADJUSTED BALANCE AT BEGINNING OF 2015	100	20	1.516	(32)	1.604
Total revenues and expenses recognised	-	-	-	(22)	(22)
Transactions with Shareholders	-	-	-	-	-
- Capital increases	-	-	-	-	-
- Capital reductions	-	-	-	-	-
- Distribution of dividends	-	-	-	-	-
- Transactions with treasury stock (net)	-	-	-	-	-
- Other transactions	-	-	-	-	-
Other changes in net equity	-	-	(32)	32	-
FINAL BALANCE AT 30/JUN/2015	100	20	1.484	(22)	1.582

Caixa Terrassa Societat de Participacions Preferents, S.A.U.

STATEMENTS OF CASH FLOW AT 30TH JUNE 2015 AND 30TH JUNE 2014

(€k)

	Period 30/06/2015	Period 30/06/2014
CASH FLOWS FROM OPERATING ACTIVITIES (I)	(8)	48
End-of-period profit before tax	(22)	(22)
Adjustment to earnings:	16	20
- 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	(532)	(796)
- Financial expenses	552	816
- Exchange-rate differences	-	-
- Change in fair value of financial instruments	-	-
- Other revenues and expenses	(4)	-
Changes in current capital		
- Stock	-	-
- Debtors and other accounts receivable	-	-
- Other current assets	-	-
- Creditors and other accounts payable	-	-
- Other current liabilities	-	-
- Other non-current assets and liabilities	-	-
Other cash flows from operating activities		50
- Interest payments	-	(1,542)
- Dividend collections	-	-
- Interest collections	-	1,592
- Collections (payments) for tax on profits	-	-
- Other collections (payments)	-	-
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)		
Payments from investments		
- Group companies and associates	-	-
- Intangible fixed assets	-	-
- Material fixed assets	-	-
- Real-estate investments	-	-
- Other financial assets	-	-
- Non-current assets held for sale	-	-
- Other assets	-	-
Collections from divestments		
- Group companies and associates	-	-
- Intangible fixed assets	-	-
- Material fixed assets	-	-
- Real-estate investments	-	-
- Other financial assets	-	-
- Non-current assets held for sale	-	-
- Other assets	-	-
CASH FLOWS FROM FUNDING ACTIVITIES (III)		(51)
Collections and payments from equity instruments	285	
- Issuance of equity instruments	-	-
- Redemption of equity instruments	285	-
- Acquisition of own equity instruments	-	-
- Disposal of own equity instruments	-	-
- Subsidies, donations and legacies received	-	-
Collections and payments from financial liability instruments	(285)	(51)
- Issuance of debentures and other negotiable securities	-	-
- Issuance of debt with credit institutions	-	-
- Issuance of debts with Group companies and associates	-	-
- Issuance of other debts	-	-
- Return and redemption of debentures and other negotiable securities	(285)	(51)
- Return and redemption of debt with credit institutions	-	-
- Return and redemption of debts with Group companies and associates	-	-
- Return and redemption of other debts	-	-
Payments from dividends and yields of other equity instruments		
- Dividends	-	-
- Yield on other equity instruments	-	-
EFFECT OF EXCHANGE-RATE CHANGES (IV)		
NET INCREASE/DECREASE OF CASH OR EQUIVALENT (I+II+III+IV)	6	(3)
Cash or equivalent at beginning of period	373	378
Cash or equivalent at end of period	367	375

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CAIXA TERRASSA SOCIETAT DE PARTICIPACIONS PREFERENTS, S.A.U.

Notes to the accounts for the half year
ending 30th June 2015

1. Presentation standards

The accounting standards applied in the financial statements to 30th June 2015 are those explicitly described in the audited annual accounts for 2014. There has been no change.

2. Loans to Group companies

The balance on the account "Long-term investments in Group companies and associates – Lending to companies" on the balance sheet at 30th June 2015 reflects the deposits that the Company held, stemming from preferred securities issuance.

The remaining balance of the deposits constituted under this item at 30th June 2015 is shown below:

	Constitution Date	Maturity Date	Interest	Amount (€k)
B-Series Deposit (euros)	10/aug/2005	Perpetual maturity possibility of redemption as of year five	Annual settlements: 10-year CMS rate plus 0.10%.	75,000
			Total	75,000

The balance on the item "Short-term investments in Group companies and associates – Lending to companies" on the balance sheet at 30th June 2015 basically reflects the amount corresponding to the interest accrued and outstanding on the long-term deposits. At 30th June 2015 this stood at €947k.

Interest generated for the Company from these deposits to 30th June 2015 was €532k. 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 said periods.

