Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 52).

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

BBVA

Annual Report

Financial Statements, Management Report and Audit Report 2016

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Bank in Spain (see Notes 1.2 and 52). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of Banco Bilbao Vizcaya Argentaria, S.A. ("the Bank"), which comprise the balance sheet as at 31 December 2016, and the income statement, statement of recognised income and expense, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the entity's directors of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of Banco Bilbao Vizcaya Argentaria, S.A. as at 31 December 2016, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Bank and, in particular, with the accounting principles and rules contained therein.

Report on Other Legal and Regulatory Requirements

The accompanying directors' report for 2016 contains the explanations which the Bank's directors consider appropriate about the Bank's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2016. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Bank's accounting records.

DELOITTE, S.L.
Registered in R.O.A.C. under Nº S0692

José M. Domínguez

José Manuel Domínguez
13 February 2017

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 52).

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

Contents

Financial Statements

Notes to the Accompanying Financial Statements

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 52).

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

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Balance sheets as of December 31, 2016 and 2015

		Millions of Euros	
ASSETS	**Notes**	**2016**	**2015**
CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**7**	**15,855**	**11,191**
FINANCIAL ASSETS HELD FOR TRADING	**8**	**57,440**	**58,606**
Derivatives		42,023	40,499
Equity instruments		3,873	3,974
Debt securities		11,544	14,133
Loans and advances to central banks		-	-
Loans and advances to credit institutions		-	-
Loans and advances to customers		-	-
OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**9**	-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	**10**	**29,004**	**50,601**
Equity instruments		3,506	4,018
Debt securities		25,498	46,583
LOANS AND RECEIVABLES	**11**	**251,487**	**226,781**
Debt securities		11,001	4,213
Loans and advances to central banks		-	-
Loans and advances to credit institutions		26,596	25,146
Loans and advances to customers		213,890	197,422
HELD-TO-MATURITY INVESTMENTS	**12**	**11,424**	-
HEDGING DERIVATIVES	**13**	**1,586**	**1,714**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**13**	**17**	**54**
INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	**14**	**30,218**	**31,599**
Group entities		29,823	31,185
Joint ventures		18	18
Associates		377	396
TANGIBLE ASSETS	**15**	**1,856**	**1,521**
Property, plants and equipment		1,845	1,516
For own use		1,845	1,516
Other assets leased out under an operating lease		-	-
Investment properties		11	5
INTANGIBLE ASSETS	**16**	**942**	**853**
Goodwill		-	-
Other intangible assets		942	853
TAX ASSETS	**17**	**12,394**	**8,193**
Current		756	652
Deferred		11,638	7,541
OTHER ASSETS	**18**	**3,709**	**3,850**
Insurance contracts linked to pensions	**22**	2,426	2,151
Inventories		-	-
Rest		1,283	1,699
NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE	**19**	**2,515**	**2,340**
TOTAL ASSETS		**418,447**	**397,303**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the balance sheet as of December 31, 2016.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Balance sheets as of December 31, 2016 and 2015

		Millions of Euros	
LIABILITIES AND EQUITY	**Notes**	**2016**	**2015**
FINANCIAL LIABILITIES HELD FOR TRADING	**8**	**48,265**	**46,973**
Derivatives		40,951	39,720
Short positions		7,314	7,253
Deposits from central banks		-	-
Deposits from credit institutions		-	-
Customer deposits		-	-
Debt certificates		-	-
Other financial liabilities		-	-
OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**9**	-	-
FINANCIAL LIABILITIES AT AMORTIZED COST	**20**	**319,884**	**303,095**
Deposits from central banks		26,629	19,642
Deposits from credit institutions		44,977	55,462
Customer deposits		207,946	190,222
Debt certificates		33,174	30,966
Other financial liabilities		7,158	6,803
Subordinated liabilities		9,209	8,295
HEDGING DERIVATIVES	**13**	**1,488**	**1,542**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**13**	-	-
PROVISIONS	**21**	**8,917**	**6,209**
Provisions for pensions and similar obligations		5,271	5,177
Other long term employee benefits		32	-
Provisions for taxes and other legal contingencies		-	-
Provisions for contingent risks and commitments		658	263
Other provisions		2,956	769
TAX LIABILITIES	**17**	**1,415**	**1,225**
Current		127	24
Deferred		1,288	1,201
OTHER LIABILITIES	**18**	**2,092**	**1,439**
LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE		**-**	**-**
TOTAL LIABILITIES		**382,061**	**360,483**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the balance sheet as of December 31, 2016.

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Balance sheets as of December 31, 2016 and 2015

		Millions of Euros	
LIABILITIES AND EQUITY (Continued)	**Notes**	**2016**	**2015**
STOCKHOLDERS' FUNDS		**36,748**	**36,438**
Capital	**23**	**3,218**	**3,120**
Paid up capital		3,218	3,120
Unpaid capital which has been called up		-	-
Share premium	**24**	**23,992**	**23,992**
Equity instruments issued other than capital		**46**	**28**
Equity component of compound financial instruments		-	-
Other equity instruments issued		46	28
Retained earnings	**25**	-	-
Revaluation reserves	**25**	**20**	**22**
Other reserves	**25**	**9,346**	**7,787**
Less: Treasury shares	**26**	**(23)**	**(19)**
Profit or loss attributable to owners of the parent		**1,662**	**2,864**
Less: Interim dividends		**(1,513)**	**(1,356)**
ACCUMULATED OTHER COMPREHENSIVE INCOME	**27**	**(362)**	**382**
Items that will not be reclassified to profit or loss	**27**	**(43)**	**(22)**
Actuarial gains or (-) losses on defined benefit pension plans		(43)	(22)
Non-current assets and disposal groups classified as held for sale		-	-
Other adjustments		-	-
Items that may be reclassified to profit or loss	**27**	**(319)**	**404**
Hedge of net investments in foreign operations [effective portion]		-	-
Foreign currency translation		13	21
Hedging derivatives. Cash flow hedges [effective portion]		(127)	(75)
Available-for-sale financial assets		(205)	458
Other debt securities		660	747
Equity instrumentS		(865)	(289)
Non-current assets and disposal groups classified as held for sale		-	-
TOTAL EQUITY		**36,386**	**36,820**
TOTAL EQUITY AND TOTAL LIABILITIES		**418,447**	**397,303**

		Millions of Euros	
MEMORANDUM ITEM		**2016**	**2015**
Financial guarantees given	**29**	**39,704**	**39,850**
Contingent commitments	**29**	**71,162**	**58,255**
TOTAL EQUITY		**110,866**	**98,105**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the balance sheet as of December 31, 2016.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 52).

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

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Income statements for the years ended December 31, 2016 and 2015.

		Millions of Euros	
Income Statements for December 31, 2016 and 2015 of BBVA, S.A		**2016**	**2015**
INTEREST AND SIMILAR INCOME	**33**	6,236	6,506
INTEREST AND SIMILAR EXPENSES	**33**	(2,713)	(3,167)
NET INTEREST INCOME		**3,523**	**3,339**
DIVIDEND INCOME	**34**	2,854	2,117
FEE AND COMMISSION INCOME	**35**	1,886	1,751
FEE AND COMMISSION EXPENSES	**36**	(353)	(289)
GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	**37**	-	-
GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING, NET	**37**	(70)	151
GAINS OR (-) LOSSES ON DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	**37**	955	775
GAINS OR (-) LOSSES FROM HEDGE ACCOUNTING, NET	**37**	(62)	(16)
EXCHANGE DIFFERENCES (NET)	**37**	305	224
OTHER OPERATING INCOME	**38**	140	114
OTHER OPERATING EXPENSES	**38**	(504)	(465)
GROSS INCOME		**8,674**	**7,701**
ADMINISTRATION COSTS	**39**	(4,247)	(3,756)
Personnel expenses		(2,502)	(2,198)
General and administrative expenses		(1,745)	(1,558)
DEPRECIATION	**40**	(575)	(519)
PROVISIONS OR (-) REVERSAL OF PROVISIONS	**41**	(1,187)	(651)
IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**42**	(949)	(1,304)
Financial assets measured at cost		(12)	(13)
Available- for-sale financial assets		(180)	-
Loans and receivables		(757)	(1,291)
Held to maturity investments		-	-
NET OPERATING INCOME		**1,716**	**1,471**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the income statement for the year ended December 31, 2016.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Income statements for the years ended December 31, 2016 and 2015.

		Millions of Euros	
(Continued)		2016	2015
NET OPERATING INCOME		**1,716**	**1,471**
(IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT OF INVESTMENTS IN SUBSIDARIES, JOINT VENTURES AND ASSOCIATES)	**43**	(147)	835
IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON NON-FINANCIAL ASSETS	**43**	(16)	(22)
Tangible assets		(16)	(22)
Intangible assets		-	-
Other assets		-	-
GAINS (LOSSES) ON DERECOGNIZED ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	**44**	12	8
NEGATIVE GOODWILL RECOGNISED IN PROFIT OR LOSS		-	-
PROFIT OR (-) LOSS FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE NOT QUALIFYING AS DISCONTINUED OPERATIONS	**45**	(73)	760
OPERATING PROFIT BEFORE TAX		**1,492**	**3,052**
Tax expense or (-) income related to profit or loss from continuing operation		170	(188)
PROFIT FROM CONTINUING OPERATIONS		**1,662**	**2,864**
Profit from discontinued operations (net)		-	-
PROFIT		**1,662**	**2,864**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the income statement for the year ended December 31, 2016.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 52).

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

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of recognized income and expenses for the years ended December 31, 2016 and 2015.

Millions of Euros

Statements of Recognized Income and Expenses for December 31, 2016 and 2015 of BBVA, S.A	2016	2015
PROFIT RECOGNIZED IN INCOME STATEMENT	**1,662**	**2,864**
OTHER RECOGNIZED INCOME (EXPENSES)	**(744)**	**(1,309)**
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**(21)**	**(2)**
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**(723)**	**(1,307)**
Hedge of net investments in foreign operations [effective portion]	-	-
Foreign currency translation	**(11)**	**13**
Translation gains or (-) losses taken to equity	18	30
Transferred to profit or loss	(29)	(17)
Other reclassifications	-	-
Cash flow hedges [effective portion]	**(74)**	**11**
Valuation gains or (-) losses taken to equity	(69)	20
Transferred to profit or loss	(5)	(9)
Transferred to initial carrying amount of hedged items	-	-
Other reclassifications	-	-
Available-for-sale financial assets	**(583)**	**(1,890)**
Valuation gains/(losses)	217	(723)
Amounts reclassified to income statement	(800)	(1,167)
Reclassifications (other)	-	-
Non-current assets held for sale	**-**	**-**
Valuation gains/(losses)	-	-
Amounts reclassified to income statement	-	-
Reclassifications (other)	-	-
Income tax	**(55)**	**560**
TOTAL RECOGNIZED INCOME/EXPENSES	**918**	**1,555**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the statement of recognized income and expenses for the year ended December 31, 2016

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of changes in equity for the years ended December 31, 2016 and 2015.

Millions of Euros

December 2016	Capital	Share Premium	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Total
Balances as of January 1, 2016	**3,120**	**23,992**	**28**	-	-	**22**	**7,787**	**(19)**	**2,864**	**(1,356)**	**382**	**36,820**
Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted initial balance	**3,120**	**23,992**	**28**	-	-	**22**	**7,787**	**(19)**	**2,864**	**(1,356)**	**382**	**36,820**
Total income/expense recognized	-	-	-	-	-	-	-	-	**1,662**	-	**(744)**	**918**
Other changes in equity	**98**	-	**18**	-	-	**(2)**	**1,559**	**(4)**	**(2,864)**	**(157)**	-	**(1,352)**
Issuances of common shares	98	-	-	-	-	-	(98)	-	-	-	-	-
Issuances of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Period or maturity of other issued equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt on equity	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock reduction	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	-	(1,303)	-	(1,303)
Purchase of treasury shares	-	-	-	-	-	-	-	(1,570)	-	-	-	(1,570)
Sale or cancellation of treasury shares	-	-	-	-	-	-	10	1,566	-	-	-	1,576
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between total equity entries	-	-	(3)	-	-	(2)	1,513	-	(2,864)	1,356	-	-
Increase/Reduction of equity due to business combinations	-	-	-	-	-	-	139	-	-	-	-	139
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Other increases or (-) decreases in equity	-	-	21	-	-	-	(5)	-	-	(210)	-	(194)
Balances as of December 31, 2016	**3,218**	**23,992**	**46**	-	-	**20**	**9,346**	**(23)**	**1,662**	**(1,513)**	**(362)**	**36,386**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the statement of changes in equity for the year ended December 31, 2016.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 52).

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

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of changes in equity for the years ended December 31, 2016 and 2015.

Millions of Euros

December 2015	Capital	Share Premium	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Total
Balances as of January 1, 2015	**3,024**	**23,992**	**47**	-	-	**23**	**7,619**	**(46)**	**1,105**	**(841)**	**1,691**	**36,614**
Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	**-**
Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	**-**
Adjusted initial balance	**3,024**	**23,992**	**47**	**-**	**-**	**23**	**7,619**	**(46)**	**1,105**	**(841)**	**1,691**	**36,614**
Total income/expense recognized	-	-	-	-	-	-	-	-	**2,864**	**-**	**(1,309)**	**1,555**
Other changes in equity	**96**	**-**	**(19)**	**-**	**-**	**(1)**	**168**	**27**	**(1,105)**	**(515)**	**-**	**(1,349)**
Issuances of common shares	96	-	-	-	-	-	(96)	-	-	-	-	-
Issuances of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Period or maturity of other issued equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt on equity	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock reduction	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	-	(1,226)	-	(1,226)
Purchase of treasury shares	-	-	-	-	-	-	-	(2,297)	-	-	-	(2,297)
Sale or cancellation of treasury shares	-	-	-	-	-	-	(1)	2,324	-	-	-	2,323
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between total equity entries	-	-	(8)	-	-	(1)	272	-	(1,105)	842	-	-
Increase/Reduction of equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Other increases or (-) decreases in equity	-	-	(11)	-	-	-	(7)	-	-	(131)	-	(149)
Balances as of December 31, 2015	**3,120**	**23,992**	**28**	**-**	**-**	**22**	**7,787**	**(19)**	**2,864**	**(1,356)**	**382**	**36,820**

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

(**) Balance as of December 31, 2014, previously published (note 1.3)

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the statement of changes in equity for the year ended December 31, 2016.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRS for banks. See Note 52).

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

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of cash flows for the years ended December 31, 2016 and 2015.

	Millions of Euros	
Cash Flows Statements for December 31, 2016 and 2015 of BBVA, S.A	**2016 (**)**	**2015 (*)**
A) CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4 + 5)	**6,281**	**4,709**
1. Profit for the year	**1,662**	**2,864**
2. Adjustments to obtain the cash flow from operating activities:	**1,811**	**(1,769)**
Depreciation and amortization	574	519
Other adjustments	1,237	(2,288)
3. Net increase/decrease in operating assets	**(16,227)**	**11,515**
Financial assets held for trading	1,166	5,889
Financial assets designated at fair value through profit or loss	-	-
Available-for-sale financial assets	21,597	1,564
Loans and receivables	(24,706)	3,861
Other operating assets	(14,284)	201
4. Net increase/decrease in operating liabilities	**19,205**	**(8,090)**
Financial liabilities held for trading	1,292	(4,003)
Other financial liabilities designated at fair value through profit or loss	-	-
Financial liabilities at amortized cost	15,847	(2,975)
Other operating liabilities	2,066	(1,112)
5. Collection/Payments for income tax	**(170)**	**189**
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	**(1,048)**	**(2,259)**
1. Investment	**(3,168)**	**(5,625)**
Tangible assets	(170)	(211)
Intangible assets	(320)	(298)
Investments	(246)	(4,114)
Subsidiaries and other business units	-	-
Non-current assets held for sale and associated liabilities	(674)	(1,002)
Held-to-maturity investments	(1,758)	-
Other settlements related to investing activities	-	-
2. Divestments	**2,120**	**3,366**
Tangible assets	20	12
Intangible assets	-	-
Investments	93	62
Subsidiaries and other business units	-	-
Non-current assets held for sale and associated liabilities	511	1,249
Held-to-maturity investments	1,321	-
Other collections related to investing activities	175	2,043

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

(**) The statement of cash flows corresponding to 2016 is impacted by the merger of Catalunya Banc, S.A., Banco Depositario BBVA, S.A. y Unoe Bank, S.A. (Note 1.3).

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the statement of cash flows for the year ended December 31, 2016.

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Statements of cash flows for the years ended December 31, 2016 and 2015.

	Millions of Euros	
CASH FLOWS STATEMENTS (Continued)	**December 2016**	**December 2015**
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	**(501)**	**(302)**
1. Investment	**(3,247)**	**(4,124)**
Dividends	(1,497)	(916)
Subordinated liabilities	(180)	(767)
Common stock amortization	-	-
Treasury stock acquisition	(1,570)	(2,297)
Other items relating to financing activities	-	(144)
2. Divestments	**2,746**	**3,822**
Subordinated liabilities	1,000	1,500
Common stock increase	-	-
Treasury stock disposal	1,574	2,322
Other items relating to financing activities	172	-
D) EFFECT OF EXCHANGE RATE CHANGES	**(67)**	**(302)**
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (A+B+C+D)	**4,665**	**1,846**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**11,191**	**9,262**
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**15,856**	**11,108**

	Millions of Euros	
COMPONENTS OF CASH AND EQUIVALENTS AT END OF THE PERIOD	**December 2016**	**December 2015**
Cash	879	825
Balance of cash equivalent in central banks	14,913	10,283
Other financial assets	63	-
Less: Bank overdraft refundable on demand	-	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**15,855**	**11,108**

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

The accompanying Notes 1 to 52 and Appendices I to XIII are an integral part of the statement of cash flows for the year ended December 31, 2016.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Notes to the financial statements for the year ended December 31, 2016.

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

1.1 Introduction

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

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

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

The Bank's financial statements for the year ended December 31, 2015 were approved by the shareholders at the Bank's Annual General Meeting ("AGM") held on March 11, 2016.

The Bank's financial statements for the year ended December 31, 2016 are pending approval by the Annual General Meeting. However, the Bank's Board of Directors considers that the aforementioned financial statements will be approved without any changes.

1.2 Basis for the presentation of the financial statements

The Bank's financial statements for 2016 are presented in accordance with Bank of Spain Circular 4/2004, dated December 22, and its subsequent amendments, and with any other legislation governing financial reporting applicable to the Bank. Circular 4/2004 implements and adapts the International Financial Reporting Standards (EU-IFRS) to Spanish credit institutions, following stipulations established under Regulation 1606/2002 of the European Parliament and of the Council, dated July 19, 2002, relating to the application of the International Accounting Standards. The recent publication of Bank of Spain Circular 4/2016, of April 27, has updated Circular 4/2004 to adapt it to the latest publications in banking regulation, maintaining full compatibility with the IFRS accounting framework.

The Bank's financial statements for the year ended December 31, 2016 have been prepared by the Bank's directors (at the Board of Directors meeting held on February 9, 2017) by applying the accounting policies and valuation criteria described in Note 2, so that they present fairly the Bank's equity and financial position as of December 31, 2016, together with the results of its operations and cash flows generated during the year ended on that date.

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

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

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

1.3 Comparative information

The financial statements of BBVA for the year 2016 are prepared in accordance with the presentation models required by Circular 5/2015 of the Comisión Nacional del Mercado de Valores. The aim is to adapt the content of the public financial information from the credit institutions and formats of the financial statements established mandatory by the European Union regulation for the credit institution

The information contained in these financial statements for 2015 is presented solely for the purpose of comparison with information relating to December 31, 2016. It does not constitute the Bank's financial statements for 2015. In order to facilitate comparison, the Bank´s financial statements and the information related to those dates in 2015, have been restated in accordance with the new models mentioned in the previous paragraph, without having a significant impact on the accompanying financial statements included for the year ended December 31, 2015.

During 2016, was carried out a merger process of BBVA S.A. (absorbing company), Catalunya Banc, S.A., Banco Depositario BBVA, S.A. y Unoe Bank, S.A (see note 14).

1.4 Seasonal nature of income and expenses

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

1.5 Responsibility for the information and for the estimates made

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

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

- Impairment on certain financial assets (see Notes 5, 6, 10, 11,12 and 15).
- The assumptions used to quantify certain provisions (see Note 21) for the actuarial calculation of post-employment benefit liabilities and commitments (see Note 22).
- The useful life and impairment losses of tangible and intangible assets (see Notes, 15,16 and 19).
- The fair value of certain unlisted financial assets and liabilities in organized markets (see Notes 5, 6, 8, 9, 10,12 and 13).
- The recoverability of deferred tax assets (See Note 17).

Although these estimates were made on the basis of the best information available as of December 31, 2016 on the events analyzed, future events may make it necessary to modify them (either up or down). This would be done in accordance with applicable regulations and prospectively, recording the effects of changes in the estimates in the corresponding income statement.

1.6 Control of the BBVA Group's financial reporting

The description of the BBVA Group's Internal Financial Reporting Control model is described in the management report accompanying the Financial Statements for 2016

1.7 Deposit guarantee fund and Resolution fund

The Bank is part of the "Fondo de Garantía de Depósitos" (Deposit Guarantee Fund). Adjusting to the previously mentioned accounting criteria modification, the expense incurred by the contributions made to this Agency in 2016 and 2015 amounted to €153 million and €117 million, respectively. These amounts are registered under the heading "Other operating expenses" of the accompanying income statements (see Note 38).

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

In accordance with the new regulations, in 2015 a contribution was made to Spain's Orderly Banking Resolution Fund (FROB) of €123m. In 2016 a single European resolution fund has been established with a contribution of €137 million Euros through a contribution of €117 million Euros and the creation of a commitment of €20 million Euros which are registered under the heading "Other Operating Expenses" in the attached income statements (see Note 38).

1.8 Consolidated financial statements

The consolidated financial statements of the BBVA Group for the year ended December 31, 2016 have been prepared by the Bank's Directors (at the Board of Directors meeting held on February 9, 2017) in accordance with the International Financial Reporting Standards adopted by the European Union and applicable at the close of 2016, taking into account Bank of Spain Circular 4/2004, dated December 22, and subsequent amendments, and with any other legislation governing financial reporting applicable to the Group.

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

These changes are reflected in the consolidated financial statements of the BBVA Group for the year 2016, which the Bank's Board of Directors has also prepared. Appendix I includes the Group's consolidated financial statements. In accordance with the content of these consolidated financial statements prepared following the International Financial Reporting Standards adopted by the European Union, the total amount of the BBVA Group's assets and consolidated equity at the close of 2016 amounted to €731,856 million and €55,428 million, respectively, while the consolidated net profit attributed to the parent company of this period amounted to €3,475 million.

2. Accounting policies and valuation criteria applied

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

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

2.1 Financial instruments

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

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

All the changes in the value of financial instruments, except trading derivatives that are not economic hedges, all the financial assets held for trading and derivatives, arising from the accrual of interests and similar items are recognized under the headings "Interest income" or "Interest expenses", as appropriate, in the accompanying income statement for the year in which the accrual took place (see Note 33). The dividends paid from other companies, other than associate entities and joint venture entities, are recognized under the heading "Dividend income" in the accompanying income statement for the year in which the right to receive them arises (see Note 34).

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

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

The assets and liabilities recognized in these chapters of the balance sheets are measured at fair value, and changes in value (gains or losses) are recognized as their net value under the heading "Gains (losses) on financial assets and liabilities (net)" in the accompanying income statements (see Note 37). However, changes resulting from variations in foreign exchange rates are recognized under the heading "Exchange differences (net)" in the accompanying income statements.

2.1.2 "Available-for-sale financial assets"

Assets recognized under this heading in the balance sheets are measured at their fair value. Subsequent changes in this measurement (gains or losses) are recognized temporarily for their amount net of tax effect under the heading "Accumulated other comprehensive income- Items that may be reclassified to profit or loss - Available-for-sale financial assets " in the balance sheets (see Note 27).

Changes in the value of non-monetary items resulting from changes in foreign exchange rates are recognized temporarily under the heading "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Exchange differences " in the accompanying balance sheets. Changes in foreign exchange rates resulting from monetary items are recognized under the heading "Exchange differences (net)" in the accompanying income statements.

The amounts recognized under the headings "Accumulated other comprehensive income- Items that may be reclassified to profit or loss - Available-for-sale financial assets" and "Accumulated other comprehensive income- Items that may be reclassified to profit or loss - Exchange differences" continue to form part of the Bank's equity until the asset is derecognized from the balance sheet or until an impairment loss is recognized in the financial instrument in question. If these assets are sold, these amounts are derecognized and entered under the headings "Gains (losses) on financial assets and liabilities (net)" or "Exchange differences (net)", as appropriate, in the income statement for the year in which they are derecognized (see Note 37).

In the specific case of the sale of equity instruments considered strategic investments and recognized under the heading "Available-for-sale financial assets", the gains or losses generated are recognized under the heading "Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the income statement, even if they had not been classified in a previous balance sheet as non-current assets held for sale, as indicated in Rule 56 of Circular 4/2004 and its subsequent amendments (see Note 45).

The net impairment losses in "Available-for-sale financial assets" over the year are recognized under the heading "Impairment losses on financial assets (net) – Other financial instruments not at fair value through profit or loss" in the income statement for that year (see Note 42).

2.1.3 "Loans and receivables", "Held-to-maturity investments" and "Financial liabilities at amortized cost"

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

Net impairment losses of assets recognized under these headings arising in a particular year are recognized under the heading "Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss – loans and receivables", "Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss - held to maturity investments" or "Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss – financial assets measured at cost" in the income statement for that year (see Note 42).

2.1.4 "Derivatives-Hedge Accounting " and "Fair value changes of the hedged items in portfolio hedges of interest-rate risk"

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

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

- In fair value hedges, the changes in the fair value of the derivative and the hedged item attributable to the hedged risk are recognized under the heading "Gains or losses from hedge accounting, net " in the income statement (see Note 37), with a balancing item under the headings of the balance sheet where hedging items ("Hedging derivatives") or the hedged items are recognized, as applicable.
- In fair value hedges of interest rate risk of a portfolio of financial instruments (portfolio-hedges), the gains or losses that arise in the measurement of the hedging instrument are recognized in the income statement, and those that arise from the change in the fair value of the hedged item (attributable to the hedged risk) are also recognized in the income statement (in both cases under the heading "Gains or losses from hedge accounting, net ", using, as a balancing item, the headings "Fair value changes of the hedged items in portfolio hedges of interest rate risk" in the balance sheets, as applicable.
- In cash flow hedges, the gain or loss on the hedging instruments relating to the effective portion are recognized temporarily under the heading "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Hedging derivatives. Cash flow hedges" in the balance sheets, with a balancing entry under the heading "Hedging derivatives" of the Assets or Liabilities of the Financial Statements as applicable. These differences are recognized in the accompanying income statement at the time when the gain or loss in the hedged instrument affects profit or loss, when the forecast transaction is executed or at the maturity date of the hedged item (see Note 33).
- Differences in the measurement of the hedging items corresponding to the ineffective portions of cash flow hedges are recognized directly under the heading "Gains or (-) losses from hedge accounting, net" in the income statement (see Note 37).
- In hedges of net investments in foreign operations, the differences in the effective portions of hedging items are recognized temporarily under the heading " Accumulated other comprehensive income - Items that may be reclassified to profit or loss – Hedging of net investments in foreign transactions " in the balance sheets, with a balancing entry under the heading "Hedging derivatives" of the Assets or Liabilities of the Financial Statements as applicable. These differences in valuation are recognized under the heading "Exchange differences (net)" in the income statement when the investment in a foreign operation is disposed of or derecognized.

2.1.5 Other financial instruments

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

- Equity instruments whose fair value cannot be determined in a sufficiently objective manner and financial derivatives that have those instruments as their underlying asset and are settled by delivery of those instruments remain in the balance sheet at acquisition cost; this may be adjusted, where appropriate, for any impairment loss (see Note 6).
- Accumulated other comprehensive income arising from financial instruments classified at balance sheet date as "Non-current assets and disposal groups classified as held for sale" are recognized with a balancing entry under the heading ""Accumulated other comprehensive income- Items that may be reclassified to profit or loss – Non-current assets and disposal groups classified as held for sale" in the accompanying balance sheets (see Note 27).

2.2 Impairment losses on financial assets

2.2.1 Definition of impaired financial assets

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

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

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to the income statement for the year in which the impairment becomes known, and the recoveries of previously recognized impairment losses are recognized in the income statement for the year in which the impairment is reversed or reduced. any recovery of previously recognized impairment losses for an investment in an equity instrument classified as financial assets available for sale is not recognized in the income statement, but under the heading " Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Available-for-sale financial assets " (see Note 27) in the balance sheet.

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

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

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

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

Additionally, loans classified as non-performing secured loans as a result of borrower arrears are written off in the balance sheet within a maximum period of four years from the date on which they are classified as non-performing, while non-performing unsecured loans (such as commercial and consumer loans, credit cards, etc.) are written off within two years of their classification as non-performing as long as they have maintained a credit risk coverage of 100%

Calculation of impairment on financial assets

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

2.2.2 Impairment of debt securities measured at amortized cost

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

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

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

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

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

Impairment losses determined individually

The amount of the impairment losses incurred on financial assets represents the excess of their respective carrying amounts over the present values of their expected future cash flows.These cash flows are discounted using the original effective interest rate. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract.

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

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

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

Impairment losses determined collectively

Impairment losses on financial assets collectively evaluated for impairment are calculated by using statistical procedures, and they are deemed equivalent to the portion of losses incurred on the date that the accompanying financial statements are prepared that has yet to be allocated to specific asset. The Bank estimates impairment losses through statistical processes that apply historical data and other specific parameters that, although having been generated as of closing date for these financial statements, have arisen on an individual basis following the reporting date.

With respect to financial assets that have no objective evidence of impairment, the Bank applies statistical methods using historical experience and other specific information to estimate the losses that the Bank has incurred as a result of events that have occurred as of the date of preparation of the financial statements but have not been known and will be apparent, individually after the date of submission of the information. This calculation is an intermediate step until these losses are identified on an individual level, at which these financial instruments will be segregated from the portfolio of financial assets without objective evidence of impairment.

The incurred loss is calculated taking into account three key factors: exposure at default, probability of default and loss given default.

- Exposure at default (EAD) is the amount of risk exposure at the date of default by the counterparty.
- Probability of default (PD) is the probability of the counterparty failing to meet its principal and/or interest payment obligations. The PD is associated with the rating/scoring of each counterparty/transaction.
- Loss given default (LGD) is the estimate of the loss arising in the event of default. It depends mainly on the characteristics of the counterparty, and the valuation of the guarantees or collateral associated with the asset.

In order to calculate the LGD at each balance sheet date, the Bank evaluates the whole amount expected to be obtained over the remaining life of the financial asset. The recoverable amount from executable secured collateral is estimated based on the property valuation, discounting the necessary adjustments to adequately account for the potential fall in value until its execution and sale, as well as execution costs, maintenance costs and sale costs.

When the property right is contractually acquired at the end of the foreclosure process or when the assets of distressed borrowers are purchased, the asset is recognized in the financial statements. The accounting treatment of these assets is included in Note 2.4.

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

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

When there is objective evidence that the negative differences arising on measurement of these assets are due to impairment, they are no longer considered as "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Available-for-sale financial assets" and are recognized in the income statement.

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

Impairment of equity instruments

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

- *Equity instruments classified as available for sale :* The criteria for quantifying and recognizing impairment losses on equity instruments are similar to those for "Debt instruments", with the exception that any recovery of previously recognized impairment losses for an investment in an equity instrument classified as available for sale is not recognized in the income statement but under the heading "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Available-for-sale financial assets " in the balance sheet (see Note 27).

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

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

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

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

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

Impairment of holdings in subsidiaries, associates or jointly controlled entities

When evidence of impairment exists in the holdings in subsidiaries, associates or jointly controlled entities, the entity will estimate the amount of the impairment losses by comparing their recoverable amount, which is the fair value minus the necessary sale costs or their value in use, whichever is greater, with their carrying amount. Impairment losses are recognized immediately under the heading "Impairment or reversal of impairment on non-financial assets" in the income statement (see Note 43). Recoveries subsequent to impairment losses recognized previously are recognized under the same heading in the income statement for the period.

2.2.3 Transfers and derecognition of financial assets and liabilities

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

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

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

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

  In the specific case of securitizations, this liability is recognized under the heading "Financial liabilities at amortized cost – Customer deposits" in the balance sheets (see Note 20). As these liabilities do not constitute a current obligation, when measuring such a financial liability the Bank deducts those financial instruments owned by it which constitute financing for the entity to which the financial assets have been transferred, to the extent that these instruments are deemed specifically to finance the transferred assets.
- Both the income generated on the transferred (but not derecognized) financial asset and the expenses associated with the new financial liability continue to be recognized.

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

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

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

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

2.3 Financial guarantees

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

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

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

The provisions made for financial guarantees considered impaired are recognized under the heading "Provisions - Provisions for contingent risks and commitments" on the liability side in the balance sheets (see Note 21). These provisions are recognized and reversed with a charge or credit, respectively, to "Provisions or reversal of provision " in the income statements (see Note 41).

Income from guarantee instruments is registered under the heading "Fee and commission income" in the income statement and is calculated by applying the rate established in the related contract to the nominal amount of the guarantee (see Note 35).

2.4 Non-current assets and disposal groups held for sale and liabilities included in disposal groups classified as held for sale

The heading "Non-current assets and disposal groups held for sale and liabilities included in disposal groups classified as held for sale " in the balance sheets includes the carrying amount of financial or non-financial assets that are not part of the Bank's operating activities. The recovery of this carrying amount is expected to take place through the price obtained on its disposal (see Note 19).

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

Symmetrically, the heading "Liabilities included in disposal groups classified as held for sale" in the balance sheets reflects the balances payable arising from disposal groups and discontinued operations.

Non-current assets and disposal groups held for sale and liabilities included in disposal groups classified as held for sale are generally measured, or the fair value of the property (less costs to sell), whichever is lower.

In the case of real estate assets foreclosed or received in payment of debts, they are initially recognized at the lower of: the restated carrying amount of the financial asset and the fair value at the time of the foreclosure or receipt of the asset less estimated sales costs. The carrying amount of the financial asset is updated at the time of the foreclosure, treating the real property received as a secured collateral and taking into account the credit risk coverage that would correspond to it according to its classification prior to the delivery. For these purposes, the collateral will be valued at its current fair value (less sale costs) at the time of foreclosure. This carrying amount will be purchased with the previous carrying amount and the difference will be recognized as a hedging variation. On the other hand, the fair value of the foreclosed asset is obtained by appraisal, evaluating the need to apply a discount on the asset derived from the specific conditions of the asset or the market situation for these assets, and in any case, deducting the company's estimated sale costs.

At the time of the initial recognition, these real estate assets foreclosed or received in payment of debts, classified as "Non-current assets and disposal groups held for sale and liabilities included in disposal groups classified as held for sale" are valued at the lower of: their restated fair value less estimated sale costs and their carrying amount; a deterioration or impairment reversal can be recognized for the difference if applicable.

Non-current assets and disposal groups held for sale groups classified as held for sale are not depreciated while included under this heading.

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

Gains and losses generated on the disposal of assets and liabilities classified as non-current held for sale, and liabilities included in disposal groups classified as held for sale as well as impairment losses and, where pertinent, the related recoveries, are recognized in "Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the income statements (see Note 45). The remaining income and expense items associated with these assets and liabilities are classified within the relevant income statement headings.

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

2.5 Tangible assets

Property, plants and equipment for own use

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

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

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

The tangible asset depreciation charges are recognized in the accompanying income statements under the heading "Depreciation and amortization" (see Note 40) and are based on the application of the following depreciation rates (determined on the basis of the average years of estimated useful life of the different assets):

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

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

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

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

Running and maintenance expenses relating to tangible assets held for own use are recognized as an expense in the year they are incurred and recognized in the income statements under the heading " Administration costs - Other administrative expenses - Property, fixtures and equipment " (see Note 39.2).

Other assets leased out under an operating lease

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

Investment properties

The heading "Tangible assets - Investment properties" in the balance sheets reflects the net values (purchase cost minus the corresponding accumulated depreciation and, if appropriate, estimated impairment losses) of the land, buildings and other structures that are held either to earn rentals or for capital appreciation through sale and that are neither expected to be sold off in the ordinary course of business nor are destined for own use (see Note 16).

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

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

2.6 Intangible assets

Intangible assets in the individual financial statements have a finite useful life.

The useful life of intangible assets is, at most, equal to the period during which the entity is entitled to use the asset; If the right of use is for a limited renewable period, the useful life includes the renewal period only when there is evidence that the renewal will be carried out without a significant cost.

When the useful life of intangible assets cannot be estimated reliably, they are amortized over a ten year period. Goodwill is presumed, unless proven otherwise, to have a useful life of ten years.

Intangible assets are amortized according to the duration of this useful life, using methods similar to those used to depreciate tangible assets. The depreciation charge for these assets is recognized in the accompanying income statements under the heading "Depreciation and amortization" (see Note 40).

The Bank recognizes any impairment loss on the carrying amount of these assets with charge to the heading "Impairment or (-) reversal of impairment on non - financial assets- Intangible assets " in the accompanying income statements (see Note 43). The criteria used to recognize the impairment losses on these assets and, where applicable, the recovery of impairment losses recognized in prior years, are similar to those used for tangible assets.

2.7 Tax assets and liabilities

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

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

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

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

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

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

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

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

2.8 Provisions, contingent assets and contingent liabilities

The heading "Provisions" in the balance sheets includes amounts recognized to cover the Bank's current obligations arising as a result of past events. These are certain in terms of nature but uncertain in terms of amount and/or extinguishment date. The settlement of these obligations by the Bank is deemed likely to entail an outflow of resources embodying economic benefits (see Note 21). The obligations may arise in connection with legal or contractual provisions, valid expectations formed by Bank companies relative to third parties in relation to the assumption of certain responsibilities or through virtually certain developments of particular aspects of the regulations applicable to the operation of the entities; and, specifically, future legislation to which the Bank will certainly be subject.

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

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

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

Contingent assets are possible assets that arise from past events and whose existence is conditional on, and will be confirmed only by, the occurrence or non-occurrence of events beyond the control of the Bank. Contingent assets are not recognized in the balance sheet or in the income statement; however, they are disclosed in the Notes to the financial statements, provided that it is probable that these assets will give rise to an increase in resources embodying economic benefits (see Note 30).

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

2.9 Post-employment and other employee benefit commitments

Below we provide a description of the most significant accounting criteria relating to post-employment and other employee benefit commitments assumed by the Bank (see Note 22).

Short-term employee benefits

Benefits for current active employees which are accrued and settled during the year and for which a provision is not required in the entity´s accounts. These include wages and salaries, social security charges and other personnel expenses.

Costs are charged and recognized under the heading "Administration costs – Personnel expenses – Other personnel expenses" of the income statement (see Note 39.1).

Post-employment benefits – Defined-contribution plans

The Bank sponsors defined-contribution plans for its active employees. The amount of these benefits is established as a percentage of remuneration and/or as a fixed amount.

The contributions made to these plans in each period by the Bank are charged and recognized under the heading "Administration costs – Personnel expenses – Defined-contribution plan expense" of the income statement (see Note 39.1).

Post-employment benefits – Defined-benefit plans

The Bank maintains pension commitments with employees who have already retired or taken early retirement, certain closed groups of active employees still accruing defined benefit pensions, and in-service death and disability benefits provided to most active employees. These commitments are covered by insurance contracts, pension funds and internal provisions.

In addition, the Bank have offered certain employees the option to retire before their normal retirement age stipulated in the collective labor agreement in force, recognizing the necessary provisions to cover the costs of the associated benefit commitments, which include both the liability for the benefit payments due as well as the contributions payable to external pension funds during the early retirement period.

Furthermore, the Bank provides welfare benefits to certain current employees and retirees.

All of these commitments are quantified based on actuarial valuations, with the amounts recorded under the heading "Provisions – Provisions for pensions and similar obligations" and determined as the difference between the value of the defined-benefit commitments and the fair value of plan assets at the date of the financial statements (see Note 22).

Current service cost are charged and recognized under the heading "Administration costs – Personnel expenses – Defined-benefit plan expense" of the income statement (see Note 39.1).

Interest credits/charges relating to these commitments are charged and recognized under the headings "Interest income" and "Interest expense" of the income statement.

Past service costs arising from benefit plan changes as well as early retirements granted during the period are recognized under the heading "Provisions or reversals of provisions" of the income statement (see Note 41).

Other long-term employee benefits

In addition to the above commitments, the Bank maintains leave and long-service awards to their employees, which consist of either an established monetary amounts or shares in Banco Bilbao Argentaria S.A. granted upon completion of a number of years of qualifying service.

These commitments are quantified based on actuarial valuations and the amounts recorded under the heading "Provisions – Other long-term employee benefits" of the balance sheet (see Note 21).

Valuation of commitments: actuarial assumptions and recognition of gains/losses

The present value of these commitments is determined based on individual member data. Active employee costs are determined using the "projected unit credit" method, which treats each period of service as giving rise to an additional unit of benefit and values each unit separately.

In establishing the actuarial assumptions we taken into account that:

- They should be unbiased, i.e. neither unduly optimistic nor excessively conservative.
- They should be mutually compatible and adequately reflect the existing relationship between economic variables such as price inflation, expected wage increases, discount rates and the expected return on plan assets, etc. Future wage and benefit levels should be based on market expectations, at the balance sheet date, for the period over which the obligations are to be settled.
- The interest rate used to discount benefit commitments is determined by reference to market yields, at the balance sheet date, on high quality bonds.

The Bank recognizes actuarial gains/losses relating to early retirement benefits, long service awards and other similar items under the heading "Provisions or reversal of provisions" of the income statement for the period in which they arise (see Note 41). Actuarial gains/losses relating to pension benefits are directly charged and recognized under the heading "Accumulated other comprehensive income – Items that will not be reclassified to profit or loss – Actuarial gains or (-) losses on defined benefit pension plans" of equity in the balance sheet (see Note 27).

2.10 Equity-settled share-based payment transactions

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

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

2.11 Termination benefits

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

2.12 Treasury stock

The value of common stock (basically, shares and derivatives over the Bank's shares held by some Group companies that comply with the requirements for recognition as equity instruments) is recognized under the heading "Stockholders' funds - Treasury stock" in the balance sheets (see Note 26).

These financial assets are recognized at acquisition cost, and the gains or losses arising on their disposal are credited or debited, as appropriate, under the heading “Stockholders’ funds - Retained earnings ” in the balance sheets (see Note 25).

2.13 Foreign-currency transactions

Assets, liabilities and futures transactions

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

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

The exchange differences that arise when converting these foreign-currency assets and liabilities (including those of the branches) into euros are recognized under the heading “Exchange differences(net)" in the income statement, except for those differences that arise in non-monetary items classified as available for sale. However, the exchange differences in non-monetary items, measured at fair value, are recognized temporarily in equity under the heading “Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Exchange differences”

The breakdown of the main balances in foreign currencies as of December 31, 2016 and 2015, with reference to the most significant foreign currencies, is set forth in Appendix VIII.

Structural currency positions

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

2.14 Recognition of income and expenses

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

- Interest income and expenses and similar items

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

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

- Commissions, fees and similar items

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

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

- Non-financial income and expenses

  These are recognized for accounting purposes on an accrual basis.

- Deferred collections and payments

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

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

The heading "Other operating income" in the income statement includes the amount of sales of goods and revenue from the provision of non-financial services (see Note 38).

2.16 Leases

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

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

When the Bank acts as lessor of an asset in operating leases, the acquisition cost of the leased assets is recognized under "Tangible assets – Property, plants and equipment – Other assets leased out under an operating lease" in the balance sheets (see Note 15). These assets are depreciated in line with the criteria adopted for items of tangible assets for own use, while the income arising from the lease arrangements is recognized in the income statements on a straight-line basis under the headings " Tangible assets – Property, plant and equipment – Other assets leased out under an operating lease " and "Other operating expenses" (see Note 38).

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

2.17 Entities and branches located in countries with hyperinflationary economies

None of the functional currencies of the branches located abroad relate to hyperinflationary economies as defined by Circular 4/2004 and subsequent amendments. Accordingly, as of December 31, 2016 and 2015 it was not necessary to adjust the financial statements of any branch to correct for the effect of inflation.

2.18 Statements of recognized income and expenses

The statements of recognized income and expenses reflect the income and expenses generated each year. They distinguish between income and expenses recognized as results in the income statements and “Accumulated other comprehensive income” recognized directly in equity. “Accumulated other comprehensive income”include the changes that have taken place in the year in the “Accumulated other comprehensive income” broken down by item.

The sum of the changes to the heading “Accumulated other comprehensive income” of the total equity and the net income of the year forms the “Accumulated other comprehensive income””.

2.19 Statements of changes in equity

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

The applicable regulations establish that certain categories of assets and liabilities are recognized at their fair value with a charge to equity. These charges, known as “Accumulated other comprehensive income” (see Note 27), are included in the Bank’s total equity net of tax effect, which has been recognized as deferred tax assets or liabilities, as appropriate.

2.20 Statements of cash flows

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

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

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

3. System of shareholder remuneration

Shareholder remuneration system

During 2012, 2013, 2014, 2015 and 2016 a shareholder remuneration system called the "Dividend Option" was implemented.

Under this remuneration scheme, BBVA offers its shareholders the possibility to receive all or part of their remuneration in the form of BBVA newly-issued ordinary shares; whilst maintaining the possibility for BBVA shareholders to receive their entire remuneration in cash by selling their free allocation rights to BBVA (in execution of the commitment assumed by BBVA to acquire the free allocation rights attributed to the shareholders at a guaranteed fixed price) or by selling their free allocation rights on the market at the prevailing market price at that time.

On September 28, 2016, the Board of Directors approved the execution of the second of the share capital increases charged to voluntary reserves, as agreed by the AGM held on March 11, 2016 to implement the Dividend Option. As a result of this increase, the Bank's share capital increased by €42,266,085.33 by the issuance of 86,257,317 BBVA newly-issued shares at a €0.49 par value each. 87.85% of the right owners have opted to receive newly-issued BBVA ordinary shares. The other 12.15% of the right owners opted to sell the rights of free allocation assigned to them to BBVA, and as a result, BBVA acquired 787,374,942 rights for a total amount of €62,989,995.36. The price at which BBVA has acquired such rights of free allocation (in execution of said commitment) was €0.08 per right, registered in "Total Equity-Dividends and Remuneration" of the balance sheet as of December, 31, 2016.

On March 31, 2016, the Board of Directors approved the execution of the first of the share capital increases charged to voluntary reserves, as agreed by the AGM held on March 11, 2016 to implement the Dividend Option. As a result of this increase, the Bank's share capital increased by €55,702,125.43 by the issuance of 113,677,807 BBVA newly-issued shares at a €0.49 par value each. 82.13% of the right owners have opted to receive newly-issued BBVA ordinary shares. The other 17.87% of the right owners opted to sell the rights of free allocation assigned to them to BBVA, and as a result, BBVA acquired 1,137,500,965 rights for a total amount of €146,737,624.49. The price at which BBVA has acquired such rights of free allocation (in execution of said commitment) was €0.129 per right, registered in "Total Equity-Dividends and Remuneration" of the balance sheet as of December, 31, 2016.

On September 30, 2015, the Board of Directors approved the execution of the second of the share capital increases charged to voluntary reserves, as agreed by the AGM held on March 13, 2015 to implement the Dividend Option. As a result of this increase, the Bank's share capital increased by €30,106,631.94 by the issuance of 61,442,106 BBVA newly-issued shares at a €0.49 par value each. 89.65% of the right owners opted to receive newly issued ordinary shares. The other 10.35% of the right owners opted to sell the rights of free allocation assigned to them to BBVA, and as a result, BBVA acquired 652,564,118 rights for a total amount of €52,205,129.44. The price at which BBVA acquired such rights of free allocation was €0.08 per right, registered in "Total Equity- Interim dividends" of the balance sheet as of December 31, 2015.

On March 25, 2015, the Board of Directors approved the execution of the first of the share capital increases charged to voluntary reserves, as agreed by the AGM held on March 13, 2015 to implement the Dividend Option. As a result of this increase, the Bank's share capital increased by €39,353,896.26 (80,314,074 shares at a €0.49 par value each). 90.31% of the right owners opted to receive newly-issued BBVA ordinary shares. The other 9.69% of the right owners opted to sell the rights of free allocation assigned to them to BBVA, and as a result, BBVA acquired 602,938,646 rights for a total amount of €78,382,023.98. The price at which BBVA acquired such rights of free allocation was €0.13 per right, registered in "Total Equity- Interim dividends" of the balance sheet as of December 31, 2015.

Dividends

The Board of Directors, at its meeting held on December 21, 2016, approved the payment in cash of €0.08 (€0.0648 withholding tax) per BBVA share, as gross interim dividend against 2016 results. The dividend was paid on January 12, 2017.

The Board of Directors, at its meeting held on June 22, 2016, approved the distribution in cash of €0.08 (€0.0648 withholding tax) per BBVA share, as gross interim dividend against 2016 results. The dividend is expected to be paid on July 11, 2016.

The interim accounting statements prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the interim dividend in the amount approved, are as follows:

	Millions of Euros	
Available amount for interim dividend payments	**May 31, 2016**	**November 30, 2016**
Profit of BBVA, S.A. at each of the dates indicated, after the provision for income tax	1,371	1,826
Less -	-	-
Estimated provision for Legal Reserve	11	20
Acquisition by the bank of the free allotment rights in 2015 capital increase	147	210
Additional Tier I capital instruments remuneration	114	260
Interim dividends for 2015 already paid	-	518
Maximum amount distributable	**1,099**	**818**
Amount of proposed interim dividend	**518**	**525**
BBVA cash balance available to the date	**2,614**	**3,003**

The first amount of the 2016 interim dividend which was paid to the shareholders on July 11, 2016, after deducting the treasury shares held by the Group's entities, amounted to €517 million, and is recognized under the heading "Stockholders' funds – Interim dividends" of the interim balance sheet as of June 30, 2016.

The total amount of the second dividend of 2016, which was paid to the shareholders on January 12, 2017, after deducting the treasury shares held by the Group's companies, amounted to €525 million and was recognized under the heading "Stockholders' funds – Interim dividends" charged in the "Financial liabilities at amortized cost – Other financial liabilities (see Note 20.4) of the consolidated balance sheet as of December 31, 2016.

As of January 1, 2017 and in accordance with BBVA's remuneration policy, it is expected to be proposed for the consideration of the competent governing bodies of approval of a capital increase to be charged to reserves for the instrumentation of a "Dividend Option" in 2017 in a gross of 0.13 euro per share approximately. The subsequent shareholders' remunerations that could be approved would be fully in cash.

The allocation of earnings for 2016 subject to the approval of the Board of Directors at the Annual Shareholders Meeting is presented below:

	Millons of euros
Application of Earnings	**December 2016**
Net income for year	**1,662**
Distribution:	
Interim dividends	1,043
Acquisition by the bank of the free allotment rights(*)	210
Additional Tier 1 securities	260
Legal reserve	19
Voluntary reserves	130

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

4. Earnings per share

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

The Bank issued additional share capital in 2016 and 2015 (see Note 23). In accordance with IAS 33, when there is a capital increase earnings per share, basic and diluted, should be recalculated for previous periods applying a corrective factor to the denominator (the weighted average number of shares outstanding) This corrective factor is the result of dividing the fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value per share. The basic and diluted earnings per share for 2015 were recalculated on this basis.

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

Basic and Diluted Earnings per Share	**2016**	**2015 (*)**
Numerator for basic and diluted earnings per share (millions of euros)		
Attributable to owners of the parent	3,475	2,642
Adjustment: Mandatory convertible bonds interest expenses (1)	(260)	(212)
Profit adjusted (millions of euros) (A)	**3,215**	**2,430**
Profit from discontinued operations (net of non-controlling interest) (B)	**-**	**-**
Denominator for basic earnings per share (number of shares outstanding)		
Weighted average number of shares outstanding (2)	6,468	6,290
Weighted average number of shares outstanding x corrective factor (3)	6,468	6,517
Adjusted number of shares - Basic earning per share (C)	**6,468**	**6,517**
Adjusted number of shares - diluted earning per share (D)	**6,468**	**6,517**
Earnings per share	**0.50**	**0.37**
Basic earnings per share from continued operations (Euros per share)A-B/C	0.50	0.37
Diluted earnings per share from continued operations (Euros per share)A-B/D	0.50	0.37

(1) Remuneration in the period related to contingent convertible securities (See Note 20.4)

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

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

(*) Data recalculated due to the mentioned corrective factor

As of December 31, 2016 and 2015 there were no other financial instruments or share option commitments with employees that could potentially affect the calculation of the diluted earnings per share for the years presented. For this reason the basic and diluted earnings are matched.

5. Risk management

5.1 General risk management and control model

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

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

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

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

5.1.1 Governance and organization

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

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

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

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

Corporate governance system

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

The Board of Directors (hereinafter also referred to as "the Board") approves the risk strategy and oversees the internal management and control systems. Specifically, in relation to the risk strategy, the Board approves the Group's risk appetite statement, the core metrics (and their statements) and the main metrics by type of risk (and their statements), as well as the general risk management and control model.

The Board of Directors is also responsible for approving and monitoring the strategic and business plan, the annual budgets and management goals, as well as the investment and funding policy, in a consistent way and in line with the approved Risk Appetite Framework. For this reason, the processes for defining the Risk Appetite Framework proposals and strategic and budgetary planning at Group level are coordinated by the executive area for submission to the Board.

With the aim of ensuring the integration of the Risk Appetite Framework into management, on the basis established by the Board of Directors, the Executive Committee approves the metrics by type of risk in relation to concentration, profitability and reputational risk and the Group's basic structure of limits at geographical area, risk type, asset type and portfolio level. This Committee also approves specific corporate policies for each type of risk.

Lastly, the Board has set up a Board committee focus in risks, the Risk Committee, that assists the Board and the Executive Committee in determining the Group's risk strategy and the risk limits and policies, respectively, analyzing and assessing beforehand the proposals submitted to those bodies.The amendment of the Group's risk strategy and of its elements is the exclusive power of the BBVA Board of Directors, while the Executive Committee is responsible for amending the metrics by type of risk within its scope of decision and the Group's basic structure of limits, when applicable. In both cases, the amendments follow the same decision-making process described above, so the proposals for amendment are submitted by the Chief Risk Officer ("CRO") and later analyzed, first by the Risks Committee, for later submission to the Board of Directors or to the Executive Committee, as appropriate.

Moreover, the Risks Committee, the Executive Committee and the Board itself conduct proper monitoring of the risk strategy implementation and of the Group's risk profile. The risks function regularly reports on the development of the Group's Risk Appetite Framework metrics to the Board and to the Executive Committee, after their analysis by the Risks Committee, whose role in this monitoring and control work is particularly relevant.

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

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

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

Organizational structure and committees

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

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

- The risk units in the business units develop and present to the Risk Officer of the geographical and/or business area the risk appetite framework proposal applicable in each geographical and/or business area, independently and always within the Group's strategy/risk appetite framework. They also ensure that the corporate policies and rules approved consistently at a Group level are applied, adapting them if necessary to local requirements; they are provided with appropriate infrastructures for management and control of their risks, within the global risk infrastructure framework defined by the corporate areas; and they report to their corporate bodies and/or to senior management, as appropriate.

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

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

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

- Global Technical Operations Committee: It is responsible for analyzing and decision-making related to wholesale credit risk admission in certain customer segments.
- Monitoring, Assessment & Reporting Committee: It guarantees and ensures the appropriate development of aspects related to risk identification, assessment, monitoring and reporting, with an integrated and cross-cutting vision.
- Asset Allocation Committee: The executive body responsible for analysis and decision-making on all credit risk matters related to the processes intended for obtaining a balance between risk and return.
- Technology & Analytics Committee: It ensures an appropriate decision-making process regarding the development, implementation and use of the tools and models required to achieve an appropriate management of those risks to which the BBVA Group is exposed.
- Corporate Technological Risks and Operational Control Committee: It approves the Technological Risks and Operational Control Management Frameworks in accordance with the General Risk Management Model's architecture and monitors metrics, risk profiles and operational loss events.
- Global Market Risk Unit Global Committee: It is responsible for formalizing, supervising and communicating the monitoring of trading desk risk in all the Global Markets business units, as well as coordinating and approving GMRU key decisions activity, and developing and proposing to GRMC the corporate regulation of the unit.
- Corporate Operational and Outsourcing Risk Admission Committee: It identifies and assesses the operational risks of new businesses, new products and services, and outsourcing initiatives.
- Retail Risk Committee: It ensures the alignment of the practices and processes of the retail credit risk cycle with the approved risk tolerance and with the business growth and development objectives established in the corporate strategy of the Group

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

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

Internal Risk Control and Internal Validation

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

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

For these purposes the Internal Risks Control department has a Technical Secretary's Office, which offers the Committee the technical support it needs to better perform its duties.

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

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

5.1.2 Risk appetite framework

The Group's risk appetite framework, approved by the Board, determines the risks (and their level) that the Group is willing to assume to achieve its business objectives considering an organic evolution of its business. These are expressed in terms of solvency, liquidity and funding profitability, recurrent earnings, cost of risk or other metrics, which are reviewed periodically as well as in case of material changes to the entity's business or relevant corporate transactions.. The definition of the risk appetite has the following goals:

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

Risk appetite framework is expressed through the following elements:

Risk appetite statement

Sets out the general principles of the Group's risk strategy and the target risk profile. The Group's Risk appetite statement is:

BBVA Group's risk policy is designed to achieve a moderate risk profile for the entity, through: prudent management and a responsible universal banking business model targeted to value creation, risk-adjusted return and recurrence of results; diversified by geography, asset class, portfolio and clients; and with presence in emerging and developed countries, maintaining a medium/low risk profile in every country, and focusing on a long term relationship with the client.

Core metrics and statements

Based on the risk appetite statement, statements are established to set down the general risk management principles in terms of solvency, profitability, liquidity and funding.

- Solvency: a sound capital position, maintaining resilient capital buffer from regulatory and internal requirements that supports the regular development of banking activity even under stress situations. As a result, BBVA proactively manages its capital position, which is tested under different stress scenarios from a regular basis.
- Liquidity and funding: A sound balance-sheet structure to sustain the business model. Maintenance of an adequate volume of stable resources, a diversified wholesale funding structure, which limits the weight of short term funding and ensures the access to the different funding markets, optimizing the costs and preserving a cushion of liquid assets to overcome a liquidity survival period under stress scenarios.
- Income recurrence and profitability: A sound margin-generation capacity supported by a recurrent business model based on the diversification of assets, a stable funding and a customer focus; combined with a moderate risk profile that limits the credit losses even under stress situations; all focused on allowing income stability and maximizing the risk-adjusted profitability.

In addition, the core metrics define, in quantitative terms, the principles and the target risk profile set out in the risk appetite statement and are in line with the strategy of the Group. Each metric have three thresholds (traffic-light approach) ranging from a standard business management to higher deterioration levels: Management reference, Maximum appetite and Maximum capacity. The Group’s Core metrics are:

	Metric
Solvency	**Economic Solvency**
	Regulatory Solvency: CET1 Fully Loaded
Liquidity and Funding	**Loan to Stable Costumer Deposits** (LTSCD)
	Liquidity Coverage Ratio (LCR)
Income recurrence and profitability	**Net margin / Average Total Assets**
	Cost of Risk
	Return on Equity (ROE)

By type of risk metrics and statements

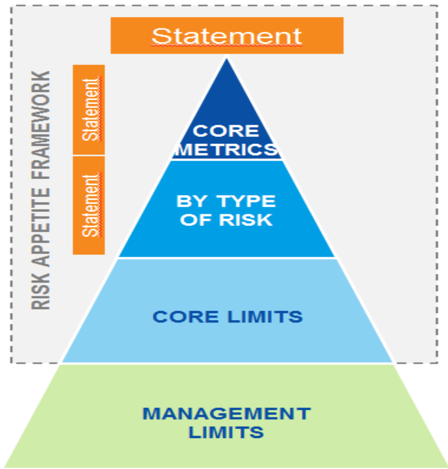
Based on the core metrics, statements are established for each type of risk reflecting the main principles governing the management of that risk and several metrics are calibrated, compliance with which enables compliance with the core metrics and the statement of the Group. By type of risk metrics define the strategic positioning per type of risk and have a maximum appetite level.

Basic limits structure (core limits)

The purpose of the basic limits structure or core limits is to manage risks on an ongoing basis within the thresholds tolerated by core and "by type of risk" metrics; so they are a breakdown by geography and portfolio of the same metrics or complementary metrics.

In addition to this framework, there’s a Management limits level that is defined and managed by the Risk Area developing the core limits, in order to ensure that the early management of risks by subcategories or by subportfolios complies with that core limits and, in general, with the risk appetite framework.

The following graphic summarizes the structure of BBVA's Risk appetite framework:



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

The risk appetite framework defined by the Group expresses the levels and types of risk that the Bank is willing to assume to be able to implement its strategic plan with no relevant deviations, even in situations of stress. The risk appetite framework is integrated in the management and determines the basic lines of activity of the Group, because it sets the framework within the budget is developed.

During 2016, the Risk Appetite metrics evolved in line with the set profile.

5.1.3 Decisions and processes

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

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

Standardized regulatory framework

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

This process aims for the following objectives:

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

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

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

Risk planning

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

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

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

Daily risk management

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

The risk management cycle is composed of 5 elements:

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

5.1.4 Assessment, monitoring and reporting

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

- Assess compliance with the risk appetite framework at the present time, through monitoring of the core metrics, metrics by type of risk and the basic structure of limits.
- Assess compliance with the risk appetite framework in the future, through the projection of the risk appetite framework variables, in both a baseline scenario determined by the budget and a risk scenario determined by the stress tests.
- Identify and assess the risk factors and scenarios that could compromise compliance with the risk appetite framework, through the development of a risk repository and an analysis of the impact of those risks.
- Act to mitigate the impact in the Bank of the identified risk factors and scenarios, ensuring this impact remains within the target risk profile.
- Monitor the key variables that are not a direct part of the risk appetite framework, but that condition its compliance. These can be either external or internal.

This process is integrated in the activity of the risk units, both of the corporate area and in the business units, and it is carried out during the following phases:

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

5.1.5 Infrastructure

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

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

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

The principles that govern the Bank risk technology are:

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

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

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

5.2 Risk factors

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

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

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

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

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

- Macroeconomic and geopolitical risks

  According to the latest information available, global growth remains stable at approximately 3% year-on- year. Throughout the year there was an increase in the dynamism of global trade, the manufacturing cycle and the confidence indicators, due to lax monetary conditions, fiscal policies that, although not expansive, are also not cyclical, moderate raw material prices, especially oil prices (which favors the demand of importing economies) and the gradual reduction of the accumulated private leverage excess in developed economies. All of this would favor a slight improvement in global growth in 2017.

  The risks of this scenario are compounded by:

  - increasing vulnerabilities in China caused by the accumulation of corporate debt;
  - uncertainty about the effective implementation of Great Britain's UE exit process;
  - uncertainty arising from the potential increase in trade protectionism. All this in a complex geopolitical environment

  The remaining events that make up the uncertainties for 2017, which could affect the valuation of the Group's holdings in certain countries:

  - Upward inflationary pressure and downward pressure on Mexico's growth. The Central Bank of Mexico (Banxico) has continued the interest rate increases since the end of 2015, around 50 basis points per quarter, to 5.75% in December. Next steps are likely to go in the same direction to counteract upward inflationary pressure and expectations against the depreciation of the Mexican peso (in 2016, -13.1% year-on-year depreciation against the euro). This behavior results from the deterioration of Mexico's growth expectations, assuming a less favorable framework for trade relations with the United States.
  - In terms of geopolitical tensions in some geographies, it is noteworthy the uncertainty following the attempt of coup d'etat last July in Turkey, which together with the tightening of global financing conditions favors an intense slowdown in economic growth.

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

- Regulatory and reputational risks
  - Financial institutions are exposed to a complex and ever-changing regulatory and legal environment defined by governments and regulators. This can affect their ability to grow and the capacity of certain businesses to develop, and result in stricter liquidity and capital requirements with lower profitability ratios. The Bank constantly monitors changes in the regulatory framework that allow for anticipation and adaptation to them in a timely manner, adopt best practices and more efficient and rigorous criteria in its implementation.
  - The financial sector is under ever closer scrutiny by regulators, governments and society itself. Negative news or inappropriate behavior can significantly damage the Group's reputation and affect its ability to develop a sustainable business. The attitudes and behaviors of the group and its members are governed by the principles of integrity, honesty, long-term vision and best practices through, inter alia, internal control model, the Code of Conduct and Responsible Business Strategy of the Bank.

- Business, operational and legal risks
  - New technologies and forms of customer relationships: Developments in the digital world and in information technologies pose significant challenges for financial institutions, entailing threats (new competitors, disintermediation…) but also opportunities (new framework of relations with customers, greater ability to adapt to their needs, new products and distribution channels…).
  - Technological risks and security breaches: The financial entities are exposed to new threats such as cyber-attacks, theft of internal and customer databases, fraud in payment systems, etc. that require major investments in security from both the technological and human point of view. The Bank gives great importance to the active operational and technological risk management and control. One example was the early adoption of advanced models for management of these risks (AMA - Advanced Measurement Approach).
  - The financial sector is exposed to increased litigation, so that financial institutions face a large number of proceedings whose economic consequences are difficult to predict. The Group constantly manages and monitors these proceedings in order to defend their interests, making the adequate provisions in respect of such legal proceedings, when necessary, following the expert judgment of internal and external lawyers responsible for the legal aspects in accordance to the applicable regulations.

5.3 Credit risk

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

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

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

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

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

- At Group level: frameworks for action and standard rules of conduct are defined for handling risk, specifically, the circuits, procedures, structure and supervision.
- At the business area level: they are responsible for adapting the Group's criteria to the local realities of each geographical area and for direct management of risk according to the decision-making circuit:
  - Retail risks: in general, the decisions are formalized according to the scoring tools, within the general framework for action of each business area with regard to risks. The changes in weighting and variables of these tools must be validated by the corporate GRM area.
  - Wholesale risks: in general, the decisions are formalized by each business area within its general framework for action with regard to risks, which incorporates the delegation rule and the Group's corporate policies.

5.3.1 Maximum Credit risk exposure

BBVA maximum credit risk exposure (see definition below) by headings in the balance sheet as of December 31, 2016 and 2015 is provided below. It does not consider the availability of collateral or other credit enhancements to guarantee compliance with payment obligations. The details are broken down by financial instruments and counterparties.

		Millions of Euros	
Maximum Credit Risk Exposure	**Notes**	**2016**	**2015**
Financial assets held for trading	8	**15,417**	**18,107**
Debt securities		11,544	14,133
Equity instruments		3,873	3,974
Customer lending		-	-
Other financial assets designated at fair value through profit or loss	9	**-**	**-**
Loans and advances to credit institutions		-	-
Debt securities		-	-
Equity instruments		-	-
Available-for-sale financial assets	10	**29,360**	**49,945**
Debt securities		24,983	45,515
Equity instruments		4,377	4,430
Loans and receivables	11	**259,569**	**234,264**
Loans and advances to central banks		-	-
Loans and advances to credit institutions		26,597	25,145
Loans and advances to customers		221,966	204,900
Government		21,857	23,183
Agriculture		1,285	1,192
Industry		23,039	22,724
Real estate and construction		25,989	27,027
Trade and finance		28,515	25,982
Loans to individuals		102,949	84,875
Other		18,332	19,917
Debt securities		11,006	4,219
Held-to-maturity investments	12	**11,424**	**-**
Derivatives (trading and hedging)	8	**37,255**	**35,535**
Total Financial Assets Risk		**353,025**	**337,851**
Loan commitments given	29	60,863	47,751
Financial guarantees given	29	18,697	20,959
Other Commitments given	29	31,306	29,395
Total Loan commitments and financial guarantees		**110,866**	**98,105**
Total Maximum Credit Exposure		**463,891**	**435,956**

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

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

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

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

El detalle por contraparte y por producto de los préstamos y anticipos, neto de pérdidas por deterioro, clasificados en las distintas categorías de activos a 31 de diciembre de 2016 y 2015 se muestra a continuación:

Millions of euros

December 2016	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
On demand and short notice	-	372	-	1,760	8,371	1,759	12,262
Credit card debt		1	-	1	107	1,717	1,826
Trade receivables	-	1,042	-	140	9,254	70	10,506
Finance leases	-	42	-	4	2,805	199	3,050
Reverse repurchase loans	-	544	14,907	6,666	-	-	22,117
Other term loans	-	17,357	5,104	5,298	54,323	96,805	178,887
Advances that are not loans	-	2,405	6,585	1,980	773	94	11,837
Loans and advances	**-**	**21,763**	**26,596**	**15,849**	**75,633**	**100,644**	**240,485**
of which: mortgage loans [Loans collateralized by immovable property]		440	-	203	14,722	87,757	103,122
of which: other collateralized loans		544	14,908	6,669	1,870	596	24,587
of which: credit for consumption						7,240	7,240
of which: lending for house purchase						86,423	86,423
of which: project finance loans					7,918		7,918

Millions of euros

December 2015	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
On demand and short notice	-	783	-	2,002	9,013	1,400	13,198
Credit card debt		1	-	1	119	1,119	1,240
Trade receivables	-	920	-	77	8,349	71	9,417
Finance leases	-	42	-	1	2,619	167	2,829
Reverse repurchase loans	-	326	12,037	4,477	9	-	16,849
Other term loans	-	19,141	5,347	5,064	52,928	84,149	166,629
Advances that are not loans	-	2,103	7,762	1,990	463	87	12,405
Loans and advances	**-**	**23,317**	**25,146**	**13,613**	**73,499**	**86,993**	**222,568**
of which: mortgage loans [Loans collateralized by immovable property]		396	-	126	16,200	76,971	93,693
of which: other collateralized loans		359	12,033	4,535	3,346	536	20,809
of which: credit for consumption						5,457	5,457
of which: lending for house purchase						75,372	75,372
of which: project finance loans					9,183		9,183

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

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

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

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

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

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

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

- Financial instruments held for trading: The guarantees or credit enhancements obtained directly from the issuer or counterparty are implicit in the clauses of the instrument.
- Derivatives and hedging derivatives: In derivatives, credit risk is minimized through contractual netting agreements, where positive- and negative-value derivatives with the same counterparty are offset for their net balance. There may likewise be other kinds of guarantees, depending on counterparty solvency and the nature of the transaction.
- Financial assets designated at fair value through profit or loss and Available-for-sale financial assets: The guarantees or credit enhancements obtained directly from the issuer or counterparty are inherent to the structure of the instrument.
- Loans and receivables:
  - Loans and advances to credit institutions: These usually only have the counterparty's personal guarantee.
  - Loans and advances to customers: Most of these operations are backed by personal guarantees extended by the counterparty. There may also be collateral to secure loans and advances to customers (such as mortgages, cash guarantees, pledged securities and other collateral), or to obtain other credit enhancements (bonds, hedging, etc.).
  - Debt securities: The guarantees or credit enhancements obtained directly from the issuer or counterparty are inherent to the structure of the instrument.

  Collateralized loans granted by the Bank as of December 31, 2016 and 2015 excluding balances deemed impaired, is broken down in the previous tables and in Note 11.2

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

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

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

Scoring

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

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

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

Rating

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

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

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

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

The table below shows the abridged scale used to classify the BBVA Group's outstanding risk as of December 31, 2016:

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

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

The tables below outline the distribution of exposure, including derivatives, by internal ratings, to corporates, financial entities and institutions (excluding sovereign risk), of the main BBVA Group entities as of December 31, 2016 and 2015:

Credit Risk Distribution by Internal Rating	Amount (Millions of Euros)	%
AAA/AA	34,713	15.72%
A	49,879	22.59%
BBB+	38,844	17.59%
BBB	20,870	9.45%
BBB-	31,643	14.33%
BB+	19,448	8.81%
BB	7,812	3.54%
BB-	5,880	2.66%
B+	4,388	1.99%
B	1,784	0.81%
B-	1,542	0.70%
CCC/CC	4,004	1.81%
Total	**220,807**	**100.00%**

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

5.3.4 Financial assets past due but not impaired

The table below provides details by counterpart and by product of past due risks but not considered to be impaired, as of December 31, 2016 and December 31, 2015, listed by their first past-due date; as well as the breakdown of the debt securities and loans and advances individually and collectively estimated, and the specific allowances for individually estimated and for collectively estimated (see Note 2):

Millions of Euros

December 2016	Past due but not impaired			Impaired assets (*)	Carrying amount of the impaired assets	Specific allowances for financial assets, individually estimated	Specific allowances for financial assets, collectively estimated	Collective allowances for incurred but not reported losses	Accumulated write-offs
	≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days						
Debt securities	**-**	**-**	**-**	**216**	**96**	**(120)**	**-**	**(27)**	**-**
Loans and advances	**496**	**37**	**44**	**16,741**	**8,976**	**(2,674)**	**(5,091)**	**(1,663)**	**(21,601)**
Central banks	-	-	-	-	-	-	-	-	-
General governments	63		2	292	253	(19)	(20)	(2)	(13)
Credit institutions	-	-	-	5	-	-	(5)	(8)	(5)
Other financial corporations	18	-	1	8	5	(1)	(2)	(11)	-
Non-financial corporations	387	24	26	10,412	4,448	(2,296)	(3,667)	(888)	(17,347)
Households	28	12	15	6,024	4,270	(358)	(1,396)	(754)	(4,237)
TOTAL	**496**	**37**	**44**	**17,065**	**9,180**	**(2,794)**	**(5,091)**	**(1,691)**	**(21,601)**
Loans and advances by product, by collateral and by subordination									
On demand (call) and short notice (current account)	23	8	2	470	193	(65)	(211)		
Credit card debt	4	2	1	50	12	(1)	(38)		
Trade receivables	28	2	2	247	54	(43)	(150)		
Finance leases	11	1	1	197	68	(18)	(111)		
Reverse repurchase loans		-	-	-	-	-	-		
Other term loans	431	24	38	15,777	8,649	(2,547)	(4,582)		
Advances that are not loans		-	-	-	-	-	-		
of which: mortgage loans (Loans collateralized by inmovable property)	16	12	22	12,687	7,600	(1,181)	(3,906)		
of which: other collateralized loans	1	1		70	37	(18)	(16)		
of which: credit for consumption	3	3	3	347	83	(79)	(186)		
of which: lending for house purchase	15	5	8	5,015	3,872	(116)	(1,027)		
of which: project finance loans	136	-		152	13	(75)	(63)		

Millions of Euros

December 2015	Past due but not impaired ≤ 30 days	Past due but not impaired > 30 days ≤ 60 days	Past due but not impaired > 60 days ≤ 90 days	Impaired assets (*)	Carrying amount of the impaired assets	Specific allowances for financial assets, individually estimated	Specific allowances for financial assets, collectively estimated	Collective allowances for incurred but not reported losses	Accumulated write-offs
Debt securities	**-**	**-**	**-**	**32**	**11**	**(21)**	**-**	**(68)**	**-**
Loans and advances	**381**	**50**	**32**	**16,554**	**9,327**	**(2,850)**	**(4,376)**	**(1,355)**	**(16,904)**
Central banks	-	-	-	-	-	-	-	-	-
General governments	150	2	2	178	150	(12)	(16)	(15)	(17)
Credit institutions	-	-	-	21	5	(10)	(6)	(5)	(5)
Other financial corporations	2	-	-	11	2	(1)	(7)	(22)	-
Non-financial corporations	173	27	23	11,475	5,608	(2,368)	(3,500)	(994)	(13,485)
Households	57	21	7	4,870	3,562	(459)	(848)	(320)	(3,398)
TOTAL	**381**	**50**	**32**	**16,586**	**9,338**	**(2,872)**	**(4,376)**	**(1,423)**	**(16,904)**
Loans and advances by product, by collateral and by subordination									
On demand (call) and short notice (current account)	26	5	5	552	186	(101)	(265)		
Credit card debt	2	1	1	18	5	(0)	(13)		
Trade receivables	62	12	7	365	110	(93)	(161)		
Finance leases	8	1	1	155	66	(19)	(69)		
Reverse repurchase loans		-	-	-	-	-	-		
Other term loans	283	32	19	15,464	8,960	(2,637)	(3,867)		
Advances that are not loans		-	-	-	-	-	-		
of which: mortgage loans (Loans collateralized by inmovable property)	85	22	8	12,137	7,589	(1,425)	(3,123)		
of which: other collateralized loans	5			664	464	(145)	(55)		
of which: credit for consumption	10	4	2	239	80	(48)	(111)		
of which: lending for house purchase	36	12	2	3,986	3,181	(220)	(584)		
of which: project finance loans	1	-	1	186	75	(29)	(82)		

The breakdown of loans and advances of loans and receivables, impaired and accumulated impairment by sectors as of December 31, 2016 and 2015 is as follows:

	Millions of Euros		
December 2016	Non-performing	Accumulated impairment or Accumulated changes in fair value due to credit risk	Non-performing loans and advances as a % of the total
General governments	**292**	**(41)**	**1.3%**
Credit institutions	**5**	**(13)**	**0.0%**
Other financial corporations	**8**	**(14)**	**0.1%**
Non-financial corporations	**10,412**	**(6,851)**	**12.6%**
Agriculture, forestry and fishing	104	(56)	8.1%
Mining and quarrying	32	(28)	2.1%
Manufacturing	1,099	(668)	7.7%
Electricity, gas, steam and air conditioning supply	128	(84)	1.9%
Water supply	26	(7)	3.9%
Construction	5,098	(3,150)	33.5%
Wholesale and retail trade	1,205	(801)	12.1%
Transport and storage	129	(80)	3.4%
Accommodation and food service activities	408	(173)	13.1%
Information and communication	88	(41)	3.4%
Real estate activities	1,246	(760)	11.5%
Professional, scientific and technical activities	382	(293)	12.5%
Administrative and support service activities	148	(82)	5.8%
Public administration and defense, compulsory social security	10	(9)	5.0%
Education	20	(9)	9.3%
Human health services and social work activities	32	(11)	4.3%
Arts, entertainment and recreation	61	(29)	10.4%
Other services	195	(572)	3.7%
Households	**6,024**	**(2,508)**	**6.0%**
LOANS AND ADVANCES	**16,741**	**(9,428)**	**6.8%**

	Millions of Euros		
December 2015	**Non-performing**	**Accumulated impairment or Accumulated changes in fair value due to credit risk**	**Non-performing loans and advances as a % of the total**
General governments	**178**	**(42)**	**0.8%**
Credit institutions	**21**	**(21)**	**0.1%**
Other financial corporations	**11**	**(30)**	**0.1%**
Non-financial corporations	**11,475**	**(6,862)**	**14.3%**
Agriculture, forestry and fishing	88	(46)	7.4%
Mining and quarrying	115	(37)	6.1%
Manufacturing	1,094	(616)	8.1%
Electricity, gas, steam and air conditioning supply	96	(90)	1.4%
Water supply	27	(15)	3.9%
Construction	5,945	(3,569)	38.8%
Wholesale and retail trade	1,099	(639)	11.5%
Transport and storage	299	(162)	7.9%
Accommodation and food service activities	360	(179)	11.1%
Information and communication	55	(30)	2.4%
Real estate activities	1,117	(904)	10.1%
Professional, scientific and technical activities	828	(342)	25.8%
Administrative and support service activities	113	(62)	5.0%
Public administration and defense, compulsory social security	0	(0)	0.1%
Education	15	(5)	7.1%
Human health services and social work activities	38	(15)	5.7%
Arts, entertainment and recreation	48	(22)	13.5%
Other services	139	(128)	3.2%
Households	**4,870**	**(1,627)**	**5.5%**
LOANS AND ADVANCES	**16,554**	**(8,582)**	**7.2%**

As of December 31, 2016 and 2015, the accumulated financial income accrued with origin in the impaired assets that, as mentioned in Note 2.2.1 are not recognized in the accompanying income statements as there are doubts as to the possibility of their collection, were 2,164 and 2,041 million euros, respectively.

The changes in the year 2016 and 2015 of impaired financial assets and guarantees are as follow:

	Millions of Euros	
Changes in Impaired Financial Assets and Contingent Risks	**2016**	**2015**
Balance at the beginning	**17,017**	**19,500**
1) Additions	4,420	4,471
2) Decreases	(4,405)	(3,968)
Net additions (1)+(2)	**15**	**503**
Transfers to write-off	(3,336)	(2,880)
Exchange differences and others (*)	3,811	(107)
Balance at the end	**17,507**	**17,017**
Recoveries on entries (%)	**100**	**89**

(*) Includes in 2016 the balance amounts attributable to Catalunya Banc upon its consolidation increased to €3,477 million.

The changes in the year 2016 and 2015 in financial assets derecognized from the accompanying balance sheet as their recovery is considered unlikely (hereinafter "write-offs"), is shown below:

	Millions of Euros	
Changes in Impaired Financial Assets Written-Off from the Balance Sheet	**2016**	**2015**
Balance at the beginning	**16,905**	**16,431**
Increase:	**6,421**	**4,948**
Assets of remote collectability	3,336	2,880
Past-due and not collected income	1,180	2,068
Contributions by mergers	1,905	-
Decrease:	**(1,728)**	**(4,479)**
Re-financing or restructuring	(31)	(25)
Cash recovery (Note 47)	(448)	(380)
Foreclosed assets	(150)	(105)
Sales of written-off	-	-
Debt forgiveness	(845)	(3,019)
Time-barred debt and other causes	(254)	(950)
Net exchange differences	**3**	**5**
Balance at the end	**21,601**	**16,905**

As indicated in Note 2, although they have been derecognized from the balance sheet, the BBVA Group continues to attempt to collect on these written-off financial assets, until the rights to receive them are fully extinguished, either because it is time-barred financial asset, the financial asset is condoned, or other reasons.

5.3.5 Impaired assets and impairment losses

The table below shows the composition of the impaired financial assets and guarantees given as of December 31, 2016 and 2015, broken down by heading in the accompanying balance sheet:

	Millions of euros							
December 2016	Opening balance	Increases due toamounts set aside for estimated loan losses during the period	Decreases due toamounts reversed for estimated loan losses during the period	Decreases due toamounts taken against allowances	Transfers between allowances	Other adjustments	Closing balance	Recoveries recorded directly to the statement of profit or loss
Equity instruments								
Specific allowances for financial assets, individually estimated	**(2,872)**	**(97)**	**115**	**149**	**368**	**(457)**	**(2,794)**	**-**
Debt securities	**(21)**	**(164)**	**3**	**64**	**-**	**(1)**	**(120)**	**-**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	(20)	-	-	5	-	-	(15)	-
Other financial corporations	(2)	(26)	-	26	-	-	(2)	-
Non-financial corporations	-	(138)	3	33	-	(1)	(103)	-
Loans and advances	**(2,850)**	**68**	**112**	**85**	**368**	**(456)**	**(2,674)**	**-**
Central banks	-	-	-	-	-	-	-	-
General governments	(12)	6	2	-	(12)	(3)	(19)	-
Credit institutions	(10)	-	-	-	10	-	-	-
Other financial corporations	(1)	-	-	-	5	(5)	(1)	-
Non-financial corporations	(2,368)	(54)	81	83	339	(377)	(2,296)	-
Households	(459)	115	29	2	26	(71)	(358)	-
Specific allowances for financial assets, collectively estimated	**(4,376)**	**(3,665)**	**1,742**	**3,182**	**133**	**(2,106)**	**(5,091)**	**448**
Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-
Loans and advances	**(4,376)**	**(3,665)**	**1,742**	**3,182**	**133**	**(2,106)**	**(5,091)**	**448**
Central banks	-	-	-	-	-	-	-	-
General governments	(16)	(5)	18	6	(15)	(7)	(20)	1
Credit institutions	(6)	-	-	-	-	-	(5)	-
Other financial corporations	(7)	2	7	-	(1)	(4)	(2)	-
Non-financial corporations	(3,500)	(2,680)	1,467	2,720	(309)	(1,365)	(3,667)	279
Households	(848)	(982)	250	456	458	(730)	(1,396)	168
Collective allowances for incurred but not reported losses on financial assets	**(1,423)**	**262**	**264**	**5**	**194**	**(993)**	**(1,691)**	**-**
Debt securities	(68)	(12)	-	-	53	-	(27)	-
Loans and advances	(1,355)	274	264	5	142	(993)	(1,663)	-
Total	**(8,672)**	**(3,500)**	**2,121**	**3,336**	**696**	**(3,556)**	**(9,575)**	**448**

(*) Includes the impact of the merger of Catalunya Banc

	Millions of euros							
December 2015	**Opening balance**	**Increases due toamounts set aside for estimated loan losses during the period**	**Decreases due toamounts reversed for estimated loan losses during the period**	**Decreases due toamounts taken against allowances**	**Transfers between allowances**	**Other adjustments**	**Closing balance**	**Recoveries recorded directly to the statement of profit or loss**
Equity instruments								
Specific allowances for financial assets, individually estimated	**(2,504)**	**(573)**	**136**	**106**	**(37)**	**(1)**	**(2,872)**	**-**
Debt securities	**(21)**	**(4)**	**4**	**-**	**(0)**	**(0)**	**(21)**	**-**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	(17)	(2)	1	-	(1)	(0)	(20)	-
Other financial corporations	(4)	(2)	4	-	1	(0)	(2)	-
Non-financial corporations	-	-	-	-	-	-	-	-
Loans and advances	**(2,483)**	**(568)**	**132**	**106**	**(37)**	**(0)**	**(2,850)**	**-**
Central banks	-	-	-	-	-	-	-	-
General governments	(9)	(4)	0	-	1	(0)	(12)	-
Credit institutions	(13)	-	3	-	-	-	(10)	-
Other financial corporations	-	(1)	-	-	(0)	-	(1)	-
Non-financial corporations	(2,156)	(398)	128	105	(47)	(0)	(2,368)	-
Households	(306)	(166)	2	1	10	-	(459)	-
Specific allowances for financial assets, collectively estimated	**(6,228)**	**(2,300)**	**951**	**2,772**	**433**	**(3)**	**(4,376)**	**380**
Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-
Loans and advances	**(6,228)**	**(2,300)**	**951**	**2,772**	**433**	**(3)**	**(4,376)**	**380**
Central banks	-	-	-	-	-	-	-	-
General governments	(16)	(4)	5	3	(3)	(0)	(16)	-
Credit institutions	(4)	(11)	0	-	9	(0)	(6)	1
Other financial corporations	(4)	(26)	0	22	0	-	(7)	-
Non-financial corporations	(4,837)	(1,643)	823	2,058	103	(3)	(3,500)	212
Households	(1,367)	(616)	123	688	324	(0)	(848)	167
Collective allowances for incurred but not reported losses on financial assets	**(1,466)**	**106**	**9**	**2**	**(71)**	**(4)**	**(1,423)**	**-**
Debt securities	(3)	-	-	-	(65)	-	(68)	-
Loans and advances	(1,463)	106	9	2	(6)	(4)	(1,355)	-
Total	**(10,198)**	**(2,767)**	**1,096**	**2,880**	**325**	**(8)**	**(8,672)**	**380**

5.4 Market risk

5.4.1 Trading portfolio activities

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

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

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

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

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

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

With respect to the risk measurement models used in BBVA Group, the Bank of Spain has authorized the use of the internal model to determine bank capital requirements deriving from risk positions on the BBVA S.A. and BBVA Bancomer trading book, which jointly account for around 66% of the Group's trading-book market risk. For the rest of the geographical areas (South America, Garanti and Compass), bank capital for the risk positions in the trading book is calculated using the standard model.

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

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

VaR figures are estimated following two methodologies:

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

In the case of South America, a parametric methodology is used to measure risk in terms of VaR except in BBVA Chile and BBVA Colombia, where historical simulation methodolody is used.

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

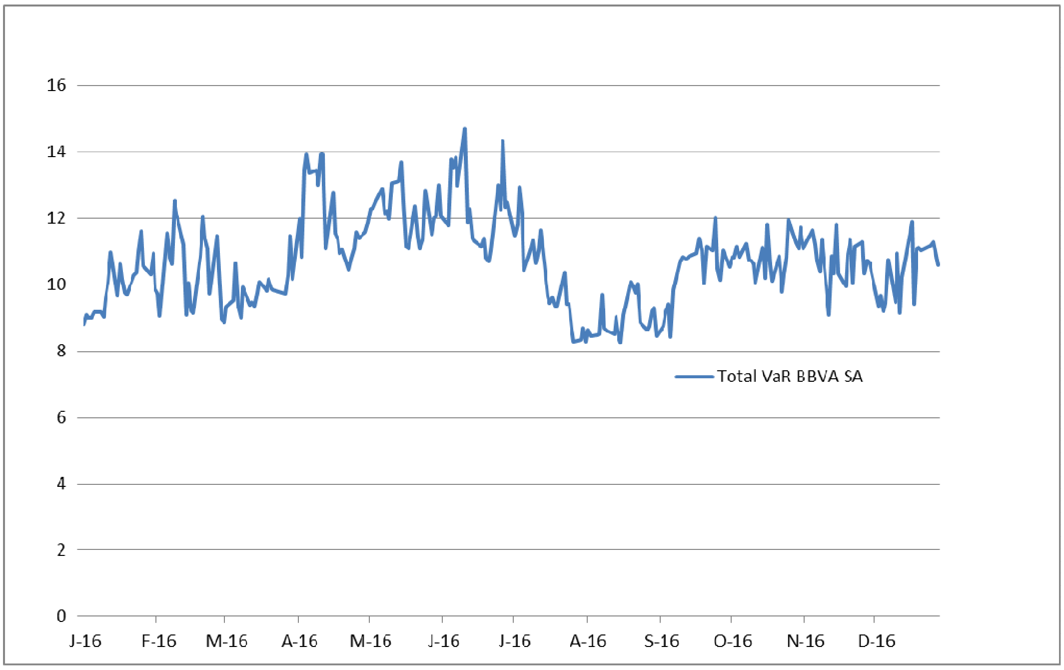
- VaR: In regulatory terms, the charge for VaR Stress is added to the charge for VaR and the sum of both (VaR and VaR Stress) is calculated. This quantifies the loss associated with movements in the risk factors inherent in market operations (interest rate, FX, equity, credit, etc.). Both VaR and Stressed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

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

Market risk in 2016

The Group's market risk remains at low levels compared with the aggregates of risks managed by BBVA, particularly in the case of credit risk. This is due to the nature of the business. In 2016, the market risk of trading book increase slightly versus the previous year and, in terms of VaR, stood at €11 million at the close of the period.

The average VaR for 2016 stood at €11 million, in comparison with the €11 million registered in 2015, with a high for the year on day June 13 at €15 million.



By type of market risk assumed by the Bank's trading portfolio, the main risk factor in the Group is linked to Interest rates (this figure includes the spread risk), accounting for 46% of the total weight at the end of 2016, increasing its relative weight (vs. 39% at the end of 2015). Volatility and correlation risk amounts 36%, its relative weight is lower than the figure at the end of 2015 (46%). Exchange-rate risk accounts for 14%, an increase on the figure 12 months prior (10%), while equity risk accounts for 5%, higher than the 4% accounted at the end of 2015.

	Millions of euros	
Market risk by risk factor	**2016**	**2015**
Interest + credit spread	12	8
Exchange rate	4	2
Equity	1	1
Volatility	10	9
Diversification effect (*)	(16)	(10)
Total	**11**	**9**
Average VaR	**11**	**11**
Maximum VaR	**15**	**15**
Minimum VaR	**8**	**8**

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

Validation of the model

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

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

Two types of backtesting have been carried out in 2016:

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

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

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

In the period between the end of 2015 and the end of 2016,, it was carried out the backtesting of the internal VaR calculation model, comparing the daily results obtained with the estimated risk level estimated by the VaR calculation model. At the end of the year the comparison showed the model was working correctly, within the "green" zone (0-4 exceptions), thus validating the model, as has occurred each year since the internal market risk model was approved for the Group.

Stress test analysis

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

Historical scenarios

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

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

Simulated scenarios

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

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

5.4.2 Structural risk

The Assets and Liabilities Committee (ALCO) is the key body for the management of structural risks relating to liquidity/funding, interest rates, currency and solvency. Every month, with representatives from the areas of Finance, Risks and Business Areas, this committee monitors the above risks and is presented with proposals for managing them for its approval. These management proposals are made proactively by the Finance area, taking into account the risk appetite framework and with the aim of guaranteeing recurrent earnings and preserving the entity's solvency. All the balance-sheet management units have a local ALCO, assisted constantly by the members of the Corporate Center. There is also a corporate ALCO where the management strategies in the Group's subsidiaries are monitored and presented.

Structural interest-rate risk

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

ALCO monitors the interest-rate risk metrics and the Finance area carries out the management proposals for the structural balance sheet. The management objective is to ensure the stability of net interest income and book value in the face of changes in market interest rates, while respecting the internal solvency and limits in the different balance-sheets and for BBVA Group as a whole; and complying with current and future regulatory requirements.

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

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

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

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

In 2016 in Europe monetary policy has remained expansionary, which pushed interest rates lower, towards more negative levels in short term rates. In The United States, Fed's reference interest rate continues the upward cycle initiated in 2015. While in Mexico, the upward interest rates cycle has intensified given the Mexican peso evolution and the inflation prospects, setting the rates level at the maximum since 2009. In Turkey, the weakness of the Turkish lira has led to a rise in rates in the last quarter of the year following declines in the first three quarters. The main economies of South America appear to have completed the cycle of increases initiated at the end of 2015.

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

Structural equity risk

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

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

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

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

In the market, it is remarkable the underperformance of European stock markets in 2016, while main US stock exchange indices have reached historical maximum levels. It is also noteworthy the upsurge in stock prices volatililty , and the initial shock in the financial markets after the Brexit, due to the policy uncertainty that this process entails and its potential impact on the Eurozone growth expectations. This effect led to a deterioration of capital gains accumulated in the Group's equity portfolios as of the end of June, although it faded away as main equity indices have recovered pre-Brexit levels.

Structural equity risk, measured in terms of economic capital, has decreased in the period as a result of the reduction of the stake in China Citic Bank, along with lower positioning in some sectors. Stress tests and analyses of sensitivity to different simulated scenarios are carried out periodically to analyze the risk profile in more depth. They are based on both past crisis situations and forecasts made by BBVA Research. This checks that the risks are limited and that the tolerance levels set by the Group are not at risk.

5.4.3 Financial instrument netting

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

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

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

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

The assets and liabilities subject to contractual netting rights at the time of their settlement are presented below as of December 31, 2016.

Millions of euros

2016	Gross Amounts Recognized (A)	Gross Amounts Offset in the Condensed Consolidated Balance Sheets (B)	Net Amount Presented in the Condensed Consolidated Balance Sheets (C=A-B)	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheets (D)		Net Amount (E=C-D)
				Financial Instruments	Cash Collateral Received/ Pledged	
Trading and hedging derivatives	56,887	13,278	43,609	33,162	6,462	3,985
Reverse repurchase, securities borrowing and similar agreements	22,120	-	22,120	22,200	61	(141)
Total Assets	79,007	13,278	65,729	55,362	6,523	3,844
Trading and hedging derivatives	56,210	13,771	42,439	33,162	6,843	2,434
Repurchase, securities lending and similar agreements	31,275	-	31,275	31,646	13	(384)
Total Liabillities	87,485	13,771	73,714	64,808	6,856	2,051

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

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

5.5 Liquidity risk

5.5.1 Management of liquidity

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

A liquidity pool is maintained at an individual entity level, both in Banco Bilbao Vizcaya Argentaria, S.A. and in the banking subsidiaries.The table below shows the liquidity available by instrument as of December 31, 2016 based on the prudential supervisory information:

2016	BBVA Eurozone (1)
Cash and balances with central banks	16,038
Assets for credit operations with central banks	50,706
Central governments issues	30,702
Of Which: Spanish government securities	23,353
Other issues	20,005
Loans	-
Other non-eligible liquid assets	6,884
ACCUMULATED AVAILABLE BALANCE	**73,629**
AVERAGE BALANCE	**68,322**

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

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

As first core element, The Bank's target behavior in terms of liquidity and funding risk is characterized through the Liquidity Coverage Ratio (LCR) and the Loan-to-Stable-Customer-Deposits (LtSCD) ratio. LCR is a regulatory measurement aimed at ensuring entities' resistance in a scenario of liquidity stress within a time horizon of 30 days. BBVA, within its risk appetite framework and its limits and alerts scheme, has established a level of requirement for compliance with the LCR ratio both for the Group as a whole and for each of the LMUs individually. The internal levels required are geared to comply sufficiently and efficiently in advance with the implementation of the regulatory requirement of 2018, at a level above 100%.

Throughout 2016 the level of the LCR for BBVA Group has remained above 100%. At the European level the LCR ratio was effective beginning October 1, 2015, with an initial required level of 60%, and a phased-in level of up to 100% in 2018.

The LtSCD measures the relation between the net credit investment and stable funds.The aim is to preserve a stable funding structure in the medium term for each of the LMUs making up BBVA Group, taking into account that maintaining an adequate volume of stable customer funds is key to achieving a sound liquidity profile.

Customer funds captured and managed by business units are defined as stable customer funds. These funds usually show little sensitivity to market changes and are largely non-volatile in terms of aggregate amounts per operation, thanks to customer linkage to the unit. Stable funds in each LMU are calculated by analyzing the behavior of the balance sheets of the different customer segments identified as likely to provide stability to the funding structure, and by prioritizing an established relationship and applying bigger haircuts to the funding lines of less stable customers. The main base of stable funds is composed of deposits by individual customers and small businesses.

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

The second core element in liquidity and funding risk management is to achieve proper diversification of the funding structure, avoiding excessive reliance on short-term funding and establishing a maximum level of short-term borrowing comprising both wholesale funding as well as volatile funds from customers. Regarding long-term funding, the maturity profile does not show significant concentrations, which enables adaptation of the anticipated issuance schedule to the best financial conditions of the markets. Finally, concentration risk is monitored at the LMU level, with a view to ensuring the right diversification both per counterparty and per instrument type.

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

Stress analyses are also a basic element of the liquidity and funding risk monitoring system, as they help anticipate deviations from the liquidity targets and limits set out in the risk appetite as well as establish tolerance ranges at different management levels. They also play a key role in the design of the Liquidity Contingency Plan and in defining the specific measures for action for realigning the risk profile.

For each of the scenarios, a check is carried out whether the Bank has a sufficient liquid assets to meet the liquidity commitments/outflows in the various periods analyzed. The analysis considers four scenarios, one core and three crisis-related: systemic crisis; unexpected internal crisis with a considerable rating downgrade and/or affecting the ability to issue in wholesale markets and the perception of business risk by the banking intermediaries and the bank's customers; and a mixed scenario, as a combination of the two aforementioned scenarios. Each scenario considers the following factors: liquidity existing on the market, customer behavior and sources of funding, impact of rating downgrades, market values of liquid assets and collateral, and the interaction between liquidity requirements and the performance of the bank's asset quality.

The results of these stress analyses carried out regularly reveal that BBVA has a sufficient buffer of liquid assets to deal with the estimated liquidity outflows in a scenario such as a combination of a systemic crisis and an unexpected internal crisis, during a period in general longer than 3 months for LMUs, including a major downgrade in the bank's rating (by up to three notches).

Beside the results of stress exercises and risk metrics, Early Warning Indicators play an important role in the corporate model and also in the Liquidity Contingency Plan. These are mainly financing structure indicators, related to asset encumbrance, counterparty concentration, outflows of customer deposits, unexpected use of credit lines, and market indicators, which help to anticipate potential risks and capture market expectations.

Long and short term wholesale funding markets were stable in 2016. The ECB carried out the new program Targeted Longer-Term Refinancing Operations (TLTRO II), based on four quarterly targeted 4 years refinancing operations, with the aim of boosting channeled lending and improving financial conditions for the whole European economy. In the first auction the Euro LMU took €23.7 billion after amortizing €14 billion in previous TLTRO auctions. In addition, over the whole year the Euro LMU made issues in the public market for €6,350 million, which has allowed it to obtain funding at favorable price conditions.

In this context, BBVA has maintained its objective of strengthening the funding structure of the different Group entities based on growing their self-funding from stable customer funds, while guaranteeing a sufficient buffer of fully available liquid assets, diversifying the various sources of funding available, and optimizing the generation of collateral available for dealing with stress situations in the markets.

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

Millions of Euros

December 2016 Contractual Maturities	Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 9 Months	9 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	Over 5 Years	Total
Cash, cash balances at central banks and other demand deposits	2,213	13,825	-	-	-	-	-	-	-	-	16,038
Deposits in credit entities	-	839	61	38	5	28	1	-	21	4,262	5,255
Deposits in other financial institutions	-	630	548	159	87	141	405	424	639	259	3,292
Reverse repo, securities borrowing and margin lending	-	19,533	542	523	-	428	500	285	124	189	22,125
Loans and Advances	82	9,498	9,744	8,607	6,395	6,601	19,354	13,829	24,924	87,304	186,338
Securities' portfolio settlement	-	210	2,460	2,351	1,058	2,620	13,636	4,083	5,311	30,904	62,633

Millions of Euros

December 2015 Contractual Maturities	Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 9 Months	9 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	Over 5 Years	Total
Cash, cash balances at central banks and other demand deposits	2,025	10,501	-	-	-	-	-	-	-	-	12,526
Deposits in credit entities	92	1,039	466	101	31	3	39	5	1	3,908	5,687
Deposits in other financial institutions	5	381	179	230	206	154	106	419	920	268	2,869
Reverse repo, securities borrowing and margin lending	-	8,179	853	432	201	2,323	10	-	117	343	12,458
Loans and Advances	67	11,002	9,510	9,615	5,839	9,003	15,591	13,681	22,959	94,219	191,486
Securities' portfolio settlement	25	3,006	2,663	3,039	2,350	2,527	9,120	6,906	11,721	80,626	121,982

	Millions of Euros										
December 2016 Contractual Maturities	**Demand**	**Up to 1 Month**	**1 to 3 Months**	**3 to 6 Months**	**6 to 9 Months**	**9 to 12 Months**	**1 to 2 Years**	**2 to 3 Years**	**3 to 5 Years**	**Over 5 Years**	**Total**
Wholesale funding	-	7,026	1,980	3,938	1,768	4,603	4,740	1,687	8,465	21,263	55,470
Deposits in financial institutions	1,949	3,558	469	196	396	332	53	10	-	2,328	9,291
Deposits in other financial institutions and international agencies	12,670	4,502	6,039	2,013	1,693	761	5	4	51	253	27,992
Customer deposits	96,186	10,172	11,116	9,852	8,947	9,442	5,368	4,647	775	1,875	158,379
Securitiy pledge funding	-	22,791	3,327	522	486	912	51	174	23,795	1,608	53,666
Derivatives (net)	-	(2,017)	(1)	(1)	(3)	4	-	(1)	-	-	(2,018)

	Millions of Euros										
December 2015 Contractual Maturities	**Demand**	**Up to 1 Month**	**1 to 3 Months**	**3 to 6 Months**	**6 to 9 Months**	**9 to 12 Months**	**1 to 2 Years**	**2 to 3 Years**	**3 to 5 Years**	**Over 5 Years**	**Total**
Wholesale funding	-	3,464	6,004	3,490	724	3,686	12,260	4,301	5,294	22,051	61,277
Deposits in financial institutions	2,317	3,485	1,012	453	575	164	1,437	828	1,179	3,910	9,655
Deposits in other financial institutions and international agencies	11,052	7,083	5,427	2,746	2,411	2,041	91	1	7	273	31,133
Customer deposits	79,195	11,919	14,616	10,945	10,670	11,482	9,269	2,937	320	1,097	152,449
Securitiy pledge funding	-	27,990	10,870	509	102	834	451	13,989	196	978	55,921
Derivatives (net)	-	(2,746)	(4)	(11)	(3)	(2)	(1)	-	-	-	(2,768)

5.5.2 Encumbered Assets

As of December 31, 2016, the encumbered (given as collateral for certain liabilities) and unencumbered assets ate broken down as follows:

	Millions of Euros			
	Encumbered assets		Unencumbered assets	
2016 Assets	**Book value**	**Fair value**	**Book value**	**Fair Value**
Equity instruments	2,214	2,214	5,166	5,166
Debt Securities	18,448	18,241	41,018	41,336
Other assets	79,321	-	272,280	-

The committed value of "Loans and Advances and other assets" corresponds mainly to loans linked to the issue of covered bonds, territorial bonds or long-term securitized bonds (see Note 20) as well as those used as a guarantee to access certain funding transactions with central banks. Debt securities and equity instruments respond to underlying that are delivered in repos with different types of counterparties, mainly clearing houses or credit institutions, and to a lesser extent central banks. Collateral provided to guarantee derivative operations is also included as committed assets.

As of December 31, 2016 collateral pledge mainly due to repurchase agreements and securities lending, and those which could be committed in order to obtain funding are provided below:

	Millions of Euros		
2016 Collateral received	**Fair value of encumbered collateral received or own debt securities issued**	**Fair value of collateral received or own debt securities issued available for encumbrance**	**Fair value of collateral received or own debt securities issued not available for encumbrance**
Collateral received	**16,683**	**6,782**	**-**
Equity instruments	58	-	-
Debt securities	16,625	6,782	-
Other collateral received	-	-	-
Own debt securities issued other than own covered bonds or ABSs	5	126	-

As of December 31, 2016, financial liabilities issued related to encumbered assets in financial transactions as well as their book value were as follows:

	Millions of Euros	
2016 Sources of encumbrance	**Matching liabilities, contingent liabilities or securities lent**	**Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered**
Book value of financial liabilities	99,003	116,672
Derivatives	7,220	7,408
Loans and Advances	62,836	71,444
Outstanding subordinated debt	28,946	35,623
Other sources	-	2,197

5.6 Operational Risk

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

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

Operational risk management framework

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

- Active management of operational risk and its integration into day-to-day decision-making means:
  - Knowledge of the real losses associated with this type of risk.
  - Identification, prioritization and management of real and potential risks.
  - The existence of indicators that enable the Bank to analyze operational risk over time, define warning signals and verify the effectiveness of the controls associated with each risk.

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

- Improved control environment and strengthened corporate culture.
- Generation of a positive reputational impact.
- Model based on three lines of defense, aligned with international best practices.

Operational Risk Management Principles

Operational risk management in BBVA Group should:

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

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

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

6 Fair value of financial instruments

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

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

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

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

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

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

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

- *Level 1*: Measurement using market observable quoted prices for the financial instrument in question, secured from independent sources and referred to active markets - according to the Group policies. This level includes listed debt securities, listed equity instruments, some derivatives and mutual funds.
- *Level 2:* Measurement that applies techniques using inputs drawn from observable market data.
- *Level 3:* Measurement using techniques where some of the material inputs are not taken from market observable data. As of December 31, 2016, the affected instruments accounted for approximately 0.06% of financial assets and 0.01% of the Group's financial liabilities registered at fair value. Model selection and validation is undertaken by control areas outside the market units.

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

Fair Value and Carrying Amount	Notes	2016 Carrying Amount	2016 Fair Value	2015 Carrying Amount	2015 Fair Value
		Millions of Euros			
ASSETS-					
Cash and balances with central banks	7	15,855	15,855	11,191	11,191
Financial assets held for trading	8	57,440	57,440	58,606	58,606
Available-for-sale financial assets	10	29,004	29,004	50,601	50,601
Loans and receivables	11	251,487	253,285	226,781	228,675
Held-to-maturity investments	12	11,424	11,507	-	-
Derivatives – Hedge accounting	13	1,586	1,586	1,714	1,714
LIABILITIES-					
Financial liabilities held for trading	8	48,265	48,265	46,973	46,973
Financial liabilities at amortized cost	20	319,884	324,812	303,095	304,875
Hedging derivatives	13	1,488	1,488	1,542	1,542

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

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

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

Fair Value of financial Instruments by Levels	Notes	2016 Level 1	2016 Level 2	2016 Level 3	2015 Level 1	2015 Level 2	2015 Level 3
		Millions of Euros					
ASSETS-							
Financial assets held for trading	**8**	**16,053**	**41,207**	**180**	**18,894**	**39,554**	**158**
Loans and advances		-	-	-	-	-	-
Debt securities		11,109	412	24	13,692	417	24
Equity instruments		3,769	7	96	3,880	2	92
Derivatives		1,175	40,788	60	1,322	39,135	42
Available-for-sale financial assets	**10**	**28,066**	**752**	**30**	**49,539**	**912**	**22**
Debt securities		24,717	751	30	45,650	911	22
Equity instruments		3,349	1	-	3,889	1	-
Hedging Derivatives	**13**	**-**	**1,586**	**-**	**-**	**1,714**	**-**
LIABILITIES-							
Financial liabilities held for trading	**8**	**8,230**	**39,989**	**47**	**8,172**	**38,764**	**37**
Derivatives		916	39,989	47	919	38,764	37
Short positions		7,314	-	-	7,253	-	-
Hedging Derivatives	**13**	**-**	**1,488**	**-**	**-**	**1,542**	**-**

The heading “Available-for-sale financial assets” in the accompanying balance sheets as of December 31, 2016 and 2015 additionally includes €156 and €128 million, respectively, accounted for at cost, as indicated in the section of this Note entitled “Financial instruments at cost”.

The following table sets forth the main measurement techniques, hypothesis and inputs used in the estimation of fair value of the financial instruments classified under Levels 2 and 3, based on the type of financial asset and liability and the corresponding balances as of December 31, 2016:

Financial Instruments Level 2	Fair Value (Millions of euros)	Valuation technique(s)	Unobservable inputs
Debt securities		**Present-value method** (Discounted future cash flows)	- Prepayment rates - Issuer credit risk - Current market interest rates
Financial assets held for trading	412		
Financial assets designated at fair value through profit or loss	-	**Active price in inactive market**	- Brokers/dealers quotes - External contributing prices - Market benchmarks
Available-for-sale financial assets	751	**Comparable pricing** (Observable price in a similar market)	
Equity instruments		**Comparable pricing** (Observable price in a similar market)	- Brokers quotes - Market operations - NAVs published
Financial assets held for trading	7		
Available-for-sale financial assets	1		
	-		
Derivatives		• Commodities: Discounted cash flows and moment adjustment • Credit products: Default model and Gaussian copula • Exchange rate products: Discounted cash flows, Black, Local Vol and Moment adjustment • Fixed income products: Discounted cash flows • Equity instruments: Local-Vol, Black, Moment adjustment and Discounted cash flows • Interest rate products: - Interest rate swaps, Call money Swaps y FRA: Discounted cash flows - Caps/Floors: Black, Hull-White y SABR - Bond options: Black - Swaptions: Black, Hull-White y LGM - Interest rate options: Black, Hull-White y SABR - Constant Maturity Swaps: SABR	- Exchange rates - Market quoted future prices - Market interest rates - Underlying assests prices: shares, funds, commodities - Market observable volatilities - Issuer credit spread levels - Quoted dividends - Market listed correlations
Derivatives			
Financial assets held for trading	40,788		
Financial liabilities held for trading	39,989		
Hedging Derivatives			
Assets	1,586		
Liability	1,488		

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

Financial Instruments Level 3	Fair Value (Millions of euros)	Valuation technique(s)	Unobservable inputs
Debt securities			
Financial assets held for trading	24	**Present-value method** (Discounted future cash flows)	- Credit spread - Recovery rates - Interest rates - Market benchmark
Available-for-sale financial assets	30	**Comparable pricing** (Comparison with prices of similar instruments)	- Prices of similar instruments or market benchmark
Equity instruments			
Financial assets held for trading	96	**Net Asset Value**	- NAV provided by the administrator of the fund
Available-for-sale financial assets	-	**Comparable pricing** (Comparison with prices of similar instruments)	- Prices of similar instruments or market benchmark
Derivatives		Credit Option: **Gaussian Copula**	- Correlation default - Credit spread - Recovery rates
Derivatives			
Trading asset portfolio	60	Equity OTC Options: **Heston**	- Volatility of volatility - Interest rate yields - Dividends - Assets correlation
Trading liability portfolio	47		
Hedging Derivatives		Interest rate options: **Libor Market Model**	- Beta - Correlation rate/credit - Credit default volatility
Liability	-		

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

Financial instrument	Valuation technique(s)	Significant unobservable inputs	Min	Max	Average	Units
Debt Securities	Net Present Value	Credit Spread	61.23	396.76	225.58	p.b.
		Recovery Rate	40.00%	61.46%	40.30%	%
	Comparable pricing		0.47%	93.40%	41.73%	%
Equity instruments	Net Asset Value		Too wide Range to be relevant			
	Comparable pricing					
Credit Option	Gaussian Copula	Correlation Default	0.48	0.73	0.67	%
Corporate Bond Option	Black 76	Price Volatillity		5.16		Vegas
Equity OTC Option	Heston	Forward Volatility Skew	79.58	79.58	79.58	Vegas
Interest Rate Option	Libor Market Model	Beta	0.25	18.00	9.00	%
		Correlation Rate/Credit	(100.00)	100.00		%
		Credit Default Volatility	0.00	0.00	0.00	Vegas

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

- The net present value: This model uses the future cash flows of each instrument, which are established in the different contracts, and discounted to their present value. This model often includes many observable market parameters, but may also include unobservable market parameters directly, as described below:
  - Credit Spread: represents the difference in yield of an instrument and the reference rate, reflecting the additional return that a market participant would require to take the credit risk of that instrument. Therefore, the credit spread of an instrument is part of the discount rate used to calculate the present value of future cash flows.
  - Recovery rate: defines how the percentage of principal and interest recovered from a debt instrument that has defaulted.

- Comparable prices: prices of comparable instruments and benchmarks are used to calculate its yield from the entry price or current rating making further adjustments to account for differences that may exist between valued asset and it is taken reference. It can also be assumed that the price of an instrument is equivalent to the other.
- Net asset value: represents the total value of the assets and liabilities of a fund and is published by the fund manager thereof.
- Gaussian copula: dependent on credit instruments of various references, the joint density function to integrate to value is constructed by a Gaussian copula that relates the marginal densities by a normal distribution, usually extracted from the correlation matrix of events approaching default by CDS issuers.
- Black 76: variant of Black Scholes model, which main application is the valuation of bond options, caps floors and swaptions to directly model the behavior of the Forward and not the own Spot.
- Heston: the model, typically applied to equity options assumes stochastic behavior of volatility. According to which, the volatility follows a process that reverts to a long-term level and is correlated with the underlying instrument. As opposed to local volatility models, in which the volatility evolves deterministically, the Heston model is more flexible, allowing it to be similar to that observed in the short term today.
- Libor market model: This model assumes that the dynamics of the interest rate curve can be modeled based on the set of forwards that compose the process. The correlation matrix is parameterized on the assumption that the correlation between any two forwards decreases at a constant rate, beta, to the extent of the difference in their respective due dates. The multifactorial frame of this model makes it ideal for the valuation of instruments sensitive to the slope or curve.

Adjustments to the valuation for risk of default

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

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

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

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

The impact recorded under "Net gains (losses) on financial asset and liabilities" in the income statement for the year ended December 31, 2016 corresponding to the credit risk assessment of the asset derivative positions as "Credit Valuation Adjustment" (CVA) and liabilities derivative position as "Debit Valuation Adjustment" (DVA), increased to -€199 million and €153 million, respectively. The impact recorded under "Gains or (-) losses on financial assets and liabilities held for trading, net" in the income statement corresponding to the mentioned adjustments was a net impact of -€18 million.

Financial assets and liabilities classified as Level 3

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

Financial Assets Level 3 Changes in the Period	2016 (Millions of Euros)		2015	
	Assets	Liabilities	Assets	Liabilities
Balance at the beginning	**180**	**37**	**166**	**36**
Changes in fair value recognized in profit and loss (*)	36	(6)	19	(2)
Changes in fair value not recognized in profit and loss	-	-	-	-
Acquisitions, disposals and liquidations	(23)	15	(77)	3
Net transfers to level 3	16	-	72	-
Exchange differences and others	-	-		
Balance at the end	**209**	**47**	**180**	**37**

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

In 2016, the profit/loss on sales of financial instruments classified as level 3 recognized in the accompanying income statement was not material.

Transfers between levels

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

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

The financial instruments transferred between the different levels of measurement in 2016 are at the following amounts in the accompanying balance sheets as of December 31, 2016:

Transfer between levels	From:	Level I (Millions of Euros)		Level 2		Level 3	
	To:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
ASSETS							
Financial assets held for trading		-	1	192	4	-	
Available-for-sale financial assets		56	-	259	10	-	
Hedging Derivatives		-	-	-	-	-	-
Total		**56**	**1**	**451**	**14**	**-**	**-**
LIABILITIES-							
Financial liabilities held for trading		-	-	-	-	-	-
Hedging Derivatives		-	-	-	-	-	-
Total		-	-	-	-	-	-

The amount of financial instruments that were transferred between levels of valuation for 2016 is insignificant relative to the total portfolios, basically corresponding to the above revisions of the classification between levels because these assets had modified some of its features . Specifically:

- The transfers between Tier 1 and 2 were produced mainly in debt securities, which are either no longer listed on an active market (transfer from Tier 1 to 2) or are just starting to be listed (transfer from Tier 2 to 1).
- The transfers from Tier 2 to Tier 3 are due €13 million to debt securities and €2 million to equity instruments for which observable data are not available in their valuation.

Sensitivity Analysis

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

As of December 31, 2016, the effect on the income and equity of changing the main hypotheses used for the measurement of Level 3 financial instruments for other reasonably possible models, taking the highest (most favorable hypotheses) or lowest (least favorable hypotheses) value of the range deemed probable, would be as follows:

	Millions of Euros			
	Potential Impact on Consolidated Income		Potential Impact on Total Equity	
Financial Assets Level 3 Sensitivity Analysis	Most Favorable Hypothesis	Least Favorable Hypothesis	Most Favorable Hypothesis	Least Favorable Hypothesis
ASSETS				
Financial assets held for trading	17	(30)	-	-
Available-for-sale financial assets	-	-	4	(3)
Hedging Derivatives	-	-		
LIABILITIES-				
Financial liabilities held for trading	-	-	-	-
Total	**17**	**(30)**	**4**	**(3)**

6.2 Fair value of financial instruments carried at cost

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

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

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

		Millions of Euros					
Fair Value of financial Instruments at amortized cost by Levels	Notes	2016			2015		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
ASSETS-							
Cash and cash balances at central banks	7	15,855	-	-	11,191	-	-
Loans and receivables	11	-	10,991	242,293	-	2,988	225,687
Held-to-maturity investments	12	11,496	11	-	-	-	-
LIABILITIES-		-	-	-			
Financial liabilities at amortized cost	20	-	-	324,812	-	-	304,875

The main valuation methods, hypotheses and inputs used to estimate the fair value of financial instruments accounted for at cost and classified in levels 2 and 3 is shown below. These are broken down by type of financial instrument and the balances correspond to those at December 31, 2016:

Financial Instruments Level 2	Fair Value (Millions of euros)	Valuation technique(s)	Unobservable inputs
Level 2			
Loans and receivables		**Present-value method** (Discounted future cash flows)	- Credit spread - Interest rates
Debt securities	10,991		
Level 3			
Loans and receivables		**Present-value method** (Discounted future cash flows)	- Credit spread - Prepayment rates - Market interest rates
Loans and advances to credit institutions	27,024		
Loans and advances to customers	215,260		
Debt securities	10		
Financial liabilities at amortized cost		**Present-value method** (Discounted future cash flows)	- Credit spread - Prepayment rates - Market interest rates
Deposits from central banks	26,629		
Deposits from credit institutions	45,143		
Customer deposits	210,830		
Debt certificates	35,133		
Other financial liabilities	7,077		

Financial instruments at cost

As of December 31, 2016 and 2015, equity instruments, derivatives with these equity instruments as underlying assets, and certain discretionary profit-sharing arrangements in some companies, are recognized at cost in the balance sheets because their fair value could not be reliably determined, as they are not traded in organized markets and, thus, their unobservable inputs are significant. On the above dates, the balance of these financial instruments recognized in the portfolio of available-for-sale financial assets amounted to €156 million and €128 million, respectively.

The table below outlines the financial assets and liabilities carried at cost that were sold in 2016 and 2015:

	Millions of Euros	
Sales of Financial Instruments at Cost	**December 2016**	**December 2015**
Amount of Sale (A)	149	29
Carrying Amount at Sale Date (B)	8	22
Gains/Losses (A-B)	**141**	**7**

7 Cash and cash balances at centrals and banks and other demands deposits and Financial liabilities measured at amortized cost

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

	Millions of Euros	
Cash and cash balances at central banks	**2016**	**2015**
Cash on hand	879	825
Cash balances at central banks	14,913	10,283
Other demand deposits	63	83
Total	**15,855**	**11,191**

		Millions of Euros	
Financial liabilities measured at amortised cost Deposits from Central Banks	**Notes**	**2016**	**2015**
Deposits from Central Banks (*)		26,505	19,238
Repurchase agreements	31	115	389
Accrued interest until expiration		9	15
Total	**20**	**26,629**	**19,642**

(*) The increase in this item is due to the participation in the different TLTRO programs (see Note 5.5)

8 Financial assets and liabilities held for trading

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

	Millions of Euros	
Financial Assets and Liabilities Held-for-Trading	**2016**	**2015**
ASSETS-		
Derivatives	42,023	40,499
Equity instruments	3,873	3,974
Debt securities	11,544	14,133
Total	**57,440**	**58,606**
LIABILITIES-		
Trading derivatives	40,951	39,720
Short positions	7,314	7,253
Other financial liabilities	-	-
Total	**48,265**	**46,973**

8.1 Debt securities

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

Financial Assets Held-for-Trading Debt securities by issuer	Millions of Euros 2016	 2015
Issued by Central Banks	-	-
Spanish government bonds	4,840	7,414
Foreign government bonds	5,306	4,843
Issued by Spanish financial institutions	218	329
Issued by foreign financial institutions	391	642
Other debt securities	789	905
Total	**11,544**	**14,133**

The debt securities included under Financial Assets Held for Trading earned average annual interest of 0.324% in 2016 (0.703% in 2015).

8.2 Equity instruments

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

Financial Assets Held-for-Trading Equity instruments by Issuer	Millions of Euros 2016	 2015
Shares of Spanish companies		
Credit institutions	781	804
Other sectors	935	1,193
Subtotal	**1,716**	**1,997**
Shares of foreign companies		
Credit institutions	246	285
Other sectors	1,753	1,495
Subtotal	**1,999**	**1,780**
Shares in the net assets of mutual funds	**158**	**197**
Total	**3,873**	**3,974**

8.3 Derivatives

The derivatives portfolio arises from the Bank's need to manage the risks incurred by it in the course of normal business activity, as well as commercializing these products to large corporations, mutual funds, etc. As of December 31, 2016 and 2015, derivatives are principally contracted in over-the-counter (OTC) markets, with credit entities other financial corporations, and related to foreign-exchange, interest-rate and equity risk.

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

	Millions of Euros		
Derivatives by type of risk / by product or by type of market - December 2016	**Assets**	**Liabilities**	**Notional amount - Total**
Interest rate	**27,265**	**25,540**	**1,477,601**
OTC options	3,270	3,379	210,629
OTC other	23,994	22,161	1,251,133
Organized market options	1	-	1,311
Organized market other	-	-	14,528
Equity	**2,008**	**1,985**	**87,107**
OTC options	745	990	44,538
OTC other	89	79	4,109
Organized market options	1,174	916	34,916
Organized market other	-	-	3,544
Foreign exchange and gold	**12,504**	**13,198**	**378,670**
OTC options	297	398	23,978
OTC other	12,207	12,800	354,691
Organized market options	-	-	-
Organized market other	-	-	-
Credit	**246**	**229**	**16,136**
Credit default swap	246	229	15,986
Credit spread option	-	-	150
Total return swap	-	-	-
Other	-	-	-
Commodity	**-**	**-**	**-**
Other	**-**	**-**	**-**
DERIVATIVES	**42,023**	**40,951**	**1,959,514**
of which: OTC - credit institutions	*25,693*	*27,835*	*816,295*
of which: OTC - other financial corporations	*10,391*	*8,923*	*990,992*
of which: OTC - other	*4,764*	*3,277*	*97,927*

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

9 Financial assets and liabilities at fair value through profit or loss

As of December 31, 2016 and 2015, this heading of the accompanying balance sheets had no balances.

10 Available-for-sale financial assets

10.1 Breakdown of the balance

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

	Millions of Euros	
Available-for-Sale Financial Assets	**2016**	**2015**
Debt securities	25,640	46,666
Impairment losses	(142)	(83)
Subtotal	**25,498**	**46,583**
Equity instruments	3,603	4,103
Impairment losses	(97)	(85)
Subtotal	**3,506**	**4,018**
Total	**29,004**	**50,601**

The amount of the heading "Available-for-sale financial assets - Debt securities" decreases in 2016 mainly due to the reclassification of certain debt securities to the heading "Loans and receivables- Debt securities" amounting to €862 million (see Note 11) and to the heading "Held-to-maturity Investments" amounting to 11,162 (see Note 12).

10.2 Debt securities

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

	Millions of Euros			
Available-for-sale financial assets Debt Securities December 2016	**Amortized Cost (*)**	**Unrealized Gains**	**Unrealized Losses**	**Book Value**
Domestic Debt Securities				
Spanish Government and other government agency debt securities	13,288	372	(16)	13,644
Other debt securities	1,072	9	(1)	1,080
Issue by Central Banks				
Issue by credit institutions	224	2		226
Issue by other issuers	848	7	(1)	854
Subtotal	**14,360**	**381**	**(17)**	**14,724**
Foreign Debt Securities				
Mexico	627	2	(9)	620
Mexican Government and other government agency debt securities	133		(3)	130
Other debt securities	494	2	(6)	490
Issue by Central Banks				
Issue by credit institutions				
Issue by other issuers	494	2	(6)	490
The United States	1,809	11	(22)	1,798
Government securities	157	-	-	157
US Treasury and other US Government agencies	157			157
States and political subdivisions				
Other debt securities	1,652	11	(22)	1,641
Issue by Central Banks				
Issue by credit institutions	34	1		35
Issue by other issuers	1,618	10	(22)	1,606
Turkey				
Turkey Government and other government agency debt securities	-	-	-	-
Other debt securities	-	-	-	-
Issued by Central Banks	-	-	-	-
Issued by credit institutions	-	-	-	-
Issued by other issuers	-	-	-	-
Other countries	8,187	270	(101)	8,356
Other foreign governments and other government agency debt securities	4,822	251	(72)	5,001
Other debt securities	3,365	19	(29)	3,355
Issue by Central Banks	16			16
Issue by credit institutions	216	1	(1)	216
Issue by other issuers	3,133	18	(28)	3,123
Subtotal	**10,623**	**283**	**(132)**	**10,774**
Total	**24,983**	**664**	**(149)**	**25,498**

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

10.3 Equity instruments

The breakdown of the balance under the heading "Equity instruments" as of December 31, 2016 and 2015 is as follows:

Available-for-sale financial assets Equity Instruments December 2016	Millions of Euros Amortized Cost	Unrealized Gains	Unrealized Losses	Book Value
Equity instruments listed				
Listed Spanish company shares	3,564	1	(950)	2,615
Credit institutions	-	-	-	-
Other entities	3,564	1	(950)	2,615
Listed foreign company shares	657	91	(13)	735
United States	-	-	-	-
Other countries	657	91	(13)	735
Subtotal	**4,221**	**92**	**(963)**	**3,350**
Unlisted equity instruments				
Unlisted Spanish company shares	48	-	-	48
Credit institutions	4			4
Other entities	44			44
Unlisted foreign companies shares	108	-	-	108
United States	81			81
Other countries	27			27
Subtotal	**156**	**-**	**-**	**156**
Total	**4,377**	**92**	**(963)**	**3,506**

Available-for-sale financial assets Equity Instruments December 2015	Millions of Euros Amortized Cost	Unrealized Gains	Unrealized Losses	Book Value
Equity instruments listed				
Listed Spanish company shares	3,313	1	(510)	2,804
Credit institutions	-	-	-	-
Other entities	3,313	1	(510)	2,804
Listed foreign company shares	989	124	(27)	1,086
United States	18	1		19
Other countries	971	123	(27)	1,067
Subtotal	**4,302**	**125**	**(537)**	**3,890**
Unlisted equity instruments				
Unlisted Spanish company shares	50	-	-	50
Credit institutions	-	-	-	-
Other entities	50	-	-	50
Unlisted foreign companies shares	78	-	-	78
United States	51	-	-	51
Other countries	27	-	-	27
Subtotal	**128**	**-**	**-**	**128**
Total	**4,430**	**125**	**(537)**	**4,018**

10.4 Gains/losses

The changes in the gains/losses, net of taxes, recognized under the equity heading "Accumulated other comprehensive income – Items that may be reclassified to profit or loss- Available-for-sale financial assets " in the accompanying balance sheets are as follows:

	Millions of Euros	
Accumulated other comprehensive income-Items that may be reclassified to profit or loss- Available-for-Sale Financial Assets	**2016**	**2015**
Balance at the beginning	**458**	**1,781**
Valuation gains and losses	217	(723)
Income tax	(80)	567
Amounts transferred to income	(800)	(1,167)
Other reclassifications		-
Balance at the end	**(205)**	**458**
Of which:		
Debt securities	660	747
Equity instruments	(865)	(289)

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

During 2016, the losses recognized, mainly for certain Debt in the heading "Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss- Available- for-sale financial assets", amounted to €174 million (Note 42).

11 Loans and receivables

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

		Millions of Euros	
Loans and Receivables	**Notes**	**2016**	**2015**
Loans and advances to credit institutions	11.1	26,596	25,146
Loans and advances to customers	11.2	213,890	197,422
Debt securities	11.3	11,001	4,213
Total		**251,487**	**226,781**

11.1 Loans and advances to credit institutions

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

		Millions of Euros	
Loans and Advances to Central Banks and Credit Institutions	**Notes**	**2016**	**2015**
Loans and advances to central banks		-	-
Loans and advances to credit institutions		26,597	25,145
Deposits with agreed maturity		2,547	3,342
Reverse repurchase agreements	31	14,908	12,033
Other accounts		9,142	9,770
Total gross	**5.3.1**	**26,597**	**25,145**
Valuation adjustments		(1)	1
Impairment losses	5.3.4	(13)	(21)
Accrued interest and fees		13	22
Hedging derivatives and others		-	-
Total		**26,596**	**25,146**

11.2 Loans and advances to customers

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

		Millions of Euros	
Loans and Advances to Customers	**Notes**	**2016**	**2015**
Mortgage secured loans		93,237	83,249
Operating assets mortgage loans		2,065	1,810
Home mortgages		80,207	70,540
Rest of mortgages		10,965	10,899
Other loans secured with security interest		3,023	2,672
Cash guarantees		95	70
Secured loan (pledged securities)		388	418
Rest of secured loans (*)		2,540	2,184
Unsecured loans		69,359	67,008
Credit lines		9,731	10,681
Commercial credit		10,425	9,457
Receivable on demand and other		2,120	1,827
Credit cards		1,813	1,244
Finance leases		3,057	2,771
Reverse repurchase agreements		7,212	4,814
Financial paper		5,253	4,644
Impaired assets	5.3.4	16,736	16,533
Total gross	**5.3.1**	**221,966**	**204,900**
Valuation adjustments		**(8,076)**	**(7,478)**
Impairment losses	5.3.4	(9,414)	(8,561)
Derivatives – Hedge accounting and others		483	319
Rest of valuation adjustments		855	764
Total net		**213,890**	**197,422**

As of December 31, 2016, 10% of "Loans and advances to customers" with a maturity greater than one year were concluded with fixed-interest rates and 90% with variable interest rates.

The heading "Loans and advances to customers" includes financial lease arrangements provided by various entities in the Bank for their customers to finance the purchase of assets, including movable and immovable property. The breakdown of the financial lease arrangements as of December 31, 2016 and 2015 is as follows:

	Millions of Euros	
Financial Lease Arrangements	**2016**	**2015**
Movable property	1,728	1,415
Real Estate	1,329	1,356
Fixed rate	1,661	1,309
Floating rate	1,396	1,462

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

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

	Millions of Euros	
Securitized Loans	**2016**	**2015**
Securitized mortgage assets	**28,443**	**24,983**
Other securitized assets	**3,364**	**3,229**
Commercial and industrial loans	3,226	3,018
Finance leases	86	122
Loans to individuals	52	89
Total	**31,807**	**28,212**

11.3 Debt securities

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

		Millions of Euros	
Debt securities	**Notes**	**2016**	**2015**
Government		4,094	2,563
Credit institutions		12	12
Other sectors (*)		6,900	1,644
Total gross	**5.3.1**	**11,006**	**4,219**
Impairment losses	5.3.5	(5)	(6)
Total net		**11,001**	**4,213**

The increase in 2016, is mainly due to the incorporation of Catalunya Banc and to some debt securities that were reclassified from "Available-for-sale financial assets" to "Loans and receivables-Debt securities".

The following table shows the fair value and carrying amounts of these reclassified financial assets:

	Millions of Euros			
	As of Reclassification date		As of December 31, 2016	
Debt Securities reclassified to "Loans and receivables" from "Available-for-sale financial assets"	Carrying Amount	Fair Value	Carrying Amount	Fair Value
General Governments	853	853	731	747
Other sectors	9	9	113	116
Total	**862**	**862**	**844**	**863**

The following table presents the amount recognized in 2016 income statement from the valuation at amortized cost of the reclassified financial assets, as well as the impact recognized on the income statement and under the heading "Total Equity - Accumulated other comprehensive income", as of December 31, 2016, if the reclassification was not performed.