3. Cash and bank balances

The balance of €367k under this item on the balance sheet at 30th June 2015 corresponds to one sole current account held in Banco Bilbao Vizcaya Argentaria, S.A.

4. Shareholder equity**Subscribed capital**

At 30th June 2015 the Company's share capital, €100k, is represented by 10,000 nominative shares, each with a par value of €10, fully paid up and subscribed by Banco Bilbao Vizcaya Argentaria, S.A.

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The Company shares are not traded on the Stock Exchange.

Legal reserve

Pursuant to the Corporate Enterprises Act, companies must set aside 10% of the profits they obtain in a reporting period to the legal reserve until this accounts for at least 20% of the share capital. The legal reserve may only be used to increase the share capital in the part of its balance that exceeds 10% of the capital already increased. Except for the purpose mentioned above, 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 of no other sufficient reserves being available to do so. At 30th June 2015, the Company's legal reserve was totally constituted.

5. Debentures and other negotiable securities

The following is a breakdown of the components comprising the item "Long-term debts - Debentures and other negotiable securities" from the balance sheet at 30th June 2015:

Item (€k)	30/jun/2015
Issues	75,000
Depreciable costs	(1,207)
Total	73,793

The outstanding issue comprising the item "Long-term debts – Debentures and other negotiable securities" at 30th June 2015 (in €k):

	Constitution Date	Maturity Date	Interest	30/jun/2015
B-series Preferred Securities	10/aug/2005	Perpetual maturity possibility of redemption as of year five	Annual settlements: to 09/aug/10 (inclusive) fixed 8% rate; as of 10/aug/2010 10-year CMS rate plus 0.10%.	75,000
			Total	75,000

On 28th September 2012, Banco Bilbao Vizcaya Argentaria, S.A. reported a purchase offer addressed to holders of certain issues of preferred securities and subordinated debt securities with dated and contingent redemption originally issued by entities that had been succeeded by Unnim or that were subsidiaries of Unimm with a purchase price of 95% of nominal value, with the commitment from those accepting the offer to irrevocably, unconditionally and simultaneously reinvest the total proceeds in the purchase of BBVA shares in a simultaneous public offering of treasury stock sale by BBVA.

Below are the sell orders received once the period for acceptance and revocation of the offer finished:

Issuer	Name of issue	ISIN	Unit par value nominal (Euros)	Unit price of purchase by BBVA (Euros)	Total number of securities acquired	Aggregate value of acquisition of issue (Euros)	% acquired	Number of securities outstanding	Par value outstanding (Euros)
Caixa Terrassa Societat de Participacions Preferents, S.A.U.	Participaciones Preferentes Serie A	KYG175491094	1,000.00	950	49,715	47,229,250.00	99.40%	285	285,000

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At 31st December 2012, 99.4% of the A-Series Preferred Securities issued by the Company, for the total nominal amount of €49,715k, were held by BBVA.

On 27th February 2015, the company made a Relevant Event Filing on the webpage of the CNMV (Spanish securities exchange authority) disclosing that, after obtaining due authorisation from the Bank of Spain and prior to the maturity date, it would redeem the total par value outstanding on the issue of A-Series Preferred Securities on 30th March 2015 for a total par value of €285k.

The costs stemming from the issues recorded to earnings at 30th June 2015 amounted to €19k, which the Company recorded under the item "Expenses from negotiable securities and other financial instruments - With third parties" on the attached income statement. At 30th June 2015 there were depreciable expenses on issues yet to be recorded to the income statement to the sum of €1,207k.

All the issues are secured with the joint and several unconditional guarantee of Banco Bilbao Vizcaya Argentaria, S.A. The total amount of the funds obtained from these issues have been deposited with Banco Bilbao Vizcaya Argentaria, S.A.

The interest accruing on these issues at 30th June 2015 was €532k, recorded to the item "Expenses on negotiable securities and other financial instruments - With third parties" in the attached income statement.

Likewise, the interest accruing and pending payment on these issues is recorded to the item "Short term debtors - Debentures and other negotiable securities" and amounted to €947k at 30th June 2015.

At 30th June 2015, the B-Series Preferred Securities were trading on Euronext Amsterdam.

6. Other operating expenses

The following services are included in the balance of the item "Other operating expenses – External services" Income statement services:

	€k
Court Services/Registries/Lawyers	2
Rates, taxes, etc	1
Total Professional Services	3

The Company does not incur personnel costs, since it does not employ a staff. The Company management is carried out by BBVA Group personnel.