	Millions of Euros		
	Recognized in	Effect of not Reclassifying	
Effect on Income Statement and Other Comprehensive Income	Income Statement	Income Statement	Equity "Valuation Adjustments"
General Governments	22	22	(5)
Total	**22**	**22**	**(5)**

12 Held-to-maturity investments

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

	Millions of Euros
Held-to-Maturity Investments (*)	December 2016
Domestic Debt Securities	
Spanish Government and other government agency debt securities	8,063
Other Domestic Securities	562
Credit institutions	494
Other resident	68
Subtotal	**8,625**
Foreign Debt Securities	
Government and other government agency debt securities	2,719
Others securities	79
Credit institutions	58
Other non resident	22
Subtotal	**2,799**
Valuation adjustments	-
Total	**11,424**

(*) As of December, 2015 BBVA has not registered any balances in this heading.

In the year 2016, some debt securities were reclassified from "Available-for-sale financial assets" to "Held-to-maturity investments" amounted to €11,162 million, due to the intention the Bank regarding how to manage such securities, is held to maturity.

The following table shows the fair value and carrying amounts of these reclassified financial assets:

	Millions of Euros			
	As of Reclassification date		As of December 31, 2016	
Debt Securities reclassified to "Held to Maturity Investments"	Carrying Amount	Fair Value	Carrying Amount	Fair Value
General Governments	10,321	10,321	8,948	8,991
Credit institutions	614	614	551	553
Other sectors	227	227	90	91
Total	**11,162**	**11,162**	**9,589**	**9,635**

The fair value carrying amount of these financials asset on the date of the reclassification becomes its new amortized cost. The previous gain on that asset that has been recognized in "Accumulated other comprehensive income – Items that may be reclassified to profit or loss - Available for sale financial assets" is amortized to profit or loss over the remaining life of the held-to-maturity investment using the effective interest method. Any difference between the new amortized cost and maturity amount is also amortized over the remaining life of the financial asset using the effective interest method, similar to the amortization of a premium and a discount. This reclassification was triggered by a change in the Group´s strategy regarding the management of these securities.

The following table presents the amount recognized in the 2016 income statement from the valuation at amortized cost of the reclassified financial assets, as well as the impact recognized on the income statement and under the heading "Total Equity - Accumulated other comprehensive income", as of December 31, 2016, if the reclassification was not performed.

	Millions of Euros		
	Recognized in	Effect of not Reclassifying	
Effect on Income Statement and Other Comprehensive Income	Income Statement	Income Statement	Equity "Accumulated other comprehensive income"
General Governments	211	211	(76)
Credit institutions	14	14	(8)
Other sectors	5	5	(1)
Total	**230**	**230**	**(86)**

13 Hedging derivatives and fair value changes of the hedged items in portfolio hedge of interest rate risk

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

	Millions of Euros	
Hedging derivatives and fair value changes of the hedged items in portfolio hedge of interest rate risk	**2016**	**2015**
ASSETS-		
Derivatives – Hedge accounting	1,586	1,714
Fair value changes of the hedged items in portfolio hedges of interest rate risk	17	54
LIABILITIES-		
Derivatives – Hedge accounting	1,488	1,542
Fair value changes of the hedged items in portfolio hedges of interest rate risk	-	-

As of December 31, 2016 and 2015, the main positions hedged by the Bank and the derivatives assigned to hedge those positions were:

- Fair value hedging:
  - Available-for-sale fixed-interest debt securities: This risk is hedged using interest-rate derivatives (fixed-variable swaps).
  - Long-term fixed-interest debt securities issued by the Bank: This risk is hedged using interest-rate derivatives (fixed-variable swaps).
  - Available-for-sale equity instruments: This risk is hedged using equity forwards.
  - Fixed-interest loans: This risk is hedged using interest-rate derivatives (fixed-variable swaps).
  - Fixed-interest and/or embedded derivative deposit portfolio hedges: it covers the interest rate risk through fixed-variable swaps. The valuation of the loan deposits corresponding to the interest rate risk is in the heading "Fair value changes of the hedged items in portfolio hedges of interest rate risk”.
- Cash-flow hedges

  Most of the hedged items are floating interest-rate loans and asset hedges linked to the inflation of the available for sale portfolio. This risk is hedged using foreign-exchange and interest-rate swaps, inflation and FRA’s (“Forward Rate Agreement”).
- Net foreign-currency investment hedges

  The risks hedged are foreign-currency investments in the Bank’s subsidiaries based abroad. This risk is hedged mainly with foreign-exchange options and forward currency sales and purchases.

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

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

	Millions of Euros		
Derivatives - Hedge accounting Breakdown by type of risk and type of hedge December 2016	**Assets**	**Liabilities**	**Notional amount - Total hedging**
Interest rate	**1,419**	**979**	**58,116**
OTC options	120	118	404
OTC other	1,299	861	57,712
Organized market options	-	-	-
Organized market other	-	-	-
Equity	**-**	**-**	**-**
Foreign exchange and gold	**-**	**-**	**-**
Credit	**-**	**-**	**-**
Commodity	**-**	**-**	**-**
Other	**-**	**-**	**-**
FAIR VALUE HEDGES	**1,419**	**979**	**58,116**
Interest rate	**36**	**225**	**16,380**
OTC options	-	-	-
OTC other	36	225	16,380
Organized market options	-	-	-
Organized market other	-	-	-
Equity	**-**	**-**	**-**
Foreign exchange and gold	**89**	**70**	**4,331**
OTC options	89	70	4,331
OTC other	-	-	-
Organized market options	-	-	-
Organized market other	-	-	-
Credit	**-**	**-**	**-**
Commodity	**-**	**-**	**-**
Other	**-**	**-**	**-**
CASH FLOW HEDGES	**125**	**295**	**20,711**
HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION	**-**	**-**	-
PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK	**42**	**214**	**12,735**
PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK	**-**	**-**	**-**
DERIVATIVES-HEDGE ACCOUNTING	**1,586**	**1,488**	**91,562**
of which: OTC - credit institutions	1,500	1,386	26,455
of which: OTC - other financial corporations	86	84	64,847
of which: OTC - other	-	18	260

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

The cash flows forecasts for the coming years for cash flow hedging recognized on the accompanying balance sheet as of December 31, 2016 are:

	Millions of Euros				
Cash Flows of Hedging Instruments	**3 Months or Less**	**From 3 Months to 1 Year**	**From 1 to 5 Years**	**More than 5 Years**	**Total**
Receivable cash inflows	17	47	227	210	**501**
Payable cash outflows	9	29	148	120	**306**

The above cash flows will have an effect on the income statements until the year 2026.

In 2016 and 2015, there was no reclassification in the accompanying income statements of any amount corresponding to cash flow hedges that was previously recognized in equity.

As of December 31, 2016 and 2015 there was no hedge accounting that did not pass the effectiveness test.

14 Investments in subsidiaries, joint ventures and associates

14.1 Investments in Group entities

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

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

	Millions of Euros	
Subsidaries Breakdown by entities	**2016**	**2015**
Subsidiaries		
By currency:	**42,656**	**36,772**
In euros	*17,112*	*11,006*
In foreign currencies	*25,544*	*25,766*
By share price	**42,656**	**36,772**
Listed	*6,335*	*6,388*
Unlisted	*36,321*	*30,384*
Impairment losses	**(12,833)**	**(5,587)**
Total	**29,823**	**31,185**

The changes in 2016 and 2015 in the balance under this heading in the balance sheets, disregarding the balance of the impairment losses, are as follows:

	Millions of Euros	
Subsidaries Changes in the Year	**2016**	**2015**
Balance at the beginning	**36,772**	**28,639**
Acquisitions and capital increases	15	2,098
Losses due to merger transactions	6,326	-
Disposals and capital reductions	(80)	(57)
Transfers	(1)	5,763
Exchange differences and others	(376)	329
Balance at the end	**42,656**	**36,772**

Changes in the holdings in Group entities

The most notable transactions performed in 2016 and 2015 are as follows:

Changes in 2016

Mergers

The BBVA Group, at its Board of Directors meeting held on March 31, 2016, adopted a resolution to begin a merger process of BBVA S.A. (absorbing company), Catalunya Banc, S.A., Banco Depositario BBVA, S.A. y Unoe Bank, S.A.

This transaction is part of the corporate reorganization of its banking subsidiaries in Spain and has been successfully completed throughout 2016.

Changes in 2015

Investments

Acquisition of an additional 14.9% of Garanti

On November 19, 2014 BBVA Group entered into a new agreement with Dogus Holding A.S., Ferit Faik Şahenk, Dianne Şahenk and Defne Şahenk ("Dogus") for the acquisition of 62,538,000,000 shares of Garanti at a maximum total consideration of 8.90 Turkish Liras per share (Garanti is listed in sets of 100 shares each).

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

On July 27, 2015, after obtaining all the required regulatory approvals, the Group has materialized said participation increase after the acquisition of the new shares. Now the Group's interest in Garanti is 39.9%.

This participation was reclassified from Investments in Joint Ventures to Investments in Group entities. The total price effectively paid by BBVA amounts to 8.765 TL per batch (amounting to approximately TL 5,481 million and €1,854 million applying a 2,9571 TL/EUR exchange rate).

Acquisition of Catalunya Banc

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

Capital increase in Anida Grupo Inmobiliario

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

Preferred shares issue in BBVA Compass Bancshares, Inc.

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

Acquisition of BBVA Seguros

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

Acquisition of Banco Depositario

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

Divestitures

Partial sale of China CITIC Bank Corporation Limited (CNCB)

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

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

In addition to the above mentioned 4.9%, during the year ended December 31, 2015 various sales were made in the market to total a 1.45.% participation sale. This gain gross of taxes amounted to €499 million, was recognized under "Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" (See Note 45).

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

On December 23, 2014, the BBVA Group signed an agreement to sell its participation of 29.68% in Citic International Financial Holdings Limited (hereinafter "CIFH"), to China CITIC Bank Corporation Limited (hereinafter "CNCB"). CIFH is a non-listed subsidiary of CNCB domiciled in Hong Kong. The selling price is HK$8,162 million.

On August 27, 2015, the sale of this participation was completed. The gain gross amounted to €403 million, registered under the heading "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations of 2015 (see Note 45).

14.2 Investments in joint ventures and associates

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

	Millions of Euros	
Associates and joint ventures Entities. Breakdown by entities	**2016**	**2015**
Associates Entities		
By currency:	**468**	**587**
In euros	*393*	*564*
In foreign currencies	*75*	*23*
By share price	**468**	**587**
Listed	-	*6*
Unlisted	*468*	*581*
Impairment losses	**(91)**	**(191)**
Subtotal	**377**	**396**
Joint ventures		
By currency:	**19**	**18**
In euros	*19*	*18*
In foreign currencies	-	-
By share price	**19**	**18**
Listed	-	-
Unlisted	*19*	*18*
Impairment losses	**(1)**	**-**
Subtotal	**18**	**18**
Total	**395**	**414**

The investments in associates as of December 31, 2016, as well as the most important data related to them, can be seen in Appendix III.

The following is a summary of the gross changes in 2016 and 2015 under this heading in the accompanying balance sheets:

	Millions of Euros	
Associates and joint ventures Entities. Changes in the Year	**2016**	**2015**
Balance at the beginning	**605**	**4,362**
Acquisitions and capital increases	231	2,015
Losses due to merger transactions	4	-
Disposals and capital reductions	(6)	-
Transfers	(342)	(5,767)
Exchange differences and others	(5)	(5)
Balance at the end	**487**	**605**

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

The 2016 movement is mainly explained, by:

- In January 2016, two capital increases were made of Metrovacesa through a debt swap and a contribution of real estate assets, which provided the bank 194 million euros, including the share premium.

- In March 2016, there was a partial split of Metrovacesa, S.A in favor of a beneficiary company from a new constitution denominated Metrovacesa Suelo y Promocion, S.A, through the transfer in block and by universal succession of the patrimony belonging to its branch activity of floor and real estate promotion.

- In October 2016, there was a total split of Metrovacesa, S.A through its extinction and division of its patrimony in three parts (Commercial Patrimony, Residential Patrimony and Non-Strategic Patrimony) that have been transmitted in block and by universal succession to Merlin Properties, SOCIMI, S.A, Testa Residencial, SOCIMI, S.A and Metrovacesa Promoción y Arrendamiento, S.A, respectively.

- As result of the previous mentioned splits, the Bank has received equity interests in the corresponding beneficiary companies. In the case of Merlin Properties, SOCIMI, S.A, 4.97% of its capital was received, having been transferred to the heading "Available-for-sale financial assets. (see Note 10)

14.3 Notifications about acquisition of holdings

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

14.4 Impairment

The breakdown of the changes in impairment losses in 2016 and 2015 under this heading is as follows:

Impairment	Notes	2016	2015
		Millions of Euros	
Balance at the beginning		**5,778**	**6,848**
Increase in impairment losses charged to income	43	316	411
Decrease in impairment losses credited to income	43	(169)	(1,246)
Losses due to merger transactions		7,101	-
Amount used		(7)	(235)
Transfers		(94)	-
Balance at the end		**12,925**	**5,778**

As a result of the improvement in the future expectations for BBVA USA Bancshares, the difference between the carrying amount and the present value of expected cash flows has been reduced by €1,203 million in 2015. This figure has been charged under the heading "Impairment or reversal of impairment on non-financial assets" in the income statement for 2015 (see Note 43). The changes in impairment include the exchange differences resulting from applying the dollar exchange rate at the close of each year and comparing it with the carrying amount exchange rate (exchange rate at the time of the acquisition). As of December 31, 2016 there is no impairment recorded for this investment.

15 Tangible assets

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

	Millions of Euros					
	For Own Use			Total Tangible Asset of Own Use	Investment Properties	Total
Tangible Assets. Breakdown by Type of Assets and Changes in the year 2016	Land and Buildings	Work in Progress	Furniture, Fixtures and Vehicles			
Revalued cost -						
Balance at the beginning	**852**	**61**	**3,100**	**4,013**	**10**	**4,023**
Additions			169	169		169
Contributions from merger transactions (*)	554		432	986	246	1,232
Retirements			(143)	(143)		(143)
Transfers	34	(59)	10	(15)	(224)	(239)
Exchange difference and other	3		(1)	2		2
Balance at the end	**1,443**	**2**	**3,567**	**5,012**	**32**	**5,044**
Accrued depreciation -						
Balance at the beginning	**172**	**-**	**2,173**	**2,345**	**1**	**2,346**
Additions	14		206	220	2	222
Contributions from merger transactions	80		337	417	11	428
Retirements			(123)	(123)		(123)
Transfers			(6)	(6)	(9)	(15)
Exchange difference and other	(1)		(1)	(2)		(2)
Balance at the end	**265**	**-**	**2,586**	**2,851**	**5**	**2,856**
Impairment -						
Balance at the beginning	**152**	**-**	**-**	**152**	**4**	**156**
Additions	4		14	18		18
Contributions from merger transactions				-	94	94
Retirements	(2)			(2)		(2)
Transfers	(1)			(1)	(85)	(86)
Exchange difference and other	163		(14)	149	3	152
Balance at the end	**316**		**-**	**316**	**16**	**332**
Net tangible assets -						
Balance at the beginning	**528**	**61**	**927**	**1,516**	**5**	**1,521**
Balance at the end	**862**	**2**	**981**	**1,845**	**11**	**1,856**

(*) Mainly as result of the integration of the companies Catalunya Banc, S.A., Custodian Bank BBVA, S.A. And Unoe Bank, S.A. as indicated in Note 14.

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

As of December 31, 2016 and 2015, the fully depreciated tangible assets still in use amounted to €1,555 million and €1,272 million, respectively.

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

	Number of Branches	
Branches by Geographical Location	**2016**	**2015**
Spain	3,303	3,076
Rest of the world	20	19
Total	**3,323**	**3,095**

The change is explained by the incorporation of Catalunya Banc. S.A.

As of December 31, 2016 and 2015, the percentage of branches leased from third parties in Spain was 70.48% and 75.98%, respectively.

16 Intangible assets

The breakdown of the balance under this heading in the balance sheets as of December 31, 2016 and 2015 relates mainly to the net balance of the disbursements made on the acquisition of computer software. The average life of the Bank's intangible assets is 5 years.

The breakdown of the changes in 2016 and 2015 in the balance under this heading in the balance sheets is as follows:

		Millions of Euros	
Other Intangible Assets. Changes Over the Period	**Notes**	**2016**	**2015**
Balance at the beginning		**853**	**874**
Additions		321	298
Contributions from merger transactions		121	-
Retirements			-
Amortization in the year	40	(353)	(319)
Exchange differences and other			-
Impairment			-
Balance at the end		**942**	**853**

"Contributions from merger transactions" in the table above reflects the intangible assets of the merged company Catalunya Banc, S.A."

17. Tax assets and liabilities

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

Banco Bilbao Vizcaya Argentaria, S.A. and its tax-consolidable subsidiaries file consolidated tax returns. The subsidiaries of Argentaria, which had been in Tax Group 7/90, were included in Tax Group 2/82 from 2000, since the merger had been carried out under the tax neutrality system provided for in Title VIII, Chapter VIII of Corporation Tax Law 43/1995. On 30 December 2002, the pertinent notification was made to the Ministry of Economy and Finance to extend its taxation under the consolidated taxation regime indefinitely, in accordance with current legislation. Similarly, on the occasion of the acquisition of Unnim Group in 2012, the companies composing the Tax Group No. 580/11 which met the requirements became part of the tax group 2/82 from January 1, 2013. Lastly, on the occasion of the acquisition of Catalunya Banc Group in 2015, the companies composing the Tax Group No. 585/11 which met the requirements became part of the tax group 2/82 from January 1, 2016.

During the year, the Bank has carried out merger by absorption of Catalunya Banc, S.A., Banco Depositario BBVA, S.A.U. and Uno-e Bank, S.A.U., under the special regime for mergers, divisions, transfers of assets and exchanges of securities provided for in Chapter VII of Title VII of the Corporate Tax Law, approved by Law 27/2014, of November 27.

Consequently, in accordance with Article 86 of the quoted Corporate Tax Law, as Annex XIV to these financial statements, the following is attached:

- Balance sheet of the transferor entities as of the date before transfer.
- Tax years in which the transferors acquired the property transferred.
- Detail of assets that have been incorporated in the books of the Bank with a different value to that contained in the books of Catalunya S.A., Banco Depositario, S.A.U. and Uno-e Bank, S.A.U., respectively.

Catalunya Banc, S.A., is the result of the integration of Caixa d´Estalvis de Catalunya, Caixa d´Estalvis de Tarragona and Caixa d´Estalvis de Manresa. This integration was carried out in July 1, 2010, by means of a merger and creation of a new savings bank, Caixa d´Estalvis Unió de Caixes de Catalunya, Tarragona I Manresa. In 2011, the entity transferred its financial business to a newly created bank, Catalunya Banc, S.A. Both the merger and the segregation of financial activity were conducted under the special regime for mergers, divisions, transfers of assets and exchanges of securities provided for in Chapter VIII of Title VII of the Corporation Tax Act, approved by Royal Legislative Decree 4/2004, of March 5. The mandatory terms resulting from these restructuring operations are contained in the Annual Report of Caixa d´Estalvis Unió de Caixes de Catalunya, Tarragona I Manresa for the year 2010 and in the Annual Report of Catalunya Banc, S.A., for the year 2011, respectively. In general, the information requirements relating to the reorganizations are included in the financial statements for those years.

Due to the volume of assets transferred by Catalunya Banc, S.A., Banco Depositario BBVA, S.A.U., and Uno-e Bank, S.A.U., to the Bank, it is not possible to detail in these financial statements all the information required by Article 86 of the Corporate Tax Law. However, all the required information is in the merger by absorption deed, other official documents and internal records of the Bank, available to the tax authorities.

In 2013, 2011 and 2009, the Bank also participated in corporate restructuring operations subject to the special regime for mergers, splits, transfers of assets and exchanges of securities under Chapter VIII of Title VII of the Corporation Tax Act, approved by Royal Legislative Decree 4/2004, of March 5. The reporting requirements under the above legislation are included in the financial statements of the relevant entities for 2013, 2011 and 2009 as well as in the merger by absorption deed, other official documents and internal records of the Bank, available to the tax authorities.

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

17.1 Years open for review by the tax authorities

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

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

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

17.2 Reconciliation

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

	Millions of Euros	
Reconciliation of the Corporate Tax Expense Resulting from the Application of the Standard Rate and the Expense Registered by this Tax	**2016**	**2015**
Corporation tax	**448**	**916**
Decreases due to permanent differences:	-	-
Tax credits and tax relief at consolidated Companies	(27)	(24)
Other items net	(686)	(792)
Net increases (decreases) due to temporary differences	425	(100)
Charge for income tax and other taxes		
Deferred tax assets and liabilities recorded (utilized)	(425)	100
Income tax and other taxes accrued in the period	**(265)**	**100**
Adjustments to prior years' income tax and other taxes	95	88
Income tax and other taxes	**(170)**	**188**

The item “Other taxes” of the above table includes in 2016 the effect in income tax of those dividends and capital gains entitled to avoid double taxation of €838 million.

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

Under the regulations in force until December 31, 2001, the Bank and the savings banks which would form Unnim Banc and Catalunya Banc were available to the tax deferral for reinvestment. The information related to this tax credit can be found in the corresponding annual reports.

From 2002 to 2014, the Bank availed itself to the tax credit for reinvestment of extraordinary income obtained on the transfer for consideration of properties and shares representing ownership interests of more than 5%. The acquisition of shares over the 5% figure in each period was allocated to fulfill the reinvestment commitments which are a requirement of the previously mentioned tax credit.

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

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

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

Year	Millions of Euros
2009	61
2009	59
2010	202

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

Year	Millions of Euros
2005	1
2006	22
2007	111
2008	82
2009	10
2010	107

In 2016, following the approval of Royal Decree-Law 3/2016, of December 2, by which certain measures in the tax field directed to the consolidation of the public finances and other urgent measures in social matter are adopted, the Bank has included in its tax base €148 million as a reversal of the impairment losses on instruments representing participation in the capital or in the equity of companies which have been tax deductible from the tax base of Corporate Income Tax in tax periods started prior to 1 January 2013. The amount pending to be included in the tax base at closure and from the investees amounted to €560 million approximately.

	Millions of Euros
	2016
Pending addition to taxable income as of December 31, 2015 (*)	**708**
Decrease income (included) 2016	(148)
Pending addition to taxable income as of December 31, 2016	**560**

(*) Includes outstanding balances pending to be integrated by Catalunya Banc, S.A..

17.3 Tax recognized in equity

In addition to the income tax registered in the income statements, in 2016 and 2015 the Bank recognized the following amounts in equity:

	Millions of Euros	
Tax Recognized in Total Equity	**2016**	**2015**
Charges to total equity		
Debt securities	(283)	(443)
Equity instruments	-	-
Other	(5)	(9)
Subtotal	**(288)**	**(452)**
Credits to total equity		
Debt securities	-	123
Equity instruments	6	124
Other	73	42
Subtotal	79	289
Total	**(209)**	**(163)**

17.4 Deferred taxes

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

	Millions of Euros		
Tax Assets and Liabilities. Breakdown	**2016**	**2015**	**Variation**
Tax assets-			
Current tax assets	756	652	104
Deferred tax assets	11,638	7,542	4,096
Pensions	215	102	113
Financial Instruments	349	606	(257)
Other assets	266	383	(117)
Impairment losses	206	126	80
Other	357	184	173
Secured tax assets (*)	9,125	5,224	3,901
Tax losses	1,120	917	203
Total	**12,394**	**8,194**	**4,200**
Tax Liabilities-			
Current tax liabilities	127	24	103
Deferred tax liabilities	1,288	1,200	88
Charge for income tax and other taxes	1,288	1,200	88
Total	**1,415**	**1,224**	**191**

(*) The Law guaranteeing the deferred tax assets have been approved in Spain in 2013.

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

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

- The decrease in deferred tax assets is due mainly to the reduction of deferred tax assets related to valuation adjustments and recognized against equity
- The increase in guaranteed tax assets is due to the incorporation of guaranteed tax assets from Catalunya Banc,S.A., as a result of the merger by absorption of this entity.
- The increase in tax losses is mainly due to the offset in the corporate tax return finally presented for the year 2015 of an amount of negative tax bases and deductions lower than estimated in the annual accounts for that year and, on the other hand, to the generation in 2016 of negative tax bases and deductions.

Of the assets and liabilities due to deferred tax contained in the above table, those included in section 18.3 above have been recognized against the entity's equity, and the rest against earnings for the year.

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

	Millions of Euros	
Secured tax assets	**2016**	**2015**
Pensions	1,927	1,868
Impairment losses	7,198	3,356
Total	**9,125**	**5,224**

As a result of the merger by absorption of Catalunya Banc, S.A., the Bank has subrogated in the right to offset negative tax bases and deductions pending compensation in the transferor as of December 31, 2015. With respect to these tax credits, the Bank has maintained the prudential criterion adopted in previous years by Catalunya Banc, S.A., according to which the transferor entity only recognized in the balance sheet those tax assets that have the guaranteed condition

18. Other assets and liabilities

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

		Millions of Euros	
Other Assets and Liabilities	**Notes**	**2016**	**2015**
ASSETS-			
Insurance contracts linked to pensions	**22**	**2,426**	**2,151**
Rest of other assets		**1,283**	**1,699**
Transactions in progress		83	37
Accruals		335	295
Unaccrued prepaid expenses		53	41
Other prepayments and accrued income		282	254
Other items		865	1,367
Total		**3,709**	**3,850**
LIABILITIES-			
Transactions in transit		33	19
Accrued interest		978	886
Unpaid accrued expenses		751	649
Other accrued expenses and deferred income		227	237
Other items		1,082	534
Total		**2,092**	**1,439**

19. Non-current assets and disposal groups classified as held for sale

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

	Millions of Euros	
Non-current assets and disposal groups classified as held for sale Breakdown by items	**2016**	**2015**
Foreclosures and recoveries	**3,488**	**2,833**
Foreclosures	3,349	2,666
Recoveries from financial leases	139	166
Other assets from tangible assets	**323**	**212**
Property, plant and equipment	323	212
Operating leases	-	-
Investment properties	-	-
Business sale - Assets	**-**	**-**
Accrued amortization (*)	**(43)**	**(26)**
Impairment losses	**(1,253)**	**(678)**
Total Non-current assets and disposal groups classified as held for sale	**2,515**	**2,340**

(*) Corresponds to the accumulated depreciation of assets before classification as "Non-current assets and disposal groups classified as held for sale".

The changes in the balances under this heading in 2016 and 2015 are as follows:

		Millions of Euros				
		Foreclosed Assets				
Non-Current Assets Held-for-Sale Changes in the year 2016	**Notes**	**Foreclosed Assets through Auction Proceeding**	**Recovered Assets from Finance Leases**	**From Own Use Assets (*)**	**Other assets**	**Total**
Cost (1)						
Balance at the beginning		**2,666**	**166**	**186**	**-**	**3,018**
Additions		629	42	3	-	674
Contributions from merger transactions		402		147	-	549
Retirements (*sales and other decreases*)		(555)	(62)	(61)	-	(678)
Transfers, other movements and exchange differences		207	(8)	6	-	205
Balance at the end		**3,349**	**138**	**281**	**-**	**3,768**
Impairment (2)						
Balance at the beginning		**537**	**38**	**103**	**-**	**678**
Additions		60	2	7	-	69
Contributions from merger transactions		212		-	-	212
Retirements (*sales and other decreases*)		(124)	(5)	(33)	-	(162)
Other movements and exchange differences		359	(3)	100	-	456
Balance at the end		**1,044**	**32**	**177**	**-**	**1,253**
Balance at the end of Net carrying value (1)-(2)		**2,305**	**106**	**104**	**-**	**2,515**

(*) Net of accumulated amortization until reclassified as non-current assets and disposal groups held for sale.

		Millions of Euros				
		Foreclosed Assets				
Non-Current Assets Held-for-Sale Changes in the year 2015	**Notes**	**Foreclosed Assets through Auction Proceeding**	**Recovered Assets from Finance Leases**	**From Own Use Assets (*)**	**Other assets (**)**	**Total**
Cost (1)						
Balance at the beginning		**2,540**	**138**	**173**	**482**	**3,333**
Additions		876	54	71		1,001
Retirements (*sales and other decreases*)		(311)	(16)	(73)	(530)	(930)
Transfers, other movements and exchange differences		(439)	(10)	15	48	(386)
Balance at the end		**2,666**	**166**	**186**	**-**	**3,018**
Impairment (2)						
Balance at the beginning		**456**	**39**	**66**	**-**	**561**
Additions		134	8	62	-	204
Retirements (*sales and other decreases*)		(56)	(11)	(31)	-	(98)
Other movements and exchange differences		3	2	6	-	11
Balance at the end		**537**	**38**	**103**	**-**	**678**
Balance at the end of Net carrying value (1)-(2)		**2,129**	**128**	**83**	**-**	**2,340**

(*) Net of accumulated amortization until reclassified as non-current assets and disposal groups held for sale.

(**) Corresponds to the sales agreement of companies (see Note 14).

The table below shows the non-current assets held for sale from foreclosures or recoveries:

	Millions of Euros	
Non-Current Assets Held for Sale From Foreclosures or Recoveries	**2016**	**2015**
Residential assets	1,961	1,883
Industrial assets	417	344
Agricultural assets	33	30
Total	**2,411**	**2,257**

The table below shows the length of time for which the main assets from foreclosures or recoveries that were on the balance sheet as of December 31, 2016 and 2015 had been held:

	Millions of Euros	
Non-Current Assets Held for Sale Period of Ownership	**2016**	**2015**
Up to one year	298	469
From 1 to 3 years	1,084	989
From 3 to 5 years	719	620
Over 5 years	310	179
Total	**2,411**	**2,257**

In 2016 and 2015, some of the sales of these assets were financed by the Bank. The amount of the loans granted to the buyers of these assets in those years totaled €210 million and €170 million, respectively, with a mean percentage financed of 93% and 93%, respectively, of the price of sale. The total nominal amount of these loans, which are recognized under “Loans and receivables”, is €1,320 million and €1,110 million, as of December 31, 2016 and 2015, respectively.

As of December 31, 2016, there were no gains from the sale of assets financed by the Bank.

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

20. Financial liabilities at amortized cost

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

		Millions of Euros	
Financial liabilities measured at amortised cost	**Notes**	**2016**	**2015**
Deposits		279,552	265,326
Deposits from Central Banks	7	26,629	19,642
Deposits from Credit Institutions	20.1	44,977	55,462
Customer deposits	20.2	207,946	190,222
Debt securities issued	20.3	33,174	30,966
Other financial liabilities	20.4	7,158	6,803
Total		**319,884**	**303,095**

20.1 Deposits from credit institutions

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

		Millions of Euros	
Deposits from credit institutions	**Notes**	**2016**	**2015**
Reciprocal accounts		143	119
Deposits with agreed maturity		16,976	25,456
Demand deposits		2,862	2,066
Other accounts		-	-
Repurchase agreements	31	24,945	27,745
Subtotal		**44,926**	**55,386**
Accrued interest until expiration		51	76
Total		**44,977**	**55,462**

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

		Millions of Euros		
Deposits from Credit Institutions 2016	**Demand Deposits & Reciprocal Accounts**	**Deposits with Agreed Maturity**	**Repurchase Agreements**	**Total**
Spain	924	5,153	817	6,894
Rest of Europe	1,120	7,944	23,620	32,684
Mexico	286	-	-	286
South America	460	900	-	1,360
The United States	131	1,328	-	1,459
Rest of the world	83	1,652	508	2,243
Total	**3,004**	**16,977**	**24,945**	**44,926**

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

20.2 Customer deposits

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

		Millions of Euros	
Customer deposits	**Notes**	**2016**	**2015**
Government and other government agencies		**7,358**	**14,827**
Spanish		6,897	6,873
Foreign		458	449
Repurchase agreements	31	-	7,500
Accrued interest		3	5
Other resident sectors		**169,297**	**140,310**
Current accounts		58,508	37,671
Savings accounts		41,442	32,607
Fixed-term deposits		64,804	65,368
Reverse repos	31	1,900	1,436
Other accounts		2,189	2,699
Accrued interest		454	529
Non-resident sectors		**31,291**	**35,085**
Current accounts		4,861	5,022
Savings accounts		792	650
Fixed-term deposits		20,983	21,388
Repurchase agreements	31	4,315	7,462
Other accounts		305	535
Accrued interest		35	28
Total		**207,946**	**190,222**
Of which:			
Deposits from other creditors without valuation adjustment		207,454	189,640
Accrued interest		492	582
Of which:			
In euros		192,915	177,192
In foreign currency		15,031	13,030

Previous table includes as of 31, December 2016 and 2015, subordinated deposits amounted to €2,942 million and €3,105 million, respectively, vinculated to subordinated debt issues and preferred shares launched by BBVA International Preferred, S.A.U., BBVA Subordinated Capital, S.A.U. y BBVA Global Finance, Ltd., Caixa Terrassa Societat de Participacions Preferents, S.A. Unipersonal y CaixaSabadell Preferents, S.A. Unipersonal which are unconditionally and irrevocably secured by the Bank.

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

	Millions of Euros				
2016 Customer Deposits	**Demand Deposits**	**Savings Deposits**	**Deposits with Agreed Maturity**	**Repos**	**Total**
Spain	64,542	41,464	67,902	1,900	175,808
Rest of Europe	3,903	426	15,225	4,307	23,861
Mexico	268	24	337	-	629
South America	449	143	1,364	-	1,956
The United States	191	40	1,791	8	2,030
Rest of the world	415	160	2,665	-	3,240
Total	**69,768**	**42,257**	**89,284**	**6,215**	**207,524**

	Millions of Euros				
2015 Customer Deposits	**Demand Deposits**	**Savings Deposits**	**Deposits with Agreed Maturity**	**Repos**	**Total**
Spain	44,164	32,627	68,478	8,936	154,205
Rest of Europe	4,243	364	17,532	7,438	29,577
Mexico	367	19	146	-	532
South America	422	124	1,277	-	1,823
The United States	223	26	1,441	24	1,714
Rest of the world	184	117	1,560	-	1,861
Total	**49,603**	**33,277**	**90,434**	**16,398**	**189,712**

20.3 Debt certificates issued

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

		Millions of Euros	
Debt securities issued	**Notes**	**2016**	**2015**
In Euros		**30,161**	**28,061**
Promissory bills and notes		-	-
Non-convertible bonds and debentures at floating interest rates		12,264	12,383
Non-convertible bonds and debentures at fixed interest rates		1,428	509
Mortgage Covered bonds		24,790	23,959
Hybrid financial instruments		-	-
Securitization bonds made by the Group		(14,997)	(14,450)
Other securities		-	-
Accrued interest and others (*)		1,840	1,856
Subordinated liabilities		4,836	3,804
Convertible		4,000	3,000
Convertible perpetual securities		4,000	3,000
Non-convertible		770	794
Preferred Stock		14	14
Other subordinated liabilities		756	780
Valuation adjustments (*)		66	10
In Foreign Currency		**3,013**	**2,905**
Promissory bills and notes		-	-
Non-convertible bonds and debentures at floating interest rates		-	-
Non-convertible bonds and debentures at fixed interest rates		1,892	1,832
Mortgage Covered bonds		121	115
Hybrid financial instruments		-	-
Other securities associated to financial activities		-	-
Securitization bonds made by the Group		(449)	(443)
Other securities		-	-
Accrued interest and others (*)		18	15
Subordinated liabilities		1,431	1,386
Convertible		1,423	1,378
Convertible perpetual securities		1,423	1,378
Non-convertible		-	-
Preferred Stock		-	-
Other subordinated liabilities		-	-
Valuation adjustments (*)		8	8
Total		**33,174**	**30,966**

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

The total cost of the accrued interest under "Debt securities issued" in 2016 and 2015 totaled €793 million and €840 million, respectively.

As of December 31, 2016 and 2015 the accrued interest pending payment from promissory notes and bills and bonds and debentures amounted to €465 million and €545 million, respectively.

The headings "Nonconvertible bonds and debentures at floating interest rate" and "Non-convertible bonds and debentures at fixed rate" as of December 31, 2016 include several issues, the latest maturing in 2033.

The "Covered Bonds" account as of December 31, 2016 includes issues with various maturities, the latest in 2037.

Subordinated liabilities included in this Note and in Note 20.2, and accordingly, for debt seniority purposes, they rank behind ordinary debt, but ahead of the Bank's shareholders, without prejudice to any different seniority that may exist between the different types of subordinated debt instruments according to the terms and conditions of each issue. The breakdown of this heading in the accompanying balance sheets, disregarding valuation adjustments, by currency of issuance and interest rate is shown in Appendix VII.

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

- Perpetual securities eventually convertible.

  On April 8, 2016, BBVA issued perpetual securities eventually convertible into new ordinary shares of BBVA,(Additional level I capital instruments) without pre-emption rights, for a total amount of €1,000 million.

  On February 10, 2015, BBVA issued perpetual securities eventually convertible into new ordinary shares of BBVA, (Additional level I capital instruments) without pre-emption rights, for a total amount of €1,500 million.

  Such issuances were targeted only towards qualified foreign investors. and in any case would not be made or subscribed in Spain or by Spanish-resident investors.

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

  These issuances may be fully amortized, to option of BBVA, only in the cases included in its terms and conditions, and in any case, in accordance with the provisions of the applicable regulations.

20.4 Other financial liabilities

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

Other financial liabilities	Millions of Euros 2016	2015
Creditors for other financial liabilities	3,662	3,511
Collection accounts	1,964	1,740
Creditors for other payment obligations	1,007	1,043
Dividend payable but pending payment (*)	525	509
Total	**7,158**	**6,803**

(*) Corresponding to the cash dividend declared in December 2016 and 2015 and paid in January 2017 and 2016 (see Note 3).

The information required by Final Provision second of Law 31/2014 of December 3, amending Additional Provision third of Law 15/2010, of July 5, amending the Law 3/2004 of December 29, through which measures for combating late payment are set, is as follows:

	Millions of Euros 2016		Millions of Euros 2015	
Payments made and peding payments (*)	BBVA SPAIN	BBVA GROUP IN SPAIN	BBVA SPAIN	BBVA GROUP IN SPAIN
Average payment period to suppliers (days)	33	33	31	31
Ratio of outstanding payment transactions (days)	34	33	32	31
Ratio outstanding payment transactions (days)	21	22	21	32
Total payments	2,426	2,568	2,631	2,838
Total outstanding payments	92	96	86	96

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

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

21. Provisions

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

	Millions of Euros	
Provisions. Breakdown by concepts	**2016**	**2015**
Pensions and other post employment defined benefit obligations	5,271	5,177
Other long term employee benefits	32	-
Commitments and guarantees given	658	263
Other provisions (*)	2,956	769
Total	**8,917**	**6,209**

(*) As of December 31, 2016, this line item includes provisions for different concepts, the most significant the merger of Catalunya Banc and the provision of €577 million euros made by the known as "floor clauses", as mentioned below.

The changes in 2016 and 2015 in the balances under this heading in the accompanying balance sheets are as follows:

		Millions of Euros			
		2016			
Provisions for Pensions and Similar Obligations. Changes Over the Period	**Notes**	**Pension fund and similar obligations (Note 21)**	**Other long employee benefits**	**Commitments and contingent risks provisions**	**Taxes, other legal contingencies and other provisions**
Balance at the beginning		**5,177**	**-**	**263**	**769**
Add -					
Charges to income for the year		300	-	249	-
Interest expenses and similar charges	33.2	49	-	-	-
Personnel expenses		4	-	-	-
Provision expenses	41	247	6	249	1,090
Charges to equity (*)	22	10	-	269	85
Transfers and other changes		533	36	137	1,613
Less -					
Available allowances	41	(14)	-	(242)	(144)
Payments to early retirements		(735)	-	-	-
Credited to retained earnings (*)		-	-	-	-
Derecognition of allowances		-	(10)	-	(350)
Transfers and other changes		-	-	(18)	(107)
Balance at the end		**5,271**	**32**	**658**	**2,956**

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

Provisions for Pensions and Similar Obligations. Changes Over the Period	Notes	Millions of Euros 2015 Pension fund and similar obligations (Note 21)	Commitments and contingent risks provisions	Taxes, other legal contingencies and other provisions
Balance at the beginning		**5,267**	**238**	**652**
Add -				
Charges to income for the year		613	35	136
Interest expenses and similar charges	33.2	60	-	4
Personnel expenses		3	-	15
Provision expenses	41	550	35	117
Charges to equity (*)	22	3	-	-
Transfers and other changes		1	-	113
Less -				
Available allowances	41	(4)	(6)	(46)
Payments to early retirements		(674)	-	-
Credited to retained earnings		-	-	-
Derecognition of allowances		(29)	-	(86)
Transfers and other changes		-	(4)	-
Balance at the end		**5,177**	**263**	**769**

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

Ongoing legal proceedings and litigation

Different entities of the BBVA Group are frequently party to legal actions in a number of jurisdictions (including, among others, Spain, Mexico and the United States). According to the procedural status of these proceedings and the criteria of the legal counsel, BBVA considers that, except for the proceeding mentioned below, none is material, individually or as a whole, and with no significant impact on the operating results, liquidity or financial situation at a consolidated or individual level of the Bank. The Group´s Management believes that the provisions made in respect of such legal proceedings are adequate.

Regarding the consequences of the invalidity of the clauses of limitation of interest rates in mortgage loans with consumers (the so-called “cláusulas suelo”) the legal situation is as follows:

- The Spanish Supreme Court, in a judgment dated May 9, 2013, rendered on a collective claim against BBVA among others, and that is definitive, resolved unanimously that those clauses should be deemed as invalid if they did not comply with certain requirements of material transparency set forth in the referred judgment. In addition, that judgment determined that there were no grounds for the refund of the amounts collected pursuant to those clauses before May 9, 2013.

- As communicated to the market by means of Relevant Event dated June 12, 2013, BBVA ceased to apply, in execution of that judgment, as from May 9, 2013, the “cláusula suelo” in all mortgage loan agreements with consumers in which it had been included.

In an individual claim, the Provincial Court of Alicante raised a preliminary ruling to the Court of Justice of the European Union (CJEU), for the CJEU to determine if the time limitation for the refund of the amounts set forth by the Supreme Court complies with Directive 93/13/EEC. On July 13, the opinion of the Advocate-General of the CJEU was published and in its conclusions it stated that the European directive did not oppose to a Member State’s Supreme Court limiting, due to exceptional circumstances, the restorative effects of the invalidity to the date on which its first judgment in this regard was issued.

Last December 21, the CJEU published its sentence that decided the preliminary ruling raised by the Provincial Court of Alicante and other national judicial bodies, in the sense that the Supreme Court’s case law that limited in time the restorative effects related to the unfair declaration of a clause included in an agreement between a consumer and a professional is contrary to Article 6.1 of Directive 93/13/EEC on unfair terms in consumer contracts.

After the mentioned CJEU’s decision, BBVA has made, once analyzed the portfolio of mortgage loans to consumers, in which the “cláusulas suelo” have applied, a provision of €577 million (with an impact on the attributed profit of approximately €404 million, as communicated to the market in the Relevant Event dated December 21, 2016), to cover future claims that could be filed.

22. Post-employment and other employee benefit commitments

As stated in Note 2.9, the Bank has assumed commitments with employees including short-term employee benefits (Note 38.1), defined contribution and defined benefit plans, as well as other long-term employee benefits.

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

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

The table below shows a breakdown of recorded balance sheet liabilities relating to defined benefit plans as at December 31, 2016 and 2015:

	Millions de euros	
Net Liability (asset) on the Balance Sheet	**2016**	**2015**
Early retirement commitments	2,555	2,689
Other long-term employee benefits	32	-
Total commitments	**6,331**	**6,210**
Pension plan assets	1,028	1,033
Total plan assets	**1,028**	**1,033**
Total net liability/asset on the balance sheet	**5,303**	**5,177**
of which:		
Provisions- Provisions for pensions and similar obligations	5,271	5,177
Provisions-Other long-term employee benefits	32	-
Insurance contracts linked to pensions	2,426	2,151

The following table shows defined benefit plan costs recorded in the income statement for fiscal years 2016 and 2015:

		Millions of Euros	
Income Statement and Equity Impact	**Notes**	**2016**	**2015**
Interest and similar expenses		**49**	**60**
Interest expense	33.2	49	60
Interest income		-	-
Personnel expenses		**53**	**50**
Defined contribution plan expense	39.1	28	29
Defined benefit plan expense	39.1	21	18
Other benefit expenses		4	3
Provision (net)		**239**	**547**
Early retirement expense		233	501
Past service cost expense		(3)	26
Remeasurements (*)		3	23
Other provision expenses		6	(3)
Total Effects in Income Statements: Debit (Credit)		**341**	**657**
Total Effects on Equity: Debit (Credit) (**)		**10**	**3**

(*) Actuarial losses (gains) on remeasurement of the net defined benefit liability relating to early retirements in Spain and other long-term employee benefits (see Note 2.9).

(**) Actuarial gains (losses) on remeasurement of the net defined benefit liability relating to pension before income taxes (see Note 2.9).

22.1 Defined benefit plans

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

The change in these commitments as of December 31,2016 and 2015 was as follows:

	Millions of Euros							
	2016				2015			
Defined Benefit Plans	**Defined Benefit Obligation**	**Plan Assets**	**Net Liability (asset)**	**Insurance contracts linked to pensions**	**Defined Benefit Obligation**	**Plan Assets**	**Net Liability (asset)**	**Insurance contracts linked to pensions**
Balance at the beginning	**6,210**	**1,033**	**5,177**	**2,151**	**6,324**	**1,057**	**5,267**	**2,189**
Current service cost	7	-	7	-	5	-	5	-
Interest income or expense	109	20	89	40	132	25	107	47
Contributions by plan participants	-	-	-	-	-	-	-	-
Employer contributions	-	9	(9)	-	-	7	(7)	-
Past service costs (1)	230	-	230	-	527	-	527	-
Remeasurements:	245	66	179	166	105	2	103	77
Return on plan assets (2)	-	*66*	*(66)*	*166*	-	*2*	*(2)*	*77*
From changes in demographic assumptions	*(1)*	-	*(1)*	-	-	-	-	-
From changes in financial assumptions	*187*	-	*187*	-	*93*	-	*93*	-
Other actuarial gain and losses	*59*	-	*59*	-	*12*	-	*12*	-
Benefit payments	(936)	(118)	(818)	(136)	(923)	(102)	(821)	(125)
Settlement payments	(43)	-	(43)	-	-	-	-	-
Business combinations and disposals	402	22	380	205	-	-	-	-
Effect on changes in foreign exchange rates	(17)	(13)	(4)	-	9	7	2	-
Other effects	92	9	83	-	31	37	(6)	(37)
Balance at the end	**6,299**	**1,028**	**5,271**	**2,426**	**6,210**	**1,033**	**5,177**	**2,151**

(1) Including gains and losses arising from settlements.

(2) Excluding interest, which is recorded under "Interest income or expense".

The balance under the heading "Provisions – Pensions and other post-employment defined benefit obligations" of the accompanying balance sheet as of December 31, 2016 includes €355 million for commitments for post-employment benefits maintained with previous members of the Board of Directors and the Bank's Management Committee.

Both the costs and the present value of the commitments are determined by independent qualified actuaries using the "projected unit credit" method.

In order to guarantee the good governance of these plans, the Bank has established an Employee Benefits Committee including members from the different areas to ensure that all decisions are made taking into consideration all of the associated impacts.

The following table sets out the key actuarial assumptions used in the valuation of these commitments as at December 31, 2016 and 2015:

Actuarial Assumptions Commitments in Spain	2016	2015
Discount rate	1,50%	2,0%
Rate of salary increase	1,50%	Al menos 2,0%
Mortality tables	PERM/F 2000P	PERM/F 2000P

The discount rate used to value future benefit cashflows has been determined by reference to Eurozone high quality corporate bonds.

The expected return on plan assets has been set in line with the adopted discount rate.

Assumed retirement ages have been set by reference to the earliest age at which employees are entitled to retire or the contractually agreed age in the case of early retirements.

Changes in the main assumptions can affect the calculation of the commitments. Should the discount interest rate have increased or decreased by 50 basis points, an impact on equity for the commitments in Spain would have been registered for approximately €33 million net of tax.

In addition to the commitments to employees shown above, the Group has other less material long-term employee benefits. These include leave and long-service awards, which consist of either an established monetary award or shares in Banco Bilbao Argentaria A.A. granted to employees when they complete a given number of years of qualifying service. As of December 31, 2016 and 2015 the value of these commitments amounted to €32 and €24 million respectively. These amounts are recorded under the heading "Provisions - Other long-term employee benefits" of the accompanying balance sheet (see Note 21).

Information on the various commitments is provided in the following sections.

Pension commitments

These commitments correspond mainly to retirement, death and disability pensions in payment. They are covered by insurance contracts, pension funds and internal provisions.

The change in pension commitments as of December 31, 2016 and 2015 is as follows:

	Millions of Euros							
	2016				2015			
Pensions commitments	**Defined Benefit Obligation**	**Plan Assets**	**Net Liability (asset)**	**Insurance contracts linked to pensions**	**Defined Benefit Obligation**	**Plan Assets**	**Net Liability (asset)**	**Insurance contracts linked to pensions**
Balance at the beginning	**3,521**	**1,033**	**2,488**	**2,151**	**3,521**	**1,057**	**2,464**	**2,189**
Current service cost	7	-	7	-	5	-	5	-
Interest income or expense	66	20	46	40	79	25	54	47
Contributions by plan participants	-	-	-	-	-	-	-	-
Employer contributions	-	9	(9)	-	-	7	(7)	-
Past service costs (1)	(3)	-	(3)	-	26	-	26	-
Remeasurements:	237	66	171	166	89	2	87	77
Return on plan assets (2)	-	*66*	*(66)*	*166*	-	*2*	*(2)*	*77*
From changes in demographic assumptions	*(1)*	-	*(1)*	-	-	-	-	-
From changes in financial assumptions	*162*	-	*162*	-	*79*	-	*79*	-
Other actuarial gain and losses	*76*	-	*76*	-	*10*	-	*10*	-
Benefit payments	(275)	(118)	(157)	(136)	(248)	(102)	(146)	(125)
Settlement payments	(43)	-	(43)	-	-	-	-	-
Business combinations and disposals	237	22	215	205	-	-	-	-
Effect on changes in foreign exchange rates	(17)	(13)	(4)	-	9	7	2	-
Other effects	14	9	5	-	40	37	3	(37)
Balance at the end	**3,744**	**1,028**	**2,716**	**2,426**	**3,521**	**1,033**	**2,488**	**2,151**
Of Which:								
Vested benefit obligation relating to current employees	3,564				3,337			
Vested benefit obligation relating to retired employees	180				184			

(1) Including gains and losses arising from settlements.

(2) Excluding interest, which is recorded under "Interest income or expense".

In Spain, local regulation requires that pension and death benefit commitments must be funded, either through the assets held for a qualified pension plan or an insurance contract.

These commitments are covered by insurance contracts which meet the requirements of the accounting standard regarding the non-recoverability of contributions. However, a significant number of the insurance contracts are with BBVA Seguros, S.A. and CatalunyaCaixa Vida –BBVA related parties – and consequently these policies cannot be considered plan assets under IAS 19. For this reason, the liabilities insured under these policies are fully recognized under the heading "Provisions – Pensions and other post-employment defined benefit obligations" of the accompanying balance sheet (see Note 21), while the related assets held by the insurance company are included under the heading “Insurance contracts linked to pensions “.

In addition there are commitments covered by insurance contracts with insurance companies not related to the Bank. These commitments are funded by plan assets and therefore are presented in the accompanying balance sheets for the net amount of the commitment less plan assets. As of December 31, 2016 and 2015, the plan assets related to the aforementioned insurance contracts equaled the amount of the commitments covered; therefore, no amount for this item is included in the accompanying balance sheets.

Pensions benefits are paid by the insurance companies with whom BBVA has insurance contracts and to whom all insurance premiums have been paid. The premiums are determined by the insurance companies using “cash flow matching” techniques to ensure that benefits can be met when due, guaranteeing both the actuarial and interest rate risk.

The Bank signed a Social Benefit Standardization Agreement for its employees in Spain. The agreement standardizes the existing social benefits for the different groups of employees and, in some cases where a service was provided, quantified it as an annual amount in cash.

In addition, some overseas branches of the Bank maintain defined-benefit pension commitments with some of their active and inactive personnel. These arrangements are closed to new entrants who instead participate in defined-contribution plans.

Early retirement commitments

In 2016 the Bank offered certain employees the possibility of taking early retirement before the age stipulated in the collective labor agreement in force. This offer was accepted by 601 employees (1,206 in 2015).The commitments to early retirees include the compensation and indemnities and contributions to external pension funds payable during the period of early retirement.

The change in these commitments during financial years 2016 and 2015 is shown below:

	Millions of Euros					
	2016			2015		
Early retirement commitments	**Defined Benefit Obligation**	**Plan Assets**	**Net Liability (asset)**	**Defined Benefit Obligation**	**Plan Assets**	**Net Liability (asset)**
Balance at the beginning	**2,689**	**-**	**2,689**	**2,803**	**-**	**2,803**
Current service cost	-	-	-	-	-	-
Interest income or expense	43	-	43	53	-	53
Contributions by plan participants	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-
Past service costs (1)	233	-	233	501	-	501
Remeasurements:	8	-	8	16	-	16
Return on plan assets (2)	-	-	-	-	-	-
From changes in demographic assump	-	-	-	-	-	-
From changes in financial assumptions	*25*	-	*25*	*14*	-	*14*
Other actuarial gain and losses	*(17)*	-	*(17)*	*2*	-	*2*
Benefit payments	(661)	-	(661)	(675)	-	(675)
Settlement payments	-	-	-	-	-	-
Business combinations and disposals	165	-	165	-	-	-
Effect on changes in foreign exchange rate	-	-	-	-	-	-
Other effects	78	-	78	(9)	-	(9)
Balance at the end	**2,555**	**-**	**2,555**	**2,689**	**-**	**2,689**

(1) Including gains and losses arising from settlements.

(2) Excluding interest, which is recorded under "Interest income or expense".

The valuation and account treatment of these commitments is the same as that of the pension commitments, except for the treatment of actuarial gains and losses (see Note 2.9).

Estimated benefit payments

The estimated payments over the next 10 years are as follows:

	Millions of Euros					
Estimated Future Payments	**2017**	**2018**	**2019**	**2020**	**2021**	**2022-2026**
Commitments in Spain	819	735	651	563	470	1.268
Of which:						
Early retirements	605	527	449	366	279	422

22.2 Defined contribution plans

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

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

23. Common stock

As of December 31, 2016, BBVA's share capital amounted to €3,217,641,468.58 divided into 6,566,615,242 fully subscribed and paid-up registered shares, all of the same class and series, at €0.49 par value each, represented through book-entry accounts. All of the Bank shares carry the same voting and dividend rights, and no single stockholder enjoys special voting rights. There are no shares that do not represent an interest in the Bank's common stock.

The Bank's shares are traded on the Spanish stock market, as well as on the London and Mexico stock markets. BBVA American Depositary Shares (ADSs) traded on the New York Stock Exchange. Also, as of December 31, 2016, the shares of BBVA Banco Continental, S.A., Banco Provincial S.A., BBVA Colombia, S.A., BBVA Chile, S.A., and BBVA Banco Frances, S.A. were listed on their respective local stock markets. BBVA Banco Frances, S.A. is also listed on the Latin American market (Latibex) of the Madrid Stock Exchange and on the New York Stock Exchange.

As of December 31, 2016, State Street Bank and Trust Co., Chase Nominees Ltd and The Bank of New York Mellon SA NV in their capacity as international custodian/depositary banks, held 11.74%, 7.04%, and 5.18% of BBVA common stock, respectively. Of said positions held by the custodian banks, BBVA is not aware of any individual shareholders with direct or indirect holdings greater than or equal to 3% of BBVA common stock outstanding.

On January 13, 2016, the Blackrock, Inc. reported to the Spanish Securities and Exchange Commission (CNMV) an indirect holding of BBVA common stock totaling 5.253% de derechos de voto atribuidos a las acciones, más un 0,353% de derechos de voto a través de instrumentos financieros.

BBVA is not aware of any direct or indirect interests through which control of the Bank may be exercised. BBVA has not received any information on stockholder agreements including the regulation of the exercise of voting rights at its annual general meetings or restricting or placing conditions on the free transferability of BBVA shares. No agreement is known that could give rise to changes in the control of the Bank.

The changes in the heading "Common Stock" of the accompanying balance sheets are due to the following common stock increases:

Capital Increase	Number of Shares	Common Stock (Millions of Euros)
As of December 31, 2014	**6,171,338,995**	**3,024**
Dividend option - January 2015	53,584,943	26
Dividend option - April 2015	80,314,074	39
Dividend option - October 2015	61,442,106	30
As of December 31, 2015	**6,366,680,118**	**3,120**
Dividend option - April 2016	113,677,807	56
Dividend option - October 2016	86,257,317	42
As of December 31, 2016	**6,566,615,242**	**3,218**

"Dividend Option" Program in 2016:

The AGM held on March 11, 2016 under Third Point of the Agenda, adopted four resolutions on capital increase to be charged to reserves, to once again implement the shareholder remuneration program called the "Dividend Option" (see Note 4), pursuant to article 297.1 a) of the Spanish Corporate Enterprises Act, conferring on the Board of Directors the authority to indicate the date on which said capital increases should be carried out, within one year of the date of the AGM, including the power not to implement any of the resolutions, when deemed advisable.

As a consequence of such agreement, on March 31, 2016, the Board of Directors of BBVA approved the execution of the first of the capital increases charged to voluntary reserves agreed by the aforementioned AGM. As a result of this increase, the Bank's capital increased by €55,702,125.43 through the issue and circulation of 113,677,807 shares with a €0.49 par value each.

On September 28, 2016, the Board of Directors of BBVA approved the execution of the second of the capital increases charged to voluntary reserves agreed by the aforementioned AGM. As a result of this increase, the Bank's capital increased by €42,266,085.33 through the issue and circulation of 86,257,317 shares with a €0.49 par value each.

"Dividend Option" Program in 2015:

The AGM held on March 13, 2015 under Point Four of the Agenda, adopted four resolutions on capital increase to be charged to voluntary reserves, to once again implement the shareholder remuneration program called the "Dividend Option" (see Note 4), pursuant to article 297.1 a) of the Spanish Corporate Enterprises Act, conferring on the Board of Directors the authority to indicate the date on which said capital increases should be carried out, within one year of the date of the AGM, including the power not to implement any of the resolutions, when deemed advisable.

On March 25, 2015, the Board of Directors of BBVA approved the execution of the first of the capital increases charged to voluntary reserves agreed by the aforementioned AGM. As a result of this increase, the Bank's capital increased by €39,353,896.26 through the issue and circulation of 80,314,074 shares with a €0.49 par value each.

Likewise, on September 30, 2015, the Board of Directors of BBVA approved the execution of the second of the capital increases charged to voluntary reserves agreed by the aforementioned AGM. As a result of this increase, the Bank's capital increased by €30,106,631.94 through the issue and circulation of 61,442,106 shares with a €0.49 par value each.

Capital increase

The Bank's AGM held on March 16, 2012 agreed, in Point Three of the Agenda, to confer authority on the Board of Directors to increase common stock in accordance with Article 297.1.b) of the Corporations Act, on one or several occasions, within the legal deadline of five years from the date the resolution takes effect, up to the maximum nominal amount of 50% of the subscribed and paid-up common stock on the date on which the resolution is adopted. Likewise, an agreement was made to enable the Board of Directors to exclude the preemptive subscription right on those common stock increases in line with the terms of Article 506 of the Corporations Act. This authority is limited to 20% of the common stock of the Bank on the date the agreement is adopted.

On November 19, 2014, the Board of Directors of BBVA, exercising the authority delegated by the AGM held on March 16, 2012 under point Three of its Agenda, decided to carry out a capital increase though an accelerated bookbuilt offering.

On November 20, 2014, the capital increase finished with a total par value of €118,787,879.56 through the issue of 242,424,244 shares of BBVA, each with a par value of €0.49, of the same class and series as the shares currently in circulation and represented by book entries. The subscription price of these new shares was determined to be €8.25 per share (corresponding €0,49 to par value and €7,76 to share premium). Therefore, the total effective amount of the Capital Increase was of €2,000,000,013 corresponding €118,787,879.56 euros to par value and €1,881,212,133.44 euros to share premium (see Note 27).

Convertible and/or exchangeable securities

At the AGM held on March 16, 2012 the shareholders resolved, in Point Five of the Agenda, to delegate to the Board of Directors the authority to issue bonds, convertible and/or exchangeable into BBVA shares, for a maximum total of €12 billion. The authority include the right to establish the different aspects and conditions of each issue; to exclude the pre-emptive subscription right of shareholders in accordance with the Corporations Act; to determine the basis and methods of conversion and/or exchange; and to increase the Banks common stock as required to address the conversion commitments.

Exercising the authority delegated by the AGM, BBVA, on April 8, 2016, BBVA S.A. has agreed to carry out the fourth issue of perpetual contingent convertible securities, convertible into issued ordinary shares of BBVA (Additional level I capital instruments), without pre-emption rights, for a nominal total amount of €1,000 million (see Note 20.3).

Likewise, exercising the authority delegated by the AGM, BBVA, on February 10, 2015, BBVA S.A. has agreed to carry out the third issue of perpetual contingent convertible securities, convertible into issued ordinary shares of BBVA (Additional level I capital instruments), without pre-emption rights, for a nominal total amount of €1,500 million (see Note 20.3).

Exercising the authority delegated by the AGM, BBVA, in 2014, BBVA S.A. has agreed to carry out the second issue of perpetual contingent convertible securities, convertible into issued ordinary shares of BBVA (Additional level I capital instruments), without pre-emption rights, for a nominal total amount of €1,500 million.

Other securities

At the AGM held on March 13, 2015, in Point Three of the agenda, the shareholders resolve to delegate to the Board of Directors, the authority to issue, within the three-year maximum period stipulated by law, on one or several occasions, directly or through subsidiaries, with the guarantee of the Bank, any type of fixed-income securities, documented in obligations, bonds of any kind, promissory notes, all type of covered bonds, warrants, mortgage participation, mortgage transfers certificates and preferred securities (that are totally or partially exchangeable for shares already issued by the Bank or by another company, in the market or which can be settled in cash), or any other fixed-income securities, in euros or any other currency, that can be subscribed in cash or in kind, registered or bearer, unsecured or secured by any kind of collateral, including a mortgage guarantee, with or without incorporation of rights to the securities (warrants), subordinate or otherwise, for a limited or indefinite period of time, up to a maximum nominal amount of €250 billion.

24. Share premium

There are no changes for years 2016 and 2015 in the balances under this heading in the accompanying balance sheets, amounting €23,992 million due to the common stock increases carried out in 2014.

The amended Spanish Corporation Act expressly permits the use of the share premium balance to increase capital and establishes no specific restrictions as to its use.

25. Retained earnings, Revaluation reserves and Other

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

	Millions of Euros	
Reserves. Breakdown by concepts	**2016**	**2015**
Restricted reserves:		
Legal reserve	624	605
Restricted reserve for retired capital	201	213
Revaluation Royal Decree-Law 7/1996	20	22
Voluntary reserves:		
Voluntary and others	8.521	6.971
Total	**9.366**	**7.811**

25.1 Legal reserve

Under the amended Corporations Act, 10% of any profit made each year must be transferred to the legal reserve. These provisions must be made until the legal reserve reaches 20% of the share capital.

The legal reserve can be used to increase the common stock provided that the remaining reserve balance does not fall below 10% of the increased capital. While it does not exceed 20% of the common stock, it can only be allocated to offset losses exclusively in the case that there are not sufficient reserves available.

25.2 Restricted reserves

As of December 31, 2016 and 2015, the Bank's restricted reserves are as follows:

	Millions of Euros	
Restricted Reserves	**2016**	**2015**
Restricted reserve for retired capital	88	88
Restricted reserve for Parent Company shares and loans for those shares	111	123
Restricted reserve for redenomination of capital in euros	2	2
Total	**201**	**213**

The restricted reserve for retired capital originated in the reduction of the nominal par value of the BBVA shares made in April 2000.

The most significant heading corresponds to restricted reserves related to the amount of shares issued by the Bank in its possession at each date, as well as the amount of customer loans outstanding on those dates that were granted for the purchase of, or are secured by, the Bank's shares.

Finally, pursuant to Law 46/1998 on the Introduction of the Euro, a restricted reserve is recognized as a result of the rounding effect of the redenomination of the Bank's common stock in euros.

25.3 Revaluation and regularizations of the balance sheet

Prior to the merger, Banco de Bilbao, S.A. and Banco de Vizcaya, S.A. availed themselves of the legal provisions applicable to the regularization and revaluation of balance sheets. Thus, on December 31, 1996, Banco Bilbao Vizcaya, S.A. revalued its tangible assets pursuant to Royal Decree-Law 7/1996 of June 7 by applying the maximum coefficients authorized, up to the limit of the market value arising from the existing valuations. As a result of these updates, the increases in the cost and depreciation of tangible fixed assets were calculated and allocated as follows.

Following the review of the balance of the "Revaluation reserve pursuant to Royal Decree-Law 7/1996 of June 7" account by the tax authorities in 2000, this balance could only be used, free of tax, to offset recognized losses and to increase share capital until January 1, 2007. From that date, the remaining balance of this account can also be allocated to unrestricted reserves, provided that the surplus has been depreciated or the revalued assets have been transferred or derecognized.

The breakdown of the calculation and movement to voluntary reserves under this heading are:

	Millions of Euros	
Revaluation and Regularization of the Balance Sheet	**2016**	**2015**
Legal revaluations and regularizations of tangible assets:		
Cost	187	187
Less:		
Single revaluation tax (3%)	(6)	(6)
Balance as of December 31, 1999	**181**	**181**
Rectification as a result of review by the tax authorities in 2000	(5)	(5)
Transfer to voluntary reserves	(156)	(154)
Total	**20**	**22**

26. Treasury shares

In 2016 and 2015 the Group companies performed the following transactions with shares issued by the Bank:

	2016		2015	
Treasury shares	**Number of Shares**	**Millions of Euros**	**Number of Shares**	**Millions of Euros**
Balance at beginning	**38.917.665**	**309**	**41.510.698**	**350**
+ Purchases	379.850.939	2.004	431.321.283	3.273
- Sales and other changes	(411.537.817)	(2.263)	(433.914.316)	(3.314)
+/- Derivatives over BBVA shares	-	(1)	-	-
+/- Other changes	-	-	-	-
Balance at the end	**7.230.787**	**48**	**38.917.665**	**309**
Of which:	-	-	-	-
Held by BBVA	2.789.894	18	1.840.378	19
Held by Corporación General Financiera, S.A.	4.440.893	26	37.077.287	290
Held by other subsidiaries	-	-	-	-
Average purchase price in euros	5,27	-	7,60	-
Average selling price in euros	5,50	-	7,67	-
Net gain or losses on transactions (Stockholders' funds-Reserves)	-	(30)	-	6

The percentages of treasury stock held by the Group in 2016 and 2015 are as follows:

Treasury Stock	2016			2015		
	Min	**Max**	**Closing**	**Min**	**Max**	**Closing**
% treasury stock	0.081%	0.756%	0.110%	0.000%	0.806%	0.613%

The number of BBVA shares accepted by the Bank in pledge as of December 31, 2016 and 2015 is as follows:

Shares of BBVA Accepted in Pledge	2016	2015
Number of shares in pledge	90,731,198	92,703,291
Nominal value	0.49	0.49
% of share capital	1.38%	1.46%

The number of BBVA shares owned by third parties but managed by a company in the Group as of December 31, 2016 and 2015 is as follows:

Shares of BBVA Owned by Third Parties but Managed by the Group	2016	2015
Number of shares owned by third parties	85,766,602	92,783,913
Nominal value	0.49	0.49
% of share capital	1.31%	1.46%

27. Accumulated other comprehensive income

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

	Millions of Euros	
Accumulated other comprehensive income	**2016**	**2015**
Items that will not be reclassified to profit or loss	**(43)**	**(22)**
Actuarial gains or (-) losses on defined benefit pension plans	(43)	(22)
Non-current assets and disposal groups classified as held for sale	-	-
Other adjustments	-	-
Items that may be reclassified to profit or loss	**(319)**	**404**
Hedge of net investments in foreign operations [effective portion]	-	-
Foreign currency translation	13	21
Hedging derivatives. Cash flow hedges [effective portion]	(127)	(75)
Available-for-sale financial assets	(205)	458
Non-current assets and disposal groups classified as held for sale	-	-
Total	**(362)**	**382**

The balances recognized under these headings are presented net of tax.

28. Capital base and capital management

Capital base

As of December 31, 2016 and 2015, equity is calculated in accordance with current regulation on minimum capital base requirements for Spanish credit institutions –both as individual entities and as consolidated group– and how to calculate them, as well as the various internal capital adequacy assessment processes they should have in place and the information they should disclose to the market.

The minimum capital base requirements established by the current regulation are calculated according to the Group's exposure to credit and dilution risk, counterparty and liquidity risk relating to the trading portfolio, exchange-rate risk and operational risk. In addition, the Group must fulfill the risk concentration limits established in said regulation and the internal corporate governance obligations.

As a result of the Supervisory Review and Evaluation Process (SREP) carried out by the European Central Bank (ECB), BBVA has received a communication from the ECB requiring BBVA to maintain, on a consolidated basis, effective from the 1st of January 2017, a phased-in total capital of 11,125% and on an individual bases, a phased-in total capital of 10.75%.

This total capital requirement of 11.125% includes: i) the minimum CET1 capital ratio required under Pillar 1 (4.5%); ii) Pillar 1 Additional Tier 1 capital requirements (1.5%); iii) Pillar 1 Tier 2 capital requirements (2%); iv) Pillar 2 CET1 capital requirement (1.5%); v) the capital conservation buffer (CCB) (1,25% CET1 in a phased-in term and 2.5% in a fully loaded term) and vi) the Other Systemic Important Institution buffer (OSII) (0.375% CET1 in a phased-in term and 0.75% in a fully loaded term).

Since BBVA has been excluded from the list of global systemically important financial institutions in 2016 (which is updated every year by the Financial Stability Board (FSB)), as of January 1, 2017, the G-SIB buffer will not apply to BBVA in 2017, (notwithstanding the possibility that the FSB or the supervisor may include BBVA on it in the future).

However, the supervisor has informed BBVA that it is included on the list of other systemically important financial institutions, and a D-SIB buffer of 0.75% of the fully-loaded ratio applies at the consolidated level. It will be implemented gradually from January 1, 2016 to January 1, 2019.

The CET1 requirement on phased-in terms stands at 7.625% on a consolidated basis and 7.25% on an individual basis.

The Group's bank capital in accordance with the aforementioned applicable regulation, considering entities scope required by the above regulation, as of December 31, 2016 and 2015 is shown below: (please note that the information for the latter period has been adapted to the new presentation format for comparison purposes):

	Millions de euros	
Eligible capital resources	**Reconciliation of total equity with regulatory capital December 2016 (*)**	**Reconciliation of total equity with regulatory capital December 2015 (**)**
Capital	3,218	3,120
Share premium	23,992	23,992
Retained earnings, revaluation reserves and other reserves	23,641	22,512
Other equity instruments (net)	54	35
Treasury shares	(48)	(309)
Attributable to the parent company	3,475	2,642
Attributable dividend	(1,510)	(1,352)
Total Equity	**52,821**	**50,640**
Accumulated other comprehensive income	(5,458)	(3,349)
Non-controlling interests	8,064	8,149
Shareholders´ equity	**55,428**	**55,440**
Intangible assets	(5,675)	(3,901)
Fin. treasury shares	(82)	(95)
Indirect treasury shares	(51)	(415)
Deductions	**(5,808)**	**(4,411)**
Temporary CET 1 adjustments	(129)	(788)
Capital gains from the Available-for-sale debt instruments portfolio	(402)	(796)
Capital gains from the Available-for-sale equity portfolio	273	8
Differences from solvency and accounting level	(120)	(40)
Other adjustments and deductions	**(249)**	**(828)**
Common Equity Tier 1 (CET 1)	**(2,001)**	**(1,647)**
Additional Tier 1 before Regulatory Adjustments	**47,370**	**48,554**
Total Regulatory Adjustments of Aditional Tier 1	**6,114**	**5,302**
Tier 1	**(3,401)**	**(5,302)**
Tier 2	**50,083**	**48,554**
Other deductions	**8,810**	**11,646**
Total Capital (Total Capital=Tier 1 + Tier 2)	**58,893**	**60,200**
Total Minimum equity required (**)	**37,920**	**38,125**

(*) Provisional data

(**) Figures originally reported in the Prudential Relevance Report corresponding to the year 2015, without restatements.

Variations in the amount of Tier 1 Common Equity in the above table are mainly explained by the organic generation of capital leaning against the recurrence of the results, net of dividends paid and remunerations; and the efficient management and allocation of capital in line with the strategic objectives of the Group.

Additionally, there is a negative effect on the minority interests and deductions due to the regulatory phase-in calendar of 60% in 2016 compared with 40% in 2015.

During the first semester of the year, BBVA Group has completed the additional Tier 1 capital recommended by the Regulator (1.5% of Risk-Weighted Assets) with the issuance of perpetual securities eventually convertible into shares, classified as additional Tier 1 equity instruments (contingent convertible) under the solvency rules and contributing to the ratio of Tier 1 stood at 12.88%

Finally, the total capital ratio is located at 15.14% reflecting the effects discussed above.

The increase in minimum capital requirements is mainly due to the consideration of the aforementioned new prudential capital requirements applicable to BBVA.

The comparison of the amounts as of December 31, 2016 with respect to the amounts as of December 31, 2015 according to their respective existing regulations on both periods is as follows:

	Millions of Euros	
Eligible capital BBVA S.A. resources	**2016**	**2015**
Core Capital	35,239	35,531
Basic equity	41,062	40,155
Additional equity	3,029	2,954
Total Equity	44,091	43,109
Minimum equity required	16,095	15,964

(*) Provisional data and calculated according to CRD-IV

Capital management

Capital management in the BBVA Group has a twofold aim:

- Maintain a level of capitalization according to the business objectives in all countries in which it operates and, simultaneously,
- Maximize the return on shareholders' funds through the efficient allocation of capital to the different units, a good management of the balance sheet and appropriate use of the various instruments forming the basis of the Group's equity: shares, preferred securities and subordinate debt.

This capital management is carried out determining the capital base and the solvency ratios established by the prudential and minimum capital requirements also have to be met for the entities subject to prudential supervision in each country.

The current regulation allows each entity to apply its own internal ratings-based (IRB) approach to risk assessment and capital management, subject to the banking supervisor approval. The BBVA Group carries out an integrated management of these risks in accordance with its internal policies and its internal capital estimation model has received the Bank of Spain's approval for certain portfolios (see 7).

29. Commitments and guarantees given

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

	Millions of euros	
Loan commitments, financial guarantees and other commitments	**2016**	**2015**
Loan commitments given	**60,863**	**47,751**
of which: defaulted	230	39
Central banks	1	1
General governments	3,111	2,547
Credit institutions	849	920
Other financial corporations	3,497	3,091
Non-financial corporations	38,705	35,543
Households	14,700	5,650
Financial guarantees given	**18,697**	**20,959**
of which: defaulted	176	149
Central banks	-	0
General governments	102	61
Credit institutions	429	387
Other financial corporations	10,811	14,807
Non-financial corporations	7,193	5,520
Households	162	183
Other Commitments given	**31,306**	**29,395**
of which: defaulted	374	282
Central banks	12	15
General governments	74	72
Credit institutions	8,723	8,116
Other financial corporations	4,928	5,081
Non-financial corporations	17,463	16,013
Households	106	98
Total Loan commitments and financial guarantees	**110,866**	**98,105**

Since a significant portion of the amounts above will reach maturity without any payment obligation materializing for the companies, the aggregate balance of these commitments cannot be considered as an actual future requirement for financing or liquidity to be provided by the Bank to third parties.

In 2016 and 2015 no issuances of debt securities carried out by associated entities, joint ventures or non-Group entities have been guaranteed.

30. Other contingent assets and liabilities

As of December 31, 2016 and 2015, there were no contingent assets or liabilities for significant amounts other than those registered in these Financial Statements.

31. Purchase and sale commitments and future payment obligations

The breakdown of the sale and purchase commitments of the Bank as of December 31, 2016 and 2015 is as follows:

		Millions of Euros	
Purchase and Sale Commitments	**Notes**	**2016**	**2015**
Financial instruments sold with repurchase commitments		**31,275**	**44,533**
Central Banks	7	115	389
Credit Institutions	20.1	24,945	27,745
General governments	20.2	-	7,500
Other resident sectors	20.2	1,900	1,436
Non-resident sectors	20.2	4,315	7,462
Financial instruments purchased with resale commitments		**22,120**	**16,847**
Central Banks		-	-
Credit Institutions	11.1	14,908	12,033
General governments		544	326
Other resident sectors		6,668	4,488
Non-resident sectors			

Future payment obligations other than those mentioned in the notes above correspond mainly to long-term (over 5 year) obligations amounting to around €2,172 million for leases payable derived from operating lease contracts.

32. Transactions for the account of third parties

As of December 31, 2016 and 2015, the details of the most significant items under this heading are as follows:

	Millions of Euros	
Transactions on Behalf of Third Parties **Breakdown by concepts**	**2016**	**2015**
Financial instruments entrusted by third parties	464,774	463,876
Conditional bills and other securities received for collection	3,388	3,226
Securities lending	2,387	2,174
Total	**470,549**	**469,276**

As of December 31, 2016 and 2015, the off-balance sheet customer funds managed by the Bank are as follows:

	Millions of Euros	
Off-Balance Sheet Customer Funds by Type	**2016**	**2015**
Investment companies and mutual funds	37.907	34.316
Pension funds	19.386	18.016
Saving insurance contracts	8.774	7.168
Customers portfolio under management	8.210	7.302
Total	**74.277**	**66.802**

33. Interest income and expense

33.1 Interest income

The breakdown of the interest income recognized in the accompanying income statement is as follows:

Interest Income Breakdown by Origin	Millions of Euros 2016	2015
Financial assets held for trading	47	106
Financial assets designated at fair value through profit or loss	-	-
Available-for-sale financial assets	817	1,175
Loans and receivables	4,402	4,475
Held-to-maturity investments	254	-
Hedging derivatives	540	681
Cash flow hedges (effective portion)	(1)	2
Fair value hedges	541	679
Other Assets	2	69
Liabilities interest income	174	-
Total	**6,236**	**6,506**

The amounts recognized in equity during both years in connection with hedging derivatives and the amounts derecognized from equity and taken to the income statement during those years are disclosed in the accompanying statements of recognized income and expenses.

33.2 Interest expenses

The following table shows the adjustments in expenses resulting from hedge accounting, broken down by type of hedge:

Interest Expenses Breakdown by Origin	Millions of Euros 2016	2015
Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Financial liabilities at amortised cost	2,122	2,700
Hedging derivatives and interest rate risk	389	362
Cash flow hedges	(14)	(4)
Fair value hedges	403	366
Other liabilities	62	105
Assets interest expenses	140	-
Total	**2,713**	**3,167**

34. Dividend income

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

	Millions of Euros	
Dividend Income	**2015**	**2014**
Investments in associates	14	5
Investments in jointly controlled entities	5	51
Investments in group Entities	2,424	1,711
Other shares and dividend income	411	350
Total	**2,854**	**2,117**

35. Fee and commission income

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

	Millions of Euros	
Fee and Commission Income	**2016**	**2015**
Bills receivables	25	5
Demand accounts	144	123
Credit and debit cards	336	265
Checks	7	6
Transfers and others payment orders	98	62
Insurance product commissions	124	107
Commitment fees	99	112
Contingent risks	170	178
Asset Management	36	41
Securities fees	89	106
Custody securities	90	64
Other fees and commissions	668	681
Total	**1,886**	**1,751**

36. Fee and commission expenses

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

	Millions of Euros	
Fee and Commission Expenses	**2016**	**2015**
Credit and debit cards	132	103
Transfers and others payment orders	3	3
Other fees and commissions	218	183
Total	**353**	**289**

37. Gains (losses) on financial assets and liabilities (net) hedge accounting and exchange differences

The breakdown of the balance under this heading, by source of the related items, in the accompanying income statements is as follows:

	Millions of Euros	
Gains or losses on financial assets and liabilities Breakdown by Heading of the Balance Sheet	**2016**	**2015**
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	955	775
Available-for-sale financial assets	955	776
Loans and receivables	(1)	-
Other	1	(1)
Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net	-	-
Gains or losses on financial assets and liabilities held for trading, net	(70)	151
Gains or losses from hedge accounting, net	(62)	(16)
Subtotal	**823**	**910**
Exchange differences	305	224
Total	**1,128**	**1,134**

The breakdown of the balance (excluding the exchange differences) under this heading in the accompanying income statements by the nature of the financial instruments is as follows:

	Millions of Euros	
Gains or losses on financial assets and liabilities Breakdown by nature of the Financial Instrument	**2016**	**2015**
Debt instruments	1,010	695
Equity instruments	187	(522)
Loans and advances to customers	(1)	-
Derivatives	(233)	885
Derivatives held for trading	(171)	901
Interest rate agreements	(209)	105
Security agreements	53	713
Commodity agreements	-	(1)
Credit derivative agreements	(15)	84
Foreign-exchange agreements	-	-
Other agreements	-	-
Hedging Derivatives Ineffectiveness	(62)	(16)
Fair value hedges	(62)	(16)
Hedging derivative	(137)	29
Hedged item	75	(45)
Cash flow hedges	-	-
Customer deposits	-	-
Other	(140)	(148)
Total	**823**	**910**

In addition, in 2016 and 2015, under the heading "Gains or losses on financial assets and liabilities held for trading, net" of the income statements, net amounts of positive €151 million and positive €135 million, respectively, are registered for transactions with foreign exchange derivatives.

38. Other operating income and expenses

The breakdown of the balance under the heading "Other operating income" and in the accompanying income statements is as follows:

	Millions of Euros	
Other operating income	**2016**	**2015**
Real estate income	20	12
Financial income from non-financial services	56	64
Rest of operating income	63	38
Total	**140**	**114**

The breakdown of the balance under the heading "Other operating expenses" in the accompanying income statements is as follows:

	Millions of Euros	
Other operating expenses	**2016**	**2015**
Contributions to guaranted banks deposits funds	270	241
Real estate agencies	105	127
Other operating expenses	129	97
Total	**504**	**465**

39. Administration costs

39.1 Personnel expenses

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

		Millions of Euros	
Personnel Expenses	**Notes**	**2016**	**2015**
Wages and salaries		1,905	1,666
Social security costs		386	337
Defined contribution plan expense	22	3	2
Defined benefit plan expense	22	46	45
Other personnel expenses		162	148
Total		**2,502**	**2,198**

The breakdown of the number of employees in the Bank as of December 31, 2016 and 2015, by categories and gender, is as follows:

	2016		2015	
Number of Employees at the end of year Professional Category and Gender	**Male**	**Female**	**Male**	**Female**
Management Team	797	232	797	224
Other line personnel	11,414	11,211	10,406	9,771
Clerical staff	1,367	1,859	1,311	1,462
General Services	3	1	3	1
Branches abroad	397	255	458	285
Total	**13,978**	**13,558**	**12,975**	**11,743**

Share-based employee remuneration

The amounts registered under the heading "Personnel expenses - Other personnel expenses" in the income statements for the years 2016 and 2015, corresponding to the plans for remuneration based on equity instruments in force in each year, amounted to €49 million and €30 million for BBVA, respectively. These amounts have been registered with a balancing entry under the heading "Stockholders' funds – Other equity instruments" in the accompanying balance sheets, net of tax effect.

The specifications of the Bank's Group remuneration plans based on equity instruments are described below.

System of Variable Remuneration in Shares

In BBVA, the annual variable remuneration applying to all employees consists of a one incentive only, paid in cash, awarded once a year and linked to the achievement of previously established goals and to a sound risk management based on the design of incentives that are aligned with the company's long-term interests and that take into account current and future risks (hereinafter, the "Annual Variable Remuneration").

Nevertheless, the remuneration policy of the BBVA Group, in force since 2015, has a specific settlement and payment scheme of the Annual Variable Remuneration applicable to those employees, including the executive directors and members of the BBVA Senior Management, performing professional activities that may have a significant impact on the risk profile of the Group or engaged in control functions (hereinafter, the "Identified Staff"), that includes, among others, the payment in shares of part of their Annual Variable Remuneration.

This remuneration policy was approved for the directors by the Annual General Meeting, March 13, 2015.

The specific settlement and payment scheme for the Annual Variable Remuneration of executive directors and members of the Senior Management is described in Note 54, while the rules listed below are applicable to the rest of the Identified Staff:

- The Annual Variable Remuneration of members of the Identified Staff will be paid in equal parts in cash and BBVA shares.
- The payment of 40% of the Annual Variable Remuneration, - 50% in the case of the executive directors and the members of the Senior Management - both in cash and in shares, will be deferred in its entirety for three years. Its accrual and payment will be subject to compliance with a series of multi-year indicators related to share performance and the Group's basic control and risk management metrics measuring solvency, liquidity and profitability, which will be calculated throughout the deferral period (hereinafter "Multi-year Performance Indicators"). These Multi-year Performance Indicators may lead to a reduction in the amount deferred, and might even bring it down to zero, but they will not be used under any circumstances to increase the aforementioned deferred remuneration.
- All the shares delivered to these beneficiaries would be unavailable for a period of time after they have vested, according to the rules explained in the previous paragraph. This withholding will be applied against the net amount of the shares, after deducting any tax accruing on the shares received.
- A prohibition is also established against hedging with unavailable vested shares and shares pending reception.
- Moreover, circumstances have been established in which the payment of the deferred Annual Variable Remuneration may be limited or impeded ("malus" clauses), as well as the adjustment to update these deferred parts.
- Finally, the variable component of the remuneration corresponding to any one financial year of those in the Identified Staff will be limited to an upper threshold of 100% of the fixed component of the total remuneration, unless the General Meeting should resolve to raise this limit which, in any event, may not exceed 200% of the fixed component of the total remuneration.

In this regard, the Annual General Meeting held on March 14, 2014 resolved, in line with applicable legislation, the application of the maximum level of variable remuneration up to 200% of the fixed remuneration for a specific group of employees whose professional activities have a material impact on the Group's risk profile or are engaged in control functions. Additionally, the General Meeting held on March 13, 2015, resolved to enlarge this group, whose variable remuneration will be subject to the maximum threshold of 200% of the fixed component of their total remuneration. This is entirely consistent with the Recommendations Report issued by the BBVA's Board of Directors on February 3, 2015.

According to the settlement and payment scheme mentioned above, in 2016 a number of 5,187,750 shares corresponding to the initial payment of 2015 Annual Variable Remuneration were delivered to the beneficiary members of the Identified Staff.

Additionally, the remuneration policy prevailing until 2014 provided a specific settlement and payment scheme for the variable remuneration of the Identified Staff that established a deferral period of three years for the Annual Variable Remuneration, being the deferred amount paid in thirds over this period.

According to this prior scheme, in 2016 the shares corresponding to the deferred parts of the Annual Variable Remuneration paid in shares from previous years, and their corresponding adjustments in cash, were delivered to the beneficiary members of the Identified Staff, giving rise in 2016, of a total of 945,053 shares corresponding to the first deferred third of the 2014 Annual Variable Remuneration were granted, and €349,670 as adjustments for updates of the shares granted; a total of 438,082 shares corresponding to the second deferred third of the 2013 Annual Variable Remuneration, and €340,828 in adjustments for updates; and a total of 502,622 shares corresponding to the final third of the 2012 Annual Variable Remuneration, with €551,879 in adjustments for updates.

39.2 General and administrative expenses

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

	Millions of Euros	
Administrative Expenses. Breakdown by main concepts	**2016**	**2015**
Technology and systems	483	399
Communications	64	61
Advertising	139	137
Property, fixtures and materials	454	430
Of which:Rent expenses (*)	325	314
Taxes	10	21
Other administration expenses	595	510
Total	**1,745**	**1,558**

(*) The Bank does not expect to terminate the lease contracts early.

40. Depreciation

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

		Millions of Euros	
Depreciation	**Notes**	**2016**	**2015**
Tangible assets	15	222	200
For own use		220	191
Investment properties		2	9
Assets leased out under financial lease		-	-
Other Intangible assets	16	353	319
Total		**575**	**519**

41. Provisions or reversal of provisions

In 2016 and 2015, the net provisions charged to in this heading of the income statement were as follows:

		Millions of Euros	
Provisions or reversal of provisions	**Notes**	**2016**	**2015**
Pensions and other post employment defined benefit obligations	21	228	550
Commitments and guarantees given	21	7	29
Other Provisions	21	952	72
Total		**1,187**	**651**

42. Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss

The impairment losses on financial assets broken down by the nature of these assets in the accompanying income statements are as follows:

	Millions of Euros	
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	**2016**	**2015**
Available-for-sale financial assets	180	-
Debt securities	174	-
Other equity instruments	6	-
Financial assets at amortized cost	12	13
Held-to-maturity investments	-	-
Loans and receivables	757	1,291
Of which: Recovery of written-off assets	448	380
Total	**949**	**1,304**

43. Impairment or reversal of impairment on non-financial assets and investments in subsidiaries, joint ventures or associates.

The impairment losses on non-financial assets and investments in subsidiaries, joint ventures or associates broken down by the nature of these assets in the accompanying income statements is as follows:

		Millions of Euros	
Impairment or reversal of impairment on non-financial assets	**Notes**	**2016**	**2015**
Investments in subsidiaries, joint ventures or associates	14	147	(835)
Total		**147**	**(835)**

		Millions of Euros	
Impairment or reversal of impairment on non-financial assets	**Notes**	**2016**	**2015**
Intangible assets	16	-	-
Tangible assets	15	16	22
Total		**16**	**22**

44. Gains (losses) on derecognized of non-financial assets and subsidiaries, net

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

Gains or losses on derecognition of non-financial assets and investments in subsidiaries, joint ventures and associates, net	Millions of Euros 2016	Millions of Euros 2015
Gains		
Disposal of investments in subsidiaries	13	8
Disposal of tangible assets and other	-	-
Losses:		
Disposal of investments in subsidiaries	(1)	-
Disposal of tangible assets and other	-	-
Total	**12**	**8**

45. Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

The main items included in the balance under this heading in the accompanying income statements are as follows:

Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	Notes	Millions of Euros 2016	Millions of Euros 2015
Gains for real estate	14	(4)	62
Of which:			
Foreclosed		2	3
Sale of buildings for own use		(6)	59
Impairment of non-current assets held for sale	19	(69)	(204)
Gains on sale of available-for-sale financial assets (*)		-	499
Other gains and losses (**)		-	403
Total		**(73)**	**760**

(*) Corresponding to the sale of CNCB in 2015 (see Note 14).
(**) Corresponding to the sale of CIFH in 2015 (see Note 14).

46. Statements of cash flows

Cash flows from operating activities increased in 2016 by €6,281 million (€4,706 million in 2015). The most significant causes of the increase are linked to “Loans and receivables” and “Other operating assets”.

The most significant variations in cash flows from investment activities decreased in 2016 by €1,048 million euros(€2,259 million in 2015) corresponded to main variations in the headings “Held-to-maturity investments” and “Non-current assets for sale”.

Cash flows from financing activities decreased in 2016 by €502 million (€302 million up in 2015), corresponded to the most significant changes in the acquisition and disposal of own equity instruments.

The table below shows the breakdown of the main cash flows related to investing activities as of December 31, 2016 and 2015:

	Millions of Euros	
Main Cash Flows in Investing Activities	**Cash Flows in Investment Activities**	
2016	**Investments (-)**	**Divestments (+)**
Tangible assets	(170)	20
Intangible assets	(320)	-
Investments	(246)	93
Subsidiaries and other business units	-	-
Non-current assets held for sale and associated liabilities	(674)	511
Held-to-maturity investments	(1,758)	1,321
Other settlements related to investing activities	-	175

	Millions of Euros	
Main Cash Flows in Investing Activities	**Cash Flows in Investment Activities**	
2015	**Investments (-)**	**Divestments (+)**
Tangible assets	(211)	12
Intangible assets	(298)	-
Investments	(4,113)	62
Subsidiaries and other business units	-	-
Non-current assets held for sale and associated liabilities	(1,001)	1,249
Held-to-maturity investments	-	-
Other settlements related to investing activities	-	2,043

The heading "Non-current assets held for sale and associated liabilities" in the above tables includes transactions of a non-cash nature related to the foreclosed assets received as payment for past-due loans.

47. Accountant fees and services

The breakdown of the fees for the services provided to the Bank by its auditors in 2016 is as follows:

	Millions of Euros
Fees for Audits Conducted	**2016**
Audits of the companies audited by firms belonging to the Deloitte worldwide organization and other reports related with the audit (*)	11.7
Other reports required pursuant to applicable legislation and tax regulations issued by the national supervisory bodies of the countries in which the Group operates, reviewed by firms belonging to the Deloitte worldwide organization	1.1
Fees for audits conducted by other firms	-

(*) Including fees belonging to annual statutory audits (€7.9 million)

In addition, in 2016, the Bank contracted services (other than audits) as follows:

	Millions of Euros
Accountant Fees. Other Services Contracted	**2016**
Firms belonging to the Deloitte worldwide organization(*)	0.7
Other firms	20.1

(*) Includes €0.03 million relating to fees for tax services

The services provided by our auditors meet the independence requirements established under Act 44/2002, of 22 November 2002, on Measures Reforming the Financial System and under the Sarbanes-Oxley Act of 2002 adopted by the Securities and Exchange Commission (SEC); accordingly they do not include the performance of any work that is incompatible with the auditing function.

48. Related-party transactions

As a financial institution, BBVA engages in transactions with related parties in the normal course of business. All of these transactions are of little relevance and are carried out under normal market conditions.

48.1 Transactions with significant shareholders

As of December 31, 2016 there were no shareholders considered significant (see Note 23).

48.2 Transactions with BBVA Group entities

The balances of the main aggregates in the accompanying balance sheets arising from the transactions carried out by the Group companies, which consist of ordinary business and financial transactions carried out under normal market conditions, are as follows:

	Millions of Euros	
Balances arising from transactions with Entities of the Group	**2016**	**2015**
Assets:		
Loans and advances to credit institutions	2,422	5,649
Loans and advances to customers	11,909	10,502
Available-for-sale financial assets	320	296
Liabilities:		
Deposits from credit institutions	2,189	11,346
Customer deposits	18,117	14,811
Debt certificates	-	-
Memorandum accounts:		
Financial guarantees given	12,466	16,570
Contingent commitments	2,596	2,081

The balances of the main aggregates in the accompanying income statements arising from the transactions carried out by the Bank with Group companies, which consist of ordinary business and financial transactions carried out under normal market conditions, are as follows:

	Millions of Euros	
Balances of Income Statement arising from transactions with Entities of the Group	**2016**	**2015**
Income statement:		
Financial Incomes	155	139
Financial Costs	316	562
Fee and commission income	555	500
Fee and commission expenses	13	58

The balance for operations with associate entities amounted to €248 million for assets, €508 million for liabilities and €1,628 million for guarantees and contingent commitments. In the income statement, the net balance registered in the margin of interest amounted to €1 million and in the headings fee and commission income and expenses amounted to €4 million and €47 million, respectively.

There are no other material effects in the financial statements arising from dealings with these companies, other than the effects arising from using the equity method and from the insurance policies to cover pension or similar commitments, which are described in Note 22.

In addition, as part of its normal activity, the Bank has entered into agreements and commitments of various types with shareholders of subsidiaries and associates, which have no material effects on the financial statements.

48.3 Transactions with members of the Board of Directors and Senior Management

The information on the remuneration of the members of the BBVA Board of Directors and Senior Management is included in Note 49.

As of December 31, 2016, there were no loans granted by the Group's entities to the members of the Board of Directors. As of December 31, 2015 the amount availed against the loans by the Group's entities to the members of the Board of Directors was €200 thousand. The amount availed against the loans by the Group's entities to the members of Senior Management on those same dates (excluding the executive directors) amounted to €5,573 and €6,641 thousand, respectively.

As of December 31, 2016, there were no loans granted to parties related to the members of the Board of Directors. As of December 31, 2015, the amount availed against the loans to parties related to the members of the Bank's Board of Directors was €10,000 thousand.

As of December 31, 2016 and 2015 the amount availed against the loans to parties related to members of the Senior Management amounted to €98 and €113 thousand, respectively.

As of December 31, 2016 and 2015 no guarantees had been granted to any member of the Board of Directors.

As of December 31, 2016, the amount availed against guarantees arranged with members of the Senior Management totaled €28 thousand. As of December 31, 2015 no guarantees had been granted to any member of the Senior Management

As of December 31, 2016 and 2015 the amount availed against commercial loans and guarantees arranged with parties related to the members of the Bank's Board of Directors and the Senior Management totaled €8 and €1,679 thousand, respectively.

Additionally, during 2016, it was registered an insurance policy to ensure the responsibility of the managers of the BBVA Group which amounted to €2,012 thousand.

48.4 Transactions with other related parties

In 2016 and 2015, the Bank did not perform any transactions with other related parties that did not belong to the normal course of its business, that were not under normal market conditions or that were relevant for the equity, financial situation or earnings of the Bank.

49. Remuneration and other benefits of the Board of Directors and Members of the Bank's Management Committee

- **Remuneration of non-executive directors received in 2016**

The remuneration paid to the non-executive members of the Board of Directors during 2016 is indicated below. The figures are given individually for each non-executive director and itemised:

	Thousands of Euros							
Remuneration for non-executive directors	**Board of Directors**	**Executive Committee**	**Audit & Compliance Committee**	**Risks Committee**	**Remuneration Committee**	**Appointments Committee**	**Technology and Cybersecurity Committee**	**Total**
Tomás Alfaro Drake	129	-	71	-	11	102	25	338
José Miguel Andrés Torrecillas	129	-	179	107	-	31	-	445
José Antonio Fernández Rivero	129	125	-	53	32	10	-	350
Belén Garijo López	129	-	71	-	32	-	-	232
Sunir Kumar Kapoor (1)	107	-	-	-	-	-	25	132
Carlos Loring Martínez de Irujo	129	125	18	80	27	-	-	379
Lourdes Máiz Carro	129	-	71	-	-	31	-	231
José Maldonado Ramos	129	167	-	-	-	41	-	336
José Luis Palao García-Suelto	129	-	-	107	32	10	-	278
Juan Pi Llorens	129	-	54	27	91	-	25	325
Susana Rodríguez Vidarte	129	167	-	107	-	41	-	443
James Andrew Stott (2)	107	-	-	160	32	-	25	325
Total (3)	**1,502**	**584**	**464**	**642**	**257**	**265**	**100**	**3,813**

(1) Sunir Kumar Kappor was appointed director upon resolution of the General Meeting held on 11 March 2016.

(2) James Andrew Stott was appointed director upon resolution of the General Meeting held on 11 March 2016.

(3) Includes the amounts as members of the different Committees during 2016. The composition of the Committees was changed in 31 March 2016.

In addition, Ramón Bustamante y de la Mora and Ignacio Ferrero Jordi, who ceased as directors on 11 March 2016, received in 2016 the total amount of €70 thousand and €85 thousand, respectively, as members of the Board of Directors and the different Board Committees.

Moreover, during 2016, €132 thousand was paid in healthcare and casualty insurance premiums for non-executive members of the Board of Directors.

- **Remuneration of executive directors received in 2016**

The remuneration scheme for the executive directors is in line with the general model applicable to BBVA senior managers. This comprises a fixed remuneration and a variable remuneration, which is in turn made up of a single incentive (hereinafter the “Annual Variable Remuneration”).

Thus, during 2016, the executive directors were paid the amount of fixed remuneration corresponding to that year and the Annual Variable Remuneration corresponding to 2015, paid during the first quarter of the year 2016, according to the settlement and payment system set out in the current Remuneration Policy for BBVA Directors as approved by the General Meeting held on 13 March 2015 (hereinafter, the "Settlement and Payment System"). The Settlement and Payment System provides that:

- The Annual Variable Remuneration will be paid in equal parts in cash and in BBVA shares.
- 50% of the Annual Variable Remuneration, in cash and in shares, will be deferred in its entirety for a three-year period, and its accrual and vesting shall be subject to compliance with a series of multi-year indicators.
- All the shares vested under the rules explained in the previous paragraphs would be unavailable for the period of time determined by the Board of Directors, as from the respective vesting. This withholding will be applied with respect to the net amount of the shares, after discounting the necessary part to pay the tax accruing on the shares received.
- No hedging strategies may be carried out on the shares received and unavailable or on the shares pending to be received.
- Moreover, circumstances have been established in which disbursement of the Annual Variable Remuneration may be limited or impeded ("malus" clauses).
- The deferred parts of the Annual Variable Remuneration would be adjusted to update them under the terms established by the Board of Directors.

Likewise, in application of the settlement and payment system of the Annual Variable Remuneration corresponding to years 2014, 2013 and 2012, under the applicable policy for those years, the executive directors have received the deferred parts of the Annual Variable Remuneration corresponding to those years, which vested in the first quarter of year 2016.

Pursuant to the above, the remuneration paid to the executive directors during 2016 is shown below. The figures are given individually for each executive director and itemised:

Thousands of Euros

Remuneration of executive directors	Fixed Remuneration	2015 Annual Variable Remuneration in cash (1)	Deferred variable remuneration in cash (2)	Total Cash	2015 Annual Variable Remuneration in BBVA shares (1)	Deferred Variable Remuneration in BBVA shares (2)	Total Shares
Group Executive Chairman	1,966	897	893	3,756	135,300	103,112	238,412
Chief Executive Officer (*)	1,923	530	240	2,693	79,956	27,823	107,779
Head of Global Economics, Regulation & Public Affairs ("Head of GERPA")	800	98	47	945	14,815	5,449	20,264
Total	**4,689**	**1,526**	**1,180**	**7,394**	**230,071**	**136,384**	**366,455**

(*) The variable remuneration paid to the Chief Executive Officer, who was appointed for said position on 4 May 2015, includes as well the remuneration vested as Digital Banking Officer during the period in which he held this position (4 months).

(1) Amounts corresponding to 50% of 2015 Annual Variable Remuneration.

(2) Amounts corresponding to the sum of the deferred parts of the Annual Variable Remuneration from previous years (2014, 2013 and 2012), and their respective cash adjustments; payment or delivery of which was made in 2016, in application of the settlement and payment system, as broken down below:

- 1st third of deferred Annual Variable Remuneration from 2014

Under this item, the executive directors received: €302 thousand and 37,392 BBVA shares in the case of the Group Executive Chairman; €95 thousand and 11,766 BBVA shares in the case of the Chief Executive Officer; and €30 thousand and 3,681 BBVA shares in the case of the executive director Head of GERPA.

- 2nd third of deferred Annual Variable Remuneration from 2013

Under this item, the executive directors received €289 thousand and 29,557 BBVA shares in the case of the Group Executive Chairman; €78 thousand and 7,937 BBVA shares in the case of the Chief Executive Officer; and €17 thousand and 1,768 BBVA shares in the case of the executive director Head of GERPA.

- 3rd third of deferred Annual Variable Remuneration from 2012

Under this item, the Group Executive Chairman received €301 thousand and 36,163 BBVA shares, while the Chief Executive Officer received €68 thousand and 8,120 BBVA shares.

The executive directors will receive, during the first quarter of each of the next two years, the deferred amounts that in each case correspond in application of the settlement of the deferred Annual Variable Remuneration from previous years (2014 and 2013), and subject to the conditions established in the applicable settlement and payment system.

Likewise, during 2016, the executive directors received payment in kind, including insurance premiums and others, amounting to an overall total of €240 thousand, of which €17 thousand were paid to the Group Executive Chairman; €139 thousand to the Chief Executive Officer; and €84 thousand to the executive director Head of GERPA.

- **Annual Variable Remuneration for executive directors for the year 2016**

Following year-end 2016, the Annual Variable Remuneration for the executive directors corresponding to that year has been determined applying the conditions established for that purpose at the beginning of that year, as set forth in the Remuneration Policy for BBVA Directors as approved by the General Meeting held on 13 March 2015. Consequently, during the first quarter of 2017, the executive directors will receive 50% of the 2016 Annual Variable Remuneration, in equal parts in cash and in shares, i.e., €734 thousand and 114,204 BBVA shares in the case of the Group Executive Chairman; €591 thousand and 91,915 BBVA shares the case of the Chief Executive Officer; and €89 thousand and 13,768 BBVA shares the case of the executive director Head of GERPA.

The remaining 50%, in cash and in shares, will be deferred for a three-year period, and its accrual and vesting will be subject to compliance with multi-year indicators established by the Board of Directors at the beginning of the year. Based on the result of each multi-year indicator during the deferred period and applying the performance scales assigned to each of them and their weightings, the final deferred amount of the Annual Variable Remuneration will be determined after the deferred period. The deferred Annual Variable Remuneration may be reduced and even reach zero, but in no event may be increased. To these effect, the maximum amounts that could be received during the first quarter of 2020 are: €734 thousand and 114,204 BBVA shares the case of the Group Executive Chairman; €591 thousand and 91,915 BBVA shares the case of the Chief Executive Officer; and €89 thousand and 13,768 BBVA shares the case of the executive director Head of GERPA; all subject to the settlement and payment conditions established in the Remuneration Policy for BBVA Directors.

These amounts are recorded under the item “Other Liabilities” of the balance sheet at 31 December 2016.

- **Remuneration of the members of the Senior Management received in 2016**

During 2016, the remuneration paid to the members of BBVA’s Senior Management as a whole, excluding executive directors, is shown below (itemised):

Remuneration of members of the Senior Management	Fixed Remuneration	2015 Annual Variable Remuneration in cash (1)	Deferred Variable Remuneration in cash (2)	Total Cash	2015 Annual Variable Remuneration in BBVA Shares (1)	Deferred Variable Remuneration in BBVA Shares (2)	Total Shares
	Thousands of Euros						
Total Members of the Senior Management (*)	11,115	2,457	1,343	14,915	370,505	155,746	526,251

(*) This section includes aggregate information regarding the members of BBVA Group’s Senior Management, excluding executive directors, who were members of the Senior Management as of 31 December 2016 (14 members).

(1) Amounts corresponding to 50% of 2015 Annual Variable Remuneration.

(2) Amounts corresponding to the sum of the deferred parts of the Annual Variable Remuneration from previous years (2014, 2013, and 2012), and their corresponding cash adjustments; payment or delivery of which was made in 2016, to the members of the Senior Management who had generated this right, as broken down below:

- 1st third of deferred Annual Variable Remuneration from 2014

Overall amount of €515 thousand and 63,862 BBVA shares.

- 2nd third of deferred Annual Variable Remuneration from 2013

Overall amount of €434 thousand and 44,426 BBVA shares.

- 3rd third of deferred Annual Variable Remuneration from 2012

Overall amount of €395 thousand and 47,458 BBVA shares.

During the first quarter of each of the next two years, under the applicable settlement and payment system of the variable remuneration, all members of the Senior Management will receive the corresponding amounts, stemming from the settlement of the deferred Annual Variable Remuneration from previous years (2014 and 2013), and subject to the conditions established in this system.

Moreover, during 2016, all members of the Senior Management, with the exception of the executive directors, received remuneration in kind, including insurance premiums and others, for a total overall amount of €664 thousand.

- System of remuneration in shares with deferred delivery for non-executive directors

BBVA has a remuneration system in shares with deferred delivery for its non-executive directors, which was approved by the General Meeting held on 18 March 2006 and extended under General Meeting resolutions dated 11 March 2011 and 11 March 2016, for a further 5-year period in each case.

This System is based on the annual allocation to non-executive directors of a number of "theoretical shares", equivalent to 20% of the total remuneration in cash received by each of them in the previous year, according to the closing prices of the BBVA share during the sixty trading sessions prior to the Annual General Meeting approving the corresponding financial statements for each year.

These shares, where applicable, will be delivered to each beneficiary on the date they leave the position as director for any reason other than dereliction of duty.

The number of “theoretical shares” allocated in 2016 to the non-executive directors beneficiaries of the system of remuneration in shares with deferred delivery, corresponding to 20% of the total remuneration received in cash by said directors during 2015, is as follows:

	Theoretical shares allocated in 2016	Theoretical shares accumulated to 31st December 2016
Tomás Alfaro Drake	11,363	62,452
José Miguel Andrés Torrecillas	9,808	9,808
José Antonio Fernández Rivero	12,633	91,046
Belén Garijo López	6,597	19,463
Carlos Loring Martínez de Irujo	10,127	74,970
Lourdes Máiz Carro	5,812	8,443
José Maldonado Ramos	11,669	57,233
José Luis Palao García-Suelto	11,070	51,385
Juan Pi Llorens	9,179	32,374
Susana Rodríguez Vidarte	14,605	78,606
Total (1)	**102,863**	**485,780**

(1) In addition, in 2016, Ramón Bustamante y de la Mora and Ignacio Ferrero Jordi, who ceased as directors on 11 March 2016, were allocated 8,709 and 11,151 theoretical shares, respectively.

- Pension commitments

The commitments undertaken regarding pension benefits for the Chief Executive Officer and the executive director Head of GERPA, pursuant to the Company Bylaws and their respective contracts with the Bank include a pension system covering retirement, disability and death.

The Chief Executive Officer’s contractual conditions determine that he will retain the pension system to which he was entitled previously as senior manager in the Group, with the benefits and the provisions being adjusted to the new remuneration conditions derived from the position that he currently holds.

The executive director Head of GERPA retains the same pension system he has had since his appointment in 2013, which comprises a defined-contributions system of 20% per year over the fixed remuneration received during that period to cover retirement commitments and provisions covering death and disability.

To such end, the provisions recorded as of 31 December 2016 to cover pension commitments undertaken for the Chief Executive Officer amounted to €16,051 thousand, of which, during 2016 and according to applicable accounting regulations, €2,342 thousand have been provisioned against earnings of the year and €836 thousand against equity, in order to adapt the interest rate assumption used for the valuation of pension commitments in Spain. In the case of the executive director Head of GERPA, the provisions recorded as of 31 December 2016 amounted to €609 thousand, of which €310 have been provisioned against earnings of the year. In both cases, these amounts include the provisions covering retirement, as well as death and disability.

There are no other pension obligations in favour of other executive directors.

The provisions recorded as of 31 December 2016 for pension commitments for members of the Senior Management, excluding executive directors, amounted to €46,299 thousand, of which, during 2016 and according to applicable accounting regulations, €4,895 thousand have been provisioned against earnings of the year and €2,226 thousand against equity, in order to adapt the interest rate assumption used for the valuation of pension commitments in Spain. These amounts include the provisions covering retirement, as well as death and disability.

As a result of the entry into force of Circular 2/2016, of the Bank of Spain to the credit institutions, 15% of the annual contributions agreed to pension systems determined on the basis of the vesting estimated for the financial year corresponding to executive directors and BBVA's senior managers, will be based on variable components and will be considered as discretionary pension benefits, and in consequence will be deemed as deferred variable remuneration, subject to the payment and retention conditions provided in the applicable regulations, as well as malus arrangements and other applicable conditions established to the variable remuneration in the Remuneration Policy for BBVA's Directors.

- ### Extinction of contractual relationship

The Bank has no commitments to pay severance indemnity to executive directors other than to the executive director Head of GERPA, whose contract includes, as of 31 December 2016, his right to receive an indemnity equivalent to two times his fixed remuneration should he cease to hold his position on grounds other than his own will, death, retirement, disability or dereliction of duty.

The contractual conditions of the Chief Executive Officer with regard to his pension arrangements determine that, as of 31 December 2016, in the event of his ceasing to hold his position on grounds other than his own will, retirement, disability or dereliction of duty, he will take early retirement with a pension that he may receive as a lifelong annuity or as a capital lump sum, at his own choice. The annual amount will be calculated as a function of the provisions which, according to the actuarial criteria applicable at any time, the Bank may have made up to that date to cover the retirement pension commitments provided for in his contract, without this commitment in any way compelling the Bank to set aside additional provisions. Moreover, this pension may not be greater than 75% of the pensionable base should the event occur before he reaches the age of 55, or 85% of the pensionable base should the event occur after having reached the age of 55.

According to the proposal for a new Remuneration Policy for BBVA's Directors to be submitted to the next Annual General Shareholders' Meeting in 2017, if approved, the pension scheme and the extinction of contractual relationships of the executive directors, the Chief Executive Officer and the Head of GERPA will be amended for 2017 and following financial years, in the terms established under such Policy.

50. Other information

50.1 Environmental impact

Given the activities in which it engages, the Bank has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial situation and profits. Consequently, as of December 31, 2016, there is no item in the accompanying financial statements that requires disclosure in an environmental information report pursuant to Ministry of Economy Order JUS/206/2009, dated January 28, and consequently no specific disclosure of information on environmental matters is included in these statements.

50.2 Breakdown of agents of credit institutions

Appendix XIII contains a list of the Bank's agents as required by article 21 of Royal Decree 84/2015, dated February 13, of the Ministry of Economy and Finance.

50.3 Report on the activity of the Customer Care Service and the Customer Ombudsman

The report on the activity of the Customer Care Service and the Customer Ombudsman, required pursuant to Article 17 of Ministry of Economy Order ECO/734/2004 dated March 11, is included in the Management Report accompanying these financial statements.

50.4 Mortgage market policies and procedures

The disclosure required by Bank of Spain Circular 5/2011 under the provisions of Spanish Royal Decree 716/2009, of April 24, (implementing certain aspects of Act 2/1981, of March 25, on the regulation of the mortgage market and other mortgage and financial market regulations) is detailed in Appendix X.

50.5 Reporting requirements of the Spanish National Securities Market Commission (CNMV)

Dividends paid in the year

The table below presents the dividends per share paid in cash in 2016 and 2015 (cash basis accounting, regardless of the year in which they are accrued), but not including other shareholder remuneration such as the "Dividend Option". For a complete analysis of all remuneration awarded to shareholders in 2016 (see Note 3).

	2016 (*)			2015		
Dividends Paid ("Dividend Option" not included)	**% Over Nominal**	**Euros per Share**	**Amount (Millions of Euros)**	**% Over Nominal**	**Euros per Share**	**Amount (Millions of Euros)**
Ordinary shares	16%	0.08	1,028	16%	0.08	504
Rest of shares	-	-	-	-	-	-
Total dividends paid in cash	**16%**	**0.08**	**1,028**	**16%**	**0.08**	**504**
Dividends with charge to income	16%	0.08	1,028	16%	0.08	504
Dividends with charge to reserve or share premium	-	-	-	-	-	-
Dividends in kind	-	-	-	-	-	-

(*) Corresponding to two payments.

Interest income by geographical area

The breakdown of the balance under the heading "Interest Income" in the accompanying income statements by geographical area is as follows:

	Millions of Euros	
Interest Income Breakdown by Geographical Area	**2016**	**2015**
Domestic	5,914	6,224
Foreign	322	282
European Union	145	158
Rest of OECD	85	47
Rest of countries	92	77
Total	**6,236**	**6,506**

Average number of employees by gender

The breakdown of the average number of employees in the Bank in 2016 and 2015, by gender, is as follows:

Average number of employees	2016		2015	
	Male	**Female**	**Male**	**Female**
Management Team	806	232	812	215
Other line personnel	10,851	10,347	10,714	9,821
Clerical staff	1,345	1,677	1,535	1,623
General Services	3	1	7	1
Branches abroad	441	278	458	289
Total	**13,445**	**12,534**	**13,526**	**11,949**

During 2016, the average number of handicap employees with disabilities greater than or equal to 33% was 151 employees

50.6 Responsible lending and consumer credit granting

BBVA has incorporated the best practices of responsible lending and consumer credit granting, and has policies and procedures that contemplate these practices complying with the provisions of the Order of the Ministry of Finance EHA / 2899/2011, of 28 October, transparency and customer protection of banking services, as well as the Bank of Spain Circular 5/2012, of 27 June, on transparency of banking services and responsible lending. Specifically, the Corporate Retail Credit Risk Policy (approved by the Executive Committee of the Board of Directors of the Bank on April 3, 2013) and Specific Rules derived from it, establish policies, practices and procedures in relation to responsible granting of loans and consumer credit.

In compliance with Bank of Spain Circular 3/2014, of July 30, the following summary of those policies contained in the Corporate Retail Credit Risk Policy BBVA is provided:

- The need to adapt payment plans with sources of income generation;
- The evaluation requirements of affordability;
- The need to take into account the level of expected retirement income of the borrower;
- The need to take account of existing financial obligations payments;
- In cases where, for commercial reasons or the type of rate/currency, the offer to the borrowers includes contractual clauses or contracting financial products to hedge interest rate and exchange rate risks.
- The need, when there is collateral, to establish a reasonable relationship between the amount of the loan and its potential extensions and value of collateral, regardless revaluations thereof;

- The need for extreme caution in the use of appraisal values on credit operations that have real estate as an additional borrower's personal guarantee;
- The periodic review of the value of collateral taken to hedge loans;
- A number of elements of management in order to ensure independence in the activity of appraisal companies;
- The need to warn customers of potential consequences in terms of cost by default interest and other expenses that would continue in default;
- Debt renegotiation criteria (refinancing and restructurings);
- The minimum documentation that operations should have in order to be granted and during its term.

In order to maintain an effective monitoring of these policies, BBVA has the following control mechanisms:

- Validations and computer controls built into the workflows of analysis, decision and contracting operations, in order to embed these principles in management;
- Alignment between the specifications of the product catalog with the policies of responsible lending;
- Different areas of sanction to ensure adequate hierarchy decision levels in response to the complexity of operations;
- A reporting scheme that allows to monitor the proper implementation of the policies of responsible lending.

51. Subsequent events

The interim dividend approved on December 22, 2016 was paid out on January 12, 2017, as detailed in Note 3.

On February 1, 2017, the dividend policy was announced for the year 2017 (see Note 3)

From January 1, 2017 to the date of preparation of these financial statements, no other subsequent events not mentioned above in these financial statements have taken place that significantly affect the Bank's earnings or its equity position.

52. Explanation added for translation into English

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

BBVA

Appendices

APPENDIX I. BBVA Group Consolidated Financial Statements

BBVA Group

Consolidated balance sheets as of December 31, 2016, 2015 and 2014

	Millions of Euros		
ASSETS	**2016**	**2015 (*)**	**2014 (*)**
CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**40,039**	**29,282**	**27,719**
FINANCIAL ASSETS HELD FOR TRADING	**74,950**	**78,326**	**83,258**
Derivatives	42,955	40,902	44,229
Equity instruments	4,675	4,534	5,017
Debt securities	27,166	32,825	33,883
Loans and advances to central banks	-	-	-
Loans and advances to credit institutions	-	-	-
Loans and advances to customers	154	65	128
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**2,062**	**2,311**	**2,761**
Equity instruments	1,920	2,075	2,024
Debt securities	142	173	737
Loans and advances to central banks	-	-	-
Loans and advances to credit institutions	-	62	-
Loans and advances to customers	-	-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	**79,221**	**113,426**	**94,875**
Equity instruments	4,641	5,116	7,267
Debt securities	74,580	108,310	87,608
LOANS AND RECEIVABLES	**465,977**	**471,828**	**376,086**
Debt securities	11,209	10,516	6,659
Loans and advances to central banks	8,894	17,830	5,429
Loans and advances to credit institutions	31,373	29,317	25,342
Loans and advances to customers	414,500	414,165	338,657
HELD-TO-MATURITY INVESTMENTS	**17,696**	**-**	**-**
HEDGING DERIVATIVES	**2,833**	**3,538**	**2,551**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**17**	**45**	**121**
INVESTMENTS IN SUBSIDARIES, JOINT VENTURES AND ASSOCIATES	**765**	**879**	**4,509**
Joint ventures	229	243	4,092
Associates	536	636	417
INSURANCE OR REINSURANCE ASSETS	**447**	**511**	**559**
TANGIBLE ASSETS	**8,941**	**9,944**	**7,820**
Property, plants and equipment	8,250	8,477	6,428
For own use	7,519	8,021	5,985
Other assets leased out under an operating lease	732	456	443
Investment properties	691	1,467	1,392
INTANGIBLE ASSETS	**9,786**	**10,052**	**7,371**
Goodwill	6,937	6,915	5,697
Other intangible assets	2,849	3,137	1,673
TAX ASSETS	**18,245**	**17,779**	**12,426**
Current	1,853	1,901	2,035
Deferred	16,391	15,878	10,391
OTHER ASSETS	**7,274**	**8,565**	**8,094**
Insurance contracts linked to pensions	-	-	-
Inventories	3,298	4,303	4,443
Rest	3,976	4,263	3,651
NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE	**3,603**	**3,369**	**3,793**
TOTAL ASSETS	**731,856**	**749,855**	**631,942**

(*) Presented for comparison purposes only.

BBVA Group

Consolidated balance sheets as of December 31, 2016, 2015 and 2014

	Millions of Euros		
LIABILITIES AND EQUITY	**2016**	**2015 (*)**	**2014 (*)**
FINANCIAL LIABILITIES HELD FOR TRADING	**54,675**	**55,202**	**56,798**
Trading derivatives	43,118	42,149	45,052
Short positions	11,556	13,053	11,747
Deposits from central banks	-	-	-
Deposits from credit institutions	-	-	-
Customer deposits	-	-	-
Debt certificates	-	-	-
Other financial liabilities	-	-	-
FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**2,338**	**2,649**	**2,724**
Deposits from central banks	-	-	-
Deposits from credit institutions	-	-	-
Customer deposits	-	-	-
Debt certificates	-	-	-
Other financial liabilities	2,338	2,649	2,724
FINANCIAL LIABILITIES AT AMORTIZED COST	**589,210**	**606,113**	**491,899**
Deposits from central banks	34,740	40,087	28,193
Deposits from credit institutions	63,501	68,543	65,168
Customer deposits	401,465	403,362	319,334
Debt certificates	76,375	81,980	71,917
Other financial liabilities	13,129	12,141	7,288
HEDGING DERIVATIVES	**2,347**	**2,726**	**2,331**
FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	**-**	**358**	**-**
LIABILITIES UNDER INSURANCE CONTRACTS	**9,139**	**9,407**	**10,460**
PROVISIONS	**9,071**	**8,852**	**7,444**
Provisions for pensions and similar obligations	6,025	6,299	5,970
Other long term employee benefits	69	68	62
Provisions for taxes and other legal contingencies	418	616	262
Provisions for contingent risks and commitments	950	714	381
Other provisions	1,609	1,155	769
TAX LIABILITIES	**4,668**	**4,656**	**4,157**
Current	1,276	1,238	980
Deferred	3,392	3,418	3,177
OTHER LIABILITIES	**4,979**	**4,610**	**4,519**
LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	**-**	**-**	**-**
TOTAL LIABILITIES	**676,428**	**694,573**	**580,333**

(*) Presented for comparison purposes only.

BBVA Group

Consolidated balance sheets for the years ended December 31, 2016, 2015 and 2014

	Millions of Euros		
LIABILITIES AND EQUITY (*Continued*)	**2016**	**2015 (*)**	**2014 (*)**
SHAREHOLDERS' FUNDS	**52,821**	**50,639**	**49,446**
Capital	**3,218**	**3,120**	**3,024**
Paid up capital	3,218	3,120	3,024
Unpaid capital which has been called up	-	-	-
Share premium	**23,992**	**23,992**	**23,992**
Equity instruments issued other than capital	**-**	**-**	**-**
Other equity	**54**	**35**	**67**
Retained earnings	**23,688**	**22,588**	**20,280**
Revaluation reserves	**20**	**22**	**23**
Other reserves	**(67)**	**(98)**	**633**
Reserves or accumulated losses of investments in subsidaries, joint ventures and associates	(67)	(98)	633
Other	-	-	-
Less: Treasury shares	**(48)**	**(309)**	**(350)**
Profit or loss attributable to owners of the parent	**3,475**	**2,642**	**2,618**
Less: Interim dividends	**(1,510)**	**(1,352)**	**(841)**
ACCUMULATED OTHER COMPREHENSIVE INCOME	**(5,458)**	**(3,349)**	**(348)**
Items that will not be reclassified to profit or loss	**(1,095)**	**(859)**	**(777)**
Actuarial gains or (-) losses on defined benefit pension plans	(1,095)	(859)	(777)
Non-current assets and disposal groups classified as held for sale	-	-	-
Share of other recognised income and expense of investments in subsidaries, joint ventures and associates	-	-	-
Other adjustments	-	-	-
Items that may be reclassified to profit or loss	**(4,363)**	**(2,490)**	**429**
Hedge of net investments in foreign operations [effective portion]	(118)	(274)	(373)
Foreign currency translation	(5,185)	(3,905)	(2,173)
Hedging derivatives. Cash flow hedges [effective portion]	16	(49)	(46)
Available-for-sale financial assets	947	1,674	3,816
Non-current assets and disposal groups classified as held for sale	-	-	-
Share of other recognised income and expense of investments in subsidaries, joint ventures and associates	(23)	64	(796)
MINORITY INTERESTS (NON-CONTROLLING INTEREST)	**8,064**	**7,992**	**2,511**
Valuation adjustments	(2,246)	(1,333)	(53)
Rest	10,310	9,325	2,563
TOTAL EQUITY	**55,428**	**55,282**	**51,609**
TOTAL EQUITY AND TOTAL LIABILITIES	**731,856**	**749,855**	**631,942**

	Millions of Euros		
MEMORANDUM ITEM (OFF-BALANCE SHEET EXPOSURES)	**2016**	**2015 (*)**	**2014 (*)**
Financial guarantees given	**50,540**	**49,876**	**33,741**
Contingent commitments	**117,573**	**135,733**	**106,252**

(*) Presented for comparison purposes only.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

BBVA Group

Consolidated income statements for the years ended December 31, 2016, 2015 and 2014

CONSOLIDATED INCOME STATEMENTS (Millions of Euros)	2016	2015 (*)	2014 (*)
Interest income	27,708	24,783	22,838
Interest expenses	(10,648)	(8,761)	(8,456)
NET INTEREST INCOME	**17,059**	**16,022**	**14,382**
Dividend income	467	415	531
Share of profit or loss of entities accounted for using the equity method	25	174	343
Fee and commission income	6,804	6,340	5,530
Fee and commission expenses	(2,086)	(1,729)	(1,356)
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	1,375	1,055	1,439
Gains or (-) losses on financial assets and liabilities held for trading, net	248	(409)	11
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	114	126	32
Gains or (-) losses from hedge accounting, net	(76)	93	(47)
Exchange differences (net)	472	1,165	699
Other operating income	1,272	1,315	959
Other operating expenses	(2,128)	(2,285)	(2,705)
Income on insurance and reinsurance contracts	3,652	3,678	3,622
Expenses on insurance and reinsurance contracts	(2,545)	(2,599)	(2,714)
GROSS INCOME	**24,653**	**23,362**	**20,725**
Administration costs	(11,366)	(10,836)	(9,414)
Personnel expenses	(6,722)	(6,273)	(5,410)
Other administrative expenses	(4,644)	(4,563)	(4,004)
Depreciation	(1,426)	(1,272)	(1,145)
Provisions or (-) reversal of provisions	(1,186)	(731)	(1,142)
Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss	(3,801)	(4,272)	(4,340)
Financial assets measured at cost	-	-	-
Available- for-sale financial assets	(202)	(23)	(35)
Loans and receivables	(3,597)	(4,248)	(4,304)
Held to maturity investments	(1)	-	-
NET OPERATING INCOME	**6,874**	**6,251**	**4,684**
Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates	-	-	-
Impairment or (-) reversal of impairment on non-financial assets	(521)	(273)	(297)
Tangible assets	(143)	(60)	(97)
Intangible assets	(3)	(4)	(8)
Other assets	(375)	(209)	(192)
Gains (losses) on derecognized of non financial assets and subsidiaries, net	70	(2,135)	46
Negative goodwill recognised in profit or loss	-	26	-
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(31)	734	(453)
OPERATING PROFIT BEFORE TAX	**6,392**	**4,603**	**3,980**
Tax expense or (-) income related to profit or loss from continuing operation	(1,699)	(1,274)	(898)
PROFIT FROM CONTINUING OPERATIONS	**4,693**	**3,328**	**3,082**
Profit from discontinued operations (net)	-	-	-
PROFIT	**4,693**	**3,328**	**3,082**
Attributable to minority interest [non-controlling interests]	1,218	686	464
Attributable to owners of the parent	3,475	2,642	2,618

(Millions of Euros)	2016	2015 (*)	2014 (*)
EARNINGS PER SHARE	**0.50**	**0.37**	**0.40**
Basic earnings per share from continued operations	0.50	0.37	0.40
Diluted earnings per share from continued operations	0.50	0.37	0.40
Basic earnings per share from discontinued operations	-	-	-
Diluted earnings per share from discontinued operations	-	-	-

(*)Presented for comparison purposes only.

BBVA Group

Consolidated statements of changes in equity for the years ended December 31, 2016, 2015 and 2014

Millions of Euros

2016	Capital	Share Premium	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Non-controlling interest: Valuation adjustments	Non-controlling interest: Rest	Total
Balances as of January 1, 2016	3,120	23,992	-	35	22,588	22	(98)	(309)	2,642	(1,352)	(3,349)	(1,333)	9,325	55,281
Total income/expense recognized	-	-	-	-	-	-	-	-	3,475	-	(2,109)	(913)	1,218	1,671
Other changes in equity	98	-	-	19	1,100	(2)	31	260	(2,642)	(158)	-	-	(233)	(1,526)
Issuances of common shares	98	-	-	-	(98)	-	-	-	-	-	-	-	-	-
Issuances of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period or maturity of other issued equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt on equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	93	-	(93)	-	-	(1,301)	-	-	(234)	(1,535)
Purchase of treasury shares	-	-	-	-	-	-	-	(2,004)	-	-	-	-	-	(2,004)
Sale or cancellation of treasury shares	-	-	-	-	(30)	-	-	2,264	-	-	-	-	-	2,234
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between total equity entries	-	-	-	-	1,166	(2)	126	-	(2,642)	1,352	-	-	-	-
Increase/Reduction of equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	(16)	3	-	-	-	-	-	-	-	-	(12)
Other increases or (-) decreases in equity	-	-	-	35	(34)	-	(2)	-	-	(210)	-	-	2	(209)
Balances as of December 31, 2016	3,218	23,992	-	54	23,688	20	(67)	(48)	3,475	(1,510)	(5,458)	(2,246)	10,310	55,428

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

Consolidated statements of changes in equity for the years ended December 31, 2016, 2015 and 2014

Millones de euros

2015 (*)	Capital (Nota 25)	Share Premium (Note 26)	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Non-controlling interest		Total
												Otro resultado global acumulado	Otros elementos	
Balances as of January 1, 2015	**3,024**	**23,992**	**-**	**66**	**20,281**	**23**	**633**	**(350)**	**2,618**	**(841)**	**(348)**	**(53)**	**2,563**	**51,609**
Total income/expense recognized	-	-	-	-	-	-	**-**	-	**2,642**	**-**	**(3,000)**	**(1,280)**	**686**	**(953)**
Other changes in equity	**96**	**-**	**-**	**(32)**	**2,308**	**(1)**	**(731)**	**41**	**(2,618)**	(512)	**-**	**-**	**6,075**	**4,626**
Issuances of common shares	96	-	-	-	(96)	-	-	-	-	-	-	-	-	-
Issuances of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period or maturity of other issued equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt on equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	86	-	(86)	-	-	(1,222)	-	-	(146)	(1,368)
Purchase of treasury shares	-	-	-	-	-	-	-	(3,278)	-	-	-	-	-	(3,278)
Sale or cancellation of treasury shares	-	-	-	-	6	-	-	3,319	-	-	-	-	-	3,325
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between total equity entries	-	-	-	-	2,423	(1)	(645)	-	(2,618)	841	-	-	-	-
Increase/Reduction of equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	(48)	14	-	-	-	-	-	-	-	-	(34)
Other increases or (-) decreases in equity	-	-	-	16	(126)	-	-	-	-	(131)	-	-	6,221	5,980
Balances as of December 31, 2015	**3,120**	**23,992**	**-**	**35**	**22,588**	**22**	**(98)**	**(309)**	**2,642**	**(1,352)**	**(3,349)**	**(1,333)**	**9,325**	**55,281**

(*) Presented for comparison purposes only.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

Consolidated statements of changes in equity for the years ended December 31, 2016, 2015 and 2014

Millones de euros

2014 (*)	Capital (Nota 25)	Share Premium (Note 26)	Equity instruments issued other than capital	Other Equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Non-controlling interest		Total
												Otro resultado global acumulado	Otros elementos	
Balances as of January 1, 2014	**2,835**	**22,111**	**-**	**59**	**19,291**	**26**	**450**	**(66)**	**2,084**	**(765)**	**(3,831)**	**70**	**2,301**	**44,565**
Total income/expense recognized	-	-	-	-	-	-	**-**	-	**2,618**	**-**	**3,483**	**(123)**	**464**	**6,442**
Other changes in equity	**189**	**1,881**	**-**	**8**	**989**	**(2)**	**182**	**(284)**	**(2,084)**	(76)	**-**	**-**	**(201)**	**602**
Issuances of common shares	189	1,881	-	-	(70)	-	-	-	-	-	-	-	-	2,000
Issuances of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period or maturity of other issued equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt on equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	91	-	(91)	-	-	(597)	-	-	(243)	(840)
Purchase of treasury shares	-	-	-	-	-	-	-	(3,770)	-	-	-	-	-	(3,770)
Sale or cancellation of treasury shares	-	-	-	-	5	-	-	3,486	-	-	-	-	-	3,491
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between total equity entries	-	-	-	-	1,044	(2)	277	-	(2,084)	765	-	-	-	-
Increase/Reduction of equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	(36)	7	-	-	-	-	-	-	-	-	(29)
Other increases or (-) decreases in equity	-	-	-	44	(88)	-	(4)	-	-	(244)	-	-	42	(250)
Balances as of December 31, 2014	**3,024**	**23,992**	**-**	**67**	**20,280**	**23**	**633**	**(350)**	**2,618**	**(841)**	**(348)**	**(53)**	**2,563**	**51,609**

(*) Presented for comparison purposes only.