7. Related-Party Transactions and Balances

The major balances and transactions maintained by the Company with companies belonging to the BBVA Group at 30th June 2015 correspond to balances and transactions with its sole shareholder, Banco Bilbao Vizcaya Argentaria, S.A or BBVA Group companies and are as follows:

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Item (€k)	30/jun/2015
BALANCE SHEET :	
Assets-	
Long-term investments in Group companies and associates	75,000
Short-term investments in Group companies and associates	947
Deferred tax assets	14
Cash and bank balances	367
INCOME STATEMENT:	
Revenues/(Expenses)-	
Net amount of operating revenues -Revenues from negotiable securities and other financial instruments	531
Financial expenses - On borrowing from Group companies and associates	-

8. Miscellaneous creditors

Below is a breakdown of the information required by Additional Third Provision of Act 15/2010, 5th July:

	Payments made and pending payment on closing date of the financial period	
	30/jun/2015	
	Amount	%
Made within the maximum legal term	7	100%
Rest		%
Total payments for the period	7	100%

The maximum legal payment period applicable to the Company during the first half of 2015 pursuant to Act 15/2010, 5th July, amending Act 3/2004, establishing measures to combat late payments on trade transactions, is 30 days. However, Act 11/2013, 26th July, on support measures for entrepreneurs and stimulation of employment creation and growth, amended Act 3/2004, and established a maximum legal payment period of 30 days that can be extended by agreement between the parties to a maximum of 60 calendar days. Consequently, the Company has taken 60 days as its benchmark.

9. Subsequent events

Since 30th June 2015 to the date of filing these accounts, there has been no additional event that may have a significant effect on said half-year accounts.

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CAIXA TERRASSA SOCIETAT DE PARTICIPACIONS PREFERENTS, S.A.U

Interim management report for the half year ending 30th June 2015

During the first half of 2015, Caixa Terrassa Societat de Participacions Preferents S.A.U. (hereinafter the "Company") made no issues.

The Company has its issues secured by its Sole Shareholder, Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter "BBVA").

On 7th March 2012, the Governing Committee of the FROB drew up a plan for restructuring Unnim, which envisaged that it would become part of the Grupo Banco Bilbao Vizcaya Argentaria (hereinafter the "BBVA Group"). This plan was also approved by the Executive Committee of the Bank of Spain. Once all due approvals had been obtained from the competent authorities, on 27th July 2012, BBVA completed the acquisition of 100% of Unnim's share capital.

On 31st January 2013, the Unnim and BBVA Boards of Directors approved the merger plan under which BBVA absorbed Unnim and the subsequent block transfer of universal title over the Unnim total assets to BBVA, which thus acquired the rights and obligations of the absorbed company by universal succession. On 15th March 2013 the BBVA General Meeting approved the merger. Consequently, at 31st December 2013, BBVA was Sole Shareholder of the Company.

Income statement

The first half year result in 2015 was a loss of €22k. The operating revenues of the Company, revenues on negotiable securities and other financial instruments in Group companies and associates during the first half year were €532k. The operating expenses corresponding to costs on negotiable securities and other financial instruments with third parties amounted to €551k.

Given its activity, the Company does not incur environment-related costs.

The Company does not incur personnel costs, since it does not employ a staff. The Company management is carried out by BBVA Group personnel.

Treasury stock and shares of the holding company

The Company has not engaged in any purchase of its own shares or those of its holding company.

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 variations in interest rates and maintaining the margins.

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- 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.
- 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 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.

Important events occurring after closing the accounts

On 27th February 2015, the company made a Relevant Event Filing on the webpage of the CNMV (Spanish securities exchange authority) disclosing that, after obtaining due authorisation from the Bank of Spain and prior to the maturity date, it would redeem the total par value outstanding on the issue of A-series preferred securities on 30th March 2015 for a total par value of €285k.

Outlook for the second half of 2015

The Company will retain its corporate purpose and will establish its issuance policy within the BBVA Group strategy.

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DECLARATION OF RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

The members of the CAIXA TERRASSA SOCIETAT DE PARTICIPACIONS PREFERENTS, S.A. UNIPERSONAL Board of Directors hereby declare that, insofar as they know, the summary financial statements for the period between 1st January until 30th June 2015, filed at the meeting, 30th July 2015, drawn up under the applicable accounting standards, offer a faithful image of the net assets, financial situation and results of CAIXA TERRASSA SOCIETAT DE PARTICIPACIONS PREFERENTS, S.A. UNIPERSONAL, and that the management reports include a faithful analysis of the required information.

Madrid, 30th July 2015

President

MR. ERIK SCHOTKAMP

Director

MR. ESTEBAN AZACETA ÁLVAREZ

Director

MR. FRANCISCO JAVIER COLOMER BETORET

Director

MR. RAÚL MORENO CARNERO