BBVA Group

Statements of Recognized Income and Expenses for the year ended December 31, 2016, 2015 and 2014.

Millions of Euros

CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSES	2016	2015 (*)	2014 (*)
PROFIT RECOGNIZED IN INCOME STATEMENT	**4,693**	**3,328**	**3,082**
OTHER RECOGNIZED INCOME (EXPENSES)	**(3,022)**	**(4,280)**	**3,359**
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**(240)**	**(74)**	**(346)**
Actuarial gains and losses from defined benefit pension plans	(303)	(135)	(498)
Non-current assets available for sale	-	-	-
Entities under the equity method of accounting	-	8	(5)
Income tax related to items not subject to reclassification to income statement	63	53	157
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**(2,782)**	**(4,206)**	**3,705**
Hedge of net investments in foreign operations [effective portion]	**166**	**88**	**(273)**
Valuation gains or (-) losses taken to equity	166	88	(273)
Transferred to profit or loss	-	-	-
Other reclassifications	-	-	-
Foreign currency translation	**(2,167)**	**(2,911)**	**760**
Valuation gains or (-) losses taken to equity	(2,120)	(3,154)	761
Transferred to profit or loss	(47)	243	(1)
Other reclassifications	-	-	-
Cash flow hedges [effective portion]	**80**	**4**	**(71)**
Valuation gains or (-) losses taken to equity	134	47	(71)
Transferred to profit or loss	(54)	(43)	-
Transferred to initial carrying amount of hedged items	-	-	-
Other reclassifications	-	-	-
Available-for-sale financial assets	**(694)**	**(3,196)**	**4,306**
Valuation gains or (-) losses taken to equity	438	(1,341)	5,706
Transferred to profit or loss	(1,248)	(1,855)	(1,400)
Other reclassifications	116	-	-
Non-current assets held for sale	**-**	**-**	**(4)**
Valuation gains or (-) losses taken to equity	-	-	(4)
Transferred to profit or loss	-	-	-
Other reclassifications	-	-	-
Entities accounted for using the equity method	**(89)**	**861**	**338**
Income tax	**(78)**	**948**	**(1,351)**
TOTAL RECOGNIZED INCOME/EXPENSES	**1,671**	**(952)**	**6,441**
Attributable to minority interest [non-controlling interests]	305	(594)	341
Attributable to the parent company	1,366	(358)	6,100

(*) Presented for comparison purposes only.

BBVA Group

Consolidated statements of cash flows for the years ended December 31, 2016, 2015 and 2014

Millions of Euros

CONSOLIDATED STATEMENTS OF CASH FLOW	2016	2015 (*)	2014 (*)
A) CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4 + 5)	**6,623**	**23,101**	**(6,188)**
1. Profit for the year	**4,693**	**3,328**	**3,082**
2. Adjustments to obtain the cash flow from operating activities:	**6,784**	**18,327**	**8,315**
Depreciation and amortization	1,426	1,272	1,145
Other adjustments	5,358	17,055	7,170
3. Net increase/decrease in operating assets	**(4,428)**	**(12,954)**	**(53,244)**
Financial assets held for trading	1,289	4,691	(11,145)
Other financial assets designated at fair value through profit or loss	(2)	337	(349)
Available-for-sale financial assets	14,445	3,360	(13,485)
Loans and receivables	(21,075)	(20,498)	(27,299)
Other operating assets	915	(844)	(966)
4. Net increase/decrease in operating liabilities	**1,273**	**15,674**	**36,557**
Financial liabilities held for trading	361	(2,475)	11,151
Other financial liabilities designated at fair value through profit or loss	(53)	120	256
Financial liabilities at amortized cost	(7)	21,422	24,219
Other operating liabilities	972	(3,393)	931
5. Collection/Payments for income tax	**(1,699)**	**(1,274)**	**(898)**
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	**(560)**	**(4,411)**	**(1,151)**
1. Investment	**(3,978)**	**(6,416)**	**(1,984)**
Tangible assets	(1,312)	(2,171)	(1,419)
Intangible assets	(645)	(571)	(467)
Investments in joint ventures and associates	(76)	(41)	-
Subsidiaries and other business units	(95)	(3,633)	(98)
Non-current assets held for sale and associated liabilities	-	-	-
Held-to-maturity investments	(1,850)	-	-
Other settlements related to investing activities	-	-	-
2. Divestments	**3,418**	**2,005**	**833**
Tangible assets	795	224	167
Intangible assets	20	2	-
Investments in joint ventures and associates	322	1	118
Subsidiaries and other business units	73	9	-
Non-current assets held for sale and associated liabilities	900	1,683	548
Held-to-maturity investments	1,215	-	-
Other collections related to investing activities	93	86	-

(*) Presented for comparison purposes only.

BBVA Group

Consolidated statements of cash flows for the years ended December 31, 2016, 2015 and 2014

Millions of Euros

(Continued)	2016	2015 (*)	2014 (*)
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	**(1,113)**	**127**	**3,157**
1. Investment	**(4,335)**	**(5,717)**	**(5,955)**
Dividends	(1,599)	(879)	(826)
Subordinated liabilities	(502)	(1,419)	(1,046)
Treasury stock amortization	-	-	-
Treasury stock acquisition	(2,004)	(3,273)	(3,770)
Other items relating to financing activities	(230)	(146)	(313)
2. Divestments	**3,222**	**5,844**	**9,112**
Subordinated liabilities	1,000	2,523	3,628
Treasury stock increase	-	-	2,000
Treasury stock disposal	2,222	3,321	3,484
Other items relating to financing activities	-	-	-
D) EFFECT OF EXCHANGE RATE CHANGES	**(3,463)**	**(6,781)**	**725**
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (A+B+C+D)	**1,489**	**12,036**	**(3,457)**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**43,466**	**31,430**	**34,887**
G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (E+F)	**44,955**	**43,466**	**31,430**

Millions of Euros

COMPONENTS OF CASH AND EQUIVALENT AT END OF THE YEAR	2016	2015 (*)	2014 (*)
Cash	7,413	7,192	6,247
Balance of cash equivalent in central banks (**)	37,542	36,275	25,183
Other financial assets	-	-	-
Less: Bank overdraft refundable on demand	-	-	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**44,955**	**43,466**	**31,430**

(*) Presented for comparison purposes only.

(**) Equivalent cash balances at central banks includes short-term deposits at central banks under the heading "Loans and receivables" in the accompanying consolidated balance sheets.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

APPENDIX II. Additional information on consolidated subsidiaries composing the BBVA Group

Additional Information on Consolidated Subsidiaries and consolidated structured entities composing the BBVA Group

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
4D INTERNET SOLUTIONS, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	23	24	1	26	(3)
ACTIVOS MACORP, S.L. (**)	SPAIN	REAL ESTATE	50.63	49.37	100.00	2	90	87	2	2
ALCALA 120 PROMOC. Y GEST.IMMOB. S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	14	23	9	14	-
ALGARVETUR, S.L. (**)(***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	19	41	(21)	(1)
AMERICAN FINANCE GROUP, INC.	UNITED STATES	INACTIVE	-	100.00	100.00	20	20	-	20	-
ANIDA DESARROLLOS INMOBILIARIOS, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	49	467	411	65	(10)
ANIDA GERMANIA IMMOBILIEN ONE, GMBH	GERMANY	IN LIQUIDATION	-	100.00	100.00	-	1	-	1	-
ANIDA GRUPO INMOBILIARIO, S.L. (**)	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	-	1,507	1,656	244	(393)
ANIDA INMOBILIARIA, S.A. DE C.V.	MEXICO	INVESTMENT COMPANY	-	100.00	100.00	166	119	-	116	3
ANIDA OPERACIONES SINGULARES, S.A. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	(105)	4,097	4,195	241	(339)
ANIDA PROYECTOS INMOBILIARIOS, S.A. DE C.V.	MEXICO	REAL ESTATE	-	100.00	100.00	94	107	14	85	9
ANIDAPORT INVESTIMENTOS IMOBILIARIOS, UNIPESSOAL, LTDA	PORTUGAL	REAL ESTATE	-	100.00	100.00	31	103	96	12	(5)
APLICA SOLUCIONES TECNOLOGICAS CHILE LIMITADA	CHILE	SERVICES	-	100.00	100.00	-	-	-	-	-
APLICA TECNOLOGIA AVANZADA OPERADORA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	4	14	9	-	4
APLICA TECNOLOGIA AVANZADA SERVICIOS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	1	3	2	-	-
APLICA TECNOLOGIA AVANZADA, S.A. DE C.V.- ATA	MEXICO	SERVICES	100.00	-	100.00	203	340	137	194	9
AREA TRES PROCAM, S.L. (***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	5	5	-	-
ARIZONA FINANCIAL PRODUCTS, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	928	928	-	928	-
ARRAHONA AMBIT, S.L. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	66	103	(31)	(5)
ARRAHONA IMMO, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	53	234	101	103	30
ARRAHONA NEXUS, S.L. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	213	322	(110)	2
ARRAHONA RENT, S.L.U.	SPAIN	REAL ESTATE	-	100.00	100.00	9	9	-	10	(1)
ARRELS CT FINSOL, S.A. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	278	368	(76)	(15)
ARRELS CT LLOGUER, S.A. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	48	61	(6)	(6)
ARRELS CT PATRIMONI I PROJECTES, S.A. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	121	157	(33)	(3)
ARRELS CT PROMOU, S.A. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	38	50	(10)	(2)
AUMERAVILLA, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	2	2	-	2	-
BAHIA SUR RESORT, S.C.	SPAIN	INACTIVE	99.95	-	99.95	1	1	-	1	-
BANCO BILBAO VIZCAYA ARGENTARIA (PORTUGAL), S.A.	PORTUGAL	BANKING	100.00	-	100.00	230	4,028	3,808	218	2
BANCO BILBAO VIZCAYA ARGENTARIA CHILE, S.A.	CHILE	BANKING	-	68.19	68.19	827	19,508	18,295	1,106	107
BANCO BILBAO VIZCAYA ARGENTARIA URUGUAY, S.A.	URUGUAY	BANKING	100.00	-	100.00	110	3,051	2,861	193	(4)
BANCO CONTINENTAL, S.A.	PERU	BANKING	-	46.12	46.12	913	22,269	20,290	1,621	358
BANCO DE PROMOCION DE NEGOCIOS, S.A.	SPAIN	BANKING	-	99.86	99.86	15	19	-	19	-
BANCO INDUSTRIAL DE BILBAO, S.A.	SPAIN	BANKING	-	99.93	99.93	97	139	2	112	24
BANCO OCCIDENTAL, S.A.	SPAIN	BANKING	49.43	50.57	100.00	17	18	-	18	-
BANCO PROVINCIAL OVERSEAS N.V.	CURAÇAO	BANKING	-	100.00	100.00	52	435	383	50	2
BANCO PROVINCIAL S.A. - BANCO UNIVERSAL	VENEZUELA	BANKING	1.46	53.75	55.21	80	917	814	138	(35)
BANCOMER FINANCIAL SERVICES INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	2	3	-	2	-
BANCOMER FOREIGN EXCHANGE INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	10	10	-	6	4
BANCOMER PAYMENT SERVICES INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1	2	1	-	1

(*) Information on foreign companies at exchange rate on December 31, 2016

(**) These companies have equity loans from BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

(***) These companies have equity loans from CATALUNYACAIXA IMMOBILIARIA, S.A.

(****) This company has an equity loan from ANIDA GRUPO INMOBILIARIO, S.L.

(*****) These companies have an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A

Additional Information on Consolidated Subsidiaries and strucuted entities composing the BBVA Group (Continued)

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
BANCOMER TRANSFER SERVICES, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	49	101	52	37	13
BBV AMERICA, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	479	991	-	981	10
BBVA ASESORIAS FINANCIERAS, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	2	3	1	1	1
BBVA ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	15	18	3	9	6
BBVA ASSET MANAGEMENT CONTINENTAL S.A. SAF	PERU	FINANCIAL SERVICES	-	100.00	100.00	15	17	2	12	3
BBVA ASSET MANAGEMENT, S.A. SOCIEDAD FIDUCIARIA (BBVA FIDUCIARIA)	COLOMBIA	FINANCIAL SERVICES	-	100.00	100.00	30	33	3	25	6
BBVA ASSET MANAGEMENT, S.A., SGIIC	SPAIN	OTHER INVESTMENT COMPANIES	17.00	83.00	100.00	38	154	84	36	35
BBVA AUTOMERCANTIL, COMERCIO E ALUGER DE VEICULOS AUTOMOVEIS,LDA.	PORTUGAL	FINANCIAL SERVICES	100.00	-	100.00	5	18	13	5	-
BBVA AUTORENTING, S.A.	SPAIN	SERVICES	100.00	-	100.00	69	447	402	33	12
BBVA BANCO FRANCES, S.A.	ARGENTINA	BANKING	45.61	30.34	75.95	157	9,008	8,016	769	223
BBVA BANCOMER GESTION, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	21	36	15	8	13
BBVA BANCOMER OPERADORA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	135	384	249	49	86
BBVA BANCOMER SEGUROS SALUD, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	20	26	7	18	2
BBVA BANCOMER SERVICIOS ADMINISTRATIVOS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	25	130	105	20	5
BBVA BANCOMER, S.A.,INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO BBVA BANCOMER	MEXICO	BANKING	-	100.00	100.00	7,301	86,242	78,939	5,691	1,612
BBVA BRASIL BANCO DE INVESTIMENTO, S.A.	BRASIL	BANKING	100.00	-	100.00	16	39	7	32	1
BBVA BROKER, CORREDURIA DE SEGUROS Y REASEGUROS, S.A.	SPAIN	FINANCIAL SERVICES	99.94	0.06	100.00	-	18	5	8	5
BBVA BROKER, S.A.	ARGENTINA	INSURANCES SERVICES	-	95.00	95.00	-	-	-	-	-
BBVA COLOMBIA, S.A.	COLOMBIA	BANKING	77.41	18.06	95.47	355	16,391	15,049	1,168	174
BBVA COMERCIALIZADORA LTDA.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	-	1	2	4	(4)
BBVA COMPASS BANCSHARES, INC	UNITED STATES	INVESTMENT COMPANY	100.00	-	100.00	11,703	12,197	128	11,735	334
BBVA COMPASS FINANCIAL CORPORATION	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	250	621	371	247	2
BBVA COMPASS INSURANCE AGENCY, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	166	170	3	159	7
BBVA COMPASS PAYMENTS, INC	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	63	63	-	46	17
BBVA CONSOLIDAR SEGUROS, S.A.	ARGENTINA	INSURANCES SERVICES	87.78	12.22	100.00	11	154	100	16	38
BBVA CONSULTING (BEIJING) LIMITED	CHINA	FINANCIAL SERVICES	-	100.00	100.00	-	2	-	2	-
BBVA CONSULTORIA, S.A.	SPAIN	SERVICES	-	100.00	100.00	4	5	-	5	-
BBVA CONSUMER FINANCE ENTIDAD DE DESARROLLO A LA PEQUENA Y MICRO EMPRESA, EDPYME, S.A. (BBVA CONSUMER FINANCE - EDPYME)	PERU	FINANCIAL SERVICES	-	100.00	100.00	17	97	81	18	(2)
BBVA CORREDORA TECNICA DE SEGUROS LIMITADA	CHILE	FINANCIAL SERVICES	-	100.00	100.00	8	13	5	1	7
BBVA CORREDORES DE BOLSA LIMITADA	CHILE	SECURITIES DEALER	-	100.00	100.00	62	562	500	72	(10)
BBVA DATA & ANALYTICS, S.L.	SPAIN	SERVICES	-	100.00	100.00	6	4	2	1	1
BBVA DINERO EXPRESS, S.A.U	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	2	6	2	4	-
BBVA DISTRIBUIDORA DE SEGUROS S.R.L.	URUGUAY	FINANCIAL SERVICES	-	100.00	100.00	4	4	-	2	2
BBVA EMISORA, S.A.	SPAIN	FINANCIAL SERVICES	-	100.00	100.00	64	75	-	75	-
BBVA FACTORING LIMITADA (CHILE)	CHILE	FINANCIAL SERVICES	-	100.00	100.00	10	50	40	10	-
BBVA FINANZIA, S.p.A	ITALY	FINANCIAL SERVICES	100.00	-	100.00	6	21	14	15	(9)
BBVA FRANCES ASSET MANAGMENT S.A. SOCIEDAD GERENTE DE FONDOS COMUNES DE INVERSIÓN.	ARGENTINA	FINANCIAL SERVICES	-	100.00	100.00	11	20	6	7	7
BBVA FRANCES VALORES, S.A.	ARGENTINA	SECURITIES DEALER	-	100.00	100.00	6	6	-	3	3
BBVA FUNDOS, S.GESTORA FUNDOS PENSOES,S.A.	PORTUGAL	PENSION FUNDS MANAGEMENT	-	100.00	100.00	1	18	1	15	2
BBVA GLOBAL FINANCE LTD.	CAYMAN ISLANDS	FINANCIAL SERVICES	100.00	-	100.00	-	194	189	5	-

(*) Information on foreign companies at exchange rate on December 31, 2016

Additional Information on Consolidated Subsidiaries and strucuted entities composing the BBVA Group (Continued)

			% Legal share of participation			Millions of Euros(*)				
						Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
BBVA GLOBAL MARKETS B.V.	NETHERLANDS	FINANCIAL SERVICES	100.00	-	100.00	-	1,442	1,442	-	-
BBVA INMOBILIARIA E INVERSIONES, S.A.	CHILE	REAL ESTATE	-	68.11	68.11	5	47	40	7	-
BBVA INSTITUIÇAO FINANCEIRA DE CREDITO, S.A.	PORTUGAL	FINANCIAL SERVICES	49.90	50.10	100.00	40	298	251	45	3
BBVA INTERNATIONAL PREFERRED, S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	864	863	1	-
BBVA INVERSIONES CHILE, S.A.	CHILE	INVESTMENT COMPANY	61.22	38.78	100.00	483	1,640	2	1,507	131
BBVA IRELAND PLC	IRELAND	FINANCIAL SERVICES	100.00	-	100.00	180	407	217	186	4
BBVA LEASIMO - SOCIEDADE DE LOCAÇAO FINANCEIRA, S.A.	PORTUGAL	FINANCIAL SERVICES	-	100.00	100.00	8	9	-	8	-
BBVA LUXINVEST, S.A.	LUXEMBOURG	INVESTMENT COMPANY	36.00	64.00	100.00	204	213	2	210	1
BBVA MEDIACION OPERADOR DE BANCA-SEGUROS VINCULADO, S.A.	SPAIN	FINANCIAL SERVICES	-	100.00	100.00	10	203	180	13	11
BBVA NOMINEES LIMITED	UNITED KINGDOM	SERVICES	100.00	-	100.00	-	-	-	-	-
BBVA OP3N S.L.	SPAIN	SERVICES	-	100.00	100.00	-	-	-	-	-
BBVA OP3N, INC	UNITED STATES	SERVICES	-	100.00	100.00	-	-	-	-	-
BBVA PARAGUAY, S.A.	PARAGUAY	BANKING	100.00	-	100.00	23	1,788	1,627	136	25
BBVA PARTICIPACIONES MEJICANAS, S.L.	SPAIN	INVESTMENT COMPANY	99.00	1.00	100.00	-	-	-	-	-
BBVA PENSIONES, SA, ENTIDAD GESTORA DE FONDOS DE PENSIONES	SPAIN	PENSION FUNDS MANAGEMENT	100.00	-	100.00	13	67	32	28	7
BBVA PLANIFICACION PATRIMONIAL, S.L.	SPAIN	FINANCIAL SERVICES	80.00	20.00	100.00	-	1	-	1	-
BBVA PREVISION AFP S.A. ADM.DE FONDOS DE PENSIONES	BOLIVIA	PENSION FUNDS MANAGEMENT	75.00	5.00	80.00	2	23	13	6	5
BBVA PROCUREMENT SERVICES AMERICA DEL SUR SpA	CHILE	SERVICES	-	100.00	100.00	6	9	3	6	-
BBVA PROPIEDAD, S.A.	SPAIN	REAL ESTATE INVESTMENT COMPANY	-	100.00	100.00	914	927	10	984	(67)
BBVA RE DAC	IRELAND	INSURANCES SERVICES	-	100.00	100.00	39	76	36	30	9
BBVA REAL ESTATE MEXICO, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	-	1	-	-
BBVA RENTAS E INVERSIONES LIMITADA	CHILE	INVESTMENT COMPANY	-	100.00	100.00	292	292	-	232	60
BBVA RENTING, S.A.	SPAIN	FINANCIAL SERVICES	5.94	94.06	100.00	21	650	556	85	9
BBVA SECURITIES INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	185	2,932	2,747	187	(1)
BBVA SEGUROS COLOMBIA, S.A.	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	10	83	64	14	4
BBVA SEGUROS DE VIDA COLOMBIA, S.A.	COLOMBIA	INSURANCES SERVICES	94.00	6.00	100.00	14	430	319	75	36
BBVA SEGUROS DE VIDA, S.A.	CHILE	INSURANCES SERVICES	-	100.00	100.00	70	227	156	65	5
BBVA SEGUROS GENERALES S.A.	CHILE	INSURANCES SERVICES	-	100.00	100.00	4	4	-	4	-
BBVA SEGUROS, S.A., DE SEGUROS Y REASEGUROS	SPAIN	INSURANCES SERVICES	99.95	-	99.95	682	16,797	15,297	1,239	260
BBVA SENIOR FINANCE, S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	7,090	7,089	1	-
BBVA SERVICIOS CORPORATIVOS LIMITADA	CHILE	SERVICES	-	100.00	100.00	-	6	6	1	(1)
BBVA SERVICIOS, S.A.	SPAIN	COMMERCIAL	-	100.00	100.00	-	9	1	7	1
BBVA SOCIEDAD DE LEASING INMOBILIARIO, S.A.	CHILE	FINANCIAL SERVICES	-	97.49	97.49	27	89	62	25	3
BBVA SUBORDINATED CAPITAL S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	1,770	1,769	1	-
BBVA SUIZA, S.A. (BBVA SWITZERLAND)	SWITZERLAND	BANKING	39.72	60.28	100.00	67	1,316	1,143	163	10
BBVA TRADE, S.A.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	13	36	23	13	-
BBVA U.S. SENIOR S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	1	-	-	-
BBVA VALORES COLOMBIA, S.A. COMISIONISTA DE BOLSA	COLOMBIA	SECURITIES DEALER	-	100.00	100.00	4	5	1	4	-
BBVA WEALTH SOLUTIONS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	6	6	-	5	-
BEEVA TEC OPERADORA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	-	1	1	-	-

(*) Information on foreign companies at exchange rate on December 31, 2016

Additional Information on Consolidated Subsidiaries and strucuted entities composing the BBVA Group (Continued)

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
BEEVA TEC, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	1	4	2	1	-
BETESE S.A DE C.V.	MEXICO	INVESTMENT COMPANY	-	100.00	100.00	61	61	-	53	7
BILBAO VIZCAYA HOLDING, S.A.	SPAIN	INVESTMENT COMPANY	89.00	11.00	100.00	35	236	36	135	66
BLUE INDICO INVESTMENTS, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	7	25	18	7	(1)
CAIXA MANRESA IMMOBILIARIA ON CASA, S.L. (**)	SPAIN	REAL ESTATE	100.00	-	100.00	-	2	5	(2)	-
CAIXA MANRESA IMMOBILIARIA SOCIAL, S.L. (**)	SPAIN	REAL ESTATE	100.00	-	100.00	-	4	4	1	-
CAIXA TERRASSA SOCIETAT DE PARTICIPACIONS PREFERENTS, S.A.U.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	1	76	74	2	-
CAIXASABADELL PREFERENTS, S.A.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	-	92	90	1	-
CAIXASABADELL TINELIA, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	41	41	-	41	-
CAPITAL INVESTMENT COUNSEL, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	14	14	-	14	-
CARTERA E INVERSIONES S.A., CIA DE	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	92	108	78	21	9
CASA DE BOLSA BBVA BANCOMER, S.A. DE C.V.	MEXICO	SECURITIES DEALER	-	100.00	100.00	35	46	11	17	17
CATALONIA GEBIRA, S.L. (***)(****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	4	8	(3)	(1)
CATALONIA PROMODIS 4, S.A. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	9	14	(2)	(2)
CATALUNYACAIXA ASSEGURANCES GENERALS, S.A.	SPAIN	INSURANCES SERVICES	100.00	-	100.00	42	47	25	17	5
CATALUNYACAIXA CAPITAL, S.A.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	101	106	10	95	1
CATALUNYACAIXA IMMOBILIARIA, S.A. (*****)	SPAIN	REAL ESTATE	100.00	-	100.00	125	198	121	46	31
CATALUNYACAIXA SERVEIS, S.A.	SPAIN	SERVICES	100.00	-	100.00	2	10	7	2	1
CATALUNYACAIXA VIDA, S.A.	SPAIN	INSURANCES SERVICES	100.00	-	100.00	358	2,409	2,014	351	43
CB TRANSPORT ,INC.	UNITED STATES	INACTIVE	-	100.00	100.00	18	18	-	18	-
CDD GESTIONI, S.R.L.	ITALY	REAL ESTATE	100.00	-	100.00	5	6	-	6	-
CETACTIUS, S.L. (**)	SPAIN	REAL ESTATE	100.00	-	100.00	-	2	22	(19)	(1)
CIDESSA DOS, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	15	15	1	14	-
CIDESSA UNO, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	5	240	150	67	24
CIERVANA, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	53	64	4	55	5
CLUB GOLF HACIENDA EL ALAMO, S.L.	SPAIN	REAL ESTATE	-	97.87	97.87	-	-	-	-	-
COMERCIALIZADORA CORPORATIVA SAC	PERU	FINANCIAL SERVICES	-	50.00	50.00	-	1	1	-	-
COMERCIALIZADORA DE SERVICIOS FINANCIEROS, S.A.	COLOMBIA	SERVICES	-	100.00	100.00	2	9	7	1	-
COMPASS ASSET ACCEPTANCE COMPANY, LLC	UNITED STATES	INACTIVE	-	100.00	100.00	463	463	-	463	-
COMPASS AUTO RECEIVABLES CORPORATION	UNITED STATES	INACTIVE	-	100.00	100.00	4	4	-	4	-
COMPASS BANK	UNITED STATES	BANKING	-	100.00	100.00	11,475	86,188	74,713	11,149	327
COMPASS CAPITAL MARKETS, INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	7,657	7,657	-	7,587	70
COMPASS CUSTODIAL SERVICES, INC.	UNITED STATES	INACTIVE	-	100.00	100.00	-	-	-	-	-
COMPASS GP, INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	46	58	11	46	-
COMPASS INVESTMENTS, INC.	UNITED STATES	INACTIVE	-	100.00	100.00	-	-	-	-	-
COMPASS LIMITED PARTNER, INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	6,683	6,684	1	6,613	69
COMPASS LOAN HOLDINGS TRS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	77	77	-	76	-
COMPASS MORTGAGE CORPORATION	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	2,969	3,006	37	2,921	49

(*) Information on foreign companies at exchange rate on December 31, 2016
(**) These companies have an equity loan from BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
(***) This company has an equity loan from ARRELS CT PATRIMONI I PROYECTES, S.A.
(****) These companies have an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.
(*****) This company has equity loans from de BANCO BILBAO VIZCAYA ARGENTARIA, S.A., EXPANSION INTERCOMARCAL, S.L. y SATICEM IMMOBILIARIA, S.L.

Additional Information on Consolidated Subsidiaries and structured entities composing the BBVA Group (Continued)

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
COMPASS MORTGAGE FINANCING, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
COMPASS MULTISTATE SERVICES CORPORATION	UNITED STATES	INACTIVE	-	100.00	100.00	4	4	-	4	-
COMPASS SOUTHWEST, LP	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	5,515	5,515	-	5,455	61
COMPASS TEXAS ACQUISITION CORPORATION	UNITED STATES	INACTIVE	-	100.00	100.00	2	2	-	2	-
COMPASS TEXAS MORTGAGE FINANCING, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
COMPASS TRUST II	UNITED STATES	INACTIVE	-	100.00	100.00	-	-	-	-	-
COMPAÑIA CHILENA DE INVERSIONES, S.L.	SPAIN	INVESTMENT COMPANY	99.97	0.03	100.00	580	781	-	781	-
COMPLEMENTOS INNOVACIÓN Y MODA, S.L.	SPAIN	IN LIQUIDATION	-	100.00	100.00	-	-	-	-	-
CONJUNT RESIDENCIAL FREIXA, S.L. (**)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	3	(1)	-
CONSOLIDAR A.F.J.P., S.A.	ARGENTINA	IN LIQUIDATION	46.11	53.89	100.00	-	3	2	1	(1)
CONSORCIO DE CASAS MEXICANAS, S.A.P.I. DE C.V.	MEXICO	REAL ESTATE	-	99.99	99.99	3	16	12	4	(1)
CONTENTS AREA, S.L.	SPAIN	SERVICES	-	100.00	100.00	6	7	1	6	-
CONTINENTAL BOLSA, SDAD. AGENTE DE BOLSA, S.A.	PERU	SECURITIES DEALER	-	100.00	100.00	6	11	5	5	1
CONTINENTAL DPR FINANCE COMPANY	CAYMAN ISLANDS	FINANCIAL SERVICES	-	100.00	100.00	-	136	136	-	-
CONTINENTAL SOCIEDAD TITULIZADORA, S.A.	PERU	FINANCIAL SERVICES	-	100.00	100.00	1	1	-	1	-
CONTRATACION DE PERSONAL, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	5	8	3	4	-
COPROMED S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	-	-	-	-	-
CORPORACION BETICA INMOBILIARIA, S.A. (***)(*****)	SPAIN	REAL ESTATE	-	100.00	100.00	4	20	15	5	(1)
CORPORACION GENERAL FINANCIERA, S.A.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	510	1,578	-	1,556	22
CX PROPIETAT, FII	SPAIN	REAL ESTATE INVESTMENT COMPANY	67.94	-	67.94	35	61	-	62	(1)
DALLAS CREATION CENTER, INC	UNITED STATES	SERVICES	-	100.00	100.00	-	7	7	2	(1)
DATA ARCHITECTURE AND TECHNOLOGY S.L.	SPAIN	SERVICES	-	51.00	51.00	-	2	1	-	-
DESITEL TECNOLOGIA Y SISTEMAS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	1	1	-	1	-
DEUTSCHE BANK MEXICO SA FIDEICOMISO F/1859	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	16	16	-	-
DEUTSCHE BANK MEXICO SA FIDEICOMISO F/1860	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	16	16	-	-
DISTRITO CASTELLANA NORTE, S.A.	SPAIN	REAL ESTATE	-	75.54	75.54	82	123	15	110	(2)
ECASA, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	17	19	2	11	6
EL ENCINAR METROPOLITANO, S.A.	SPAIN	REAL ESTATE	-	99.05	99.05	6	7	-	6	-
EL MILANILLO, S.A. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	8	8	1	7	-
EMPRENDIMIENTOS DE VALOR S.A.	URUGUAY	FINANCIAL SERVICES	-	100.00	100.00	3	7	4	3	-
ENTRE2 SERVICIOS FINANCIEROS, E.F.C., S.A.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	9	9	-	9	-
ESPAIS CERDANYOLA, S.L. (*****)	SPAIN	REAL ESTATE	-	97.51	97.51	-	12	15	(3)	-
ESPAIS SABADELL PROMOCIONS INMOBILIARIES, S.A.	SPAIN	REAL ESTATE	-	100.00	100.00	7	8	-	8	-
ESPANHOLA COMERCIAL E SERVIÇOS, LTDA.	BRASIL	IN LIQUIDATION	100.00	-	100.00	-	-	-	-	-
ESTACION DE AUTOBUSES CHAMARTIN, S.A.	SPAIN	SERVICES	-	51.00	51.00	-	-	-	-	-
EUROPEA DE TITULIZACION, S.A., S.G.F.T.	SPAIN	FINANCIAL SERVICES	87.86	-	87.86	2	41	3	36	3
EXPANSION INTERCOMARCAL, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	26	27	-	26	-
F/253863 EL DESEO RESIDENCIAL	MEXICO	REAL ESTATE	-	65.00	65.00	-	1	-	1	-
F/403035-9 BBVA HORIZONTES RESIDENCIAL	MEXICO	REAL ESTATE	-	65.00	65.00	-	-	-	-	-
FACILEASING EQUIPMENT, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	51	411	301	90	21

(*) Information on foreign companies at exchange rate on December 31, 2016
(**) This company has an equity loan from EXPANSION INTERCOMARCAL, S.L.
(***) This company has an equity loan from BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
(****) This company has an equity loan from ANIDA OPERACIONES SINGULARES, S.A.
(*****) These companies have equity loans from CATALUNYACAIXA IMMOBILIARIA, S.A.

Additional Information on Consolidated Subsidiaries and strucuted entities composing the BBVA Group (Continued)

			% Legal share of particpation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
FACILEASING S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	92	730	646	68	16
FIDEICOMISO 28991-8 TRADING EN LOS MCADOS FINANCIEROS	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	3	3	-	2	-
FIDEICOMISO F/29764-8 SOCIO LIQUIDADOR DE OPERACIONES FINANCIERAS DERIVADAS	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	45	45	-	43	2
FIDEICOMISO F/403112-6 DE ADMINISTRACION DOS LAGOS	MEXICO	REAL ESTATE	-	100.00	100.00	7	7	-	7	-
FIDEICOMISO HARES BBVA BANCOMER F/ 47997-2	MEXICO	REAL ESTATE	-	100.00	100.00	14	15	1	13	1
FIDEICOMISO LOTE 6.1 ZARAGOZA	COLOMBIA	REAL ESTATE	-	59.99	59.99	1	2	-	2	-
FIDEICOMISO N.989, EN THE BANK OF NEW YORK MELLON, S.A. INSTITUCION DE BANCA MULTIPLE, FIDUCIARIO (FIDEIC.00989 6 EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	115	115	(5)	5
FIDEICOMISO Nº 711, EN BANCO INVEX, S.A.,INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 1ª EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	25	25	-	(1)
FIDEICOMISO Nº 752, EN BANCO INVEX, S.A.,INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 2ª EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	13	13	-	-
FIDEICOMISO Nº 847, EN BANCO INVEX, S.A.,INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 4ª EMISION)	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	-	67	67	(1)	-
FIDEICOMISO SCOTIABANK INVERLAT S A F100322908	MEXICO	REAL ESTATE	-	100.00	100.00	5	12	8	5	-
FINANCEIRA DO COMERCIO EXTERIOR S.A.R.	PORTUGAL	INACTIVE	100.00	-	100.00	-	-	-	-	-
FINANCIERA AYUDAMOS S.A. DE C.V., SOFOMER	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	107	109	2	92	15
FODECOR, S.L.	SPAIN	REAL ESTATE	-	60.00	60.00	-	-	1	(1)	-
FORUM COMERCIALIZADORA DEL PERU, S.A.	PERU	SERVICES	-	100.00	100.00	2	1	-	2	(2)
FORUM DISTRIBUIDORA DEL PERU, S.A.	PERU	FINANCIAL SERVICES	-	100.00	100.00	8	25	17	8	-
FORUM DISTRIBUIDORA, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	33	251	219	27	5
FORUM SERVICIOS FINANCIEROS, S.A.	CHILE	FINANCIAL SERVICES	-	100.00	100.00	213	1,599	1,400	144	55
FUTURO FAMILIAR, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	1	3	2	1	-
G NETHERLANDS BV	NETHERLANDS	INVESTMENT COMPANY	-	100.00	100.00	340	357	48	302	7
GARANTI BANK SA	ROMANIA	BANKING	-	100.00	100.00	276	1,983	1,732	253	(2)
GARANTI BILISIM TEKNOLOJISI VE TIC. TAS	TURKEY	SERVICES	-	100.00	100.00	28	20	3	16	1
GARANTI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY	CAYMAN ISLANDS	FINANCIAL SERVICES	-	100.00	100.00	-	3,417	3,417	-	-
GARANTI EMEKLILIK VE HAYAT AS	TURKEY	INSURANCES SERVICES	-	84.91	84.91	303	491	137	281	74
GARANTI FACTORING HIZMETLERI AS	TURKEY	FINANCIAL SERVICES	-	81.84	81.84	41	781	731	44	6
GARANTI FILO SIGORTA ARACILIK HIZMETLERI A.S.	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	-	1	-	-	-
GARANTI FILO YONETIM HIZMETLERI A.S.	TURKEY	SERVICES	-	100.00	100.00	3	319	309	6	4
GARANTI FINANSAL KIRALAMA A.S.	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	238	1,481	1,232	234	16
GARANTI HIZMET YONETIMI A.S	TURKEY	FINANCIAL SERVICES	-	99.40	99.40	-	2	1	2	(1)
GARANTI HOLDING BV	NETHERLANDS	INVESTMENT COMPANY	-	100.00	100.00	195	341	-	341	-
GARANTI KONUT FINANSMANI DANISMANLIK HIZMETLERI AS (GARANTI MORTGAGE)	TURKEY	SERVICES	-	100.00	100.00	-	1	-	-	-
GARANTI KULTUR AS	TURKEY	SERVICES	-	100.00	100.00	-	1	-	-	-
GARANTI ODEME SISTEMLERI A.S.(GOSAS)	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	-	7	3	5	(1)
GARANTI PORTFOY YONETIMI AS	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	14	17	3	10	4
GARANTI YATIRIM MENKUL KIYMETLER AS	TURKEY	FINANCIAL SERVICES	-	100.00	100.00	18	91	72	12	6
GARANTI YATIRIM ORTAKLIGI AS	TURKEY	INVESTMENT COMPANY	-	99.97	99.97	-	10	-	9	1
GARANTIBANK INTERNATIONAL NV	NETHERLANDS	BANKING	-	100.00	100.00	546	4,823	4,276	532	15
GARRAF MEDITERRANIA, S.A. (**)	SPAIN	REAL ESTATE	-	100.00	100.00	-	16	16	-	-
GESCAT LLEVANT, S.L. (***)	SPAIN	REAL ESTATE	-	100.00	100.00	-	14	16	(2)	-
GESCAT LLOGUERS, S.L. (****)	SPAIN	REAL ESTATE	100.00	-	100.00	-	7	16	(9)	-

(*) Information on foreign companies at exchange rate on December 31, 2016
(**) This company has an equity loan from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.
(***) This company has an equity loan from CATALUNYACAIXA IMMOBILIARIA, S.A.
(****) This company has an equity loan from BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

Additional Information on Consolidated Subsidiaries and strucuted entities composing the BBVA Group

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
GESCAT POLSKA, SP. ZOO	POLAND	REAL ESTATE	100.00	-	100.00	9	12	1	11	-
GESCAT SINEVA, S.L. (**)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	3	(1)	-
GESCAT, GESTIO DE SOL, S.L. (***)	SPAIN	REAL ESTATE	100.00	-	100.00	-	21	42	(20)	(2)
GESCAT, VIVENDES EN COMERCIALITZACIO, S.L. (**)(***)	SPAIN	REAL ESTATE	100.00	-	100.00	-	226	618	(355)	(37)
GESTIO D'ACTIUS TITULITZATS, S.A.	SPAIN	FINANCIAL SERVICES	100.00	-	100.00	3	4	-	3	1
GESTION DE PREVISION Y PENSIONES, S.A.	SPAIN	PENSION FUNDS MANAGEMENT	60.00	-	60.00	9	32	3	21	7
GESTION Y ADMINISTRACION DE RECIBOS, S.A. - GARSA	SPAIN	SERVICES	-	100.00	100.00	1	2	1	1	-
GOBERNALIA GLOBAL NET, S.A.	SPAIN	SERVICES	-	100.00	100.00	2	15	6	7	2
GRAN JORGE JUAN, S.A.	SPAIN	REAL ESTATE	100.00	-	100.00	375	1,012	632	398	(17)
GRANFIDUCIARIA	COLOMBIA	IN LIQUIDATION	-	90.00	90.00	-	-	-	-	-
GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	99.98	-	99.98	6,678	8,720	1	6,745	1,974
GUARANTY BUSINESS CREDIT CORPORATION	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	35	35	-	35	-
GUARANTY PLUS HOLDING COMPANY	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	(42)	63	105	(40)	(2)
GUARANTY PLUS PROPERTIES LLC-2	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	44	44	-	44	-
GUARANTY PLUS PROPERTIES, INC-1	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	12	12	-	12	-
HABITAT ZENTRUM, S.L. (****)	SPAIN	REAL ESTATE	-	50.00	50.00	-	-	6	(6)	-
HABITATGES FINVER, S.L. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	2	-	-
HABITATGES INVERCAP, S.L. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	1	(1)	-
HABITATGES INVERVIC, S.L. (*****)	SPAIN	REAL ESTATE	-	35.00	35.00	-	1	14	(12)	(1)
HABITATGES JUVIPRO, S.L. (******)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	3	(1)	-
HIPOTECARIA NACIONAL, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	8	13	5	8	1
HOLVI PAYMENT SERVICE OY	FINLAND	FINANCIAL SERVICES	-	100.00	100.00	13	3	-	6	(4)
HOMEOWNERS LOAN CORPORATION	UNITED STATES	IN LIQUIDATION	-	100.00	100.00	8	9	1	9	(1)
HUMAN RESOURCES PROVIDER, INC	UNITED STATES	SERVICES	-	100.00	100.00	436	436	-	430	6
HUMAN RESOURCES SUPPORT, INC	UNITED STATES	SERVICES	-	100.00	100.00	431	431	-	426	5
INMESP DESARROLLADORA, S.A. DE C.V.	MEXICO	REAL ESTATE	-	100.00	100.00	26	38	13	31	(5)
INMUEBLES Y RECUPERACIONES CONTINENTAL S.A	PERU	REAL ESTATE	-	100.00	100.00	13	14	1	11	2
INNOVATION 4 SECURITY, S.L.	SPAIN	SERVICES	-	100.00	100.00	-	4	1	1	2
INPAU, S.A. (**)	SPAIN	REAL ESTATE	-	100.00	100.00	5	46	40	(8)	14
INVERAHORRO, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	13	91	78	16	(3)
INVERCARTERA INTERNACIONAL, S.L.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	8	8	-	8	-
INVERPRO DESENVOLUPAMENT, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	3	9	6	4	(1)
INVERSIONES ALDAMA, C.A.	VENEZUELA	IN LIQUIDATION	-	100.00	100.00	-	-	-	-	-
INVERSIONES BANPRO INTERNATIONAL INC. N.V.	CURAÇAO	INVESTMENT COMPANY	48.00	-	48.00	16	56	2	52	2
INVERSIONES BAPROBA, C.A.	VENEZUELA	FINANCIAL SERVICES	100.00	-	100.00	1	-	-	-	-
INVERSIONES DE INNOVACION EN SERVICIOS FINANCIEROS, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	40	80	34	45	1
INVERSIONES P.H.R.4, C.A.	VENEZUELA	INACTIVE	-	60.46	60.46	-	-	-	-	-
INVESCO MANAGEMENT Nº 1, S.A.	LUXEMBOURG	FINANCIAL SERVICES	-	100.00	100.00	8	8	-	8	-
INVESCO MANAGEMENT Nº 2, S.A.	LUXEMBOURG	FINANCIAL SERVICES	-	100.00	100.00	-	3	18	(14)	(1)
IRIDION SOLUCIONS IMMOBILIARIES, S.L. (***)	SPAIN	REAL ESTATE	100.00	-	100.00	-	2	127	(121)	(4)

(*) Information on foreign companies at exchange rate on December 31, 2016
(**) These companies have equity loans from CATALUNYACAIXA IMMOBILIARIA, S.A.
(***) These companies have equity loans from BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
(****) This company has an equity loan from EXPANSION INTERCOMARCAL, S.L.
(*****) These companies have equity loans from INVERPRO DESENVOLUPAMENT, S.L.
(******) This company has equity loans from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A

Additional Information on Consolidated Subsidiaries composing the BBVA Group (Continued) and consolidated structured entities

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
JALE PROCAM, S.L.	SPAIN	REAL ESTATE	-	50.00	50.00	-	4	44	(40)	-
L'EIX IMMOBLES, S.L. (*****)(******)	SPAIN	REAL ESTATE	-	100.00	100.00	-	20	26	(4)	(2)
LIQUIDITY ADVISORS, L.P	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1,198	1,199	-	1,192	6
MADIVA SOLUCIONES, S.L.	SPAIN	SERVICES	-	100.00	100.00	9	2	1	1	-
MILLENNIUM PROCAM, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	-	1	-	-
MISAPRE, S.A. DE C.V.	MEXICO	FINANCIAL SERVICES	-	100.00	100.00	2	2	-	2	-
MOMENTUM SOCIAL INVESTMENT HOLDING, S.L.	SPAIN	INVESTMENT COMPANY	-	100.00	100.00	7	7	-	7	-
MOTORACTIVE IFN SA	ROMANIA	FINANCIAL SERVICES	-	100.00	100.00	38	157	135	17	5
MOTORACTIVE MULTISERVICES SRL	ROMANIA	SERVICES	-	100.00	100.00	-	10	10	-	-
MULTIASISTENCIA OPERADORA S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	-	1	1	-	-
MULTIASISTENCIA SERVICIOS S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	1	3	2	1	-
MULTIASISTENCIA, S.A. DE C.V.	MEXICO	INSURANCES SERVICES	-	100.00	100.00	22	29	7	16	6
NEWCO PERU S.A.C.	PERU	INVESTMENT COMPANY	100.00	-	100.00	124	921	-	835	86
NOET, INC.	UNITED STATES	SERVICES	-	100.00	100.00	-	-	-	-	-
NOIDIRI, S.L. (***)	SPAIN	REAL ESTATE	100.00	-	100.00	-	-	12	(11)	-
NOVA EGARA-PROCAM, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	1	1	-	1	-
NOVA TERRASSA 3, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	4	12	8	4	-
OPCION VOLCAN, S.A.	MEXICO	REAL ESTATE	-	100.00	100.00	16	18	2	17	(2)
OPERADORA DOS LAGOS S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	1	1	-	-	-
OPPLUS OPERACIONES Y SERVICIOS, S.A.	SPAIN	SERVICES	100.00	-	100.00	1	29	10	16	3
OPPLUS S.A.C (En liquidacion)	PERU	IN LIQUIDATION	-	100.00	100.00	1	1 -		1 -	
PARCSUD PLANNER, S.L. (******)	SPAIN	REAL ESTATE	-	100.00	100.00	-	7	9	(2)	(1)
PARTICIPACIONES ARENAL, S.L.	SPAIN	INACTIVE	-	100.00	100.00	8	8	-	8 -	
PECRI INVERSION S.L.	SPAIN	OTHER INVESTMENT COMPANIES	100.00	-	100.00	98	98 -		99	(1)
PENSIONES BBVA BANCOMER, S.A. DE C.V., GRUPO FINANCIERO BBVA BANCOMER	MEXICO	INSURANCES SERVICES	-	100.00	100.00	197	4,040	3,843	156	41
PHOENIX LOAN HOLDINGS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	312	334	22	306	6
PI HOLDINGS NO. 1, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	90	90	-	90 -	
PI HOLDINGS NO. 3, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1	1	-	1	-
PORTICO PROCAM, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	25	25	-	25	-
PRO-SALUD, C.A.	VENEZUELA	INACTIVE	-	58.86	58.86	-	-	-	-	-
PROCAMVASA, S.A.	SPAIN	REAL ESTATE	-	51.00	51.00	-	-	-	-	-
PROMOCION EMPRESARIAL XX, S.A.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	8	8	-	8	-
PROMOCIONES Y CONSTRUCCIONES CERBAT, S.L.U.	SPAIN	REAL ESTATE	-	100.00	100.00	9	25	-	25	-
PROMOTORA DEL VALLES, S.L. (******)	SPAIN	REAL ESTATE	-	100.00	100.00	-	160	266	(98)	(8)
PROMOU CT 3AG DELTA, S.L. (******)	SPAIN	REAL ESTATE	-	100.00	100.00	-	10	12	(2)	-
PROMOU CT EIX MACIA, S.L. (******)	SPAIN	REAL ESTATE	-	100.00	100.00	3	6	2	1	3
PROMOU CT GEBIRA, S.L. (******)	SPAIN	REAL ESTATE	-	100.00	100.00	-	8	12	(3)	-
PROMOU CT OPENSEGRE, S.L. (**)(******)	SPAIN	REAL ESTATE	-	100.00	100.00	-	28	46	(16)	(2)
PROMOU CT VALLES, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	2	9	8	2	-

(*) Information on foreign companies at exchange rate on December 31, 2016
(**) This company has an equity loan from ARRELS CT PROMOU, S.A.
(***) This company has an equity loan from BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
(****) These companies have equity loans from CATALUNYACAIXA IMMOBILIARIA, S.A.
(*****) This company has an equity loan from PROMOTORA DEL VALLES, S.L.
(******) These companies have equity loans from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.

Additional Information on Consolidated Subsidiaries composing the BBVA Group (Continued) and consolidated structured entities

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
PROMOU GLOBAL, S.L. (**)(*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	94	124	(45)	15
PRONORTE UNO PROCAM, S.A. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	5	15	(10)	-
PROPEL VENTURE PARTNERS US FUND I, L.P.	UNITED STATES	VENTURE CAPITAL	-	100.00	100.00	21	22	1	23	(2)
PROV-INFI-ARRAHONA, S.L. (*****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	18	22	(6)	2
PROVINCIAL DE VALORES CASA DE BOLSA, C.A.	VENEZUELA	SECURITIES DEALER	-	90.00	90.00	-	-	-	-	-
PROVINCIAL SDAD.ADMIN.DE ENTIDADES DE INV.COLECTIVA, C.A.	VENEZUELA	FINANCIAL SERVICES	-	100.00	100.00	-	-	-	-	-
PROVIURE BARCELONA, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	2	-	-
PROVIURE CIUTAT DE LLEIDA, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	1	1	-	-
PROVIURE PARC D'HABITATGES, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	2	2	1	-
PROVIURE, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	4	3	(1)	1
PROVIVIENDA ENTIDAD RECAUDADORA Y ADMIN.DE APORTES, S.A.	BOLIVIA	PENSION FUNDS MANAGEMENT	-	100.00	100.00	2	7	5	2	-
PUERTO CIUDAD LAS PALMAS, S.A.	SPAIN	REAL ESTATE	-	96.64	96.64	-	36	59	(7)	(16)
QIPRO SOLUCIONES S.L.	SPAIN	SERVICES	-	100.00	100.00	5	11	3	6	3
RALFI IFN SA	ROMANIA	FINANCIAL SERVICES	-	100.00	100.00	40	97	83	10	4
RENTRUCKS, ALQUILER Y SERVICIOS DE TRANSPORTE, S.A.	SPAIN	INACTIVE	100.00	-	100.00	1	2	-	1	-
RESIDENCIAL CUMBRES DE SANTA FE, S.A. DE C.V.	MEXICO	REAL ESTATE	-	100.00	100.00	14	14	-	9	5
RPV COMPANY	CAYMAN ISLANDS	FINANCIAL SERVICES	-	100.00	100.00	-	1,469	1,469	-	-
RWHC, INC	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	771	771	-	754	16
S.B.D. NORD, S.L. (****)	SPAIN	REAL ESTATE	-	100.00	100.00	-	1	1	-	-
SATICEM GESTIO, S.L. (***)	SPAIN	REAL ESTATE	100.00	-	100.00	-	9	90	(78)	(3)
SATICEM HOLDING, S.L.	SPAIN	REAL ESTATE	100.00	-	100.00	5	6	-	5	1
SATICEM IMMOBILIARIA, S.L.	SPAIN	REAL ESTATE	100.00	-	100.00	6	19	-	11	8
SATICEM IMMOBLES EN ARRENDAMENT, S.L. (***)	SPAIN	REAL ESTATE	100.00	-	100.00	-	26	85	(57)	(3)
SCALDIS FINANCE, S.A.	BELGIUM	INVESTMENT COMPANY	-	100.00	100.00	4	18	-	18	-
SEGUROS BBVA BANCOMER, S.A. DE C.V., GRUPO FINANCIERO BBVA BANCOMER	MEXICO	INSURANCES SERVICES	-	100.00	100.00	388	3,347	2,959	171	217
SEGUROS PROVINCIAL, C.A.	VENEZUELA	INSURANCES SERVICES	-	100.00	100.00	1	1	-	1	(1)
SERVICIOS CORPORATIVOS BANCOMER, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	4	7	2	4	-
SERVICIOS CORPORATIVOS DE SEGUROS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	2	10	8	2	-
SERVICIOS EXTERNOS DE APOYO EMPRESARIAL, S.A DE C.V.	MEXICO	SERVICES	-	100.00	100.00	7	20	14	5	1
SERVICIOS TECNOLOGICOS SINGULARES, S.A.	SPAIN	SERVICES	-	100.00	100.00	1	1	-	1	-
SIMPLE FINANCE TECHNOLOGY CORP.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	53	66	13	146	(92)
SOCIEDAD DE ESTUDIOS Y ANALISIS FINANCIERO.,S.A.	SPAIN	SERVICES	100.00	-	100.00	104	108	5	107	(3)
SOCIEDAD GESTORA DEL FONDO PUBLICO DE REGULACION DEL MERCADO HIPOTECARIO, S.A.	SPAIN	INACTIVE	77.20	-	77.20	-	-	-	-	-
SPORT CLUB 18, S.A.	SPAIN	INVESTMENT COMPANY	100.00	-	100.00	14	14	-	15	(1)
STATE NATIONAL CAPITAL TRUST I	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	15	14	-	-
STATE NATIONAL STATUTORY TRUST II	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	-	10	10	-	-
TEXAS LOAN SERVICES, LP.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1,208	1,208	-	1,199	9
TEXAS REGIONAL STATUTORY TRUST I	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1	49	47	1	-
TEXASBANC CAPITAL TRUST I	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	1	25	24	1	-
TEXTIL TEXTURA, S.L.	SPAIN	COMMERCIAL	-	68.67	68.67	2	-	-	-	-

(*) Information on foreign companies at exchange rate on December 31, 2016

(**) This company has an equity loan from ARRELS CT PROMOU, S.A.

(***) These companies have equity loans from BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

(****) These companies have equity loans from CATALUNYACAIXA IMMOBILIARIA, S.A.

(*****) These companies have equity loans from UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

Additional Information on Consolidated Subsidiaries composing the BBVA Group (Continued) and consolidated structured entities

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data				
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16
TMF HOLDING INC.	UNITED STATES	INVESTMENT COMPANY	-	100.00	100.00	15	22	7	13	2
TRIFOI REAL ESTATE SRL	ROMANIA	REAL ESTATE	-	100.00	100.00	1	1	-	1	-
TUCSON LOAN HOLDINGS, INC.	UNITED STATES	FINANCIAL SERVICES	-	100.00	100.00	57	57	-	55	2
TURKIYE GARANTI BANKASI A.S	TURKEY	BANKING	39.90	-	39.90	6,177	76,017	66,433	8,191	1,393
UNITARIA GESTION DE PATRIMONIOS INMOBILIARIOS	SPAIN	REAL ESTATE	-	100.00	100.00	2	3	-	3	-
UNIVERSALIDAD TIPS PESOS E-9	COLOMBIA	FINANCIAL SERVICES	-	100.00	100.00	-	60	29	28	3
UNNIM SOCIEDAD PARA LA GESTION DE ACTIVOS INMOBILIARIOS, S.A. (**)	SPAIN	REAL ESTATE	100.00	-	100.00	-	941	1,102	(32)	(129)
URBANIZADORA SANT LLORENC, S.A.	SPAIN	INACTIVE	60.60	-	60.60	-	-	-	-	-
VALANZA CAPITAL S.A. UNIPERSONAL	SPAIN	SERVICES	100.00	-	100.00	1	7	-	7	-
VOLJA LUX, SARL	LUXEMBOURG	INVESTMENT COMPANY	-	71.78	71.78	-	1	1	1	(1)
VOLJA PLUS SL	SPAIN	INVESTMENT COMPANY	75.40	-	75.40	1	2	-	(17)	19
VOLKSWAGEN FINANCIAL SERVICES COMPAÑIA FINANCIERA S.A.	ARGENTINA	FINANCIAL SERVICES	-	51.00	51.00	16	110	78	32	-

(*) Information on foreign companies at exchange rate on December 31, 2016

(**) This company has an equity loan from BBVA, S.A.

APPENDIX III. Additional information on investments and jointly controlled companies accounted for under the equity method of consolidation in the BBVA Group (includes the most significant companies that together represent 99.71% of total investments in these companies)

Including the most significant entities, jointly representing 99.71% of all investment in this group

			% Legal share of participation			Millions of Euros(*) Affiliate Entity Data					
Company	Location	Activity	Direct	Indirect	Total	Net Carrying Amount	Assets 31.12.16	Liabilities 31.12.16	Equity 31.12.16	Profit (Loss) 31.12.16	
ADQUIRA ESPAÑA, S.A.	SPAIN	COMMERCIAL	-	40.00	40.00	3	19	11	7	1	
ADQUIRA MEXICO, S.A. DE C.V.(*)	MEXICO	COMMERCIAL	-	50.00	50.00	2	5	2	3	-	
ALTURA MARKETS, SOCIEDAD DE VALORES, S.A.(*)	SPAIN	SECURITIES DEALER	50.00	-	50.00	19	1,738	1,700	30	8	
ATOM BANK PLC	UNITED KINGDOM	BANKING	29.46	-	29.46	43	229	137	129	(36)	
AUREA, S.A. (CUBA)	CUBA	REAL ESTATE	-	49.00	49.00	5	10	-	9	-	
AVANTESPACIA INMOBILIARIA, S.L.(*)	SPAIN	REAL ESTATE	-	30.01	30.01	18	73	12	60	-	
BANK OF HANGZHOU CONSUMER FINANCE CO LTD	CHINA	BANKING	30.00	-	30.00	20	71	5	68	(1)	
CANCUN SUN & GOLF COUNTRY CLUB, S.A.P.I. DE C.V.	MEXICO	REAL ESTATE	-	33.33	33.33	23	75	35	44	(4)	
COMPAÑIA ESPAÑOLA DE FINANCIACION DEL DESARROLLO S.A.	SPAIN	FINANCIAL SERVICES	16.67	-	16.67	19	122	5	109	8	
COMPAÑIA MEXICANA DE PROCESAMIENTO, S.A. DE C.V.(*)	MEXICO	SERVICES	-	50.00	50.00	6	12	-	11	1	
CORPORACION IBV PARTICIPACIONES EMPRESARIALES, S.A.(*)	SPAIN	INVESTMENT COMPANY	-	50.00	50.00	29	126	25	101	-	(2)
DESARROLLOS METROPOLITANOS DEL SUR, S.L.(*)	SPAIN	REAL ESTATE	-	50.00	50.00	11	41	20	23	(1)	
FERROMOVIL 3000, S.L.(*)	SPAIN	SERVICES	-	20.00	20.00	4	459	437	25	(4)	
FERROMOVIL 9000, S.L.(*)	SPAIN	SERVICES	-	20.00	20.00	3	298	282	19	(3)	
FIDEICOMISO 1729 INVEX ENAJENACION DE CARTERA (*)	MEXICO	REAL ESTATE	-	32.25	32.25	57	177	-	177	-	
FIDEICOMISO F 403853- 5 BBVA BANCOMER SERVICIOS ZIBATA (*)	MEXICO	REAL ESTATE	-	30.00	30.00	33	184	58	98	27	
FIDEICOMISO F/00185 FIMPE - FIDEICOMISO F/00185 PARA EXTENDER A LA SOCIEDAD LOS BENEFICIOS DEL ACCESO A LA INFRAESTRUCTURA DE LOS MEDIOS DE PAGO ELECTRONICOS	MEXICO	FINANCIAL SERVICES	-	28.50	28.50	4	14	-	15	(1)	
FIDEICOMISO F/402770-2 ALAMAR(*)	MEXICO	REAL ESTATE	-	42.40	42.40	8	19	-	19	-	
INVERSIONES PLATCO, C.A.(*)	VENEZUELA	FINANCIAL SERVICES	-	50.00	50.00	4	9	1	13	(5)	
METROVACESA PROMOCION Y ARRENDAMIENTO S.A.	SPAIN	REAL ESTATE	15.90	4.62	20.52	67	326	-	326	-	
METROVACESA SUELO Y PROMOCION, S.A.	SPAIN	REAL ESTATE	15.90	4.62	20.52	208	1,080	68	1,013	-	
PARQUE RIO RESIDENCIAL, S.L.(*)	SPAIN	REAL ESTATE	-	50.00	50.00	10	21	2	20	-	
PROMOCIONS TERRES CAVADES, S.A.(*)	SPAIN	REAL ESTATE	-	39.11	39.11	4	15	-	15	-	
PSA FINANCE ARGENTINA COMPAÑIA FINANCIERA, S.A.(*)	ARGENTINA	BANKING	-	50.00	50.00	21	191	148	28	14	
RCI COLOMBIA S.A., COMPAÑIA DE FINANCIAMIENTO (*)	COLOMBIA	FINANCIAL SERVICES	-	49.00	49.00	17	139	104	37	(2)	
REAL ESTATE DEAL II, S.A.(*)	SPAIN	IN LIQUIDATION	20.06	-	20.06	4	23	5	23	(6)	
REDSYS SERVICIOS DE PROCESAMIENTO, S.L.	SPAIN	FINANCIAL SERVICES	20.00	0.00	20.00	8	146	106	32	7	
ROMBO COMPAÑIA FINANCIERA, S.A.	ARGENTINA	BANKING	-	40.00	40.00	19	329	284	37	7	
SERVICIOS ELECTRONICOS GLOBALES, S.A. DE C.V.	MEXICO	SERVICES	-	46.14	46.14	6	12	-	10	2	
SERVIRED SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO, S.A.	SPAIN	FINANCIAL SERVICES	28.72	0.00	28.72	11	49	12	29	8	
SOCIEDAD ADMINISTRADORA DE FONDOS DE CESANTIA DE CHILE II, S.A.	CHILE	PENSION FUNDS MANAGEMENT	-	48.60	48.60	11	28	6	20	2	(2)
TELEFONICA FACTORING ESPAÑA, S.A.	SPAIN	FINANCIAL SERVICES	30.00	-	30.00	4	77	62	7	8	(3)
TESTA RESIDENCIAL SOCIMI SAU	SPAIN	REAL ESTATE	10.46	3.04	13.50	91	831	366	462	3	
VITAMEDICA ADMINISTRADORA, S.A. DE C.V (*)	MEXICO	SERVICES	-	51.00	51.00	2	12	8	3	1	

(*) Joint venture entities accounted for using the equity method

(**)Information on foreign companies at exchange rate on December 31, 2016

(2) Non-current assets for sale

(3) Figures according to the budget

APPENDIX IV. Changes and notification of investments and divestments in the BBVA Group in 2016

Acquisitions or Increases of Interest Ownership in Consolidated Subsidiaries

Company	Type of Transaction	Activity	Millions of Euros: Price Paid in the Transactions + Expenses directly attributable to the Transactions	Millions of Euros: Fair Value of Equity Instruments issued for the Transactions	% of Voting Rights: % Participation (net) Acquired in the Period	% of Voting Rights: Total Voting Rights Controlled after the Transactions	Effective Date for the Transaction (or Notification Date)	Category
PROPEL VENTURE PARTNERS US FUND I, L.P.	FOUNDING	VENTURE CAPITAL	2	-	100.00%	100.00%	14-Jan-16	SUBSIDIARY
BBVA NOMINEES LIMITED	ACQUISITION	SERVICES	-	-	5.00%	100.00%	29-Jan-16	SUBSIDIARY
BBVA COMPASS PAYMENTS, INC	FOUNDING	INVESTMENT COMPANY	43	-	100.00%	100.00%	01-Mar-16	SUBSIDIARY
HOLVI PAYMENT SERVICE OY	ACQUISITION	FINANCIAL SERVICES	9	-	100.00%	100.00%	04-Mar-16	SUBSIDIARY
RENTRUCKS, ALQUILER Y SERVICIOS DE TRANSPORTE, S.A.	ACQUISITION	FINANCIAL SERVICES	-	-	0.68%	100.00%	29-Mar-16	SUBSIDIARY
ESPAIS CERDANYOLA, S.L.	ACQUISITION	REAL ESTATE	14	-	47.51%	97.51%	31-Mar-16	SUBSIDIARY
FIDEICOMISO F/403112-6 DE ADMINISTRACION DOS LAGOS	ACQUISITION	REAL ESTATE	-	-	50.00%	100.00%	31-Mar-16	SUBSIDIARY
FIDEICOMISO SCOTIABANK INVERLAT S A F100322908	ACQUISITION	REAL ESTATE	2	-	50.00%	100.00%	31-Mar-16	SUBSIDIARY
OPERADORA DOS LAGOS S.A. DE C.V.	ACQUISITION	SERVICES	-	-	50.00%	100.00%	31-Mar-16	SUBSIDIARY
BBVA CONSUMER FINANCE ENTIDAD DE DESARROLLO A LA PEQUEÑA Y MICRO EMPRESA, EDPYME, S.A. (BBVA CONSUMER FINANCE - EDPYME)	ACQUISITION	FINANCIAL SERVICES	3	-	15.68%	100.00%	29-Apr-16	SUBSIDIARY
FORUM COMERCIALIZADORA DEL PERU, S.A.	ACQUISITION	SERVICES	1	-	15.68%	100.00%	29-Apr-16	SUBSIDIARY
FORUM DISTRIBUIDORA DEL PERU, S.A.	ACQUISITION	FINANCIAL SERVICES	1	-	15.68%	100.00%	29-Apr-16	SUBSIDIARY
BBVA OP3N S.L.	FOUNDING	SERVICES	-	-	100.00%	100.00%	01-Jul-16	SUBSIDIARY
HABITATGES FINVER, S.L.	ACQUISITION	REAL ESTATE	-	-	50.00%	100.00%	14-Jul-16	SUBSIDIARY
DATA ARCHITECTURE AND TECHNOLOGY S.L	FOUNDING	SERVICES	-	-	51.00%	51.00%	28-Jul-16	SUBSIDIARY
NEW CO PERU SAC	SPLIT	INVESTMENT COMPANY	-	-	100.00%	100.00%	31-Jul-16	SUBSIDIARY
VOLJA PLUS SL	DILUTION EFFECT	INVESTMENT COMPANY	-	-	0.46%	75.40%	31-Jul-16	SUBSIDIARY
DALLAS CREATION CENTER, INC	FOUNDING	SERVICES	2	-	100.00%	100.00%	01-Aug-16	SUBSIDIARY
BBVA OP3N, INC	FOUNDING	SERVICES	-	-	100.00%	100.00%	05-Aug-16	SUBSIDIARY
GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	ACQUISITION	FINANCIAL SERVICES	1	-	0.01%	99.98%	07-Sep-16	SUBSIDIARY
VOLKSWAGEN FINANCIAL SERVICES COMPAÑIA FINANCIERA S.A.	ACQUISITION	FINANCIAL SERVICES	17	-	51.00%	51.00%	26-Sep-16	SUBSIDIARY
FIDEICOMISO LOTE 6.1 ZARAGOZA	ACQUISITION	REAL ESTATE	1	-	59.99%	59.99%	27-Oct-16	SUBSIDIARY
BBVA BROKER, S.A.	FOUNDING	INSURANCES SERVICES	-	-	95.00%	95.00%	01-Nov-16	SUBSIDIARY
CX PROPIETAT, FII	ACQUISITION	REAL ESTATE INVESTMENT FUND	-	-	0.19%	67.93%	30-Nov-16	SUBSIDIARY
GARANTI YATIRIM ORTAKLIGI AS	CONTROL RIGHTS	INVESTMENT COMPANY	-	-	3.30%	99.97%	30-Nov-16	SUBSIDIARY
NOET, INC.	FOUNDING	SERVICES	-	-	100.00%	100.00%	01-Dec-16	SUBSIDIARY
CATALONIA GEBIRA, S.L.	ACQUISITION	REAL ESTATE	-	-	18.33%	100.00%	15-Dec-16	SUBSIDIARY
GARRAF MEDITERRANIA, S.A.	ACQUISITION	REAL ESTATE	2	-	9.42%	100.00%	29-Dec-16	SUBSIDIARY

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

Disposals or Reduction of Interest Ownership in Consolidated Subsidiaries

Company	Type of Transaction	Activity	Millions of Euros: Profit (Loss) in the Transaction (*)	Millions of Euros: Changes in the Equity due to the transaction	% of Voting Rights: % Participation Sold in the Period	% of Voting Rights: Total Voting Rights Controlled after the Disposal	Effective Date for the Transaction (or Notification Date)	Category
ANIDA SERVICIOS INMOBILIARIOS, S.A. DE C.V.	MERGER	SERVICES	-	-	100.00%	-	31-Jan-16	SUBSIDIARY
HIPOTECARIA NACIONAL MEXICANA INCORPORATED	LIQUIDATION	REAL ESTATE	-	-	100.00%	-	31-Jan-16	SUBSIDIARY
ARRAHONA GARRAF, S.L.	LIQUIDATION	REAL ESTATE	(1)	-	100.00%	-	21-Mar-16	SUBSIDIARY
ECOARENYS, S.L.	NON CONTROL	REAL ESTATE	9	-	50.00%	-	31-Mar-16	SUBSIDIARY
IMOBILIARIA DUQUE DE AVILA, S.A.	DISPOSAL	REAL ESTATE	(1)	-	100.00%	-	22-Apr-16	SUBSIDIARY
FIDEICOMISO Nº 781, EN BANCO INVEX, S.A.,INSTITUCION DE BANCA MULTIPLE, INVEX GRUPO FINANCIERO, FIDUCIARIO (FIDEIC. INVEX 3ª EMISION)	MERGER	FINANCIAL SERVICES	-	-	100.00%	-	30-May-16	SUBSIDIARY
BBVA GEST, S.G.DE FUNDOS DE INVESTIMENTO MOBILIARIO, S.A.	LIQUIDATION	SECURITIES DEALER	-	-	100.00%	-	09-Jun-16	SUBSIDIARY
PROXIMA ALFA INVESTMENTS HOLDINGS (USA) INC.	LIQUIDATION	COMPANY	3	-	100.00%	-	30-Jun-16	SUBSIDIARY
PROXIMA ALFA INVESTMENTS HOLDINGS (USA) II INC.	LIQUIDATION	COMPANY	-	-	100.00%	-	30-Jun-16	SUBSIDIARY
PROXIMA ALFA INVESTMENTS (USA) LLC	LIQUIDATION	SERVICES	-	-	100.00%	-	30-Jun-16	SUBSIDIARY
UNIDAD DE AVALUOS MEXICO, S.A. DE CV	DISPOSAL	SERVICES	18	-	100.00%	-	29-Jul-16	SUBSIDIARY
HOLDING CONTINENTAL, S.A.	SPLIT	COMPANY	-	-	50.00%	-	31-Jul-16	SUBSIDIARY
EUROPEA DE TITULIZACION, S.A., S.G.F.T.	DILUTION EFFECT	SERVICES	-	-	1.14%	87.86%	31-Aug-16	SUBSIDIARY
CATALUNYA BANC, S.A.	MERGER	BANKING	-	-	99.10%	-	09-Sep-16	SUBSIDIARY
CATALUNYACAIXA INVERSIO, SGIIC, S.A.	MERGER	INVESTMENT	-	-	100.00%	-	13-Sep-16	SUBSIDIARY
CATALUNYACAIXA MEDIACIO , S.L.	MERGER	SERVICES	-	-	100.00%	-	06-Oct-16	SUBSIDIARY
BBVA ELCANO EMPRESARIAL, S.A. EN LIQUIDACION	LIQUIDATION	IN LIQUIDATION	-	-	45.00%	-	25-Oct-16	SUBSIDIARY
BBVA ELCANO EMPRESARIAL II, S.A. EN LIQUIDACION	LIQUIDATION	IN LIQUIDATION	-	-	45.00%	-	26-Oct-16	SUBSIDIARY
BANCO DEPOSITARIO BBVA, S.A.	MERGER	BANKING	-	-	100.00%	-	11-Nov-16	SUBSIDIARY
GARANTI BANK MOSCOW	DISPOSAL	BANKING	8	-	100.00%	-	05-Dec-16	SUBSIDIARY
UNO-E BANK, S.A.	MERGER	BANKING	-	-	100.00%	-	09-Dec-16	SUBSIDIARY

Business Combinations and Other Acquisitions or Increases of Interest Ownership in Associates and Joint-Ventures Accounted for Under the Equity Method

Company	Type of Transaction	Activity	Millions of Euros		% of Voting Rights		Effective Date for the Transaction (or Notification Date)	Category
			Price Paid in the Transactions + Expenses Directly Attributable to the Transactions	Fair Value of Equity Instruments Issued for the Transactions	% Participation (Net) Acquired in the Period	Total Voting Rights Controlled After the Transactions		
METROVACESA, S.A. (*)	CAPITAL INCREASE (**)	REAL ESTATE	344	-	1.10%	20.52%	17-Feb-16	ASSOCIATED
METROVACESA, S.A. (*)	PARTIAL SPLIT	REAL ESTATE	(208)	-	-	-	01-Mar-16	ASSOCIATED
METROVACESA, S.A. (*)	TOTAL SPLIT	REAL ESTATE	(502)	-	-	-	26-Oct-16	ASSOCIATED
METROVACESA SUELO Y PROMOCION, S.A.	SPLIT	REAL ESTATE	208	-	20.52%	20.52%	01-Mar-16	ASSOCIATED
ATOM BANK PLC	ACQUISITION	BANKING	56	-	29.46%	29.46%	29-Apr-16	ASSOCIATED
RCI COLOMBIA S.A., COMPAÑIA DE FINANCIAMIENTO	FOUNDING	FINANCIAL SERVICES	9	-	49.00%	49.00%	01-Jun-16	JOINT VENTURE
PARQUE RIO RESIDENCIAL, S.L.	FOUNDING	REAL ESTATE	10	-	50.00%	50.00%	14-Jun-16	JOINT VENTURE
CAPIPOTA PRODUCTIONS S.L.	ACQUISITION	COMMERCIAL	-	-	25.00%	25.00%	30-Jun-16	JOINT VENTURE
FIDEICOMISO DE ADMINISTRACION REDETRANS	ACQUISITION	SERVICES	1	-	25.07%	25.07%	30-Jun-16	JOINT VENTURE
IBV SOURCE - PRESTAÇAO DE SERVIÇOS INFORMATICOS, ACE	FOUNDING	SERVICES	-	-	49.00%	49.00%	31-Jul-16	JOINT VENTURE
LA ESMERALDA DESARROLLOS, S.L.	ACQUISITION	REAL ESTATE	-	-	25.00%	50.00%	21-Sep-16	JOINT VENTURE
AVANTESPACIA INMOBILIARIA, S.L.	FOUNDING	REAL ESTATE	12	-	30.01%	30.01%	20-Oct-16	JOINT VENTURE
METROVACESA PROMOCION Y ARRENDAMIENTO S.A (*)	SPLIT	REAL ESTATE	67	-	20.52%	20.52%	26-Oct-16	ASSOCIATED
TESTA RESIDENCIAL SOCIMI SAU (*)	SPLIT	REAL ESTATE	91	-	13.49%	13.49%	26-Oct-16	ASSOCIATED
FIDEICOMISO F/404180-2 BBVA BANCOMER SERVICIOS GOLF ZIBATA	ACQUISITION	REAL ESTATE	-	-	30.00%	30.00%	01-Dec-16	JOINT VENTURE

(*) First there was partial split of the of soil activity and promotion in favor of the society of new constitution Metrovacesa Suelo y Promoción, S.A. and in October was the total split of the society in favor of Testa Residencial SOCIMI SAU, Merlin Properties, SOCIMI, S.A. and the new constitution company Metrovacesa Promotion and Leasing S.A

(**) Non-monetary contribution.

Disposal or Reduction of Interest Ownership in Associates and Joint-Ventures Companies Accounted for Under the Equity Method

Company	Type of Transaction	Activity	Millions of Euros	% of Voting Rights		Effective Date for the Transaction (or Notification Date)	Category
			Profit (Loss) in the Transaction	% Participation Sold in the Period	Total Voting Rights Controlled after the Disposal		
BALMA HABITAT, S.L.	NON CONTROL	REAL ESTATE	-	50.00%	-	31-Mar-16	JOINT VENTURE
ECUALITY E-COMMERCE QUALITY, S.A.S.P.	NON CONTROL	COMMERCIAL	-	28.00%	-	31-Mar-16	ASSOCIATED
FIDEICOMISO SCOTIABANK INVERLAT SA F100322742	DISPOSAL	REAL ESTATE	5	33.78%	-	31-Mar-16	JOINT VENTURE
I+D MEXICO, S.A. DE C.V.	DISPOSAL	SERVICES	16	50.00%	-	31-Mar-16	JOINT VENTURE
OPERADORA HITO URBANO, S.A.DE C.V	DISPOSAL	SERVICES	-	35.00%	-	31-Mar-16	JOINT VENTURE
OPERADORA MIRASIERRA, S.A. DE C.V.	DISPOSAL	SERVICES	-	35.00%	-	31-Mar-16	JOINT VENTURE
PROBIS AIGUAVIVA, S.L.	NON CONTROL	REAL ESTATE	(1)	50.00%	-	31-Mar-16	JOINT VENTURE
AMBIT D'EQUIPAMENTS, S.A.	NON CONTROL	REAL ESTATE	-	35.00%	-	30-Apr-16	ASSOCIATED
CAPASATUS, S.L	NON CONTROL	REAL ESTATE	-	50.00%	-	30-Apr-16	ASSOCIATED
CRUILLA CENTRE, S.L.	NON CONTROL	REAL ESTATE	-	49.04%	-	30-Apr-16	JOINT VENTURE
EUGESA PROCAM, S.L.	NON CONTROL	REAL ESTATE	-	55.00%	-	30-Apr-16	JOINT VENTURE
HARMONIA BADALONA, S.L.	NON CONTROL	REAL ESTATE	-	45.00%	-	30-Apr-16	JOINT VENTURE
HARMONIA PLA DE PONENT, S.L.	NON CONTROL	REAL ESTATE	-	22.33%	-	30-Apr-16	ASSOCIATED
IMMOCENTRE 3000, S.L.	NON CONTROL	REAL ESTATE	-	40.00%	-	30-Apr-16	JOINT VENTURE
LANDOMUS, S.L.	NON CONTROL	REAL ESTATE	-	50.00%	-	30-Apr-16	JOINT VENTURE
L'ERA DE VIC, S.L.	NON CONTROL	REAL ESTATE	-	40.00%	-	30-Apr-16	JOINT VENTURE
NOU MAPRO, S.A.	NON CONTROL	REAL ESTATE	-	50.00%	-	30-Apr-16	JOINT VENTURE
SARDENYA CENTRE, S.L.	NON CONTROL	REAL ESTATE	-	50.00%	-	30-Apr-16	JOINT VENTURE
TAGE CENTRE PROMOCIONS IMMOBILIARIES, S.L.	NON CONTROL	REAL ESTATE	-	50.00%	-	30-Apr-16	JOINT VENTURE
VERTIX PROCAM PATRIMONIAL, S.L.	NON CONTROL	REAL ESTATE	-	100.00%	-	30-Apr-16	JOINT VENTURE
VISOREN CENTRE, S.L.	NON CONTROL	REAL ESTATE	-	40.00%	-	30-Apr-16	JOINT VENTURE
INMOBILIARIA MONTE BOADILLA, S.L.	NON CONTROL	REAL ESTATE	-	51.00%	-	01-Jul-16	JOINT VENTURE
SANYRES SUR, S.L.	DISPOSAL	SERVICES	-	33.05%	-	01-Jul-16	JOINT VENTURE
UNION SANYRES, S.L.	DISPOSAL	REAL ESTATE	2	33.36%	-	01-Jul-16	JOINT VENTURE
VIC CONVENT, S.L.	DISPOSAL	REAL ESTATE	-	25.00%	-	14-Jul-16	ASSOCIATED
KUARS CENTRE, S.L.	DISPOSAL	REAL ESTATE	9	40.00%	-	08-Sep-16	JOINT VENTURE
P.R.ALBIRSA, S.L.	LIQUIDATION	REAL ESTATE	-	50.00%	-	14-Sep-16	JOINT VENTURE
S.C.I. MAGNAN SAINT PHILIPPE	LIQUIDATION	REAL ESTATE	-	25.00%	-	30-Sep-16	ASSOCIATED
METROVACESA, S.A. (*)	LIQUIDATION	REAL ESTATE	(2)	20.52%	-	26-Oct-16	ASSOCIATED
FIDEICOMISO F 404015-0 BBVA BANCOMER LOMAS III	DISPOSAL	REAL ESTATE	7	25.00%	-	29-Nov-16	ASSOCIATED
FIDEICOMISO F/70191-2 LOMAS DE ANGELOPOLIS II	DISPOSAL	REAL ESTATE	4	25.00%	-	30-Nov-16	JOINT VENTURE
PARQUE REFORMA SANTA FE, S.A. de C.V.	DISPOSAL	REAL ESTATE	2	30.00%	-	20-Dec-16	ASSOCIATED
TENEDORA DE VEHICULOS, S.A.	LIQUIDATION	SERVICES	-	35.00%	-	22-Dec-16	ASSOCIATED
BRUNARA, SICAV, S.A.	DISPOSAL	VARIABLE CAPITAL	-	30.36%	3.71%	31-Dec-16	ASSOCIATED

(*) First there was partial split of the of soil activity and promotion in favor of the society of new constitution Metrovacesa Suelo y Promoción, S.A. and in October was the total split of the society in favor of Testa Residencial SOCIMI SAU, Merlin Properties, SOCIMI, S.A. and the new constitution company Metrovacesa Promotion and Leasing S.A

Changes in other Companies quoted recognize as Available-For-Sale

Company	Type of Transaction	Activity	% of voting rights		Effective Date for the Transaction (or Notification Date)
			% Participation Acquired (Sold) in the Period	Totally Controlled after Transaction	
MERLIN PROPERTIES SOCIMI, S.A	SPLIT METROVACESA	REAL ESTATE	6.44%	6.44%	02-Nov-16

APPENDIX V.Fully consolidated subsidiaries with more than 10% owned by non-Group shareholders as of December 31, 2016

		% of Voting Rights Controlled by the Bank		
Company	**Activity**	**Direct**	**Indirect**	**Total**
BANCO CONTINENTAL, S.A.	BANKING	-	46	46
BANCO PROVINCIAL S.A. - BANCO UNIVERSAL	BANKING	1	54	55
INVERSIONES BANPRO INTERNATIONAL INC. N.V.	INVESTMENT COMPANY	48	-	48
PRO-SALUD, C.A.	NO ACTIVITY	-	59	59
INVERSIONES P.H.R.4, C.A.	NO ACTIVITY	-	60	60
BANCO BILBAO VIZCAYA ARGENTARIA CHILE, S.A.	BANKING	-	68	68
BBVA INMOBILIARIA E INVERSIONES, S.A.	REAL ESTATE	-	68	68
TEXTIL TEXTURA, S.L.	COMMERCIAL	-	69	69
COMERCIALIZADORA CORPORATIVA SAC	FINANCIAL SERVICES	-	50	50
DISTRITO CASTELLANA NORTE, S.A.	REAL ESTATE	-	76	76
GESTION DE PREVISION Y PENSIONES, S.A.	PENSION FUND MANAGEMENT	60	-	60
ESTACION DE AUTOBUSES CHAMARTIN, S.A.	SERVICES	-	51	51
F/403035-9 BBVA HORIZONTES RESIDENCIAL	REAL ESTATE	-	65	65
F/253863 EL DESEO RESIDENCIAL	REAL ESTATE	-	65	65
DATA ARCHITECTURE AND TECHNOLOGY S.L	SERVICES	-	51	51
VOLKSWAGEN FINANCIAL SERVICES COMPANIA FINANCIERA S.A.	FINANCIAL SERVICES	-	51	51
FIDEICOMISO LOTE 6.1 ZARAGOZA	REAL ESTATE	-	60	60
HABITATGES INVERVIC, S.L.	REAL ESTATE	-	35	35
TURKIYE GARANTI BANKASI A.S	BANKING	40	-	40
GARANTI EMEKLILIK VE HAYAT AS	INSURANCES	-	85	85
GARANTI YATIRIM ORTAKLIGI AS	INVESTMENT COMPANY	-	100	100
FODECOR, S.L.	REAL ESTATE	-	60	60
PROCAMVASA, S.A.	REAL ESTATE	-	51	51
JALE PROCAM, S.L.	REAL ESTATE	-	50	50
VOLJA LUX, SARL	INVESTMENT COMPANY	-	72	72
HABITAT ZENTRUM, S.L.	REAL ESTATE	-	50	50
VOLJA PLUS SL	INVESTMENT COMPANY	75	-	75

APPENDIX VI. BBVA Group's structured entities. Securitization funds

			Millions of Euros	
Securitization Fund (consolidated)	Company	Origination Date	Total Securitized Exposures at the Origination Date	Total Securitized Exposures as of December 31, 2016 (*)
2 PS Interamericana	BBVA CHILE S.A.	Oct-04	31	3
AYT CAIXA SABADELL HIPOTECARIO I, FTA	BBVA, S.A.	Jul-08	300	98
AYT HIPOTECARIO MIXTO IV, FTA	BBVA, S.A.	Jun-05	100	24
AYT HIPOTECARIO MIXTO, FTA	BBVA, S.A.	Mar-04	100	17
BACOMCB 07	BBVA BANCOMER, S.A.,INSTIT. BANCA	Dec-07	121	-
BACOMCB 08	BBVA BANCOMER, S.A.,INSTIT. BANCA	Mar-08	53	-
BACOMCB 08-2	BBVA BANCOMER, S.A.,INSTIT. BANCA	Dec-08	267	-
BBVA CONSUMO 6 FTA	BBVA, S.A.	Oct-14	299	181
BBVA CONSUMO 7 FTA	BBVA, S.A.	Jul-15	1,450	1,433
BBVA CONSUMO 8 FT	BBVA, S.A.	Jul-16	700	652
BBVA EMPRESAS 4 FTA	BBVA, S.A.	Jul-10	1,700	133
BBVA LEASING 1 FTA	BBVA, S.A.	Jun-10	2,500	97
BBVA PYME 10 FT	BBVA, S.A.	Dec-15	780	507
BBVA RMBS 1 FTA	BBVA, S.A.	Feb-07	2,500	1,206
BBVA RMBS 10 FTA	BBVA, S.A.	Jun-11	1,600	1,292
BBVA RMBS 11 FTA	BBVA, S.A.	Jun-12	1,400	1,140
BBVA RMBS 12 FTA	BBVA, S.A.	Dec-13	4,350	3,685
BBVA RMBS 13 FTA	BBVA, S.A.	Jul-14	4,100	3,596
BBVA RMBS 14 FTA	BBVA, S.A.	Nov-14	700	569
BBVA RMBS 15 FTA	BBVA, S.A.	May-15	4,000	3,659
BBVA RMBS 16 FT	BBVA, S.A.	May-16	1,600	1,544
BBVA RMBS 17 FT	BBVA, S.A.	Nov-16	1,800	-
BBVA RMBS 2 FTA	BBVA, S.A.	Mar-07	5,000	4,090
BBVA RMBS 3 FTA	BBVA, S.A.	Jul-07	3,000	1,627
BBVA RMBS 5 FTA	BBVA, S.A.	May-08	5,000	2,695
BBVA RMBS 9 FTA	BBVA, S.A.	Apr-10	1,295	950
BBVA UNIVERSALIDAD E10	BBVA COLOMBIA, S.A.	Mar-09	23	-
BBVA UNIVERSALIDAD E11	BBVA COLOMBIA, S.A.	May-09	15	-
BBVA UNIVERSALIDAD E12	BBVA COLOMBIA, S.A.	Aug-09	25	-
BBVA UNIVERSALIDAD E9	BBVA COLOMBIA, S.A.	Dec-08	44	-
BBVA UNIVERSALIDAD N6	BBVA COLOMBIA, S.A.	Aug-12	67	14
BBVA-5 FTPYME FTA	BBVA, S.A.	Nov-06	1,900	30
BBVA-6 FTPYME FTA	BBVA, S.A.	Jun-07	1,500	43
BBVA-FINANZIA AUTOS 1 FTA	BBVA, S.A.	Apr-07	800	3
BMERCB 13	BBVA BANCOMER, S.A.,INSTIT. BANCA	Jun-13	497	-
FTA IM TERRASSA MBS-1	BBVA, S.A.	Jul-06	525	53
FTA TDA-22 MIXTO	BBVA, S.A.	Dec-04	112	31
FTA TDA-27	BBVA, S.A.	Dec-06	275	109
FTA TDA-28	BBVA, S.A.	Jul-07	250	128
GAT ICO FTVPO 1, F.T.H	BBVA, S.A.	Mar-04	40	127
GC FTGENCAT TARRAGONA 1 FTA	BBVA, S.A.	Jun-08	283	50
HIPOCAT 10 FTA	BBVA, S.A.	Jul-06	1,500	408
HIPOCAT 11 FTA	BBVA, S.A.	Mar-07	1,600	417
HIPOCAT 6 FTA	BBVA, S.A.	Jul-03	850	143
HIPOCAT 7 FTA	BBVA, S.A.	Jun-04	1,400	296
HIPOCAT 8 FTA	BBVA, S.A.	May-05	1,500	361
HIPOCAT 9 FTA	BBVA, S.A.	Nov-05	1,000	277
Instrumentos de Titulización Hip- Junior	BANCO CONTINENTAL, S.A.	Dec-07	24	2
TDA 19 FTA	BBVA, S.A.	Mar-04	200	36
TDA 20-MIXTO, FTA	BBVA, S.A.	Jun-04	100	20
TDA 23 FTA	BBVA, S.A.	Mar-05	300	76
TDA TARRAGONA 1 FTA	BBVA, S.A.	Dec-07	397	148

			Millions of Euros	
Securitization Fund (not consolidated)	Company	Origination Date	Total Securitized Exposures at the Origination Date	Total Securitized Exposures as of December 31, 2016 (*)
FTA TDA13	BBVA, S.A.	Dec-00	84	13
FTA TDA-18 MIXTO	BBVA, S.A.	Nov-13	91	15

(*) Solvency Scope

APPENDIX VII. Details of the outstanding subordinated debt and preferred securities issued by the Bank as of December 31, 2016 and 2015

	Millions of Euros				
Issue Type and data	**2016**	**2015**	**Interest rate in force in 2015**	**Fix (F) or Variable (V)**	**Maturity date**
Non-convertible					
July-96	-	27	0.00%	F	12/22/2016
January-05	49	44	0.72%	V	1/28/2020
August-06	40	37	0.78%	F	8/9/2021
August-06	46	42	0.78%	V	8/9/2021
February-07	70	70	0.14%	V	2/15/2017
February-07	255	255	4.50%	V	2/16/2022
March-07	67	75	1.00%	V	Perpetual
March-08	125	125	6.03%	V	3/3/2033
July-08	100	100	6.20%	F	7/4/2023
June-09	5	5	4.95%	V	6/10/2024
Convertible					
May-13	1,423	1,378	9.00%	V	Perpetual
February-14	1,500	1,500	7.00%	V	Perpetual
February-15	1,500	1,500	6.75%	V	Perpetual
April-16	1,000	-	8.88%	V	Perpetual
Subtotal	**6,180**	**5,158**			
Subordinated deposits	**2,943**	**3,105**			
Preferred Stock					
December-07	14	14	1.95%	V	Perpetual
Total	**9,137**	**8,277**			

APPENDIX VIII. Balance sheets held in foreign currency as of December 31, 2016 and 2015

2016	USD	Pounds Sterling	Other Currencies	TOTAL
	Millions of Euros			
Assets -				
Financial assets held for trading	1,017	195	476	**1,688**
Available-for-sale financial assets	4,513	554	797	**5,864**
Loans and receivables	14,548	1,786	2,554	**18,888**
Investments in subsidaries, joint ventures and associates	218	52	25,137	**25,407**
Tangible assets	6	4	1	**11**
Other Assets	2,672	572	80	**3,324**
Total	**22,974**	**3,163**	**29,045**	**55,182**
Liabilities -				
Financial assets held for trading	795	124	228	**1,147**
Financial liabilities at amortized cost	23,094	2,977	2,736	**28,807**
Other Liabilities	246	66	41	**353**
Total	**24,135**	**3,167**	**3,005**	**30,307**

2015	USD	Pounds Sterling	Other Currencies	TOTAL
	Millions of Euros			
Assets -				
Financial assets held for trading	1,365	135	478	**1,978**
Available-for-sale financial assets	5,963	1,688	1,014	**8,665**
Loans and receivables	14,318	1,804	1,755	**17,877**
Investments in subsidaries, joint ventures and associates	1,216	-	24,506	**25,722**
Tangible assets	7	6	1	**14**
Other Assets	3,804	-	252	**4,056**
Total	**26,673**	**3,633**	**28,006**	**58,312**
Liabilities -				
Financial assets held for trading	1,025	103	299	**1,427**
Financial liabilities at amortized cost	27,668	4,623	1,050	**33,341**
Other Liabilities	(168)	64	139	**35**
Total	**28,525**	**4,790**	**1,488**	**34,803**

APPENDIX IX. Income statement corresponding to the first and second half of 2016 and 2015

	Millions of Euros			
Income Statements for December 31, 2016 and 2015 of BBVA, S.A	**Six months ended June 30, 2016**	**Six months ended December 31, 2016**	**Six months ended June 30, 2015**	**Six months ended December 31, 2015**
INTEREST AND SIMILAR INCOME	2,457	2,821	3,779	3,684
INTEREST AND SIMILAR EXPENSES	(874)	(1,165)	(1,840)	(2,002)
NET INTEREST INCOME	**1,584**	**1,657**	**1,939**	**1,682**
DIVIDEND INCOME	1,951	1,580	903	537
FEE AND COMMISSION INCOME	831	892	1,056	859
FEE AND COMMISSION EXPENSES	(152)	(149)	(201)	(141)
GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	-	-	-	-
GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING, NET	(139)	242	70	(91)
GAINS OR (-) LOSSES ON DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	355	432	600	344
GAINS OR (-) LOSSES FROM HEDGE ACCOUNTING, NET	(20)	(4)	(42)	(11)
EXCHANGE DIFFERENCES (NET)	305	148	-	76
OTHER OPERATING INCOME	66	57	74	58
OTHER OPERATING EXPENSES	(224)	(112)	(280)	(354)
GROSS INCOME	**4,556**	**4,741**	**4,118**	**2,960**
ADMINISTRATION COSTS	(1,922)	(1,890)	(2,325)	(1,867)
Personnel expenses	(1,101)	(1,106)	(1,402)	(1,092)
General and administrative expenses	(821)	(783)	(923)	(775)
DEPRECIATION	(263)	(256)	(311)	(263)
PROVISIONS OR (-) REVERSAL OF PROVISIONS	(191)	(308)	(996)	(343)
IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	(484)	(791)	(465)	(513)
NET OPERATING INCOME	**1,695**	**1,497**	**21**	**(26)**
(IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT OF INVESTMENTS IN SUBSIDARIES, JOINT VENTURES AND ASSOCIATES)	(66)	(170)	(81)	1,006
IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON NON-FINANCIAL ASSETS	(2)	(10)	(15)	(12)
GAINS (LOSSES) ON DERECOGNIZED ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	-	-	13	8
NEGATIVE GOODWILL RECOGNISED IN PROFIT OR LOSS	-	-	-	-
PROFIT OR (-) LOSS FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE NOT QUALIFYING AS DISCONTINUED OPERATIONS	(76)	431	3	330
OPERATING PROFIT BEFORE TAX	**1,552**	**1,748**	**(60)**	**1,305**
Tax expense or (-) income related to profit or loss from continuing operation	(23)	(103)	193	(85)
PROFIT FROM CONTINUING OPERATIONS	**1,529**	**1,644**	**133**	**1,219**
Profit from discontinued operations (net)	-	-	-	-
PROFIT	**1,529**	**1,644**	**133**	**1,219**

APPENDIX X. Information on data derived from the special accounting registry

Information required pursuant to Circular 5/2011 of the Bank of Spain is indicated as follows.

a) Mortgage market policies and procedures

The Bank has express policies and procedures in place regarding its activities in the mortgage market, which provide for full compliance with applicable regulations.

The mortgage origination policy is based in principles focused on assessing the adequate ratio between the amount of the loan, and the payments, and the income of the applicant. Applicants must in all cases prove sufficient repayment ability (present and future) to meet their repayment obligations, for both the mortgage debt and for other debts detected in the financial system. Therefore, the applicant's repayment ability is a key aspect within the credit decision-making tools and retail risk acceptance manuals, and has a high weighting in the final decision.

During the mortgage risk transaction analysis process, documentation supporting the applicant's income (payroll, etc.) is required, and the applicant's position in the financial system is checked through automated database queries (internal and external). This information is used for calculation purposes in order to determine the level of indebtedness/compliance with the remainder of the system. This documentation is kept in the transaction's file.

In addition, the mortgage origination policy assesses the adequate ratio between the amount of the loan and the appraisal value of the mortgaged asset. The policy also establishes that the property to be mortgaged be appraised by an independent appraisal company as established by Circular 3/2010 and Circular 4/2016. BBVA selects those companies whose reputation, standing in the market and independence ensure that their appraisals adapt to the market reality in each region. Each appraisal is reviewed and checked before the loan is granted by BBVA staff and, in those cases where the loan is finally granted, it is kept in the transaction's file.

As for issues related to the mortgage market, the Group's Finance Division annually defines the wholesale finance issue strategy, and more specifically mortgage bond issues, such as mortgage covered bonds or mortgage securitization. The Assets and Liabilities Committee ("ALCO") tracks the budget monthly. The volume and type of assets in these transactions is determined in accordance with the wholesale finance plan, the trend of the Bank's "Loans and receivables" outstanding balances and market conditions.

The Board of the Bank authorizes each of the issues of Mortgage Transfer Certificate and/or Mortgage Participation issued by BBVA to securitize loans and mortgage loans, as well as the establishment of a Base Prospectus for the issue of fixed-income securities through which the mortgage-covered bonds are implemented, based on the agreements for the issue of fixed-income securities approved by the Annual General Meeting.

As established in article 24 of Royal Decree 716/2009, the volume of outstanding mortgage-covered bonds issued by a bank may not exceed 80% of a calculation base determined by adding the outstanding principal of all the loans and mortgage loans in the bank's portfolio that are eligible and are not covered by the issue of Mortgage Bonds, Mortgage Participations or Mortgage Transfer Certificates. For these purposes, in accordance with the aforementioned Royal Decree 716/2009, in order to be eligible, loans and mortgage loans must: (i) be secured by a first mortgage on the freehold; (ii) the loan's amount may not exceed 80% of the appraisal value for home mortgages, and 60% for other mortgage lending; (iii) be established on assets exclusively and wholly owned by the mortgagor; (iv) have been appraised by an independent appraisal company unrelated to the Group and authorized by the Bank of Spain; and (v) the mortgaged property must be covered at least by a current damage insurance policy.

The Bank has set up a series of controls for mortgage covered bonds, which regularly control the total volume of issued mortgage covered bonds issued and the remaining eligible collateral, to avoid exceeding the maximum limit set by Royal Decree 716/2009, and outlined in the preceding paragraph. In the case of securitizations, the preliminary portfolio of loans and mortgage loans to be securitized is checked according to an agreed procedures engagement, by the Bank's external auditor as required by the Spanish Securities and Exchange Commission. There is also a series of filters through which some mortgage loans and credits are excluded in accordance with legal, commercial and risk concentration criteria.

b) Quantitative information on activities in the mortgage market

The quantitative information on activities in the mortgage market required by Bank of Spain Circular 5/2011 is shown below.

b.1) Ongoing operations

Millions of Euros

Mortgage loans. Eligibility for the purpose of the mortgage market		**2016**	**2015**
Nominal value of outstanding loans and mortgage loans	(A)	113,977	98,555
Minus: Nominal value of all outstanding loans and mortgage loans that form part of the portfolio, but have been mobilized through mortgage bond holdings or mortgage transfer certificates.	(B)	(33,677)	(25,650)
Nominal value of outstanding loans and mortgage loans, excluding securitized loans	**(A)-(B)**	**80,300**	**72,905**
Of which:			-
Loans and mortgage loans which would be eligible if the calculation limits set forth in Article 12 of Spanish Royal Decree 716/2009 were not applied.	(C)	46,987	40,373
Minus: Loans and mortgage loans which would be eligible but, according to the criteria set forth in Article 12 of Spanish Royal Decree 716/2009, cannot be used to collateralize any issuance of mortgage bonds.	(D)	(2,268)	(2,213)
Eligible loans and mortgage loans that, according to the criteria set forth in Article 12 of Spanish Royal Decree 716/2009, can be used as collateral for the issuance of mortgage bonds	**(C)-(D)**	**44,719**	**38,160**
Issuance limit: 80% of eligible loans and mortgage loans that can be used as collateral	(E)	35,775	30,528
Issued Mortgage-covered bonds	**(F)**	**29,085**	**28,362**
Outstanding Mortgage-covered bonds		**24,670**	**25,220**
Capacity to issue mortgage-covered bonds	(E)-(F)	6,690	2,166
Memorandum items:			-
Percentage of overcollateralization across the portfolio		276%	257%
Percentage of overcollateralization across the eligible used portfolio		154%	135%
Nominal value of available sums (committed and unused) from all loans and mortgage loans.		2,917	1,999
Of which:			-
Potentially eligible		2,237	1,361
Ineligible		680	638
Nominal value of all loans and mortgage loans that are not eligible, as they do not meet the thresholds set in Article 5.1 of Spanish Royal Decree 716/2009, but do meet the rest of the eligibility requirements indicated in Article 4 of the Royal Decree.		25,282	25,350
Nominal value of the replacement assets subject to the issue of mortgage-covered bonds.		-	-

Millions of Euros

Mortgage loans. Eligibility for the purpose of the mortgage market		December 2016	December 2015
Total loans	(1)	**113,977**	**98,555**
Issued mortgage participations	(2)	**2,865**	**-**
Of which: recognized on the balance sheet		695	-
Issued mortgage transfer certificates	(3)	**30,812**	**25,650**
Of which: recognized on the balance sheet		28,778	25,612
Mortgage loans as collateral of mortgages bonds	(4)		-
Loans supporting the issuance of mortgage-covered bonds	1-2-3-4	**80,300**	**72,905**
Non elegible loans		33,313	32,532
Comply requirements to be elegible except the limit provided for under the article 5.1 of the Spanish Royal Decree 716/2009		25,282	25,350
Rest		8,031	7,182
Elegible loans		46,987	40,373
That can not be used as collateral for issuances		2,268	2,213
That can be used as collateral for issuances		44,719	38,160
Loans used to collateralize mortgage bonds		-	-
Loans used to collateralize mortgage-covered bonds		44,719	38,160

Millions of Euros

Mortgage loans. Classification of the nominal values according to different characteristics	2016			2015		
	Total mortgage loans	Eligible Loans(*)	Elegibles that can be used as collateral for issuances (**)	Total mortgage loans	Eligible Loans(*)	Elegibles that can be used as collateral for issuances (**)
TOTAL	**80,300**	**46,987**	**44,719**	**72,905**	**40,373**	**38,160**
By source of the operations						
Originated by the bank	74,220	42,641	40,451	64,852	34,629	32,477
Subrogated by other institutions	904	685	678	554	459	457
Rest	5,176	3,661	3,590	7,499	5,285	5,226
By Currency						
In euros	79,422	46,594	44,341	72,331	40,013	37,811
In foreign currency	878	393	378	574	360	349
By payment situation						
Normal payment	61,264	40,685	40,389	56,192	34,987	34,330
Other situations	19,036	6,302	4,330	16,713	5,386	3,830
By residual maturity						
Up to 10 years	19,762	12,722	11,765	18,457	11,536	10,402
10 to 20 years	30,912	22,417	21,646	24,926	17,896	17,317
20 to 30 years	19,899	9,375	8,910	18,399	8,379	7,963
Over 30 years	9,727	2,473	2,398	11,123	2,562	2,478
By Interest Rate						
Fixed rate	4,460	1,680	1,559	3,169	944	759
Floating rate	75,840	45,307	43,160	69,736	39,429	37,401
Mixed rate	-	-	-	-	-	-
By Target of Operations						
For business activity	20,913	8,614	6,926	20,741	7,690	5,912
From wich: public housing	6,958	1,894	740	8,623	2,072	768
For households	59,387	38,373	37,793	52,164	32,683	32,248
By type of guarantee						
Secured by completed assets/buildings	**75,806**	**46,240**	**44,237**	**66,807**	**39,203**	**37,461**
Residential use	61,338	39,494	38,139	56,563	34,269	33,066
From wich: public housing	5,607	3,338	3,213	5,607	3,354	3,104
Commercial	5,453	2,563	2,289	9,645	4,574	4,046
Other	9,015	4,183	3,809	599	360	349
Secured by assets/buildings under construction	**1,914**	**413**	**295**	**2,125**	**367**	**277**
Residential use	1,457	290	187	1,642	235	158
From wich: public housing	57	11	10	84	5	4
Commercial	286	61	53	483	132	119
Other	171	62	55	-	-	-
Secured by land	**2,580**	**334**	**187**	**3,973**	**803**	**422**
Urban	-	-	-	1,590	334	105
Non-urban	2,580	334	187	2,383	469	317

(*) Not taking into account the thresholds established by Article 12 of Spanish Royal Decree 716/2009
(**) Taking into account the thresholds established by Article 12 of Spanish Royal Decree 716/2009

	Millions of Euros				
	Loan to Value (Last available appraisal risk)				
December 2016 Nominal value of the total mortgage loans	Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80%	Total
Home mortgages	12,883	15,921	14,047	-	42,851
Other mortgages	2,150	1,986			4,136
Total	**15,033**	**17,907**	**14,047**	**-**	**46,987**

	Millions of Euros				
	Loan to Value (Last available appraisal risk)				
December 2015 Nominal value of the total mortgage loans	Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80%	Total
Home mortgages	9,364	12,730	12,690	-	**34,784**
Other mortgages	2,657	2,932			**5,589**
Total	**12,021**	**15,662**	**12,690**	**-**	**40,373**

	Millions of Euros			
	2016		2015	
Elegible and non elegible mortgage loans. Changes of the nominal values in the period	Eligible (*)	Non eligible	Eligible (*)	Non eligible
Balance at the begining	**40,373**	**32,532**	**42,920**	**36,907**
Retirements	**7,458**	**11,489**	**5,772**	**9,218**
Held-to-maturity cancellations	3,552	2,084	4,175	2,487
Anticipated cancellations	1,479	1,971	1,236	2,268
Subrogations to other institutions	37	30	23	20
Rest	2,390	7,404	338	4,443
Additions	**14,072**	**12,270**	**3,225**	**4,843**
Originated by the bank	10,051	9,523	2,529	3,794
Subrogations to other institutions	283	162	14	12
Rest	3,738	2,585	682	1,037
Balance at the end	**46,987**	**33,313**	**40,373**	**32,532**

(*) Not taking into account the thresholds established by Article 12 of Spanish Royal Decree 716/2009

	Millions of Euros	
Mortgage loans supporting the issuance of mortgage-covered bonds Nominal value.	December 2016	December 2015
Potentially eligible	2,237	1,361
Ineligible	680	638
Total	**2,917**	**1,999**

b.2) Liabilities operations

	Millions of Euros			
	December 2016		December 2015	
Issued Mortgage Bonds	**Nominal value**	**Average residual maturity**	**Nominal value**	**Average residual maturity**
Mortgage bonds	-		-	
Mortgage-covered bonds (*)	**29,085**		**28,362**	
Of which:Non recognized as liabilities on balance	4,414		3,142	
Of Which: outstanding	24,670		25,220	
Debt securities issued through public offer	20,773		21,523	
Residual maturity up to 1 year	8,272		4,500	
Residual maturity over 1 year and less than 2 years	-		6,772	
Residual maturity over 2 years and less than 3 years	-		-	
Residual maturity over 3 years and less than 5 years	4,801		2,051	
Residual maturity over 5 years and less than 10 years	7,500		8,000	
Residual maturity over 10 years	200		200	
Debt securities issued without public offer	4,321		2,765	
Residual maturity up to 1 year	150		-	
Residual maturity over 1 year and less than 2 years	-		150	
Residual maturity over 2 years and less than 3 years	-		-	
Residual maturity over 3 years and less than 5 years	1,550		-	
Residual maturity over 5 years and less than 10 years	2,500		2,500	
Residual maturity over 10 years	121		115	
Deposits	3,991		4,074	
Residual maturity up to 1 year	460		1,064	
Residual maturity over 1 year and less than 2 years	791		460	
Residual maturity over 2 years and less than 3 years	380		639	
Residual maturity over 3 years and less than 5 years	671		422	
Residual maturity over 5 years and less than 10 years	839		849	
Residual maturity over 10 years	850		640	
Mortgage participations	**695**	196	**-**	
Mortgage transfer certificates	**28,778**	**286**	**25,612**	**293**
Issued through public offer	28,778	286	25,612	293
Issued without public offer	-	-	-	-

(*) Including mortgage-covered bonds hold by the BBVA Group's companies

Given the characteristics of the type of covered bonds issued by the Bank, there is no substituting collateral related to these issues.

The Bank does not hold any derivative financial instruments relating to mortgage bond issues, as defined in the aforementioned Royal Decree.

c) Quantitative information on internationalization covered bonds

Below is the quantitative information of BBVA SA internationalization covered bonds required by Bank of Spain Circular 4/2015.

c.1) Assets operations

Principal outstanding payment of loans.	**Nominal value**
Eligible loans according to article 34.6 y 7 of the Law 14/2013	2,631
Minos: Loans that support the issuance of internationalization bonds	-
Minos: NPL to be deducted in the calculation of the issuance limit, according to Article 13 del Royal Decree 579/2014	29
Total Loans included in the base of all issuance limit	**2,602**

c.2) Liabilities operations

INTERNATIONALIZATION COVERED BONDS	Nominal value
(1) Debt securities issued through public offer (a)	**1,500**
of which: Treasury shares	1,500
Residual maturity up to 1 year	-
Residual maturity over 1 year and less than 2 years	-
Residual maturity over 2 years and less than 3 years	1,500
Residual maturity over 3 years and less than 5 years	-
Residual maturity over 5 years and less than 10 years	-
Residual maturity over 10 years	-
(2) Debt securities issued without public offer (a)	**-**
of which: Treasury shares	-
Residual maturity up to 1 year	-
Residual maturity over 1 year and less than 2 years	-
Residual maturity over 2 years and less than 3 years	-
Residual maturity over 3 years and less than 5 years	-
Residual maturity over 5 years and less than 10 years	-
Residual maturity over 10 years	-
(3) Deposits (b)	**-**
Residual maturity up to 1 year	-
Residual maturity over 1 year and less than 2 years	-
Residual maturity over 2 years and less than 3 years	-
Residual maturity over 3 years and less than 5 years	-
Residual maturity over 5 years and less than 10 years	-
Residual maturity over 10 years	-
TOTAL: (1) + (2) + (3)	**1,500**

	Porcentaje
Coverage ratio of internationalization covered bonds on loans (c)	**58%**

(a) Balance that includes all internationalization covered bonds issued by the entity pending amortization, although they are not recognized in the liability (because they have not been placed to third parties or have been repurchased).

(b) Nominative bonds.

(c) Percentage that results from the value of the quotient between the nominal value of the issued and non-overdue bonds, even if they are not recognized in the liability, and the nominal value balance pending collection of the loans that serve as guarantee

Given the characteristics of the Bank's internationalization covered bonds, there are no substitute assets assigned to these issuances.

d) Territorial bonds

d.1) Assets operations

Loans that serves as collateral for the territorial bonds	Nominal Value(b)		
	Total	Spanish Residents	Residents in other countries of the European Economic Area
Central Governments	570	505	65
Regional Governments	9,836	9,805	31
Local Governments	7,771	7,771	-
Total loans	**18,177**	**18,081**	**96**

(b) Principal pending payment of loans.

d.2) Liabilities operations

TERRITORIAL BONDS	Nominal value
Territorial bonds issued (a)	**10,739**
Issued through a public offering	10,589
Of which: Treasury stock	9,489
Residual maturity up to 1 year	1,049
Residual maturity over 1 year and less than 2 years	-
Residual maturity over 2 years and less than 3 years	-
Residual maturity over 3 years and less than 5 years	8,500
Residual maturity over 5 years and less than 10 years	1,040
Residual maturity over 10 years	-
Other issuances	150
Of which: Treasury stock	-
Residual maturity over 1 year and less than 2 years	-
Residual maturity over 2 years and less than 3 years	150
Residual maturity over 3 years and less than 5 years	-
Residual maturity over 5 years and less than 10 years	-
Residual maturity over 10 years	-

	Percentage
Coverage ratio of the territorial bonds on loans (b)	**59%**

(a) Includes the nominal value of all loans that serve as collateral for the territorial bonds, regardless of the item in which they are included in the balance sheet. Principal pending payment of loans. The territorial bonds include all the instruments issued by the entity pending amortization, although they are not recognized in the liability (because they have not been placed to third parties or have been repurchased).

(b) Percentage that results from the value of the quotient between the nominal value of the issued and non-overdue bonds, even if they are not recognized in the liability, and the nominal value balance pending collection of the loans that serve as guarantee

APPENDIX XI. Risks related to the developer and real-estate sector in Spain

a) Policies and strategies established by the Group to deal with risks related to the developer and real-estate sector

BBVA has teams specializing in the management of the Real-Estate Sector risk, given its economic importance and specific technical component. This specialization is not only in the Risk-Acceptance teams, but throughout the handling, commercial, problematic management and legal aspects, and includes the research department (BBVA Research), which helps determine the medium/long-term vision needed to manage this portfolio. Specialization has been increased and the management teams in the areas of recovery and the Real Estate Unit itself have been reinforced.

The portfolio management policies, established to address the risks related to the developer and real-estate sector, aim to accomplish, among others, the following objectives: to avoid concentration in terms of customers, products and regions; to estimate the risk profile for the portfolio; and to anticipate possible worsening of the portfolio.

Specific policies for analysis and admission of new developer risk transactions

In the analysis of new operations, the assessment of the commercial operation in terms of the economic and financial viability of the project has been once of the constant points that have helped ensure the success and transformation of construction land operations for our customers' developments.

As regards the participation of the Risk Acceptance teams, they have a direct link and participate in the committees of areas such as Recoveries and the Real Estate Unit. This guarantees coordination and exchange of information in all the processes.

The following strategies have been implemented with customers: avoidance of large corporate transactions, which had already reduced their share in the years of greatest market growth; non-participation in the second-home market; commitment to public housing financing; and participation in land operations with a high level of urban development security, giving priority to land open to urban development.

Risk monitoring policies

The base information for analyzing the real estate portfolios is updated monthly. The tools used include the so-called "watch-list", which is updated monthly with the progress of each client under watch, and the different strategic plans for management of special groups. There are plans that involve an intensification of the review of the portfolio for financing land, while, in the case of ongoing promotions, they are classified for monitoring purposes based on the rate of progress of the projects.

These actions have enabled the Bank to anticipate possible impairment situations, by always keeping an eye on BBVA's position with each customer (whether or not as first creditor).In this regard, key aspects include management of the risk policy to be followed with each customer, contract review, deadline extension, improved collateral, rate review (repricing) and asset purchase.

Proper management of the relationship with each customer requires knowledge of various aspects such as the identification of the source of payment difficulties, an analysis of the company's future viability, the updating of the information on the debtor and the guarantors (their current situation and business course, economic-financial information, debt analysis and generation of funds), and the updating of the appraisal of the assets offered as collateral.

BBVA has a classification of debtors in accordance with legislation in force in each country, usually categorizing each one's level of difficulty for each risk.

Based on the information above, a decision is made whether to use the refinancing tool, whose objective is to adjust the structure of the maturity of the debt to the generation of funds and the customer's payment capacity.

As for the policies relating to risk refinancing with the developer and real-estate sector, they are the same as the general policies used for all of the Group's risks. In the developer and real estate sector, they are based on clear solvency and viability criteria for projects, with demanding terms for guarantees and legal compliance. The policy on refinancing uses outstanding risk rather than nonperforming assets, with a refinancing tool that standardizes criteria and values up to a total of 19 variables when considering any refinancing operation.

In the case of refinancing, the tools used for enhancing the Bank's position are: the search for new intervening parties with proven solvency and initial payment to reduce the principal debt or outstanding interest; the improvement of the debt bond in order to facilitate the procedure in the event of default; the provision of new or additional collateral; and making refinancing viable with new conditions (period, rate and repayments), adapted to a credible and sufficiently verified business plan.

Policies applied in the management of real estate assets in Spain

The policy applied for managing these assets depends on the type of real-estate asset, as detailed below.

In the case of completed homes, the final aim is the sale of these homes to private individuals, thus diluting the risk and beginning a new business cycle. Here, the strategy has been to help subrogation (the default rate in this channel of business is notably lower than in any other channel of residential mortgages) and to support our customers' sales directly, using BBVA's own channel (BBVA Services and our branches), creating incentives for sale and including sale orders for BBVA that set out sale prices which are notably lower than initial ones. In exceptional case we have even accepted partial haircuts, with the aim of making the sale easier.

In the case of ongoing construction work, our strategy has been to help and promote the completion of the works in order to transfer the investment to completed homes. The whole developer Works in Progress portfolio has been reviewed and classified into different stages with the aim of using different tools to support the strategy. This includes the use of developer accounts-payable financing as a form of payment control, the use of project monitoring supported by the Real Estate Unit itself, and the management of direct suppliers for the works as a complement to the developer's own management.

With respect to land, our presence at advanced stages in land development, where risk of rustic land is not significant, simplifies our management. Urban management and liquidity control to tackle urban planning costs are also subject to special monitoring.

b) Quantitative information on activities in the real-estate market in Spain

Lending for real estate development according to the purpose of the loans as of December 31, 2016 and 2015 is shown below:

	Millions of Euros		
December 2016 Financing Allocated to Construction and Real Estate Development and its Coverage	**Gross Amount**	**Drawn Over the Guarantee Value**	**Accumulated impairment**
Financing to construction ans real estate development (including land) (Business in Spain)	**7,930**	**3,449**	**3,181**
Of which: Impaired assets	5,095	2,680	3,086
Memorandum item:			
Write-offs	2,061		
Memorandum item:			
Total loans and advances to customers, excluding the Public Sector (Business in Spain)	178,163		
Total consolidated assets (total business)	418,447		
Impairment and provisions for normal exposures	2,025		

	Millions of Euros		
December 2015 Financing Allocated to Construction and Real Estate Development and its Coverage	**Gross Amount**	**Drawn Over the Guarantee Value**	**Accumulated impairment**
Financing to construction ans real estate development (including land) (Business in Spain)	**8,882**	**3,863**	**3,470**
Of which: Impaired assets	5,797	2,884	3,277
Memorandum item:			
Write-offs	1,536		
Memorandum item:			
Total loans and advances to customers, excluding the Public Sector (Business in Spain)	168,355		
Total consolidated assets (total business)	397,303		
Impairment and provisions for normal exposures	233		

The following is a description of the real estate credit risk based on the types of associated guarantees:

Financing Allocated by credit institutions to Construction and Real Estate Development and lending for house purchase	Millions of Euros December 2016	 December 2015
Without secured loan	**801**	**995**
With secured loan	**7,129**	**7,887**
Terminated buildings	3,875	4,458
Homes	2,954	3,785
Other	921	673
Buildings under construction	760	647
Homes	633	631
Other	127	16
Land	2,494	2,782
Urbanized land	1,196	1,472
Rest of land	1,298	1,310
Total	**7,930**	**8,882**

As of December 31, 2016 and 2015, 48.9% and 50.2% of loans to developers were guaranteed with buildings (76.2% and 84.9%, are homes), and only 31.5% and 61.3% by land, of which 48.0% and 52.9% are in urban locations, respectively.

The table below provides the breakdown of the financial guarantees given as of December 31, 2016 and 2015:

Financial guarantees given	Millions of Euros 2016	 2015
Houses purchase loans	62	57
Without mortgage	18	23

The information on the retail mortgage portfolio risk (housing mortgage) as of December 31, 2016 and 2015 is as follows:

Financing Allocated by credit institutions to Construction and Real Estate Development and lending for house purchase December 2016	Millions of Euros Gross amount	 Of which: impaired loans
Houses purchase loans	87,874	4,938
Without mortgage	1,935	*93*
With mortgage	85,939	4,845

	Millions of Euros	
Financing Allocated by credit institutions to Construction and Real Estate Development and lending for house purchase December 2015	**Gross amount**	**Of which: impaired loans**
Houses purchase loans	76,187	3,970
Without mortgage	943	18
With mortgage	75,244	3,952

The loan to value (LTV) ratio of the above portfolio is as follows:

	Millions of Euros					
	Total risk over the amount of the last valuation available (*Loan To Value* -LTV)					
December 2016 LTV Breakdown of mortgage to households for the purchase of a home (Business in Spain)	**Less than or equal to 40%**	**Over 40% but less than or equal to 60%**	**Over 60% but less than or equal to 80%**	**Over 80% but less than or equal to 100%**	**Over 100%**	**Total**
Gross amount	13,780	18,223	20,705	15,967	17,264	85,939
of which: Impaired loans	306	447	747	962	2,383	4,845

	Millions of Euros					
	Total risk over the amount of the last valuation available (*Loan To Value* -LTV)					
December 2015 LTV Breakdown of mortgage to households for the purchase of a home (Business in Spain)	**Less than or equal to 40%**	**Over 40% but less than or equal to 60%**	**Over 60% but less than or equal to 80%**	**Over 80% but less than or equal to 100%**	**Over 100%**	**Total**
Gross amount	14,728	22,060	26,153	6,597	5,706	75,244
of which: Impaired loans	144	229	447	703	2,429	3,952

Outstanding home mortgage loans as of December 31, 2016 had an average LTV of 47%.

The breakdown of foreclosed, acquired, purchased or exchanged assets from debt from loans relating to business in Spain, as well as the holdings and financing to non-consolidated entities holding such assets is as follows:

	Millions of Euros			
	December 2016			
Information about Assets Received in Payment of Debts (Business in Spain)	Gross Value	Provisions	Of wich: Valuation adjustments on impaired assets, at the time of foreclosure	Carrying Amount
Real estate assets from loans to the construction and real estate development sectors in Spain.	**-**	**-**	**-**	**-**
Terminated buildings	-	-	-	-
Homes	-	-	-	-
Other	-	-	-	-
Buildings under construction	-	-	-	-
Homes	-	-	-	-
Other	-	-	-	-
Land	-	-	-	-
Urbanized land	-	-	-	-
Rest of land	-	-	-	-
Real estate assets from mortgage financing for households for the purchase of a home	**3,745**	**2,184**	***823***	**1,561**
Rest of foreclosed real estate assets	**1,856**	**1,006**	***244***	**850**
Equity instruments, investments and financing to non-consolidated companies holding said assets	**1,080**	**542**	***444***	**538**
Total	**6,681**	**3,732**	**1,511**	**2,949**

	Millions of Euros			
	December 2015			
Information about Assets Received in Payment of Debts (Business in Spain)	Gross Value	Provisions	Of wich: Valuation adjustments on impaired assets, at the time of foreclosure	Carrying Amount
Real estate assets from loans to the construction and real estate development sectors in Spain.	**36**	**7**	**4**	**29**
Terminated buildings	36	7	4	29
Homes				-
Other	36	7	4	29
Buildings under construction	-	-	-	-
Homes				-
Other				-
Land	-	-	-	-
Urbanized land				-
Rest of land				-
Real estate assets from mortgage financing for households for the purchase of a home	**2,970**	**1,431**	***412***	**1,539**
Rest of foreclosed real estate assets	**1,368**	**678**	***148***	**690**
Equity instruments, investments and financing to non-consolidated companies holding said assets	**895**	**532**	***433***	**363**
Total	**5,269**	**2,648**	**997**	**2,621**

As of December 31, 2016, there was not real estate assets from financing for construction and real estate development companies. As of December 31, 2015, it amounted 36 million euros.

The gross book value of real-estate assets from mortgage lending to households for home purchase as of December 31, 2016 and 2015, amounted to €3,745 and €2,970 million, respectively, with an average coverage ratio of 58.3% and 48.2%, respectively.

As of December 31, 2016 and 2015, the gross book value of the BBVA Group's total real-estate assets (business in Spain), including other real-estate assets received as debt payment, was €5,601 and €4,374 million, respectively. The coverage ratio was 57.0% and 48.4%, respectively.

APPENDIX XII. Refinanced and restructured operations and other requirements under Bank of Spain Circular 6/2012

REFINANCING AND RESTRUCTURING OPERATIONS

a) Policies and strategies established by the Group to deal with risks related to refinancing and restructuring operations.

Refinancing/restructuring operations (see definition in the Glossary) are carried out with customers who have requested such an operation in order to meet their current loan payments if they are expected, or may be expected, to experience financial difficulty in making the payments in the future.

The basic aim of a refinanced/restructured operation is to provide the customer with a situation of financial viability over time by adapting repayment of the loan incurred with the Group to the customer's new situation of fund generation. The use of refinancing or restructuring with for other purposes, such as for delaying loss recognition, is contrary to BBVA Group policies.

The BBVA Group's refinancing/restructuring policies are based on the following general principles:

- Refinancing and restructuring is authorized according to the capacity of customers to pay the new installments. This is done by first identifying the origin of the payment difficulties and then carrying out an analysis of the customers' viability, including an updated analysis of their economic and financial situation and capacity to pay and generate funds. If the customer is a company, the analysis also covers the situation of the industry in which it operates.
- With the aim of increasing the solvency of the operation, new guarantees and/or guarantors of demonstrable solvency are obtained where possible. An essential part of this process is an analysis of the effectiveness of both the new and original guarantees submitted.
- This analysis is carried out from the overall customer or group perspective, and not only from the perspective of a specific operation.
- Refinancing and restructuring operations do not in general increase the amount of the customer's loan, except for the expenses inherent to the operation itself.
- The capacity to refinance and restructure loan is not delegated to the branches, but decided on by the risk units.
- The decisions adopted are reviewed from time to time with the aim of checking full compliance with refinancing and restructuring policies.

These general principles are adapted in each case according to the conditions and circumstances of each geographical area in which the Group operates, and to the different types of customers involved.

In the case of retail customers (private individuals), the main aim of the BBVA Group's policy on refinancing/restructuring loan is to avoid default arising from a customer's temporary liquidity problems by implementing structural solutions that do not increase the balance of customer's loan. The solution required is adapted to each case and the loan repayment is made easier, in accordance with the following principles:

- Analysis of the viability of operations based on the customer's willingness and ability to pay, which may be reduced, but should nevertheless be present. The customer must therefore repay at least the interest on the operation in all cases. No arrangements may be concluded that involve a grace period for both principal and interest.
- Refinancing/restructuring of operations is only allowed on those loans in which the BBVA Group originally entered into.
- Customers subject to refinancing or restructuring operations are excluded from marketing campaigns of any kind.

In the case of wholesale customers (basically businesses and corporations), refinancing/restructuring is authorized according to an economic and financial viability plan based on:

- Forecast future income, margins and cash flows over a sufficiently long period (around five years) to allow entities to implement cost adjustment measures (industrial restructuring) and a business development plan that can help reduce the level of leverage to sustainable levels (capacity to access the financial markets).
- Where appropriate, the existence of a divestment plan for assets and/or business segments that can generate cash to assist the deleveraging process.
- The capacity of shareholders to contribute capital and/or guarantees that can support the viability plan.

In accordance with the Group's policy, the conclusion of a loan refinancing/restructuring operation does not imply the loan is reclassified from "impaired" or " standard under special monitoring" to outstanding risk; such a reclassification must be based on the analysis mentioned earlier of the viability and effectiveness of the new guarantees submitted.

The Group maintains the policy of including risks related to refinanced/restructured loans as either:

- "Impaired assets", as although the customer is up to date with payments, they are classified as impaired for reasons other than their default when there are significant doubts that the terms of their refinancing may not be met; or
- "Normal-risk assets" (although as mentioned in the table in the following section, they continue to be classified as " standard under special monitoring" until the conditions established for their consideration as outstanding risk are met).

The conditions established for "standard under special monitoring" to be reclassified out of this category are as follows:

- The customer must have paid past-due amounts (principal and interest) since the date of the renegotiation or restructuring of the loan;
- At least two years must have elapsed since the renegotiation or restructuring of the loan;
- The customer must have paid at least 10% of the outstanding principal amount of the loan as well as all the past-due amounts (principal and interest) that were outstanding as of the date of the renegotiation or restructuring of the loan; and
- It is unlikely that the customer will have financial difficulties and, therefore, it is expected that the customer will be able to meet its loan payment obligations (principal and interest) in a timely manner.

The internal models used to determine allowances for loan losses consider the restructuring or renegotiation of a loan, as well as re-defaults on a loan, by assigning a lower internal rating to restructured/renegotiated loans than the average internal rating assigned to non-restructured/renegotiated loans. This downgrade results in an increase in the probability of default (PD) assigned to restructured/renegotiated loans (with the resulting PD being higher than the average PD of the non- renegotiated loans in the same portfolios)."

b) Quantitative information on refinancing and restructuring operations.

DECEMBER 2016
BALANCE OF FORBEARANCE
(Millions of Euros)

	TOTAL						
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk
					Maximum amount of secured loans that can be considered		
	Number of operations	Gross carrying amount	Number of operations	Gross carrying amount	Real estate mortgage secured	Rest of secured loans	
Credit institutions							
General Governments	22	8	109	103	76	22	(4)
Other financial corporations and individual entrepreneurs	237	46	37	4	2	2	(2)
Non-financial corporations and individual entrepreneurs	38,045	3,508	19,776	8,016	4,539	3,222	(4,715)
Of which: financing the construction and property (including land)	1,096	324	5,046	4,382	1,853	2,370	(2,553)
Rest homes	50,760	610	70,157	7,968	4,051	3,354	(975)
Total	**89,064**	**4,172**	**90,079**	**16,091**	**8,668**	**6,600**	**(5,696)**

	Of which: IMPAIRED						
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk
					Maximum amount of secured loans that can be considered		
	Number of operations	Gross carrying amount	Number of operations	Gross carrying amount	Real estate mortgage secured	Rest of secured loans	
Credit institutions							
General Governments	11	8	51	31	27	3	(4)
Other financial corporations and individual entrepreneurs	109	4	19	2	1	1	(1)
Non-financial corporations and individual entrepreneurs	18,693	2,465	12,383	6,249	3,056	2,968	(4,597)
Of which: financing the construction and property (including land)	877	299	4,158	3,853	1,387	2,312	(2,500)
Rest homes	25,156	355	32,839	3,837	1,748	1,808	(849)
Total	**43,969**	**2,832**	**45,292**	**10,119**	**4,832**	**4,780**	**(5,451)**

The table below provides a roll forward of refinanced assets during 2016:

	Millions of euros					
Refinanced assets Roll forward December 2016	**Normal**		**Impaired**		**TOTAL**	
	Risk	**Coverage**	**Risk**	**Coverage**	**Risk**	**Coverage**
Balance at the beginning	**12,213**	**674**	**12,550**	**5,219**	**24,763**	**5,893**
Contributions by mergers	1,261	29	1,681	1,005	2,942	1,033
(+) Additions	662	98	1,122	466	1,784	564
(-) Decreases (payments or repayments)	(1,440)	(302)	9	(584)	(2,777)	(886)
(-) Foreclosures	-	-	(167)	(82)	(167)	(82)
(-) Write-offs	-	-	(1,174)	(795)	(1,174)	(795)
(+)/(-) Other	(5,384)	(254)	276	222	(5,108)	(32)
Ending Balance	**7,312**	**245**	**12,951**	**5,451**	**20,263**	**5,696**

c) Loans and advances to customers by activity (carrying amount)

Millions of Euros

December 2016	TOTAL (*)	Of which: Mortgage loans	Of which: Secured loans	Collateralized Credit Risk. Loan to value				
				Less than or equal to 40%	Over 40% but less than or equal to 60%	Over 60% but less than or equal to 80%	Over 80% but less than or equal to 100%	Over 100%
1 Government agencies	21,763	440	544	32	108	101	636	107
2 Other financial institutions	16,010	311	6,672	21	63	87	6,789	23
3 Non-financial institutions and individual entrepreneurs	79,347	16,295	2,090	4,996	4,659	3,937	2,008	2,785
3.1 Construction and property development	4,233	3,972	10	1,026	1,050	993	520	393
3.2 Construction of civil works	8,909	1,933	71	342	453	332	223	654
3.3 Other purposes	66,205	10,390	2,009	3,628	3,156	2,612	1,265	1,738
3.3.1 Large companies	45,139	2,625	1,002	751	781	768	382	945
3.3.2 SMEs (**) and individual entrepreneurs	21,066	7,765	1,007	2,877	2,375	1,844	883	793
4 Rest of households and NPISHs (***)	96,770	86,075	373	14,689	19,049	21,138	16,016	15,556
4.1 Housing	86,422	84,619	81	14,246	18,610	20,771	15,709	15,364
4.2 Consumption	7,240	377	118	151	108	102	79	55
4.3 Other purposes	3,108	1,079	174	292	331	265	228	137
6 TOTAL	**213,890**	**103,121**	**9,679**	**19,738**	**23,879**	**25,263**	**25,449**	**18,471**
MEMORANDUM:								
Forbereance operations (****)	14,567	12,056	84	2,048	2,162	2,381	2,002	3,547

(*) The amounts included in this table are net of impairment losses.

(**) Small and medium enterprises

(***) Nonprofit institutions serving households.

(****) Net of provisions

d) Concentration of risks by activity and geographical area (carrying amount)

Millions of Euros

December 2016	TOTAL(*)	Spain	European Union Other	America	Other
Credit institutions	81,156	23,090	36,501	11,220	10,345
Government agencies	66,207	51,813	13,086	841	467
Central Administration	42,917	28,861	12,916	798	342
Other	23,290	22,952	170	43	125
Other financial institutions	72,137	35,681	15,567	20,654	235
Non-financial institutions and individual entrepreneurs	119,402	78,796	21,892	12,920	5,794
Construction and property development	4,864	4,861	3	-	-
Construction of civil works	12,576	9,250	2,128	885	313
Other purposes	101,962	64,685	19,761	12,035	5,481
Large companies	78,790	42,263	19,310	11,779	5,438
SMEs and individual entrepreneurs	23,172	22,422	451	256	43
Other households and NPISHs	96,937	96,140	451	104	242
Housing	86,423	85,755	361	91	216
Consumer	7,240	7,227	5	4	4
Other purposes	3,274	3,158	85	9	22
TOTAL	**435,839**	**285,520**	**87,497**	**45,739**	**17,083**

(*) The definition of risk for the purpose of this statement includes the following items on the public balance sheet: Loans and advances to credit institutions, Loans and advances to customers, Debt securities, Equity instruments, Other equity securities, Derivatives, Derivatives – Hedge accounting derivatives, Investments in subsidiaries, joint ventures and associates and guarantees given and Contingent risks. The amounts included in this table are net of impairment losses.

Millions of Euros

December 2016	TOTAL (*)	Andalucia	Aragon	Asturias	Baleares	Canarias	Cantabria	Castilla La Mancha	Castilla y León	Cataluña
Credit institutions	23,090	905	326	-	17	-	2,110	1	-	1,190
Government agencies	51,813	2,576	983	624	752	739	155	676	1,057	4,126
Central Administration	28,861									
Other	22,952	2,576	983	624	752	739	155	676	1,057	4,126
Other financial institutions	35,681	78	8	1	37	3	2	1	44	1,894
Non-financial institutions and individual entrepreneurs	78,796	5,376	1,156	668	1,980	2,011	382	1,110	1,302	17,704
Construction and property development	4,861	542	65	50	54	237	12	116	69	1,452
Construction of civil works	9,250	384	64	31	157	157	26	73	68	4,882
Other purposes	64,685	4,450	1,027	587	1,769	1,617	344	921	1,165	11,370
Large companies	42,263	1,382	460	371	1,239	492	143	327	395	5,225
SMEs and individual entrepreneurs	22,422	3,068	567	216	530	1,125	201	594	770	6,145
Other households and NPISHs	96,140	13,636	1,491	1,382	2,149	3,932	907	2,825	3,095	31,322
Housing	85,755	12,116	1,324	1,159	1,958	3,311	807	2,520	2,701	28,339
Consumer	7,227	1,194	130	163	158	535	66	242	277	1,785
Other purposes	3,158	326	37	60	33	86	34	63	117	1,198
TOTAL	**285,520**	**22,571**	**3,964**	**2,675**	**4,935**	**6,685**	**3,556**	**4,613**	**5,498**	**56,236**

Millions of Euros

December 2016	Extremadura	Galicia	Madrid	Murcia	Navarra	Comunidad Valenciana	Pais Vasco	La Rioja	Ceuta y Melilla
Credit institutions	-	154	16,873	-	10	-	1,504	-	-
Government agencies	244	1,396	4,492	321	387	1,733	2,562	36	93
Central Administration									
Other	244	1,396	4,492	321	387	1,733	2,562	36	93
Other financial institutions	1	92	32,830	5	-	150	535	-	-
Non-financial institutions and individual entrepreneurs	601	2,008	31,567	1,176	1,175	4,136	6,045	256	143
Construction and property development	32	208	1,384	40	24	349	185	10	32
Construction of civil works	32	194	2,444	71	81	266	300	11	9
Other purposes	537	1,606	27,739	1,065	1,070	3,521	5,560	235	102
Large companies	94	932	24,456	398	770	1,167	4,322	78	12
SMEs and individual entrepreneurs	443	674	3,283	667	300	2,354	1,238	157	90
Other households and NPISHs	1,470	3,273	14,796	1,959	540	9,188	3,031	374	770
Housing	1,272	2,744	13,462	1,702	476	8,212	2,636	328	688
Consumer	161	349	812	212	47	742	250	33	71
Other purposes	37	180	522	45	17	234	145	13	11
TOTAL	**2,316**	**6,923**	**100,558**	**3,461**	**2,112**	**15,207**	**13,677**	**666**	**1,006**

(*) The definition of risk for the purpose of this statement includes the following items on the public balance sheet: Loans and advances to credit institutions, Loans and advances to customers, Debt securities, Equity instruments, Derivatives, Derivatives, Derivatives - Hedge accounting, Investments in subsidiaries, joint ventures and associates and guarantees given. The amounts included in this table are net of impairment losses.

APPENDIX XIII. Agency Network

ABAD CAMPELO MARIA CONCEPCION

ABELENDA MONTES MANUEL

ABELLA LOPEZ ROGELIO

ABRAHAM MORA JUAN PEDRO

ABREU PEÑA ANDRES SERGIO

ADAN ROLDAN FRANCISCO DE ASIS

ADROVER BAZ MARIA DOLORES

AGUILAR VELASCO MARIA PAZ

AGUILERA RUIZ MANUEL

AGUT RODRIGO OMAR

ALAMILLO ALVAREZ CRISTINA

ALAMO MARTINEZ GUILLERMO

ALARCON CINTAS ANTONIO

ALARCON COROMINAS SERGIO LUIS

ALBELLA ESTEVE MARIA MERCEDES

ALBENDIZ GONZALEZ IRENE

ALBERDI ZUBIZARRETA EDUARDO

ALBIÑANA BOLUDA AMPARO

ALCACER FABRA FRANCISCO

ALCANTARA IZQUIERDO CRISTINA

ALDA CLEMENTE MARIA LUISA

ALFONSO ALFONSO MARIA LOURDES

ALMENDROS ESTEBAN ESTEBAN

ALONSO ALBARRAN IRMA

ALONSO BAJO LORENZO

ALONSO CUESTA LETICIA

ALONSO DIEZ JOSE CARLOS

ALONSO FERNANDEZ AGUSTIN

ALONSO FERNANDEZ LUIS MIGUEL

ALONSO GARCIA CARMELO HONORIO

ALONSO HEVIA AMPARO

ALONSO JUAREZ JAVIER

ALONSO PAREDES JOSE IGNACIO

ALONSO RAMOS MARIA CAMINO

ALONSO VALLE ESTEBAN

ALONSO ZAPICO JUAN DE DIOS

ALONSO ZARRAGA MIKEL

ALONSO BUENAPOSADA ARIAS ARGÜELLO MARIA CONSUELO

ALSINA MARGALL MIREIA

ALTARRIBA GUITART MARIA ALBA

ALTOLAGUIRRE AGUIRREBENGOA MARIA JOSEFA

ALTURA PLATA PASTORA

ALVAREZ ALVAREZ LORETO

ALVAREZ LEBRIJO JOSE MARIA

ALVAREZ RODRIGUEZ CAMILO VALENTIN

ALVARO CAMPILLO EVA MARIA

AMABLE MENDEZ LAZARO

AMADOR MONTESDEOCA JUAN LUIS

AMBRONA LAIRADO JOSE MARIA

AMENEIROS GARCIA JOSE

AMOEDO GONZALEZ DANIEL

AMOEDO MOLDES MARIA JOSE

AMOROSO ABUIN DELFINA

ANDRADA RINCON SOLEDAD

ANDRES SANTA JOSE

ANDRES SIERRA FERNANDO IGNACIO

ANGLADA BLANQUER AGUSTIN

ANGOITIA LIZARRALDE MARIA DEL CARMEN

ANTUÑA SCHUTZE MARTA

ARANDA GARRANCHO ANA MARIA

ARANDA GONZALEZ DOLORES

ARASANZ LAPLANA JOSE ANTONIO

ARCHS PRETEL FRANCISCO

ARCOS GONZALEZ FELIX

ARESTI MUGICA REGINA MARIA

AREVALO AREVALO MARÍA DEL CARMEN

ARIAS DELGADO MARIA MERCEDES

ARIAS TORRES MIGUEL

ARIZA GIL JESUS

ARJANDAS DARYNANI DILIP

ARNELA MAYO ISMAEL

AROSTEGUI ARGALUZA MARIA VICTORIA

ARRANZ MAGDALENO JUAN ALBERTO

ARRAYAS LINERO RAFAEL

ARROYO AVILA BEATRIZ

ARROYO DIAZ CARLOS HUGO

ARROYO ROMERO CARLOS GUSTAVO

ARROYO ROMERO FRANCISCO JAVIER

ARROYO SANTIAGO MANUEL

ARROYO SOBRINO DAVID

ARTAJO JARQUE FERNANDO MARIA

ARTEAGA PARDO JOSE

ARTIÑANO DEL RIO PABLO

ARTOLA MARTINEZ ANDER

ARUFE ESPIÑA PABLO

ARUMI RAURELL XAVIER

ASEGUINOLAZA AZCARGORTA MARIA JUNCAL

ASHTON SPARROWHAWK GILLIAN PAMELA

ASTILLERO GARCIA MIGUEL ANGEL

AVELLANEDA GARCIA ANGEL FERNANDO

AYALA GONZALEZ VICTOR RAMON

AYUELA LOBATO JUAN JESUS

AYZAGAR SOTO JAVIER

BACHS RABASCALL JOSEP

BADAMMAL SUNDERDAS PRAKASH CHAINANI

BADILLO SUAREZ MARIA SANDRA

BAHAMONDE GONZALEZ JORGE JUAN

BALIBREA LUCAS MIGUEL ANGEL

BALLARIN ALAMAN ANGELES

BALLESTER MARTORELL MARTI

BALLESTER VAZQUEZ IGNACIO JAVIER

BALSEIRO PEREZ DE VILLAR RICARDO

BAÑUELOS DIEZ MARTA LUISA

BARAHONA VIÑES JORDI

BARBA VALDIVIESO MARIA ISABEL

BARCELO BLANCH MARIA LOURDES

BARCIA CARMONA RAFAEL

BARDAJI PLANA AGUSTIN

BARDERA CALVO GEMMA MARIA

BARO CLARIANA SERGI

BARQUIN VITORERO BEATRIZ

BARRAGAN ZAPATA MARGARITA

BARRAN CARIDAD JOSE MANUEL

BARRIENTOS CHOCARRO JOSE CARLOS

BARTOMEU FERRANDO JOAN

BASCO RIBES MARIA NORMA

BASCUÑANA GARCIA AGUSTIN

BASTANTE PATON RAMON FELIX

BATALLER CAMACHO MARIA

BATISTA MEDEROS ANTONIO DAVID

BATISTE ANGLES AMADEO

BAUZA MARTORELL FELIO JOSE

BEHOBIDE PERALTA JORGE

BELTRAN ANDREU MANUEL JORGE

BENEDI LOPEZ CARLOS JAVIER

BENGOCHEA BOTIN VICENTE

BENITEZ CENTENO ANTONIO

BENITO MARIJUAN ANTONIO JOSE

BERNABEU JUAN ANTONIO JOSE

BERNIER RUIZ DE GOPEGUI MARIA ISABEL

BERROCAL URBANO FRANCISCO JESUS

BERTOMEU GONZALEZ KILIAN

BLANCO IGLESIAS IGNACIO

BLANCO QUINTANA FLORA

BLANCO RODRIGUEZ JUAN ANTONIO

BLANES SURROCA KILIAN

BLASCO SAMPIETRO FRANCISCO JAVIER

BLAZQUEZ DE LA IGLESIA OSCAR

BOADO ORORBIA LEOPOLDO

BONDIA VIVES YESICA

BONILLO GOMEZ LOURDES

BORRAS SALAS CRISTOBAL

BOTELLO NUÑEZ FELIPE

BRAVO MASA Mª INMACULADA

BRIONES PEREZ DE LA BLANCA FERNANDO

BRIONES SERRANO CLARA MARIA

BRITO PADRON INMACULADA

BRU FORES RAUL

BRUNET COMAS FRANCESCA MARIA

BULLON DE DIEGO FRANCISCO JAVIER

BURGOS BLANCO JUAN MARIA

BUSTAMANTE FONTES MAYDA LOURDES

CABALLERO MARTINEZ JUAN RAMON

CABRADILLA ANTOLIN LEONILA

CABRERA CABRERA VICENTE

CABRERA LLAMAS FRANCISCO JAVIER

CABRERA MARTIN MIGUEL ANGEL

CABRERA SUAREZ LUIS RICARDO

CABRITO FERNANDEZ JUAN CRUZ

CACERES GONZALEZ JOSE ANTONIO

CALDERON CARDEÑOSA MARIA LUISA

CALDERON MORILLO MARIA LUISA

CALLE DELGADO FELIX

CALVO HERNAN ALICIA

CAMACHO MARTIN ANTONIA

CAMACHO MARTINEZ PEDRO

CAMOS COLOM MIQUEL

CAMPOMANES IGLESIAS MARIA TERESA

CAMPOS CARRERO MARIA JOSEFA

CAMPOS CRESPO PRISCILA

CAMPS ALBERCH ENRIC

CAMPS CARBONELL JOAQUIN

CANO LOBATO BEATRIZ

CANO PEREZ ANTONIO

CANTARERO MARTINEZ BARTOLOME

CAÑAS AYUSO FRANCISCO

CAO GONZALEZ NIEVES ESPERANZA

CAPDEVILA PLA RICARDO

CAPELLES LOPEZ JAVIER

CAPISTROS LOPEZ HUERTA LAURA

CARBAJO ALONSO ROMAN

CARBO ROYO JOSE JORGE

CARBONELL ALSINA CHANTAL

CARBONELL CHANZA FRANCISCO

CARBONELL FUENTE JONATAN

CARCELLER SUAREZ RAMON

CARCOLE ARDEVOL JOSE

CARDENAS SANCHEZ GABRIEL

CARDENO CHAPARRO FRANCISCO MANUEL

CARDERO TABARES SUSANA

CARNE SALES MARIA JOSE

CARNICER SOSPEDRA DAVID

CARO VIEJO JUAN ANTONIO

CARPENA MARTINEZ MARIA BELINDA

CARRASCAL PRIETO LUIS EUSEBIO

CARRASCO GONZALEZ MARIA DEL AMOR

CARRASCO MARTIN ELOY

CARRASCO MARTINEZ RAMON

CARREÑO FALCON PEDRO

CARRIL GONZALEZ BARROS ALEJANDRO SERGIO

CARRILLO TEJEDO JAIRO

CARRION MARTINEZ ANTONIO

CARTAGENA CUESTA MARIO

CARULLA FELICES JORDI

CASADO GALLARDO GERARDO

CASADO HERRERO JOSEFA

CASADO RODRIGUEZ MARIA MARBELLA

CASALS REIG IRMA

CASAS GRACIA CRISTINA

CASAS ROYO SATURIO

CASILLAS VIGARA JUAN

CASSO MAYOR FRANCISCA

CASTANY SANTANACH MARIA ANGELES

CASTELL AMENGUAL MARIA

CASTELLANO ESCOBAR MARIA BEGOÑA

CASTELLANO GARCIA PABLO JOSE

CASTELLANO CARDALLIAGUET PABLO

CASTELLANOS JARQUE MANUEL

CASTILLO BLANCA ENRIQUE

CASTILLO MARZABAL FRANCISCO JOSE

CASTILLO ORTEGA NICOLAS

CASTILLO YBARRA MARIA DEL CARMEN

CASTRESANA URIARTE RODOLFO

CASTRILLO PEREZ TRINIDAD

CASTRO VEGA XOSE

CAZORLA EGEA ALEJANDRO JUVENAL

CEBRIAN CLAVER JOSE JUAN

CEJAS MARMOL ALBA MARIA

CEJUDO RODRIGUEZ JUAN CARLOS

CELDRAN CARMONA JOSE MARIA

CERCUNS CANDALIGA JOSEFINA

CERDAN GARCIA INMACULADA

CERDEIRA BRAVO DE MANSILLA ALFONSO

CERON ORTIZ JOSE MARIA

CERQUEIRA CRUCIO FERNANDO

CERRATO LLERENA MARIA DE LOS ANGELES

CERRATO RUIZ MARIA LUISA

CERVERA AMADOR ANTONIO

CERVERA GASCO NURIA PILAR

CERVERO MARINA DANIEL

CERVIÑO OTERO MARIA LUZ

CESPEDES CAPO MIGUEL

CHACON MACIAS ELADIO SALVADOR

CHAVARRI GONZALEZ ALVARO

CID GUERREROS ROBERTO CARLOS

CISTERO BOFARULL MARIA

CIUDAD BRONCANO JUAN FRANCISCO

CLAPES ESQUERDA RAMON LUIS

CLEMENTE BLANCO PAULA ANDREA

CLIMENT MARTOS MARIA ROSARIO

COBO RIVAS RAMON

COCA LOZA Mª DOLORES GENOVEVA

COMAS BERRADRE ANA

CONTRERAS AMOEDO JAVIER

CORBACHO SOLANCE MARIA MAGDALENA

CORCUERA BRIZUELA JOSE MARIA

CORDERO DE OÑA FRANCISCO

CORDOBA PARODI JUAN ANTONIO

CORDOBA TEJADA MANUEL

CORONADO MANSILLA DIEGO

CORTES MACHIN PATRICIA

COSCULLUELA SIN JOSE LUIS

COSTA CALAF MONTSERRAT

COSTA CAMBRA ANGEL

COSTA GARCIA ROSA MARIA

COSTA PARIS JOSE LUIS

CREIXANS PONS JOSE MARIA

CREIXELL GALLEGO XAVIER

CRESPO CRESPO ANGEL MANUEL

CRESPO GOMEZ LUCAS

CRESPO MINCHOLED YOLANDA

CRESPO SANTIAGO MARIA GLORIA

CRIADO ANAYA LUIS

CUENCA OLIVEIRA ANTONIO

CUESTA GONZALEZ DE LA ALEJA JAVIER VICENTE

CUÑAT ALVAREZ OSSORIO JUAN LUIS

CURROS NEIRA FRANCISCO JAVIER

DALMAU GOMEZ JORDI

DE ANDRES DE PABLOS MARIA ESTHER

DE ARRIBA ARES ALVARO

DE ASTOBIZA AGUADO IGNACIO

DE BLAS GUASP ALBERTO BARTOLOME

DE DIEGO MARTI FRANCISCO JOSE

DE EUGENIO FERNANDEZ JOAQUIN

DE FALGUERA MARTINEZ-ALARCON ANTONIO

DE GUILLERMO DE SAN SEGUNDO MARIA SONSOLES

DE HARO GONZALEZ MARIA LUISA

DE LA CALLE PALACIOS TEODORO

DE LA FUENTE TORRES ANAIS BEATRIZ

DE LA HOZ REGULES FCO. JAVIER

DE LA SIERRA PEÑA ANDRES

DE LA TORRE DEL CASTILLO CANDELARIA

DE LA TORRE PEREZ NOELIA

DE MARCOS MARDONES IÑIGO

DE PABLO SAN MIGUEL JAVIER

DE PASCUAL MASPONS AGUSTIN

DE QUINTANA PEREZ ANNA

DE SOLA FABREGAS FRANCESC

DEHESA SAINZ DE LOS TERREROS ANGELA

DEL BARCO ASENCIO MANUEL LUIS

DEL POZO SANCHEZ SUSANA

DEL RIO SERRANO JUAN FELIX

DEL RIO USABEL IDOIA

DELGADO GARCIA JOSE LUIS

DELGADO GARCIA MANUEL ANTONIO

DELGADO OJEDA MARIA ANGELES

DELGADO RUIZ DIEGO

DIAZ RODRIGUEZ PALMERO JAVIER ADOLFO

DIAZ FLORES JUAN FRANCISCO

DIAZ FRANCO MARIA ANTONIA

DIAZ GARCIA MARINA

DIAZ GONZALEZ LUIS MIGUEL

DIAZ LORENZO LORENZO

DIAZ RISCO MARIA LUISA

DIAZ SANTAMARIA MARIA VEGA

DIAZ DE ESPADA LOPEZ DE GAUNA LUIS MARIA

DIAZ-ROMERAL MARTIARENA JOSE MARIA

DIENTE ALONSO SERGIO

DIEZ AMORETTI FRANCISCO

DIEZ MELGOSA EDUARDO JOSE

DOBLAS GEMAR ANTONIO

DOMINGO BALTA MARIANO

DOMINGUEZ CANELA INES

DOMINGUEZ JARA RAFAEL JESUS

DOMINGUEZ NAVARRO JAVIER

DOMINGUEZ RODES JUAN LUIS

DONAIRE MOLANO LUIS

DORDA VENTURA ANTONI

DRIS MOHAMED SAMIR

DUQUE MEDRANO JUAN CARLOS

DURAN VIDAL ANNA

ECHANIZ LIZAUR MARIA BELEN

EDO SANZ MARIA LOURDES

EGURROLA IRAOLA JESUS MIGUEL

ELGUEA OMATOS EMILIO

ENRICH SASTRE ILENIA

ENRIQUE SAAVEDRA CESAR

ESCALONA BELINCHON JOSE ANTONIO

ESCOFET BOIX ISABEL

ESCRIBANO BUENO JOSE ALBERTO

ESCUDERO NAHARRO ROQUE JAVIER

ESCUDERO SANCHEZ RAFAEL PEDRO

ESCUTIA DOTTI MARIA VICTORIA

ESPALLARGAS MONTSERRAT MARIA TERESA

ESPARCIA CUESTA FELISA

ESPASA ROIG YOLANDA

ESPINAR MEDINA RICARDO

ESPINILLA ORTIZ ROSARIO

ESPIÑA GALLEGO ANA MARIA
ESPUNY CURTO MARIA NATIVIDAD
ESQUIROZ RODRIGUEZ ISIDRO
ESTEBAN TAVIRA ANTONIO
ESTEFANIA LARRAÑAGA GUILLERMINA
ESTELLE PEREZ VICENTE
ESTEVANEZ MOLINA VICENTE
EUGENIO CUBEROS ANGEL ENRIQUE
EZQUERRO TEJADO MARIA DOLORES
FABRA VERGE TERESA ROSARIO
FARIÑAS MARTINEZ JOSE ANTONIO
FARRE BOSCH CRISTINA
FELEZ MARTIN FERMIN
FELIPE FONTANILLO MARIA DEL PILAR
FELPETO PRIETO MARIA TERESA
FEO CLEMENTE ALEJANDRO
FERNANDEZ ALARCON MARGARITA
FERNANDEZ ALMANSA ANGEL ALEJANDRINO
FERNANDEZ CAMALEÑO MARIA JULIA
FERNANDEZ COLIN MIGUEL MARCELO
FERNANDEZ CONTRERAS JOAQUIN
FERNANDEZ DOMINGUEZ PABLO
FERNANDEZ FERNANDEZ ANTONIO
FERNANDEZ LOPEZ MIGUEL ANGEL
FERNANDEZ MARTIN MARIA ISABEL
FERNANDEZ MORAY EVA MARIA
FERNANDEZ MORO TATIANA
FERNANDEZ ONTAÑON DANIEL
FERNANDEZ PIÑEIRO ALBERTO
FERNANDEZ PLACIN ERIC
FERNANDEZ QUILEZ BEGOÑA MONICA
FERNANDEZ RIOS MARIA GORETTI
FERNANDEZ RIVERO JAVIER
FERNANDEZ RODRIGUEZ ALEJANDRO
FERNANDEZ RODRIGUEZ MARIA TERESA
FERNANDEZ SILVA DIEGO MARIA
FERNANDEZ SOUTO MARIA TERESA
FERNANDEZ VAZQUEZ HECTOR
FERNANDEZ VEIGA MANUEL
FERNANDEZ DE TEJADA ALMEIDA CARLOS ENRIQUE
FERNANDEZ-LERGA GARRALDA JESUS
FERNANDEZ-MARDOMINGO BARRIUSO MIGUEL JOSE
FERRADAS GONZALEZ JESUS
FERRE REVILLA NATALIA
FERREIRA FRAGA JULIAN
FERREIRO CASTRO MARIA TERESA
FERREIRO GARCIA MARIA CRISTINA
FERRER GELABERT GABRIEL
FERRERA HERNANDEZ FRANCISCO MIGUEL
FILGUEIRAS VERDEAL MARIA TERESA
FIRVIDA PLAZA BELEN
FISHER COLLETTE
FLORES MOLERO GREGORIO
FLORES PUIGVERT MARÇAL
FLUVIA PEIRO MARIOLA
FOMBELLA ALVARADO ROSA MARIA
FONTAN ZUBIZARRETA RAFAEL
FONTECHA ALVAREZ MARIA VICENTA
FONTES RODRIGUEZ DOMINGO
FORCADA RIFA DAVID
FORCEN LOPEZ MARIA ESTHER
FRANCES MAESTRE FRANCISCA
FRANCES MICO CARMELO
FRANCO ALADRÉN JUAN CARLOS
FRANCO MARTINEZ JUAN JOSE
FUCHS KARL JOHANN MAX
FUENTE RODRIGUEZ MARIA PILAR
FUENTES AYUS ANTONIO
FUENTESECA FERNANDEZ MIGUEL
FUSTER AMADES MAGDALENA ROSA
GABIÑO DIAZ JUAN ANTONIO
GAGO COMES PABLO

GAITAN PERLES JUAN JOSE

GALAN MERCHAN MARIA OLALLA

GALEANO BARRADO MARCOS

GALINDO GOMEZ ANGEL

GALINDO SANCHO PALMIRA

GALLARDO AROZENA MARGARITA

GALLARDO GALLARDO BEATRIZ ANA

GALVEZ RUIZ PEDRO FRANCISCO

GAMBOA DONES SUSANA

GAMEZ MARTINEZ ANTONIO MANUEL

GANDARA DUQUE MARIA DE LOS MILAGROS

GARATE MINTEGUI FRANCISCO

GARAY GURBINDO FELICIDAD MARIA ANGELES

GARCIA ALVAREZ-REMENTERIA ANTONIO

GARCIA BASCUÑANA MARÍA CRISTINA

GARCIA CACERES JULIO

GARCIA CANAL JAVIER

GARCIA CASO ENCARNACION

GARCIA CERRATO JOSE IGNACIO

GARCIA DAUDER VICENTE

GARCIA DEL HOYO VIRGINIA

GARCIA DIAZ MARIA DEL CARMEN

GARCIA DIAZ RAMON JESUS

GARCIA FONDON CONSTANTINO

GARCIA GARCIA JOSE MIGUEL

GARCIA GARCIA REMEDIOS

GARCIA GONZALEZ PILAR

GARCIA LAZARO VANESA

GARCIA LORENZO JAVIER

GARCIA MEJIAS JUAN ANTONIO

GARCIA MUÑOZ MARIA OLGA

GARCIA OVALLE OSCAR

GARCIA PEREZ ALICIA

GARCIA PEREZ OLGA

GARCIA PERIS SANTIAGO DAVID

GARCIA PUJADAS MONTSERRAT

GARCIA RIAL FELIPE

GARCIA RODRIGUEZ ANA ISABEL

GARCIA RODRIGUEZ JOSE FERNANDO

GARCIA ROSALES JUAN ANTONIO

GARCIA RUBIO ELENA

GARCIA SAAMEÑO JUAN JOSE

GARCIA SANCHEZ LUIS

GARCIA SIERRA JOSE MANUEL

GARCIA HIERRO JIMENEZ FRANCISCO JAVIER

GARCIA-TRESPALACIOS GOMEZ PABLO

GARCIA-VALENCIANO LOPEZ LUIS

GARRIDO ARAN FRANCISCO

GARRIDO GOMEZ ISABEL

GASCON VAL JESUS

GENE TICO REMEI

GENESTAR BOSCH ANDRES

GEORKIAN BABAYAN LEILA

GIJON EXPOSITO NATALIA

GIL BELMONTE CONRADO

GIL BELMONTE SUSANA

GIL FERNANDEZ JUAN JOSE

GIL RODRIGUEZ RICARDO

GIL TIO JULIA

GIL UREÑA MARIA CARMEN

GIL USON MARTA

GIMENO CACHO MARIA CRISTINA

GIMENO MARTINEZ AURELIO

GINE ABAD FRANCISCO JOSE

GINES LAHERA DARIO ALFONSO

GODOY GARCIA FRANCISCO JAVIER

GOMEZ ANDRES JUAN JOSE

GOMEZ ASUA ASIER

GOMEZ DE MAINTENANT MARTA MARIA

GOMEZ EBRI CARLOS

GOMEZ GOMEZ DAMIAN

GOMEZ LOBO JUAN

GOMEZ MARTINEZ ALBERTO

GOMEZ MARTINEZ LUIS

GOMEZ VALVERDE ANTONIO

GOMEZ VAZQUEZ MARIA JESUS

GOMEZ VELILLA MARIA BRIGIDA

GOMEZ-LANDERO GUIJARRO MARIA LUISA

GOMIS JIMENEZ CARLOS

GONZALEZ AGUILERA JOSE MIGUEL

GONZALEZ ALONSO LUIS MIGUEL

GONZALEZ ALONSO REBECA

GONZALEZ ALVAREZ NOELIA

GONZALEZ ARANDA FRANCISCO JAVIER

GONZALEZ BENAVIDES MARIA LIBERTAD

GONZALEZ BORINAGA IVANA

GONZALEZ CARDOSA INMACULADA

GONZALEZ COCA MARIA DE LA ENCINA

GONZALEZ DIAZ VICTORINO

GONZALEZ ESPARZA JUANA MARIA

GONZALEZ FEO SERGIO

GONZALEZ FREIJO ROSALIA

GONZALEZ GARCIA JUSTO

GONZALEZ GARCIA SERGIO

GONZALEZ GONZALEZ JOSE MANUEL

GONZALEZ GONZALEZ MARIA ANGELES

GONZALEZ GONZALEZ VICTOR JAVIER

GONZALEZ GUTIERREZ PEDRO ROMAN

GONZALEZ JIMENEZ FRANCISCO

GONZALEZ JUSTO CARLA

GONZALEZ LUIS JULIAN

GONZALEZ MARIN MANUEL

GONZALEZ MAYO GONZALO

GONZALEZ MOLANO FRANCISCO JAVIER

GONZALEZ MONTERO CONCEPCION

GONZALEZ MONZON MARIO

GONZALEZ MOSQUERA FERNANDO

GONZALEZ PARRA RICARDO

GONZALEZ PAVON FRANCISCO JOSE

GONZALEZ PEREZ ANA RUTH

GONZALEZ RAMIREZ JOSE

GONZALEZ RODRIGUEZ FRANCISCO

GONZALEZ SOCAS ANTONIA MARINA

GONZALEZ SOCORRO MARIA ESTHER

GONZALEZ TABOADA JOSE

GONZALO SAINZ FRANCISCO JAVIER

GOÑI IDARRETA ANA MARIA

GOPAR MARRERO PABLO

GORDO GAMIZ MARIA LUISA

GOROSTARZU DIAZ MIGUEL ANGEL

GRANDA RODRIGUEZ DE LA FLOR ARMANDO

GRAÑA RAMOS ABEL

GRAÑON LOPEZ LUIS ALBERTO

GRASSA VARGAS FERNANDO

GRELA CASTRO MARCELINO

GROS JAQUES ENRIQUE MANUEL

GUARAS JIMENEZ MARIA RESURRECCION

GUELL MERRY DEL VAL IGNACIO

GUERRA CEBALLOS JUAN LUIS

GUERRA GARCIA DE CELIS JOSE JUAN

GUERRA MENGUAL MARCOS

GUERRERO VERGARA JOSE ANTONIO

GUIJARRO BACO JUAN JOSE

GUIJARRO CRUZ MARTA

GUILLEN RUIZ EMILIO

GUMBAU RODA JAIME JOSE

GUTIERREZ GALENDE IGNACIO

GUTIERREZ GARCIA AZAHARA

GUTIERREZ LORENZO ANGEL

GUTIERREZ PASTOR JUAN CARLOS

GUZMAN GARCIA MARIA JESUS

GUZMAN GONZALEZ EMILIANO

HENCHE MUÑOZ GREGORIA

HERAS HERNANDEZ FERNANDO

HERAS TERREROS ALFREDO

HEREDERO POL OSCAR EDUARDO

HERMO MARTINEZ MARTA

HERMOSO NUÑEZ PEDRO

HERNANDEZ ALEJANDRO JOSE MANUEL

HERNANDEZ FERRERA JOSE ALBERTO

HERNANDEZ LIEBANAS FRANCISCO

HERNANDEZ MANRESA JOSEFA

HERNANDEZ MANRIQUE CARLOS MANUEL

HERNANDEZ PRIETO MIGUEL ANGEL

HERNANDEZ SANCHEZ JOSE RAMON

HERNANDEZ SANCHEZ MARIA ISABEL

HERRAIZ ARGUDO CONSUELO

HERRERA MORENO MONICA

HEVIA PATALLO TERESA

HIDALGO GOMEZ VALENTINA

HIDALGO PEREZ JOSE ANTONIO

HORNOS CASTRO JAVIER

HORTELANO GARCIA RICARDA

HU LU SIKE

HUERTAS FERNANDEZ JUAN ANTONIO

HUGUET CABRERA SERGIO

IBAÑEZ IBAÑEZ LUIS

IBAÑEZ NIETO ADORACION MAR

IBAÑEZ SANCHEZ JAVIER

IBAÑEZ ZORRILLA MARIA IZASKUN

IGEA JARDIEL MANUEL

IGLESIAS GONZALEZ MARIA ARANZAZU

IGLESIAS LORENZO LUCIANO

IGLESIAS MARTIN SANTIAGO

IGLESIAS SEXTO JOSE LUIS

ILIEVA NENKOVA KATIA

INFANTES ALCANTARA MANUEL ALEJANDRO

IRIGOYEN GARCIA VICTORIA EUGENIA

ISACH GRAU ANA MARIA

ISERTE MUÑOZ FRANCISCO JAVIER

IVARS PERIS PABLO JOSE

IZQUIERDO DOLS MIGUEL

JAEN CLAVEL LEONARDO

JANER VALENTI IGNACIO

JANQUIN ROMERO JEAN CLAUDE

JARA GUERRERO FRANCISCO

JIMENEZ ARROYO BLAS

JIMENEZ BETANZOS DAVID

JIMENEZ CALERO CONSUELO

JIMENEZ LORENTE MANUEL

JIMENEZ MARQUEZ MARIA DOLORES

JIMENEZ PINEDA MERCEDES

JIMENEZ RAMOS IGNACIO

JIMENEZ THOMAS EMILIO

JORDAN CHIVELI IGNACIO

JOVER BENAVENT ENRIQUE

JUAN TORTOSA FEDERICO

JUANOLA COCH MARTI

JUESAS FERNANDEZ ENRIQUE

JULIAN SANZ MARIA

JUNQUERA FRESCO BEATRIZ INMACULADA

JURADO CORDOBES RICARDO JESUS

KNUCHEL FRITZ

LABAT PASCUAL CRISTINA

LABORDA CARNICER FELIPE

LADRON GALAN FRANCISCO

LAFUENTE ALVAREZ JOSE ANTONIO

LAGUNA SEBASTIANES FRANCISCO MANUEL

LALANZA PINA VALERO BLAS

LALMOLDA SANZ PABLO

LAMBERT JONATHAN RAYMOND

LAMY GARCIA ANTONIO

LANAU ALTEMIR RAMON ANGEL

LANAU SERRA MARIA FRANCISCA

LANERO PEREZ MIGUEL ANGEL

LARA MARTINEZ CARLOS

LARA VIDAL FRANCISCO JOSE

LARROSA ESCARTIN ANA BELEN

LASO CASTAÑERA JOSE FRANCISCO

LEGARDA REY ENRIQUE

LEÑA CAMACHO ROSA MARIA

LEON ACOSTA MANUEL TOMAS

LEON ALCAIDE ROBERTO CARLOS

LEON ANTOÑANZAS MARIO

LEON CRISTOBAL JOSE LUIS

LIARTE BENEDI MARIA INMACULADA

LIMIÑANA MARTINEZ LORENZO

LIMONCHI LOPEZ HERIBERTO

LINARES LOPEZ RAMÓN

LLAMAS ABADIÑO EDUARDO

LLAMAZARES GALVAN ALBERTO

LLANDRICH LLANDRICH MARIA DEL CARMEN

LLEONART CATEURA PERE

LLOBET VILA AUGUSTO

LLORENTE VARON JUAN CARLOS

LLUCH RODRIGUEZ CRISTINA

LOMAS PEREZ JESUS MARIA

LOPE CARVAJAL JUAN JESUS

LOPEZ ARIAS MARIA EUGENIA

LOPEZ BERGUA MARTI

LOPEZ CARCAS EDUARDO

LOPEZ DELGADO MARIA DEL PILAR

LOPEZ FERNANDEZ FERNANDO

LOPEZ FERNANDEZ RAQUEL

LOPEZ FRAILE LUIS ANTONIO

LOPEZ GARCIA ANTONIO

LOPEZ GARCIA ANTONIO PEDRO

LOPEZ GRANADOS JOSE MARIA

LOPEZ HERNANDEZ ALVARO

LOPEZ LOMA ALFONSO FRANCISCO

LOPEZ LOPEZ MARIA DEL MAR

LOPEZ LOZANO ROSA MARIA

LOPEZ LUQUE IGNACIO

LOPEZ MANCIÑEIRAS MARIA CARMEN

LOPEZ MARTINEZ MANUELA

LOPEZ MERINO ANTONIO

LOPEZ PEREZ MANUEL TRAJANO

LOPEZ PRO DIEGO

LOPEZ RASCON MARIA JESUS

LOPEZ RUBAL ANTONIO

LOPEZ SARALEGUI ELENA MARIA TRINIDAD

LOPEZ SEGURA JUAN FRANCISCO

LOPEZ SEQUERA PEDRO

LOPEZ TAPIA ISIDRO

LOPEZ TORRES PATRICIA

LORENZO SEGOVIA SUSANA

LORENZO VELEZ JUAN

LORENZO VILLAMISAR JESUS MANUEL

LORES FANDIÑO JUAN JOSE

LOSADA LOPEZ ANTONIO

LOUBET MENDIOLA JAVIER

LOZANO ROSA FAUSTINO

LUGILDE VELEZ JOSE LUIS

LUJAN FALCON JUAN CARLOS

LUNA ARIZA RAFAEL IGNACIO

LUNA GARCIA MINA ANTONIO FERMIN

LUQUE FERNANDEZ JULIA

MACHIN CARREÑO FELIX ALBERTO

MACIA LOPEZ MARIA DEL PILAR

MACIAS FONTANILLO ISAAC SANTIAGO

MACIAS GUERRERO MANUEL

MADRONA MARTINEZ MIRIAM

MAESTRE RODRIGUEZ JUAN JESUS

MAGAÑA PLAZA PEDRO ANTONIO

MALMAGRO BLANCO ANTONIO

MALUENDA URGEL NURIA

MANTEIGA ROSENDE JOSE MANUEL

MARANDI ASSL MOHAMMAD

MARAÑON OTEIZA MARIA CRISTINA

MARCHANTE GARCIA MARTA MARIA

MARCOS SALVATIERRA MONTSERRAT

MARGALIDA GATNAU JOSE MARIA

MARIN RUIZ MARIA CARMEN

MARIN ZAFRA ADOLFO

MARQUES GONZALEZ MARIA FRANCISCA

MARQUES MENENDEZ JOSE LUIS

MARQUEZ PEREZ LAURA

MARQUEZ GOMEZ NATIVIDAD

MARRERO GONZALEZ PLACIDO VICTOR

MARTI SALA ESTHER

MARTI TORRENTS MIQUEL

MARTIN CARLOSENA RAFAEL

MARTIN GRANADOS JUAN

MARTIN HERNANDEZ PEDRO MARIA

MARTIN JIMENEZ ANSELMO

MARTIN LOPEZ CARLOS FRANCISCO

MARTIN MAYOR ANTONIO

MARTIN NADAL ALBERTO

MARTIN RAMIREZ FRANCISCO

MARTIN SANCHEZ IGNACIO

MARTIN VIZAN MILAGROS

MARTINEZ ANDRES MARIA ANGELES

MARTINEZ BERMUDEZ JOSE FRANCISCO

MARTINEZ CASTRO MANUEL FRANCISCO

MARTINEZ GAMEZ CARMEN MARIA

MARTINEZ GARCIA CARLOS

MARTINEZ GARCIA PEDRO RAFAEL

MARTINEZ GIMENEZ RAFAEL PABLO

MARTINEZ GOMEZ MIGUEL AMARO

MARTINEZ GONZALEZ VANESA

MARTINEZ HERNAEZ MARIA DOLORES

MARTINEZ MARTOS LUIS CARLOS

MARTINEZ MOYA DIEGO

MARTINEZ PARRA ENRIQUE

MARTINEZ PEÑARRUBIA JOSE CARLOS

MARTINEZ PEREZ JOSE FRANCISCO

MARTINEZ PEREZ JOSE MARIA

MARTINEZ PUJANTE ALFONSO

MARTINEZ RIVADAS FRANCISCO

MARTINEZ VECINO MARIA CONCEPCION

MARTINEZ VERA MARIA ESTRELLA

MARTINEZ VILLAR FRANCISCO

MAS NEBOT JOSE MARIA

MASDEU BALLART MONTSERRAT

MASIP ESCALONA DAVID

MASSOT PUNYED MONTSERRAT

MATA MARCO CARMEN

MAYA MONTERO ANGEL

MAYORAL MURILLO FRANCISCO JAVIER EUSEBIO

MAYORDOMO PULPON ALBERTO

MAZA HURTADO YLENIA

MAZO ORTEGA MARIA NURIA

MAZON GINER JOSE FERNANDO

MECIA FERNANDEZ RAMON

MEDINA VALLES JUAN CARLOS

MELCHOR GOMEZ CANDIDO DANIEL

MENDEZ BANDERAS LUIS FELIPE

MENDEZ HERNANDEZ CAYETANO

MENDEZ ZAPATA MARIA DEL PILAR

MENDIZABAL GOIBURU AGUSTIN

MERA RANCAÑO MANUEL

MERELAS CASTRO SONIA

MERINO MARTINEZ CESAR JOAQUIN

MESA VIÑAS ARGEO

MESANZA QUERAL ALBERTO GUILLERMO

MIALDEA CARRASCO JULIA

MIER ROMAN SILVIA

MIGUEL HERNANDEZ JAVIER

MIGUEL BENITO JOSE ANDRES

MILAN MILAN JUAN MANUEL

MINER GUERRERO JAVIER

MIÑO PEREZ JOSE IGNACIO

MODINO MARTINEZ MANUEL ANGEL

MODOL RUIZ CRISTINA

MOLINA HERRIEGA MIGUEL

MOLINA LOPEZ RAFAEL

MOLINA LUCAS MARIA ALMUDENA

MOLINA ROBLES JOSE CARLOS

MOLL BRAGAGIA ANALINA

MOLLEJA BELLO MARIA CARMEN

MOLPECERES MOLPECERES ANGEL

MONCHONIS TRASCASAS PEDRO

MONROY CABAÑAS JULIAN

MONROY REY PATRICIA

MONSERRAT OBRADOR RAFAEL

MONTANER ARBONA FRANCISCO

MONTEAGUDO NAVARRO MARIA

MONTERO BEJARANO FRANCISCO JAVIER

MONTES SADABA FRANCISCO JAVIER

MONTESINOS CONTRERAS VICENTE

MONTIEL GUARDIOLA MARIA JOSEFA

MOR FIGUERAS JOSE ANTONIO

MORA GIRONA JOSE MANUEL

MORACHO MUÑOZ JOSE ANGEL

MORALEDA GALAN RAFAEL

MORCILLO GARCIA JOSE LUIS

MORCILLO GRANADO FRANCISCO

MOREIRA GARCIA JULIO CESAR

MORENES SOLIS MARIA ROCIO

MORENO CAMPOS JOAQUIN

MORENO DE MIGUEL VICENTE

MORENO DEL PINO NICOLAS

MORENO MAROTO LUIS MIGUEL

MORENO SILVERIA MARIA ISABEL

MORGA GUIRAO MARIA PILAR

MORGADE VIÑAS JOSE MANUEL

MORODO PASARIN PURA

MOROTE ESPADERO RAFAEL MANUEL

MORSO PELAEZ JOSE RAMON

MORUNO GONZALEZ MIGUEL ANGEL

MOSQUERA ARJONA JESUS

MOUZO CASTIÑEIRA JESUS ANTONIO

MUIÑO DIAZ MARIA DEL MAR

MUNGUIA TORRES JUAN MIGUEL

MUNTADAS PUIG XAVIER

MUÑIZ HORMAECHE SANTIAGO

MUÑOZ BERZOSA JOSE RAMON

MUÑOZ BONET JOAQUIN BERNARDO

MUÑOZ GARRIDO MARIA DEL VALLE

MUÑOZ PINEDA FRANCISCO ANTONIO

MUÑOZO CHAMORRO NARCISO

MUR CEREZA ALVARO JESUS

MURCIA LOPEZ LORENA ALEJANDRA

MURGA PEINADO JOSE ALBERTO

MURO ALCORTA MARIA ANTONIA

MUSA MOHAMED ABDELAZIZ

MUZAS BALCAZAR JESUS ANGEL

MYLNIKAVA LIUDMILA

NACHER NAVARRO MARIA VANESSA

NAHARRO GATA MANUEL

NARANJO PEREZ JUAN CARLOS

NAVARRO CUESTA ESTER

NAVARRO MARQUEZ JOSE MANUEL

NAVARRO MORALES JOAQUIN

NAVARRO SAENZ MARIA MAR

NAVARRO UNAMUNZAGA FRANCISCO JAVIER

NAZABAL ORTUETA PABLO

NEGRETE LEAL LUIS MANUEL

NEIRA ALIAGA FERNANDO

NIETO GONZALEZ RUFINO

NIKIFOROVA NATALIYA

NODA MORALES HECTOR JOSE

NOVELLA MORALES MANUEL

NOVO MARTINEZ ALBA

NOVOSELOVA ELENA

NUÑEZ MAILLO VICENTE JESUS

NUÑEZ NAYA ANTONIO JOSE

NUÑO NUÑO AZUCENA

OGAZON GOMEZ YON ANDONI

OLIVA PAPIOL ENRIQUE

OLIVER GUASP BARTOLOME

OLIVER MOMPO JOSE

OLMEDO APARICIO CARLOS

OLMO BARONA ANDRES

OLMO CONTRERAS FRANCISCO JAVIER

OLMO HUERTAS ANA MARIA

OLMOS LOPEZ MARCOS

ORDEN MONTOLIO SANDRA DE LA

ORDOYO CASAS ANA MARIA

ORRIOLS GESE JORDI

ORTEGA AGULLO JOSE

ORTEGA ALTUNA FERNANDO MARIA

ORTEGA JIMENEZ FRANCISCO

ORTEGA MUÑOZ CARLOS MANUEL

ORTIZ ACUÑA FRANCISCO

ORTIZ ALVAREZ BENITO

ORTIZ GARCIA JUAN ANTONIO

ORTIZ GARCIA RAFAEL

ORTIZ MARTIN FRANCISCO EULOGIO

ORTS BERENGUER JUAN JOSE MARIA

ORTUÑO FERNANDEZ JOSE LUIS

ORTUÑO CAMARA JOSE LUIS

ORUS RODES RICARDO

OSTROWSKA JOANNA

OTERO ALVAREZ JULIA

OUTEIRIÑO VAZQUEZ JOSE MARIA

OVIEDO PEREZ ZULEMA

PABLOS MUÑOZ MARIA JESUS

PADILLA CABRERA ROMINA DEL CARMEN

PADILLA MOLINA MARIA

PADILLA ORTEGA GENOVEVA

PADRON GARCIA HERCILIO JOSE

PAEZ ORDOÑEZ SERGIO

PALAU DE LA NOGAL JORGE IVAN

PALAZON GARCIA JOSE MIGUEL

PANDAVENES CANAL AZUCENA MARIA

PANIAGUA VALDES MILAGROS

PARDINES GARCIA ANTONIO

PARDO CANO FRANCISCO JAVIER

PAREDES VERA GRACIA

PARENT FITE JAUME

PARNAU BOSCH JOAN

PARRA ASENSIO MARIA TERESA

PARRA MAIQUEZ JOAQUINA

PARREÑO MENDEZ MARIA JOSE

PASTOR GOMEZ PASCUAL

PASTOR MARCO JOSE LUIS

PATIÑO ROBLES MARIA CONCEPCION

PAULINO CARCELLES LUIS MIGUEL

PAZ BARKBY ALISON SUSAN

PAZ GRANDIO FRANCISCO JOSE

PAZOS SANCHEZ JAVIER

PEDEVILLA BURKIA ADOLFO

PELLICER BARBERA MARIANO

PENA DIAZ JOSE MANUEL

PEÑA NAVAL JESUS

PEÑA PEÑA MANUEL

PEÑA LOPEZ MILAGROS

PEÑAS BRONCHALO JOSE MIGUEL

PEÑATE SANTANA DUNIA

PERALES LLOBREGAT ANGEL RAFAEL

PERDOMO PEÑA PATRICIA

PEREA PRIETO JOSE LUIS

PEREZ ABAD JAUME

PEREZ ALVAREZ LAURA

PEREZ ANDREU ALEJANDRO

PEREZ CAMACHO MIGUEL ANGEL

PEREZ CHAVARRIA JOAQUIN MIGUEL

PEREZ CORDOBA VICTOR MIGUEL

PEREZ DOMENECH JOSE MANUEL

PEREZ FERNANDEZ MARIA DOLORES

PEREZ GOMEZ CARMEN BEGOÑA

PEREZ GUTIERREZ SANTIAGO

PEREZ IGLESIAS SUSANA

PEREZ MAGALLARES EMILIO

PEREZ MALON MARIA BELEN

PEREZ MASCUÑAN JORGE

PEREZ PEREZ JOSE MANUEL

PEREZ POYATOS EMILIO JOSE

PEREZ SANTOS ALFONSO

PEREZ SOTO PABLO MANUEL

PEREZ-ARCOS ALONSO JUANA MARIA

PEROLADA VALLDEPEREZ ANDRES

PERTUSA MONERA ENCARNACIÓN

PEYUS SANCHEZ PALOMA

PINILLA VELA FRANCISCO JAVIER

PINTOR ZAMORA GUADALUPE

PISONERO PEREZ JAVIER

PIZA PROHENS BARTOMEU ANTONI

PLA NAVARRO EMILIA

PLAMBECK ANDERL WALTER

PLANAS VIDAL PERE DOMINGO

PLANELLA SARGATAL ORIOL

PLANELLS ROIG JOSE VICENTE

PLANO IZAGUIRRE JOSE DANIEL

POLO PRIETO BORJA

PONCE VELAZQUEZ JOSEFA

PORRAS JURADO JUAN

PORTILLA ARROYO ALICIA

POTAPOVICH IGOR

POUS ANDRES JUAN

PRADA PRADA MARIA CARMEN

PRADO PAREDES ALEJANDRO

PRIETO BENITEZ ANTONIO

PRIETO RICO MAURO

PUERTAS VALLES MARIA LUISA

PUIG SEMPERE FILOMENA

PUJOL HUGUET AMADEU

PUJOLS SERRA RAMON

PUP ANCA

QUERO GUTIERREZ CARIDAD

QUIRALTE FUENTES RUBEN

RAMIREZ JORQUERA MIGUEL ANGEL

RAMIREZ LOPEZ AGUSTIN

RAMIREZ RUBIO JOSE RAMON

RAMIREZ TORNES ALAIN LAZARO

RAMOS CAGIAO AMPARO

RAMOS CALDERON RAUL

RAMOS ROMERO JUAN JESUS

RAMOS SOBRIDO JOSE ANDRES

RANEDO VITORES MARIA MILAGROS

RANZ YARRITU JAVIER

RATON BELLO MIGUEL ANGEL

RAVELO RAMIREZ JUAN ALFONSO

REBOLLO CAMBRILES JUAN ROMAN

RECAJ ERRUZ ENRIQUE CLEMENTE

RECIO CEÑA TOMAS

RECUENCO BENEDICTO JOSEFINA MATILDE

REGA RODRIGUEZ MARIA LUISA

REGLERO BLANCO MARIA ISABEL

REIFS PEREZ MANUEL

REINA GARCIA ANA ESTHER

RELAÑO CAÑAVERAS CRISTOBAL

REMENTERIA LECUE AITOR

REMON ROCA RAMON TOMAS

REMON SAENZ CESAR

RETAMERO VEGA MANUEL

REVUELTA GUTIERREZ LAURA

REY FERRIN PAULA

REY GONZALEZ NICOLAS

REY PAZ ROCIO

REYES BLANCO FRANCISCO JAVIER

REYES BLANCO RAFAEL

REYES CARRION JUAN CARLOS

REYES LANZAROTE FRANCISCA

REYES QUINTANA VICTORIO JESUS

REZA MONTES FRANCISCO JAVIER

RIBAS RUBIO PEDRO

RIBERA AIGE JOSEFA

RINCON GUTIERREZ MARIA PILAR

RIOJA ROMAN RAQUEL

RIOLOBOS GALLEGO MERCEDES

RIPOLL BARRACHINA ENRIQUE

RIVAS ANORO FERNANDO

RIVAS CASTRO JOSE CARLOS

RIVAS FERNANDEZ RAFAEL

RIVAS URBANO JOSE

RIVERO RIVERO SAMUEL

ROBLES SANCHEZ ROSA MARIA

RODES BIOSCA CARLOS RAFAEL

RODRIGUEZ ALVAREZ MARIA ISABEL

RODRIGUEZ CAÑIZARES ANTONIO JAVIER

RODRIGUEZ CIFUENTES IVAN

RODRIGUEZ DELGADO RENE

RODRIGUEZ GALVAN MARIA

RODRIGUEZ GROVA AMELIA

RODRIGUEZ LLOPIS MIGUEL ANGEL

RODRIGUEZ LOPEZ OLGA

RODRIGUEZ MARTINEZ NEUS

RODRIGUEZ MARTINEZ RAFAEL

RODRIGUEZ MUÑOZ JOAQUIN JOSE

RODRIGUEZ OTERO MIRIAN

RODRIGUEZ PEREZ MARIA JOSE

RODRIGUEZ RODRIGUEZ JUAN CARLOS

RODRIGUEZ RODRIGUEZ MARIA

RODRIGUEZ RODRIGUEZ MARIA DEL CARMEN

RODRIGUEZ RODRIGUEZ SUSANA

RODRIGUEZ ROGEL MANUEL ALEJANDRO

RODRIGUEZ RUIZ JUAN ANTONIO

ROGADO ROLDAN ROSA

ROGET LEMUS JOSE MANUEL

ROIG FENOLLOSA JUAN BAUTISTA

ROJAS SOLER FRANCISCO

ROJAS TRONCOSO PEDRO

ROJI BOULANDIER SERGIO

ROLDAN SACRISTAN JESUS HILARIO

ROMAN BERMEJO MARIA ISABEL

ROMAN CAMPOS MARIA ETELVINA

ROMAN CIVIDANES CONSTANTINO

ROMERO ARIAS TATIANA

ROMERO EXPOSITO VANESA

ROMERO MENDEZ JUAN ANTONIO

ROMERO MORENO MANUEL RAMON

ROMERO RODRIGUEZ JOSE GIL

ROMERO SIERRA BENJAMIN

ROPERO MONTERO MIGUEL ANGEL

ROS PEREZ XAVIER

ROSILLO PAREDES MARIA MERCEDES

ROTGER LLINAS DANIEL

ROYO ESCARTIN RAQUEL

ROYO GARCIA FRANCISCO JAVIER

ROYO RUIZ JOSE LUIS

ROZAS NEIRA ADRIAN

RUA PIRAME ENRIQUE

RUANO BECEDAS MARIA CRISTINA

RUANO CAMPS ANTONI

RUBIALES REGORDAN RAFAEL

RUBIO ALESANCO ALEJANDRO

RUBIO BERNARDEAU ANTONIA MILAGROSA

RUBIO GARCIA EMILIA

RUBIO RODENAS MARIA LOURDES

RUBIO SIERRA FRANCISCO JOSE

RUIPEREZ MATOQUE PIERRE

RUIZ CASAS JUAN BAUTISTA

RUIZ DEL RIO ROSA MARIA

RUIZ ESCALONA ANTONIO

RUIZ JARILLO MARIA JOSE

RUIZ LUQUE HERNAN

RUIZ MORENO EVA

RUIZ NOGALES LIDIA

RUIZ PEREZ MARIA VICTORIA

RUIZ TARI ROGELIO

RUIZ-ESTELLER HERNANDEZ GUSTAVO

SABATE NOLLA TERESA

SABES TORQUET JUAN CARLOS

SAENZ GIL DE GOMEZ DAVID

SAEZ NICOLAS JOSE RAMON

SAINZ TAJADURA MARIA VICTORIA

SAINZ-EZQUERRA LANAS SANTIAGO

SAIZ SEPULVEDA FRANCISCO JAVIER

SALA AZORIN AURORA

SALADICH OLIVE LUIS

SALAET FERRES MARISA

SALAMERO MORENO JOAQUIN

SALAS SEGUI BARTOLOME

SALMERON TOLOSA MONICA

SALMON ALONSO JOSE LUIS

SALVIA FABREGAT MARIA PILAR

SAMPER CAMPANALS PILAR

SAMPER JIMENEZ JUAN ANGEL

SAN EMETERIO GAYO JAVIER

SANCHEZ BURUAGA MARTA

SANCHEZ ELIZALDE JUAN FRANCISCO

SANCHEZ FERNANDEZ ELENA MARIA

SANCHEZ GARCIA ALICIA

SANCHEZ GARCIA YOLANDA

SANCHEZ GONZALEZ HELENA

SANCHEZ HERNANDEZ IVAN

SANCHEZ HERRERA PATRICIA

SANCHEZ IGLESIAS JOSE FRANCISCO

SANCHEZ LOPEZ MIGUEL

SANCHEZ MESA FRANCISCO

SANCHEZ NAVARRO JOSE ANTONIO

SANCHEZ PEÑA MIGUEL ANGEL

SANCHEZ POUSADA JULIA

SANCHEZ RODRIGUEZ Mª TERESA CARMEN

SANCHEZ ROMERO BENITO

SANCHEZ SAN VICENTE GUILLERMO JESUS

SANCHEZ SECO VIVAR CARLOS JAVIER

SANCHIS MARTIN LAURA

SANTANA GONZALEZ TEODOMIRO

SANTANDREU ROSSELLO PERE

SANTOS HERRERA MERCEDES

SANTOS MACIAS MARIA ESTHER

SANTOS MAYORDOMO RUBEN

SANTOS PAEZ SILVIA

SANTOS ROMAN MARIA NURIA

SANTOS GARCIA MANUEL

SANZ CALDERON FRANCISCO JAVIER

SANZ EMPERADOR JESUS ANGEL

SANZ FUENTES LUIS ALBERTO

SARDA ANTON JUAN IGNACIO

SARRI SOLE FRANCESC XAVIER

SARRIO TIERRASECA LEON

SARROCA GIL MOISES

SAUN FUERTES MARIA JOSE

SAURA MARTINEZ PEDRO

SECO FERNANDEZ LUIS ALBERTO

SEGOVIA GOMEZ JUAN ANTONIO

SEGURA MASSOT MARIA TERESA

SEOANE MENDEZ ROBERTO

SERNA MINONDO MARIA ANTONIA

SERRANO QUEVEDO RAMON

SERRANO RODRIGUEZ RAFAEL

SERRANO VACAS JUAN CARLOS

SERRANO DOMINGUEZ FRANCISCO JAVIER

SERRANO ROJAS JOSE MANUEL

SETAYESH SHAHNAZ

SEVA VERA JAVIER

SEVILLA CAÑON ROBERTO

SEVILLANO MARTINEZ JUAN

SIERRA TORRE MIGUEL

SIGNES CASANOVES BERNARDO CRISTOBAL

SILVA FERNANDEZ CRISTINA

SILVA HUERTAS MIGUEL ANGEL

SILVERA BARRIOS MARIA ISABEL

SIMON BENITO JOSE JUAN

SIMON MARTIN ANTONIO MIGUEL

SINDIN RODRIGUEZ NOELIA

SINTAS NOGALES FRANCISCO

SISNIEGA REVUELTA MARIA JESUS

SMITH BASTERRA FRANCISCO JAVIER

SOBRINO BRUY MANUEL

SOLER ASCASO Mª LOURDES

SOLER PORTA MARIANO

SOMOZA RODRIGUEZ ESCUDERO OSCAR JOSE FELIX

SOSA BLANCO SERVANDO

SOSA LOZANO JOSE RAUL

SOTO PASTOR RAFAEL

SOUSA LAMAS ANGELES

SOUSA TEJEDA ALEJANDRA

SUAREZ CUETOS MANUEL

SUAREZ DEL POZO JUAN ANTONIO

SUAREZ RODRIGUEZ ASCENSION

SUAREZ RODRIGUEZ Mª DEL CARMEN

SUBIRATS ESPUNY MARIA DOLORES

SUBIRON GARAY RAFAEL

TABACO MARTIN JUAN ANTONIO

TABORGA ONTAÑON ANTONIO JOAQUIN

TARIN BOSCH JUAN JESUS

TELLECHEA ABASCAL PEDRO MANUEL

TENA LAGUNA LORENZO

TIRADO ZARCO ESMERALDA

TOIMIL SOMESO MARIA DOLORES

TOLEDO VALIENTE MARIA GLORIA

TORMOS MARTINEZ ISIDRO

TORRECILLAS BELMONTE JOSE MARIA

TORRENS SERRA JOAN ANTONI

TORRES DIAZ ANTONIO

TORRES MONTEJANO FELIX

TORRES PEREZ JOSE ARISTIDES

TOVAR GELABERT MARIA ENCARNACION

TRABA PUENTE SANDRA

TRILLO PEREZ PATRICIA

TRUJILLO AYMES PHILIPPE

TUÑON GARCIA JOSE GIL

TUTUSAUS LASHERAS MONTSERRAT

UCAR ESTEBAN ROSARIO

UREÑA FERNANDEZ FEDERICO

URIAGUERECA CARRILERO FRANCISCO JAVIER

URRERO SANTIAGO LUIS

VACA DELGADO ANDRES JESUS

VADILLO ALMAGRO MARIA VICTORIA

VALCARCEL GRANDE FRANCISCO JAVIER

VALCARCEL LOPEZ ALFONSO

VALENCIA MUÑOZ JOSE JAVIER

VALENCIA TRENADO MANUEL RODRIGO

VALIENTE GARCIA DEL CASTILLO ANTONIO

VALLS BENAVIDES IGNACIO

VAN CAMP VANESSA IRMA

VAQUERO GOMEZ JOSE MANUEL

VAZQUEZ DIEGUEZ JOSE ANDRES

VAZQUEZ FERREIRO ALFONSO

VAZQUEZ FIGUEIRAS JULIA

VAZQUEZ SANTOS CRISTINA

VEGA GARCIA CRISTIAN

VEIGUELA LASTRA CARLOS MARIA

VELASCO FERNANDEZ ALFONSO

VELASCO LOZANO FRANCISCO

VELASCO ROCA IGNACIO

VENZAL CONTRERAS FRANCISCO JAVIER

VERDU CASTELL JOSEP MANEL

VERGEL CRESPO MARIA ISABEL

VICENTE GONZALEZ ANGEL

VICENTE ROJAS MARIA INMACULADA

VICENTE SOLDEVILA JOSE MIGUEL

VIDAL JAMARDO LUIS RAMON

VIDAL TROITIÑO MARIA DE LA CONCEPCION

VIDAL ARAGON DE OLIVES GERARDO IGNACIO

VILA BARCELO ALFONS

VILLACE MEDINA JUAN CARLOS

VILLAGRASA ROS ANTONIO

VILLEGAS SABIO RAMON

VILLORO OLLE ROGER

VINYES SABATA MERCÉ

VIÑA ARASA RICARDO

VIÑAO BALLARIN MARIA ANGELES

VISEN ARTEMIZA

VIVER MIR JAIME JAVIER

VIZAN ALONSO AURORA

WALS FERNANDEZ PETRA

WERHEIT SCHUH HERMANN JOSEF

WHITE ORR ROBERT HENRY

WU ZOU REBECA

YANES CARRILLO MARIA JESUS

YUSTE SORIANO MARIA BELEN

ZARATE IBARRA TEODULO LORENZO

ZUBIZARRETA UNCETA AITOR

ZUECO GIL JESUS ANGEL

ZURAWKA ERHARD RUDOLF

ZURDO RUBIO MARIA CRISTINA

3IMPULSA, S.C.P.

3J LAVALL BUSINESS & SOLUTIONS, S.L.

A 5 ASESORES CONSULTORES, S.L.

A&J SANMARTIN DE PRADAS CONSULTORES, S.L.

ABADIA EXPLOTACIONES HOTELERAS, S.L.

ABBANTIA ABOGADOS BILBAO, S.L.

ABEMPATRI, S.L.

ABOGADOS & ASESORES EUROPEOS, S.L.

ABOGAP SERVICIOS INTEGRALES, S.L.U.

ABONA GESTION SERVICIOS INTEGRADOS, S.L.

ACEGA ASESORES, S.L.

ACENTEJO CONSULTORES, S.A.L.

ACERTIUS SUMA CAPITAL, S.L.

ACEVES Y VILLANUEVA, S.L.

ACOFIRMA, S.L.

ACOSTA Y RUIZ CONSULTING ASEGURADOR, S.L.

ACREMUN, S.L.

ACTIVIDADES FINANCIERAS Y EMPRESARIALES, S.L.

ACTUARIOS Y SERVICIOS FINANCIEROS, S.L.

ADA PROMOCIONES Y NEGOCIOS, S.A.

ADA SEQUOR, S.L.

ADLANTA SERVICIOS PROFESIONALES, S.L.

ADMI-EXPRES-GMC, S.L.

ADMINISTRACION DIRECCION Y TECNOLOGIA CONSULTING, S.L.

ADMINISTRACION LEGAL DE COMUNIDADES, S.L.

ADMINISTRACIONES TERESA PATRICIA CELDRAN, S.L.

ADMINISTRADORES COMMUNITY GROUP, S.L.

ADMINISTRADORES DE BIENES Y ASESORES CONTABLES, S.L.

ADOE ASESORES, S.L.

ADOLFO SANCHEZ ASESORES TRIBUTARIOS, S.L.

ADVICE LABOUR FINANCE SOCIETY, S.L.

AEMTIA ASSESSORS, S.L.U.

AEQUUS ABOGADOS, S.L.

AESTE, S.L.

AFIANZA FINANCIERA, S.L.

AFIANZA GESTION EMPRESARIAL, S.L.

AFISEG II, S.L.

AFITEC INVERSIONES, S.L.

AFYSE INIESTA ASESORES, S.L.

AGENCIA FERRERO Y LAGARES, S.L.

AGENCIA JOSE OLIVA-JOV, S.L.

AGENCIA ROMERO OGANDO, S.L.

AGORA PROFESS, S.L.

AGRAMUNT BUILDING, S.L.

AGUSTIN FERNANDEZ CRUZ AFC, S.L.

AIMER AGRONOMIA, S.L.U.

AIRU ASESORES, S.L.

AISM, S.L.

AKIRO SERVICIOS EMPRESARIALES, S.L.

ALARCON BUENO, S.L.

ALBA & ARCOS ASOCIADOS, S.L.

ALBA ASESORIA INTEGRAL, S.L.

ALBOA 17.8, S.L.

ALC ASESORES, S.C.

ALCES GRUPO ASEGURADOR, S.L.

ALDAIA 94, S.L.

ALEXA ESTRATEGIA EMPRESARIAL, S.L.

ALF CONSULTORES Y SERVICIOS FINANCIEROS Y SEGUROS, S.L.

ALFREDO RUIZ ASESOR FINANCIERO, S.L.

ALGESORES NAVARRO Y ASOCIADOS, S.L.

ALIVIA SERVICIOS INTEGRALES, S.L.

ALKAIMENA, S.L.

ALL ABOUT FUNDS, S.L.

ALLES IST MOGLICH, S.L.

ALONSO Y SERODIO ASESORES, S.L.

ALPEREZG SERVICIOS PARA EMPRESAS, S.L.

ALPHALYNX CAPITAL, S.L.

ALQABALA GRUPO GESTOR, S.L.

ALTER FORMA ABOGADOS, S.L.

ALVAMAR GESTIONES Y CONTRATACIONES, S.L.

ALZAGA ASESORES, S.L.

ALZO CAPITAL, S.L.

AMTEMIS ASSESSORS, S.L.

AN ASESORES DEZA, S.L.

ANAI INTEGRA, S.L.

ANDAL DE ASESORAMIENTO Y GESTION, S.L.

ANDEX CONSULTORES, S.L.

ANDIPLAN, S.L.

ANDISARU, S.L.

ANDUGAR-CARBONELL ABOGADOS, S.L.

ANGLIRU INVERSIONES, S.L.

ANGMAR 2015, S.L.U.

ANTEQUERA ASESORES, S.L.

ANTONIO ALEGRET GALLART, S.L.

ANTONIO PONS Y ASOCIADOS, S.C.

APEKONO 1964, S.L.

APF3 SERVICIOS DE ASESORIA, S.L.

APISA ADMINISTRACION DE INMUEBLES, S.L.

APUNTES CONTABLES, S.L.

ARAGESTIN, S.L.

ARANE PROMOCION Y GESTION, S.L.

ARANZABAL SERVICIOS FINANCIEROS, S.L.

ARBO MASNOU ASSESSORIA, S.L.U.

ARCAYANA CONSULTING, S.L.

ARCO R ASESORES, S.C.

ARDORA CORPORATE, S.L.

ARES CONSULTORES, S.L.

ARGIGES BERMEO, S.L.

ARILLA CIUDAD ASESORES, S.L.

ARIS GESTION FINANCIERA, S.L.

ARRAUT Y ASOCIADOS, S.L.

ARTI INVERSIONES Y PATRIMONIOS, S.L.

ASDE ASSESSORS, S.L.

ASEBIL - HERBLA ASESORES, S.L.

ASECAN GESTION INTEGRAL, S.L.U.

ASECOLAFI LAFUENTE, S.L.

ASEDIEM PROFESIONALES, S.L.N.E.

ASEDORA BSB, S.L.

ASEFISTEN, S.L.

ASEGI SERVICIOS FINANCIEROS, S.L.

ASEM INDAFISA GESTION EMPRESARIAL, S.L.

ASEMRECA, S.L.

ASEMVA 1999, S.L.

ASEMYL, S.L.

ASER FINANCIEROS, S.L.

ASES ASESORES Y CONSULTORES, S.L.

ASESCON GESTION INTEGRAL, S.L.

ASESORAMIENTO FINANCIERO E INMOBILIARIO MADRID 2002, S.L.

ASESORAMIENTO PROFESIONAL CANARIO, S.L.

ASESORAMIENTO, CONTABILIDAD Y SERVICIOS ADMINISTRATIVOS, S.L.

ASESORES DE EMPRESA AFILCO, S.L.

ASESORES DE EMPRESA Y GESTION ADMINISTRATIVA MARIN & MARIN, S.L.

ASESORES DO BAIXO MIÑO, S.L.

ASESORES E INVERSORES EPILA, S.L.

ASESORES MOLINA, S.L.

ASESORES Y CONSULTORES AFICO, S.L.

ASESORES Y CONSULTORES, C.B.

ASESORIA & CONSULTORIA, S.C.P.

ASESORIA A.B., C.B.

ASESORIA ADOLFO SUAREZ, S.L.

ASESORIA ANTONIO JIMENEZ LOPEZ, C.B.

ASESORIA AREGUME, S.L.U.

ASESORIA ASETRA, S.L.

ASESORIA ATAGESA, S.L.

ASESORIA ATAMAN, S.L.

ASESORIA AUDITORIA ASCOR, S.L.

ASESORIA BASTIAS, S.L.

ASESORIA BELLAVISTA, S.L.

ASESORIA BERCONTA, S.L.

ASESORIA BLANCO, S.L.

ASESORIA CAMINO, S.L.

ASESORIA CARRETERO JOVANI, S.L.

ASESORIA CATALAN FABO, S.L.

ASESORIA CAUDELI, S.L.

ASESORIA CERVANTES, S.L.

ASESORIA CM, C.B.

ASESORIA DE EMPRESAS CARANZA, S.L.

ASESORIA DE EMPRESAS RC, S.L.

ASESORIA DEL VALLE, C.B.

ASESORIA DEUSTO, S.L.

ASESORIA EMPRESARIAL CATALANA, S.L.

ASESORIA EMPRESARIAL LAS MARINAS, S.L.

ASESORIA EMPRESARIAL POSE, S.L.

ASESORIA ENRIQUE YAÑEZ, S.L.

ASESORIA ERAKIN AHOLKULARITZA, S.L.

ASESORIA EUROBILBAO, S.L.

ASESORIA EXPANSION 2001, S.L.

ASESORIA FINANCIERA CUBICA, S.L.

ASESORIA FINANCIERA IBAIGANE, S.L.

ASESORIA FINANCIERA LUGO, S.L.

ASESORIA FINANCIERO CONTABLE CLOT, S.L.

ASESORIA FISCAL CONTABLE Y LABORAL TRIBUTO, S.L.

ASESORIA FISCAL LULL, S.L.

ASESORIA FISCAL SANTIAGO, C.B.

ASESORIA GAMASERVI, S.L.

ASESORIA GARCIA LOPEZ, S.L.

ASESORIA GESTION PATRIMONIAL DE ENTIDADES RELIGIOSAS, S.L.

ASESORIA GILMARSA, S.L.

ASESORIA GOARTE, S.L.

ASESORIA GONZALEZ VALDES, S.L.

ASESORIA GORROTXA ASEGUROAK, S.L.

ASESORIA HERGON, S.L.

ASESORIA HIDALGO JUAREZ, S.L.

ASESORIA INFIS, S.L.

ASESORIA INTEGRAL DE FARMACIAS Y EMPRESAS, S.L.L.

ASESORIA INTEGRAL RONDA, S.L.

ASESORIA JIMENEZ, S.C.

ASESORIA JOSE ADOLFO GARCIA, S.L.

ASESORIA JURIDICA Y DE EMPRESAS, S.L.

ASESORIA LABORAL FISCAL JURIDICA MMB, S.L.

ASESORIA LABORDA, S.C.

ASESORIA LASER, S.L.

ASESORIA LEMA Y GARCIA, S.L.

ASESORIA LIZARDI, S.L.

ASESORIA MANCISIDOR, MURGA Y BRATOS, S.L.

ASESORIA MARCOS FERNANDEZ, S.L.

ASESORIA MERCANTIL DE ZALLA, S.L.

ASESORIA MERCANTIL, S.L.

ASESORIA MERFISA, C.B.

ASESORIA MONTERO Y SOLANO, S.L.

ASESORIA OLIVER TORRENS, S.L.

ASESORIA ONLINE GRG, S.L.

ASESORIA PANIAGUA, S.L.

ASESORIA RA-ES, S.L.

ASESORIA RAMILO E BOTANA, S.L.

ASESORIA RANGEL 2002, S.L.

ASESORIA SAGASTIZABAL, S.L.

ASESORIA SANCHEZ & ALCARAZ, S.L.

ASESORIA SORIANO GRANADA, S.L.

ASESORIA TOLEDO DE SACEDON, S.L.

ASESORIA VELSINIA, S.L.

ASESORIA VIA LIGHT, S.L.U.

ASESORIA VICO, S.L.

ASESORIA Y FINANZAS DEL ORIENTE, S.L.

ASESORIA Y SEGUROS PUERTO DE LA TORRE, S.L.

ASESORIA Y SERVICIOS DE GESTORIA CABELLO, S.L.

ASESORIA ZUBIRI, S.L.

ASESORIAS ISADOR, S.L.

ASESORIAS NAPOLES, S.L.

ASESPA , S.L.

ASETUR, C.B.

ASEVALLES, S.L.

ASFIPA , S.L.

ASFITO, S.L.

ASIEXCAN, S.R.L.

ASOCIADOS BILBOINFORM 2000, S.L.

ASSECOM BIZKAIA S. COOP. PEQUEÑA

ASSESMERCAT, S.L.P.

ASSESSORAMENT EMPRESARIAL CABRE I ASSOCIATS, S.L.

ASSESSORAMENT INTEGRAL MAESTRAT, S.L.

ASSESSORAMENT MIRA MARTINEZ, S.L.

ASSESSORAMENTS I SERVEIS LLEIDA, S.L.

ASSESSORIA AREA ECONOMICA LEGAL, S.L.

ASSESSORIA BAIX PENEDES, S.L.

ASSESSORIA BUFET JURIDIC SM&TA, S.L.

ASSESSORIA CAMATS GARDEL CORREDURIA DE SEGUROS, S.L.

ASSESSORIA COSTA BRAVA, S.L.

ASSESSORIA DOMINGO VICENT, S.L.

ASSESSORIA EUROCOMPTE LLORET, S.L.

ASSESSORIA I SERVEIS CAN BORRELL, S.L.

ASSESSORIA MARGARIT, S.L.P

ASSESSORIA PONENT, S.L.

ASSESSORIA VISERTA, S.L.

ASSESSORS EMPRESARIALS ASEMAX, S.L.P.U.

ASSESSORS FINANCERS CASTELLAR XXI, S.L.L.

ASSESSORS GOMEZ & CAMPOS, S.L.

ASSPE VILANOVA, S.L.

ASTILSUR 2012, S.L.

ASUNFIN, S.L.

AT. VIGO, S.L.

ATENCION Y GESTION PROFESIONAL, S.L.

AUDAL CONSULTORES AUDITORES, S.L.

AUDICONMUR, S.L.

AULES ASESORES, S.L.

AUREA JURISTAS Y ASESORES FISCALES, S.L.P.

AURELIO ALVAREZ SALAMANCA, S.L.

AURVIR & PEÑA CONSULTORES, S.L.

AVANT PERSONAL SERVICES, S.L.

AVANTIS ASESORES JURIDICOS, S.L.

AVARUA CONSULTING, S.L.

AVENTA, S.L.U.

AVENTIS ASESORES, S.L.

AXENTES FINANCEIROS DE BALTAR, S.L.

AYCE CONSULTING, S.L.

AYUDA Y CREDITO CONSULTORES, S.L.

AZ BILBAO GESTION INTEGRAL, S.L.

B&S GLOBAL OPERATIONS CONSULTING, S.A.

BADALONA ASESORES, S.C.C.L.

BAENA ASESORES Y CONSULTORES EMPRESARIALES, S.L.

BAFINCA ESTUDIO FINANCIERO, S.L.

BAGUR CARRERAS ASSESSORS, S.L.

BAILEN ASESORES CONSULTORES, S.L.

BANESFIN, S.L.

BARBESULA MAR, S.L.

BARREIROS Y ASOCIADOS CONSULTORES, S.L.

BARRENA CARABALLO, S.L.U.

BASCUAS ASESORES, S.L.

BAZAR NAVAS, S.L.

BELCASTI, S.L

BENALWIND, S.L.

BENAVIDES & MUÑOZ ASSOCIATS, S.L.

BENCHMARK 5 V'S, S.L.

BENGOETXEA Y ASOCIADOS , S.L.P.

BENIDORM NCS CONSULTING EMPRESARIAL, S.C.V.

BERNAD GESTION FINANCIERA, S.L.

BERNAOLA ASEGURO ARTEKARITZA , S.L.

BETRIU ADVOCATS, S.C.P.

BG ASESORIA DE FINANZAS E INVERSIONES, S.L.

BHEX ASESORES, S.L.P.

BILBAO CONSULTORES GLOBALES, S.L.

BINIPOL 2001, S.L.

BIOK ZERBITZUAK, S.L.

BIRMANI PROMOCIONS, S.L.

BIZKAIBOLSA, S.A.

BKBM CONSULTING INVESTMENT, S.L.

BL ECONOMISTES, S.L.P.

BLADYDUNA, S.L.

BLAI GABINET DE SERVEIS, S.L.

BLANCO & MARTIN ASESORES, S.L.

BLANCO PARRONDO, C.B.

BLANCO Y PARADA ASESORES, S.L.

BLAUSERVEIS PROFESSIONALS, S.L.

BOALAR INVESTMENT, S.L.

BONMATI COMPTABLE, S.L.

BOSCH BATLE CONSULTORIA, S.L.

BOUTIQUE DEL SEGURO BALEAR CORREDURIA DE SEGUROS, S.L.

BRAIN STAFF, S.L.

BRAVOSOL GESTION, S.L.

BROKER F2, S.L.

BROKERMAM NOVA CORREDURIA DE SEGUROS, S.L.

BUFET ENRIC LLINAS, S.L.P.

BUFET JORDI DOMINGO, S.L.P.

BUFET MILARA, S.L.

BUFET PUIG I ASSOCIATS, S.L.P.

BUFETE CANOVAS, S.C.P.

BUFETE CHAMIZO GALAVIS, S.L.

BUFETE MADRIGAL Y ASOCIADOS, S.L.

BUFETE MARTINEZ GARCIA, C.B.

BUFETE ROMERO Y MONGE, S.L.

BUFETE VARGAS DE LA CAL Y ASOCIADOS, S.C.

BUSBAC SERVEIS, S.L.

BUSINESS, DEVELOPMENT AND KNOWLEDGE, S.L.

C. BURGOS GATON, S.L.

CACERES PORRAS, C.B.

CADENAS DE LLANO, S.L.

CAFARES, S.L.U.

CAMPDEPADROS CORREDURIA D'ASSEGURANCES, S.L.

CAMPOS DE PALACIOS ASESORES CORREDURIA DE SEGUROS, S.L.

CANOVAS 1852, S.L.

CANTELAR Y SAINZ DE BARANDA, S.L.

CANTOS Y PASTOR CONSULTING, S.L.

CAÑADA SANCHEZ, S.L.

CAÑELLAS BROS ASSESSORS, S.L.P.

CAPAFONS Y CIA, S.L.

CAPON CONSULTORES, S.L.

CARRETERO E IZQUIERDO ASOCIADOS, S.L.

CARRO FERNANDEZ ASESORES, S.L.

CATDINV CORPORATE FINANCE, S.L.L.

CAUCE CONSULTORES DE NEGOCIO, S.L.

CAURIA PROMOCIONES, S.L.

CE CONSULTING ABOGADOS VIGO, S.L.P.

CEASA ASESORES FISCALES, S.L.

CECEA INTER, S.L.

CENTRAL INTERNACIONAL DE SERVICIOS Y ASESORAMIENTO, S.L.

CENTRE ASSESSOR TERRAFERMA, S.L.

CENTRE CORPORATIU INI 6, S.L.

CENTRE FINANCER BERENGUER SAPENA XABIA, S.L.

CENTRE GESTOR, S.L.

CENTRO ASESOR MONTEHERMOSO, S.L.

CENTRO DE ESTUDIOS ROMO & CAMPOS, S.L.

CENTRO DE NEGOCIOS ASERGALICIA, S.L.

CERTIS MEDIUM, S.L.

CERTOVAL, S.L.

CHAMORRO MULTISERVICIOS, S.L.

CHICLANA 9, S.L.

CHOGUY, S.L.

CLAVE OPTIMA BUSINESS, S.L.U.

CLAVELL & SAINZ DE LA MAZA ASESORES, S.L.

CLUB AVOD, S.L.

CLUSTER ASESORES, S.L.

CLUSTER BUSINESS GROUP, S.L.

CODELVA GESTION, S.L.

COLLET I DURAN, S.L.

COLON DE CARVAJAL SOLANA CARDONA ABOGADOS, S.L.P.

COMES & ASOCIADOS ASESORES, S.L.P.

COMPAÑÍA VIZCAINA DE ASESORIA, S.L.

COMPASS CONSULTING SPAIN, S.L.

CONFIANZ, S.A.P.

CONFIDENTIAL GESTION, S.L.

CONMEDIC GESTIONS MEDICAS, S.L.

CONSULTING DONOSTI, S.L.

CONSULTING EMPRESARIAL CASARES, S.L.

CONSULTING JL ARBILLAGA, S.L.P.U.

CONSULTOR FINANCIERO Y TRIBUTARIO, S.A.

CONSULTORES DEL NORTE, S.L.

CONSULTORES ECONOMICOS Y PATRIMONIALES AAA, S.L.

CONSULTORES EMPRESARIALES TORRES ALBA, S.L.

CONSULTORES FINANCIEROS LABORALES, S.L.

CONSULTORES FINANCIEROS Y PSICOLOGIA JURIDICA, S.L.

CONSULTORES GRUPO DELTA PAMPLONA, S.L.

CONSULTORES LEONESES, S.L.

CONSULTORIA ADMINISTRATIVA DE EMPRESAS CADE, S.L.

CONSULTORIA CIUDADANA EN GESTION Y SEGUROS, S.L.U.

CONSULTORIA FINANCIERA GARCIA CRUZ, S.L.

CONSULTORIA FINANCIERA PONTEVEDRA, S.L.

CONSULTORIA ORTIZ & ASOCIADOS, S.L.

CONSULTORIA PIÑERO, C.B.

CONSULTORIA SANTA FE, S.L.

CONTABILIDADES INFORMATIZADAS DE SAN ANTONIO, S.L.

CONTAS, C.B. LA ESTRADA

CORSAN FINANCE, S.L.

COSENOR INSURANCE BROKER, S.L.

COSTAS NUÑEZ ASESORES, S.L.

COVIBAN ASESORES INMOBILIARIOS, S.L.

COWORKING HOSPITALET, S.L.

CREDYCAU DOHER SURESTE, S.L.U.

CRITERION SONSULTING, S.L.

CROSS ASESORES, S.L.

CUBERO PATRIMONIOS, S.L.

CUELLAR MERCANTIL ASESORIA, S.L.

CUTTER BUSINESS, S.L.

DANTE ASSESSORS, S.R.L.

DARA SPORTS, S.L.

DE CAMBRA AGOGADOS, S.L.

DE LA FUENTE & MARTIN ALONSO ABOGADOS, S.L.

DEEP TIMER, S.L.

DELFOS ASESORIA FISCAL, S.L.

DESPACHO ABACO, S.A.

DESPACHO J.M. COARASA, S.L.

DESPACHO, TRAMITACION Y GESTION DE DOCUMENTOS, S.L.

DIAZ GARCIA ASESORES Y CONSULTORES, S.L.U.

DIAZ Y FERRAZ ASOCIADOS, S.L.

DIMANA ASESORES, S.L.

DINAPIXEL, S.L.

DOBLE A AVILA ASESORES, S.L.

DOMENECH GIMENO GESTIO, S.L.

DOMUS AVILA, S.L.

DORRONSORO URDAPILLETA, S.L.

DOSA ILERGESTION, S.L.

DOWNTOWN IBIZA, S.L.

DUPLA CONSULTORES, S.L.

DURFERAL, S.L.

E.C. ASESORES 2006, S.L.

ECBATAN, S.L.

ECONOMIALEGAL, S.L.

EDISATEL ASESORES, S.L.

EDUARDO ALBERDI ZUBIZARRETA Y OTRA, C.B.

EFILSA, S.C.

EKO - LAN CONSULTORES, S.L.

EL PINOS GESTION LABORAL, S.C.

EL ROBLE PROTECCION, S.L.

ELISENDA VILA ADVOCATS, S.L.P.

EMASFA, S.L.

ENERGIA Y DATOS, S.L.

ENRIQUE AMOR CORREDURIA DE SEGUROS, S.L.

ENTIDAD INTEGRAL DE ACCION Y AYUDA SOCIAL 'EIA'

ENTORNOS RURALES Y URBANOS, S.L.

EPC ASSESORS LEGALS I TRIBUTARIS, S.L.

EROSMARVAL 2013, S.L.

ERUDITISSIMUS DISCIPLINA IURIS, S.L.

ESCAMILLA ASESORES, S.L.

ESCOBAR Y SANCHEZ ABOGADOS, S.L.

ESCRIBANO ABOGADOS, S.L.

ESCRIVA & SANCHEZ CONSULTORES, S.L.P.

ESCRIVA DE ROMANI, S.L.

ESCUDEIRO Y RODRIGUEZ VILA, S.L.P.

ESINCO CONSULTORIA, S.L.

ESTANY DE PEGUERA, S.L.

ESTHA PATRIMONIOS, S.L.

ESTRADA DA GRANXA 6, S.L.

ESTRATEGIA FINANCIERA EMPRESARIAL, S.L.

ESTUDIO FINANCIERO AVANZADO, S.L.

ESTUDIO FISCAL BARCELONA, S.L.

EUROFISC CONSULTING, S.L.

EUROFOMENTO EMPRESARIAL, S.L.

EUROGESTION XXI, S.L.

EUROMAULE, S.L.

EUROTAX ABOGADOS, S.L.

EVALUACION CUANTITATIVA, S.L.

EXAMERON, S.L.

F. D. PANTIGA, S.L.

FAMILYSF SALUFER, S.L.

FARIZO ASESORES, S.L.U.

FARMASERVICIOS Y CONSULTORIA, S.L.

FASE ASESORES, S.L.

FASER 89, S.L.

FAUSBE 2005, S.L.

FELEZ BIELSA, S.L.

FELIX AHOLKULARITZA, S.L.

FEMIDA CONSULTING, S.L.

FERNANDEZ GALBIS, RAMIREZ DE CARTAGENA Y BRAZO, S.L.

FERNANDEZ SERRA, S.L.

FERNANDO BAENA, S.L.

FERPAPER, S.L.

FICOTEC ASESORAMIENTO, S.L.

FINACO ASESORES, S.L.

FINANCIAL AGENTS GANIVET, S.L.

FINANCIAL LIFE PLANNING, S.L.

FINANCIAL PREMIUM CATALUNYA, S.L.

FINANCIAL TOOLS BCN, S.L.

FINANCIERA 2000 ASD, S.L.

FINANCIERA AGRICOLA DEL PONIENTE, S.L.

FINANCIERA MAYORGA, S.L.

FINANCO CONSULTORES, S.L.

FINANSER CONSULTORES, S.L.

FINCAS DELLAKUN, S.L.

FISCOGEST CONSULTING EMPRESARIAL, S.L.U.

FISCOPYME, S.L.

FISLAC ASESORES, S.L.

FOCUS PARTNERS, S.L.

FORMATEDAT, S.L.

FORNIES & GUELBENZU, S.L.

FORUARGI, S.L.

FORUMLEX XXI, S.L.

FRANCES Y BARCELO, C.B.

FRANCIAMAR, S.L.

FRANCISCO JOSE PEÑUELA SANCHEZ, S.L.

FRANK ASESORES, S.L.

FRESNO CAPITAL, S.L.

FUENTES & GESCOM, S.L.

FUSTER Y G. ANDRES ASOCIADOS, S.L.

G & G ASESORES, C.B.

G Y G ABOGADOS, S.L.

G&P, C.B.

GABINET ADMINISTRATIU RAMON GOMEZ, S.L.

GABINET D'ECONOMISTES ASSESSORS FISCALS, C.B.

GABINETE AFIMECO ASESORES, S.A.L.

GABINETE ASESOR THALES, S.L.

GABINETE EMPRESARIAL SALMANTINO, C.B.

GABINETE JURIDICO GESFYL, S.L.

GABINETE JURIDICO-FINANCIERO SERRANO, S.L.

GABINETE LAREU Y SEOANE, S.L.

GAIZKA MUNIATEGUI MUSATADI - IKER BILBAO ZUAZUA, C.B.

GALATEA SYSTEMS, S.L.

GALILEA MARTINEZ ASESORES, S.L.

GALIOT ASESORES, S.L.

GALMES SUREDA, S.L.

GAMTRIS 2006, S.L.

GARCES SUAREZ ASESORES, S.L.

GARCIA LOPEZCONSULTORES, S.L.P.U.

GARCIA LUCHENA ASESORES, S.L.

GARCIA MATEO ASESORES, S.L.U.

GARFE, ASESORAMIENTO Y GESTION EMPRESARIAL, S.L.

GARO ASESORIA CONSULTORIA Y AUDITORIA, S.L.

GARRIDO ABOGADOS, S.L.P.

GARVIN Y FISAC CONSULTORES, S.L.

GARZON SERVICIOS EMPRESARIALES, S.L.

GASEM SERVICIOS, S.L.

GAVAMAR 2011, S.L.

GAYCA ASESORES, S.L.

GEMMA HERNANDEZ, C.B.

GENERAL DE SERVEIS LA SEGARRA, S.L.

GENERAL MEAT, S.L.

GEP HIPOTECAS, S.L.

GESAL ASESORIA, S.L.

GESCOFI OFICINAS, S.L.

GESDIA ASESORES, S.L.U.

GESLALIN, S.L.

GESMADRID ABOGADOS, S.L.P.

GESMUÑOZ GESTORIA ADMINISTRATIVA, S.L.P.

GESPIME ROMERO MIR, S.L.

GESPYME GESTIO I ASSESSORAMENT DE PYMES, S.L.

GESTICONTA 2000, S.L.

GESTINSERVER CONSULTORES, S.L.U.

GESTIO I ASSESSORAMENT OROPESA, S.L.

GESTION ASCEM, S.L.

GESTION DE INVERSIONES Y PROMOCIONES ELKA CANARIAS, S.L.

GESTION ESTUDIO Y AUDITORIA DE EMPRESAS GEA, S.L.

GESTION FINANCIERA CONSULTORA EMPRESARIAL, S.L.

GESTION FINANCIERA MIGUELTURRA, S.L.

GESTION I ASSEGURANCES PERSONALIZADES, S.L.

GESTION INTEGRAL CONTRERAS, S.L.P.U.

GESTION INTEGRAL DE EMPRESAS FUSTER, S.L.

GESTION PARERA, S.L.

GESTION Y FINANZAS ZARAGOZA, S.A.

GESTION Y SERVICIOS JOVER, S.L.

GESTION Y SERVICIOS SAN ROMAN DURAN, S.L.

GESTIONA E INNOVA SERVICIOS ADMINISTRATIVOS, S.L.U.

GESTIONA MADRIDEJOS, S.L.

GESTIONAMOS 64, S.L.

GESTIONES MARTIN BENITEZ, S.L.

GESTIONES ORT-BLANC, S.L.

GESTIONES Y SOLUCIONES EFFICAX, S.L.

GESTIONS EMPRESARIALS CABIROL, S.L.

GESTIOR CONSULTING, S.A.

GESTITRAMI FINANCIAL, S.L.

GESTMILENIUM VALORES, S.L.

GESTORA DE SERVICIOS ECOFIN, S.L.

GESTORDIZ, S.L.L.

GESTORED CONSULTING, S.L.

GESTORIA ADMINISTRATIVA LASTRA, S.L.

GESTORIA ADMINISTRATIVA PALOP ALCAIDE, S.L.P.

GESTORIA ADMINISTRATIVA SAN JOSE, S.L.

GESTORIA ARANA, S.L.

GESTORIA ARENYS, S.L.P.

GESTORIA ASFER, S.L.

GESTORIA CORDOVA OF.TRAMIT. Y GESTION ADMTVA., S.L.

GESTORIA ESTRADA OSONA, S.L.P.

GESTORIA GARCIA NAVARRO, S.L.P.

GESTORIA GARCIA POVEDA, S.R.L.

GESTORIA HERMANOS FRESNEDA, S.L.

GESTORIA IVORRA, S.L.P.U.

GESTORIA JUAN AMER, S.L.

GESTORIA LLURBA GARZON, S.L.

GESTORIA MALINGRE GRANDE, S.L.

GESTORIA MONTSERRAT, S.L.

GESTORIA PARETS, S.L.

GESTORIA PARIS, S.L.

GESTORIA POUSA Y RODRIGUEZ, S.L.

GESTORIA ROYO LOPEZ, S.L.

GESTORIA RUIZ MILLAN, S.L.

GESTVILL ASESORIA VILA-REAL, S.L.U.

GIL MANSERGAS, C.B.

GIL MAYORAL CORREDURIA DE SEGUROS, S.L.

GLOBAL MARKETING CONSULTIG Y GESTION, S.L.

GLOBAL TAX GESTION, S.L.

GONZALEZ & PARDAVILA, S.C.

GONZALEZ & SANTIBAÑEZ GESTION, S.L.

GRACIA-HERNANDEZ-LAPEÑA ASESORIA Y CONSULTORIA INTEGRADAS, S.L.

GRADO CONSULTORES, S.L.

GRAN CANARIA ELEGANCE 7, S.L.

GRANADOS ASSESSORS CONSULTORS, S.L.

GROS MONSERRAT, S.L.

GRUP DE GESTIO PONENT DOS ASSEGURANCES, S.L.

GRUP SBD ASSESSORAMENT I GESTIO, S.L.

GRUPAMERO ADMINISTRACION, S.L.

GRUPO 1 ASESORES, S.C.A.

GRUPO BABAC, S.L.

GRUPO DTM CONSULTING, S.L.

GRUPO FERRERO DE ASESORIA , S.L.

GRUPO FINANCIERO TALAMANCA 11, S.L.

GRUPO SURLEX, S.L.

GRUPODOMO 2002, S.L.L.

GUADALPICO, S.L.

GUERIANO, S.L.

GUILLEN & GIL BUSINESS & CONSULTING, S.L.

GURRIA Y ASOCIADOS, S.C.

GUTIERREZ DE GUEVARA, S.L.

HELP CONTROL DE GESTION, S.L.

HERAS GABINETE JURIDICO Y DE GESTION, S.L.

HERCA CONSULTING, S.L.

HERNEZ GESTORES, S.L.

HERVI, C.B.

HEVIAN CONSULTORES FINANCIEROS, S.L.

HIDALGO GESTIO, S.L.

IB2CLOUD, S.L.

IBERBRIT, S.L.

IBERBROKERS ASESORES LEGALES Y TRIBUTARIOS, S.L.

IBERFIS GESTION FINANCIERA, S.L.

IBERGEST ASESORIA, S.L.L.

IBERKO ECONOMIA Y GESTION, S.L.

IBEROS CAPITAL ADVISORS, S.L.

ICIAR VILLANUEVA CORREDURIA DE SEGUROS, S.L.

IGLESIAS MACEDA BARCO ABOGADOS, C.B.

IGNACIO CONSTANTINO, S.L.

ILLESLEX, S.L.

ILURCE ASESORES Y CONSULTORES, S.L.

INCOS, COMERCIALIZADORA PARA EMPRESAS DE SERVICIOS, S.L.

INDICE GESTION, S.L.

INDOS INGENIEROS DE SISTEMAS, S.L.

INFEM, S.L.

INFOGES PYME, S.L.

INGARBO, S.L.

INICIATIVA EMPRENDEDORA, S.L.U.

INLASTIME, S.L.

INMOBILIARIA DONADAVI, S.L.

INMOGEST2012, S.L.

INMONAEVA, S.L.

INNOVACIONES FINANCIERAS, S.L.

INPOL DESARROLLOS URBANISTICOS, S.L.

INSERVICE D & B, S.L.

INSTITUTO DE ASESORAMIENTO EMPRESARIAL INSESA, S.L.

INSUAS SARRIA, S.L.

INTASSE EMPRESARIAL, S.L.

INTEGRIA ENERGIA EMPRESAS EUROZONA, S.L.

INTELIGENT CENTER SERVICE, S.L.

INVAL 02, S.L.

INVERGESTION MALLORCA, S.L.

INVERGU 2914, S.L.

INVERSAN BROKERS, S.L.

INVERSIONES 16 DE SERVICIOS FINANCIEROS E INMOBILIARIOS, S.L.

INVERSIONES BARCARES 55, S.L.

INVERSIONES CASTUERA, S.L.

INVERSIONES GEFONT, S.L.

INVERSIONES IZARRA 2000, S.L.

INVERSIONES MARTINEZ ESPINOSA E HIJOS, S.L.

INVERSIONES TECNICAS GRUPO CHAHER, S.L.

INVERSIONES TRAVESERA, S.A.

INVERSIONES Y GESTION AINARCU, S.L.

INVERSORA MARTIARTU, S.L.

INVERSUR 4 CUATROS, S.L.

INVERTIA SOLUCIONES, S.L.

INVEST FINANZAS, S.L.U.

INVESTIMENTOS XURDE PABLO, S.L.

IRDIN AUTOMOTIVE,S.L.

ISDAGAR 2000, S.L.

ISLA CONSULTING 2014, S.L.

ITSASADARRA, S.L.

ITZEA, S.L.

IURIS ASSESSORS VIFE, S.L.P.

IXPE ASSESSORS 94, S.L.

IZQUIERDO - PARDO, S.L.P.

J B CONSULTING FINANCIERO, S.L.

J L COLOMINA C CEBRIAN ERNESTO ANTON, C.B.

J. A. GESTIO DE NEGOCIS, S.A.

J. MIR CONSULTORIA, S.L.

J. RETA ASOCIADOS, S.L.

J.F. BONIFACIO SERVICIOS INTEGRALES, S.L.

J.M. CORUJO ASESORES, S.L.

JARVEST GESTION DE INVERSIONES, S.L.

JAVIER CARRETERO Y ASOCIADOS, S.L.

JAYLA CELA, S.L.

JBAUTE, S.L.U.

JEST ASESORES DE EMPRESA Y PARTICULARES, SL

JESTERSA INVERSIONES, S.L.

JESUS FELIU CONSULTORS, S.L.

JGBR ABOGADOS Y ASESORES TRIBUTARIOS, S.L.

JM MORROS I ASSOCIATS, S.L.

JO FINANCIAL LINK SPAIN, S.L.

JOAN MAYANS I ASSOCIATS, S.L.

JOANA JAREÑO, S.L.

JOSE ANGEL ALVAREZ, S.L.U.

JOSE ANTONIO MANRIQUE RULLO, S.L.

JOSE MARIA GARCIA FRAU, S.L.

JOSFRAN ASSESSORS, S.L.

JUAN JOSE ORTIZ, S.L.

JUAN MIGUEL MARQUEZ HORRILLO EMPRESA DE SERVICIOS, S.L.

JURIDIC COMTIGEST, S.L.

KANKEL INVERSIONES, S.L.

KANOPA, S.L.

KONTULAN AHOLKULARITZA, S.L.

KREA MARKETING AND CONSULTING, S.L.

L.G.A. CONSULTORES, S.L.

LABORANTIA, S.L.

LABUTIKE, S.L.

LACOASFI , S.L.

LAJUSER GESTIONES Y ASESORAMIENTOS, S.L.

LAMPER IBERICA, S.L.

LAR CENTRO EMPRESARIAL, S.A.

LARA MARCOS ASESORES, S.C.

LARRE & ASOCIADOS, S.C.P.

LARREY ASESORES, S.L.

LAUKI AHOLKULARITZA, S.L.

LAUKIDE ABOGADOS, C.B.

LAZARO & POUSADA, S.C.

LDG GROUP MULTIFAMILY OFFICE, S.L.

LEAL SLP ASESORIA LABORAL FISCAL Y CONTABLE

LEASBA CONSULTING, S.L.

LEASING E INVERSION EMPRESARIAL, S.L.

LECONDIS, S.L.

LEFISUR ASESORES, S.L.

LEMERODRI, S.L.

LEMES ASESORES FISCALES, S.L.

LENADER, S.L.

LEO GESTION, S.L.U.

LEXEL ESTUDI LEGAL, S.L.

LINEA CONTABLE, S.L.

LIT & PITARCH, S.L.

LIVACE, S.L.

LLADO ADVOCATS ASSOCIATS, S.L.P.

LLANA CONSULTORES, S.L.

LLEDO YANGUAS, S.L.

LLIRIA HOME, S.L.

LLUCIA GUITERAS, S.L.

LLUIS GARRUDO Y ASOCIADOS, S.L.

LOBERA LOPEZ ASESORES, S.L.

LOGARILL & ASOCIADOS, S.L

LOGROSA SOLUCIONES, S.L.

LOSADA Y MORELL, S.L.

LOVENSA INVERSIONES, S.L.

LTA ASESORES LEGALES Y TRIBUTARIOS, S.L.

LUCENTUM ASESORES, S.L.

LUIS F. SIMO, S.L.

LUNA, C.B.

M DE MONTAÑEZ ANALISIS ASEGURADORES, S.L.L.

M&B PLUS ASESORES, S.L.L.

M. L. BROKERS, S.L.

M.C.I. BUREAU CONSULTING DE GESTION, S.L.

MAC PRODUCTOS DE INVERSION Y FINANCIACION, S.L.

MAINCTA, C.B.

MARBAR ASESORES 2014, S.L.

MARCELINO DIAZ Y BARREIROS, S.L.

MARDEBONI, S.L.P.

MARESME CONSULTORS, S.L.

MARIA CARMEN PEREZ AZNAR, S.L.P.

MARIA COBIAN Y ASOCIADOS, S.L.

MARIN Y MATEO ABOGADOS, S.L.P.

MARISCAL CONSULTING, S.L.

MARKETING INTERNACIONAL CONSULTORES, S.A.

MARKETPLACE CONSULTING, S.L.

MARNAT INVERSIONES,S.L.

MARQUES BARO, S.L.

MARTIN GARCIA -ESTRADA ABOGADOS, S.C.

MARTIN PEREZ ASSESSMENT, S.L.P.

MARTIN VALENCIANO, FERNANDO 000680010S, S.L.N.E.

MATARO DE GESTIONS I SERVEIS EMPRESSARIALS, S.L.

MATEO59 AGENTE DE SEGUROS VINCULADO, S.L.

MATTS ASSESSORS LEGALS I ECONOMISTES, S.L.

MAYBE CONSULTORIA INTEGRAL DE EMPRESAS, S.C.A.

MAYTE COSTAS ASESORES, S.L.

MB ASESORES 2012, S.L.P.

MEDICAL CONSULTING PROFESIONAL, S.L.

MELGAREJO Y VIÑALS ASESORES, C.B.

MENDOZA MORANTE E INCLAN, S.L.P.

MERIDIAN ASESORES, S.L.

MESA IZQUIERDO ASOCIADOS, S.L.

MEXICO NOROESTE GESTION EMPRESARIAL, S.L.

MG ECONOMISTES, S.L.U.P.

MI CONSULTORIA, S.L.

MICYD CONSULTING, S.L.

MIQUEL VALLS ECONOMISTES & ASSOCIATS, S.L.P.

MIRO ASSESSORS GESTORIA ADMINISTRATIVA, S.L.P.

MISE MIGUEZ, S.L.

MITECA PROMOCIONES E INVERSIONES, S.L.

MITJAVILA Y ASOCIADOS ESTUDIO JURIDICO FISCAL, S.L.

MOLINA CONSULTING GROUP, S.L.P.

MON JURIDIC RDJ, S.L.

MONTE AZUL CASAS, S.L.

MONTORI HUALDE ASOCIADOS, S.L.L.

MORA MAG, S.A.

MORAN CASTELL-BLANCH LAW AND TAX FIRM, S.L.

MORERA GESTIO EMPRESARIAL, S.L.

MORERA & VALLEJO ESTUDIOS FINANCIEROS, S.L.

MORILLO & PEREZ GESTION 2012, S.L.

MORILLO MUÑOZ, C.B.

MUGA Y LOPEZ ASESORES, S.L.

MUNDOFINANZ CONSULTORES, S.L.

MUÑOZ VIÑOLES, S.L.

NANOBOLSA, S.L.

NASH ASESORES, S.L.U.

NAVES DIAZ ASSOCIATS, S.L.

NEGOCIOS DIZMOR, S.L.

NEGOCONT BILBAO 98, S.L.

NEWLAM INVEST, S.L.

NICCALIA, S.L.

NOBEL GROUP 2011, S.L.

NORMA-3 ON LINE, S.L.

NOVAGESTION AVANZADA, S.L.

NOVAGESTION MARINA BAIXA, S.L.

OBJETIVO MERCADO, S.L.

OBLA 2012 CONSULTING, S.L.

OCIEX ESPAÑA, S.L.L.

OFICINA PALMA, ASESORIA Y FORMACION, S.L.

OFICINA SUPORT, S.L.

OFICINAS ADMINISTRATIVAS FELIX, S.L.

OFICINAS EMA, S.L.

OLAZABAL Y ASOCIADOS, S.C.

OLCADIA INVERSIONES, S.L.

OLIVAR Y CUADRADO ASESORES, S.L.

OLIVERAS TARRES, S.C.

OMEGA GESTION INTEGRAL, S.L.

OMEGA GESTION Y FORMACION, S.L.

OMF ASESORES, S.L.

ONRRISA, S.L.

OPERATIVO CONSULTING, S.L.U.

OPTIMA SAT, S.L.

ORDENACIONES CONTABLES, S.L.

OREGUI ASESORES, S.L.

ORIBIO ASESORES, S.L.

ORTEGAL A ESTACA, S.L.

OSYPAR GESTION, S.L.

OTC ORIENTA PYMES, S.L.

OURENOFIX, S.L.

P V 1, S.L.

PADIMIAN GESTION, S.L.

PALACIOS DIAZ CONSULTORES, S.L.

PARERA CONSULTING GROUP, S.L.

PATRIAL, S.A.

PAUDIM CONSULTORES, S.L.

PAYMER INVERSIONES, S.L.

PB GESTION, S.L.

PEDRO LOPEZ PINTADO E HIJOS, S.L.

PERE ARAÑO PLANAS ASSESSORS, S.L.P.

PERELLO Y TOMAS, S.L.

PEREZ ASESORIA Y SERVICIOS EMPRESARIALES, S.L.

PEREZ SIERRA ASESORES, S.L.

PERNIA CONSULTORES, S.L.

PERUCHET GRUP CONSULTOR D'ENGINYERIA, S.C.P.

PILAR RAMON ALVAREZ, S.L.

PIME ASSESSORAMENT I QUALITAT, S.L.

PIÑOL & PUJOL ASSESSORIA D'EMPRESES, S.L.

PLANNING ASESORES, S.C.

PLEYA GLOBAL SERVICE, S.L.

PLUSIERS CONCEP, S.L.

POGGIO, S.A.

POISY, S.L.

POLO ACCIONES, S.L.

POPIN DE LOS MARES, S.L.

POU ADVOCATS, S.L.P.

POUSADA Y CORTIZAS, S.L.

POZA SOTO INVESTIMENTOS, S.L.

PRESTACIONS DE ASESORAMENTO EMPRESARIAL, S.L.

PREVENALICANTE 2015, S.L.

PREVISION PERSONAL CORREDURIA DE SEGUROS, S.A.

PROELIA, S.L.

PROGESEM, S.L.

PROGRESO 21 CONSULTORES TECNICOS Y ECONOMICOS, S.L.

PROINVER PARTNERS, S.L.

PROYECTOS DE ASESORIA GLOBAL, S.L.

PROYECTOS INTEGRALES FINCASA, S.L.

PROYECTOS PINTON, S.L.

PUENTE & B GESTION INTEGRAL, S.L.

PUERTAS Y GALERA CONSULTING, S.L.

PYME BUSSINES TWO, S.L.

PYME'S ASESORIA, S.L.

QLEY AUDITORES CONSULTORES, S.L.

QUALIFIED EXPERIENCE, S.L.

QUALITY ASEGURA2,S.L.

QUEIJA CONSULTORES, S.L.

QUINTELA Y PEREZ ASESORES, S.L.

R Y B ASESORES, S.L.

R. & J. ASSESSORS D' ASSEGURANCES ASEGUR XXI, S.L.

RACA INVERSIONES Y GESTION, S.L.

RCI EXPANSION FINANCIERA, S.L.U.

REAMOBA, S.L.

RED DE ASESORES ALCAMAN, S.L.

REDIS INVERSIONS, S.L.

REDTAX, S.L.

RENTA INMOBILIARIA ARAGONESA, S.L.

RENTA JUBILADOS, S.L.

RENTABILIDAD VALOR Y UTILIDAD, S.L.

RENTEK 2005, S.L.

REYMONDEZ , S.L.

RGR ACTIVOS E INVERSIONES, S.L.

RIOJAMACRAL, S.L.

ROALGA GESTION DE RIESGOS, S.L.

ROBIPAL 2016, S.L.

ROCA VILA I JURADO ASSOCIATS, S.L.P.

ROCAN ASESORES HUETOR-TAJAR, S.L.

ROCHE BLASCO Y ROCHE ASESORES, S.L.

RODAEL INVERSIONES, S.L.

RODON I VERGES ASSOCIATS, S.L.

ROLO GESTION E INVERSION, S.L.

ROMERO & BURGOS ASESORES, C.B.

ROS PETIT, S.A.

ROSADO PROIMAGEN, S.L.

ROSVEGA, S.L.

ROY ASSESSORS, S.L.

RUALI CONSULTANTS, S.L.

RUIZ ASESORES, S.C.

S B CONSULTING VALENCIA, S.L.

S&B CONSULTORES DE CANTABRIA, S.L.

S.A.G. MEN, S.L.

S.C. BUSINESS ADVISORS, S.L.

S.C.L. ECONOMISTAS CANARIOS

S.M. ASESORES ARAÑUELO, S.L.

SAAVEDRA Y ASOCIADOS ASESORIA EMPRESARIAL, S.L.

SABALLS GESTIO, S.L.

SABATER Y SALVADADOR ABOGADOS, S.L.

SACHEL 82, S.L.

SACRISTAN ASESORES, S.L.

SAENZ DE TEJADA ASESORES, S.L.

SAFE SERVICIOS DE ASESORAMIENTO FISCAL DE LA EMPRESA, S.L.

SAFIN 2062, S.L.

SAFOR CONSULTORES INMOBILIARIOS, S.L.

SAGEM XX, S.L.

SAINZ Y ASOCIADOS, S.L.

SALES HERMANOS, C.B.

SALOR XVI, C.B.

SANTAMANS ASESORES LEGALES Y TRIBUTARIOS, S.L.

SANTIVERI GESTIO I ASSESSORAMENT, S.L.

SAPRO INVESTMENT, S.L.

SAR NARON, S.L.

SARA Y LETICIA, S.L.

SARCASA, S.L.

SAURINA DELGADO ADVOCATS, S.L.

SAYAR & RIVAS ASOCIADOS, S.L.

SB GESTION IMPUESTOS, S.A.

SECI ASESORAMIENTO INTEGRAL 2050, S.L.

SEGURALIA 2050, S.L.

SEGURBAN SERVICIOS DE INTERMEDIACION, S.L.

SEGUROS E INVERSIONES DEL CID & VILLAFAINA, S.L.

SEGURVITAL CORREDURIA DE SEGUROS, S.L.

SELUCON, C.B.

SEMPERE & PICO ASESORES, S.L.

SENDA GESTION, S.L.

SERBANASER 2000, S.L.

SERCOM ARAGON S.XXI, S.L.

SERGESA ASSESSORS, S.L.

SERJACAT, S.L.

SERKA ASESORES, S.L.

SERTE RIOJA, S.A.P.

SERVEIS FINANCERS DE CATALUNYA, S.L.

SERVICAT ASESORES, S.L.

SERVICIOS DE ASESORAMIENTO Y GESTION ATENEA, S.L.

SERVICIOS FINANCIEROS ALENAT, S.L.

SERVICIOS FINANCIEROS AZMU, S.L.

SERVICIOS FINANCIEROS CONTABLES 2000, S.L.

SERVICIOS FINANCIEROS GABIOLA, S.L.

SERVICIOS INTEGRALES CANARIOS, S.L.

SERV. INTEGRALES DE GEST. INMOB., ASESORIA LEGAL Y MEDIOAMBIENTE, S.L.

SERVICIOS JURIDICOS VENTANOVA, C.B.

SERVICIOS JURIDICOS Y ADMINISTRACION GRUPO ROPASA, S.L.

SERVICONTA ALCOY, S.L.

SERVIGEST GESTION EMPRESARIAL, S.L.

SFT SERVICIOS JURIDICOS, S.L.P.

SIERRA FERNANDEZ ASESORES, S.L.

SIGNES ASESORES, S.L.

SIGNIA CONSULTORS, S.L.

SILBERT-4, S.L.

SILJORINE, S.L.

SILLERO MARQUEZ & ASOCIADOS, S.L.

SIP CONSULTORS, S.C.C.L.

SIRVAL, S.A.

SISTEMA ASESORES FERROL, S.L.

SISTEMAS INTEGRADOS DE GESTION PARA LA EMPRESA ANDALUZA, S.L.

SOBALER Y RODRIGUEZ ASESORIA Y GESTION, S.L.

SOCOGADEM, S.L.

SOLIVIS, S.L.

SOLUCIONES FISCALES DE GALICIA, S.L.L.

SOLYGES CIUDAD RODRIGO, S.L.U.

SOMOZA SIMON Y GARCIA, C.B.

SPI SERVICIOS JURIDICOS EMPRESARIALES, S.L.

SSD ASESORES 1963, S.L.

STM NUMMOS, S.L.

SUMA LEGAL, S.L.

T & P SAFOR GESTIO, S.L.

T.S. GESTIO, S.L.

TACASA BIAR, S.L.

TALLER DE PROJECTES GRUP XXI, S.L.L.

TAMG, S.C.

TAPIAS & BELLIDO CONSULTING, S.L.

TARIN MOMPO, S.L.P.

TARRAKO IDEX CORPORATION, S.L.

TARSIUS FINANCIAL ADVICE, S.L.

TAX SAN SEBASTIAN, S.L.

TECFIS, S.L.

TECNICOS AUDITORES CONTABLES Y TRIBUTARIOS EN SERV. DE ASESORAM., S.L.

TECNICOS DE APROVISIONAMIENTO Y ASESORAMIENTO SISTEMATICO, S.L.

TECNIFISCAL, S.L.

TECNOCORDOBA ASESORES TRIBUTARIOS, S.L.L.

TEIKEL WEALTH MANAGEMENT, S.L.

TELEMEDIDA Y GAS, S.L.

TETIAROA GESTION Y CONSULTING 2011, S.L.

THE GADO GROUP. S.L.

THINKCO CONSULTORIA DE NEGOCIO, S.L.

TIGALMA , S.L.

TIO & CODINA ASSESSOR D'INVERSIONS, S.L.

TIRAMAT INVERSIONS, S.L.

TODOPYME, S.L.

TOLL SERVICIOS ECONOMICOS Y FISCALES, S.L.

TOLOCONSULTING, S.L.

TOMAS SECO ASESORES, S.L.

TOP TEN FRANQUICIAS, S.L.

TOPE MEDITERRANEA ASSEGURANCES, S.L.

TORRE DE LA CUESTA CORREDURIA DE SEGUROS, S.L.

TRAMITES FACILES SANTANDER ASESORES Y CONSULTORES, S.L.L.

TRAMITS I FORMES, S.L.

TRAYSERCAN, S.L.

TRES U EMPRESA DE SERVICIOS PROFESIONALES, S.L.

TRILLO PALACIOS ASESORES, S.L.

TURBON ASESORES LEGALES Y TRIBUTARIOS, S.L.

TWOINVER IBERICA, S.L.

TXIRRIENA, S.L.

UGARTE ASOCIADOS SERVICIOS EMPRESARIALES, S.L.

UNIGLOBAL CONSULTING, S.L.

UNIPRASA, S.L.P.

URBANSUR GLOBAL, S.L.

URIBITARTE FINANCIAL, S.L.

USKARTZE, S.L.

V.S. SERVICOS JURIDICOS, S.L.

VACCEOS GESTORES, S.L.

VALDIVIA ASESORES, S.L.

VALOR AFEGIT OSONA, S.L.

VARELA Y LOPEZ ASESORES, S.L.L.

VASALLO RAPELA ASESORES, S.L.

VEJERIEGA CONSULTING, S.L.

VERUM MANAGEMENT, S.L.

VICENTE JUAN ASESORES, S.L.

VICENTE OYA AMATE Y DOS MAS, C.B.

VIGUE PUJOL, S.L.

VILA ABELLO ASESORES, S.L.

VILAR AVIÑO ASESORES, S.L.P.

VILAR RIBA, S.A.

VINTERGEST SERVICIOS INTEGRALES, S.L.

VIÑAS GRABOLEDA ASSESORS, S.L.

VITARSA ESTATE, S.L.

VIVIAL ASESORAMIENTO Y ALQUILERES, S.L.

WEISSE KUSTE, S.L.

WIZNER FAMILY OFFICE, S.L.

XESDEZA, S.L.

XESPRODEM ASESORES, S.L.L.

XESTADEM, S.L.

XESTION CERCEDA, S.L.

YBIS XXI, S.L.

YLLANA Y CABRERIZO CONSULTORES, S.L.

ZALTYS, S.L.

ZATOSTE,S.L.

ZONA JURIDICA AGENTE, S.L.

ZUBIZUA, S.L.

ZUIKER Y ASOCIADOS, S.L.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

APPENDIX XIV. Meger by buyout with Catalunya Banc, S.A. , Banco Depositario BBVA, S.A. y Unoe Bank, S.A

a) Balance sheet of Catalunya Banc, S.A. (December 31, 2015)

ASSETS	Thousand of Euros	Liabilities	Thousand of Euros
1. CASH AND BALANCES WITH CENTRAL BANKS	602,141	1. FINANCIAL LIABILITIES HELD FOR TRADING	240,750
2.FINANCIAL ASSETS HELD FOR TRADING	202,511	1.1.Deposits from central banks	
2.1.Loans and advances to credit institutions		1.2.Deposits from credit institutions	
2.2.Loans and advances to customers		1.3.Customer deposits	
2.3.Debt securities	4,857	1.4.Debt certificates	
2.4.Equity instruments		1.5.Trading derivatives	240,750
2.5.Trading derivatives	197,654	1.6.Short positions	
3.OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS		1.7.Other financial liabilities	
3.1.Loans and advances to credit institutions		2.OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	
3.2.Loans and advances to customers		2.1.Deposits from central banks	
3.3.Debt securities		2.2.Deposits from credit institutions	
3.4.Equity instruments		2.3.Customer deposits	
4. AVAILABLE-FOR-SALE FINANCIAL ASSETS	5,430,528	2.4.Debt certificates	
4.1.Debt securities	5,420,321	2.5.Subordinated liabilities	
4.2.Equity instruments	10,207	2.6.Other financial liabilities	
5.LOANS AND RECEIVABLES	32,570,033	3.FINANCIAL LIABILITIES AT AMORTIZED COST	39,483,794
5.1.Loans and advances to credit institutions	5,398,871	3.1.Deposits from central banks	734,158
5.2.Loans and advances to customers	21,134,351	3.2.Deposits from credit institutions	5,620,840
5.3.Debt securities	6,036,811	3.3.Customer deposits	29,464,026
6.HELD-TO-MATURITY INVESTMENTS		3.4.Debt certificates	3,458,760
7.FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	23,801	3.5.Subordinated liabilities	
8.HEDGING DERIVATIVES	721,673	3.6.Other financial liabilities	206,010
9.NON-CURRENT ASSETS HELD FOR SALE	336,312	4.FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	358,149
10.INVESTMENTS	716,957	5.HEDGING DERIVATIVES	489,183
10.1.Associates	3,415	6.LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	
10.2.Joint ventures		8.PROVISIONS	1,600,411
10.3.Subsidiaries	713,542	8.1.Provisions for pensions and similar obligations	379,854
11.INSURANCE CONTRACTS LINKED TO PENSIONS	204,635	8.2.Provisions for taxes and other legal contingencies	13,400
13.TANGIBLE ASSETS	711,617	8.3.Provisions for contingent risks and commitments	135,490
13.1.Property, plants and equipment	557,070	8.4.Other provisions	1,071,667
13.1.For own use	557,070	9.TAX LIABILITIES	261,054
13.1.2.Other assets leased out under an operating lease		9.1.Current	381
13.2.Investment properties	154,547	9.2.Deferred	260,673
14.INTANGIBLE ASSETS	5,808	11.OTHER LIABILITIES	88,182
14.1.Goodwill		TOTAL LIABILITIES	42,521,523
14.2.Other intangible assets	5,808	EQUITY	
15.TAX ASSETS	3,643,667	1. STOCKHOLDERS' FUNDS	2,603,532
15.1.Current	26,886	1.1.Common Stock	1,978,783
15.2.Deferred	3,616,781	1.1.1.Issued	1,978,783
16.OTHER ASSETS	113,123	1.1.2.Unpaid and uncalled (-)	
TOTAL ASSETS	45,282,806	1.2.Share premium	8,323,677
		1.3.Reserves	-7,613,579
		1.4.Other equity instruments	
		1.4.1.Equity component of compound financial instruments	
		1.4.3. Other equity instuments	
		1.5. Less: Treasury stock	7,174
		1.6.Income attributed to the parent company	-78,175
		1.7.Less: Dividends and remuneration	
		2.VALUATION ADJUSTMENTS	157,751
		2.1.Available-for-sale financial assets	287,292
		2.2.Cash flow hedging	-134,100
		2.3.Hedging of net investment in foreign transactions	
		2.4.Exchange differences	
		2.5.Non-current assets held-for-sale	
		2.7.Other valuation adjustments	4,559
		TOTAL EQUITY	2,761,283
		TOTAL LIABILITIES AND EQUITY	45,282,806
		1.CONTINGENT RISKS	807,758
		2.CONTINGENT COMMITMENTS	6,482,185

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

b) Balance sheet of Banco Depositario BBVA, S.A. (December 31, 2015)

ASSETS	Thousand of Euros
1. CASH AND BALANCES WITH CENTRAL BANKS	
2. FINANCIAL ASSETS HELD FOR TRADING	
2.1. Loans and advances to credit institutions	
2.2. Loans and advances to customers	
2.3. Debt securities	
2.4. Equity instruments	
2.5. Trading derivatives	
3. OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	
3.1. Loans and advances to credit institutions	
3.2. Loans and advances to customers	
3.3. Valores representativos de deuda	
3.4. Debt securities	
4. AVAILABLE-FOR-SALE FINANCIAL ASSETS	
4.1. Debt securities	
4.2. Equity instruments	
5. LOANS AND RECEIVABLES	**4,252,843**
5.1. Loans and advances to credit institutions	4,251,213
5.2. Loans and advances to customers	1,630
5.3. Debt securities	
6. HELD-TO-MATURITY INVESTMENTS	
7. FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	
8. HEDGING DERIVATIVES	
9. NON-CURRENT ASSETS HELD FOR SALE	
10. EQUITY METHOD	
10.1. Associates	
10.2. Jointly controlled entities	
10.3. Subsidiaries	
11. INSURANCE CONTRACTS LINKED TO PENSIONS	
13. TANGIBLE ASSETS	**10**
13.1. Property, plants and equipment	10
13.1.1. For own use	10
13.1.2. Other assets leased out under an operating lease	
13.2. Investment properties	
14. INTANGIBLE ASSETS	**39**
14.1. Goodwill	
14.2. Other intangible assets	39
15. TAX ASSETS	**709**
15.1. Current	348
15.2. Deferred	361
16. OTHER ASSETS	**109**
TOTAL ASSETS	**4,253,710**

LIABILITIES	Thousand of Euros
1. FINANCIAL LIABILITIES HELD FOR TRADING	
1.1. Deposits from central banks	
1.2. Deposits from credit institutions	
1.3. Customer deposits	
1.4. Debt certificates	
1.5. Trading derivatives	
1.6. Short positions	
1.7. Other financial liabilities	
2. OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	
2.1. Deposits from central banks	
2.2. Deposits from credit institutions	
2.3. Customer deposits	
2.4. Debt certificates	
2.5. Subordinated liabilities	
2.6. Other financial liabilities	
3. FINANCIAL LIABILITIES AT AMORTIZED COST	**4,193,498**
3.1. Deposits from central banks	
3.2. Deposits from credit institutions	42,483
3.3. Customer deposits	4,147,672
3.4. Debt certificates	
3.5. Subordinated liabilities	
3.6. Other financial liabilities	3,343
4. FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	
5. HEDGING DERIVATIVES	
6. LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	
8. PROVISIONS	**44**
8.1. Provisions for pensions and similar obligations	43
8.2. Provisions for taxes and other legal contingencies	
8.3. Provisions for contingent exposures and commitments	1
8.4. Otras provisiones	
9. TAX LIABILITIES	**8,000**
9.1. Current	8,000
9.2. Deferred	
11. OTHER LIABILITIES	**4,055**
TOTAL LIABILITIES	**4,205,597**
EQUITY	
1. STOCKHOLDERS' FUNDS	**48,113**
1.1. Common Stock/Fondo de dotación (a)	5,412
1.1.1. Issued	5,412
1.1.2. Unpaid and uncalled (-)	
1.2. Share premium	138
1.3. Reserves	15,079
1.4. Other equity instruments	
1.4.1. Equity component of compound financial instruments	
1.4.3. Other equity instruments	
1.5. Less: Treasury stock	
1.6. Income attributed	27,484
1.7. Less: Dividends and remuneration	
2. VALUATION ADJUSTMENTS	
2.1. Available-for-sale financial assets	
2.2. Cash flow hedging	
2.3. Hedging of net investment in foreign transactions	
2.4. Exchange differences	
2.5. Non-current assets held-for-sale	
2.7. Other valuation adjustments	
TOTAL EQUITY	**48,113**
TOTAL LIABILITIES AND EQUITY	**4,253,710**
MEMORANDUM ITEM	
1. CONTINGENT RISK	**49**
2. CONTINGENT COMMITMENTS	

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish generally accounting principles (Bank of Spain Circular 4/2004, and as amended thereafter, which adapts the EU-IFRES for banks. See Note 52).

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

c) Balance sheet of Unoe Bank, S.A. (December 31, 2015)

	ASSETS	Thousand of Euros
1.	**CASH AND BALANCES WITH CENTRAL BANKS**	**73,422**
2.	**FINANCIAL ASSETS HELD FOR TRADING**	
2.1.	Loans and advances to credit institutions	
2.2.	Loans and advances to customers	
2.3.	Debt securities	
2.4.	Equity instruments	
2.5.	Trading derivatives	
3.	**OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**	
3.1.	Loans and advances to credit institutions	
3.2.	Loans and advances to customers	
3.3.	Valores representativos de deuda	
3.4.	Debt securities	
4.	**AVAILABLE-FOR-SALE FINANCIAL ASSETS**	**342**
4.1.	Debt securities	
4.2.	Equity instruments	342
5.	**LOANS AND RECEIVABLES**	**1,374,000**
5.1.	Loans and advances to credit institutions	304,468
5.2.	Loans and advances to customers	1,069,532
5.3.	Debt securities	
6.	**HELD-TO-MATURITY INVESTMENTS**	
7.	**FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK**	
8.	**HEDGING DERIVATIVES**	
9.	**NON-CURRENT ASSETS HELD FOR SALE**	**10**
10.	**EQUITY METHOD**	**8,771**
10.1.	Associates	95
10.2.	Jointly controlled entities	
10.3.	Subsidiaries	8,676
11.	**INSURANCE CONTRACTS LINKED TO PENSIONS**	
13.	**TANGIBLE ASSETS**	**11**
13.1.	Property, plants and equipment	11
13.1.1.	For own use	11
13.1.2.	Other assets leased out under an operating lease	
13.2.	Investment properties	
14.	**INTANGIBLE ASSETS**	**1,425**
14.1.	Goodwill	
14.2.	Other intangible assets	1,425
15.	**TAX ASSETS**	**10,759**
15.1.	Current	115
15.2.	Deferred	10,644
16.	**OTHER ASSETS**	**4,112**
	TOTAL ASSETS	**1,472,852**

	LIABILITIES	Thousand of Euros
1.	**FINANCIAL LIABILITIES HELD FOR TRADING**	
1.1.	Deposits from central banks	
1.2.	Deposits from credit institutions	
1.3.	Customer deposits	
1.4.	Debt certificates	
1.5.	Trading derivatives	
1.6.	Short positions	
1.7.	Other financial liabilities	
2.	**OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**	
2.1.	Deposits from central banks	
2.2.	Deposits from credit institutions	
2.3.	Customer deposits	
2.4.	Debt certificates	
2.5.	Subordinated liabilities	
2.6.	Other financial liabilities	
3.	**FINANCIAL LIABILITIES AT AMORTIZED COST**	**1,267,510**
3.1.	Deposits from central banks	
3.2.	Deposits from credit institutions	517,160
3.3.	Customer deposits	747,053
3.4.	Debt certificates	
3.5.	Subordinated liabilities	
3.6.	Other financial liabilities	3,297
4.	**FAIR VALUE CHANGES OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK**	
5.	**HEDGING DERIVATIVES**	
6.	**LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE**	
8.	**PROVISIONS**	**143**
8.1.	Provisions for pensions and similar obligations	13
8.2.	Provisions for taxes and other legal contingencies	
8.3.	Provisions for contingent exposures and commitments	
8.4.	Otras provisiones	130
9.	**TAX LIABILITIES**	**4,856**
9.1.	Current	4,830
9.2.	Deferred	26
11.	**OTHER LIABILITIES**	**9,850**
	TOTAL LIABILITIES	**1,282,359**
	EQUITY	
1.	**STOCKHOLDERS' FUNDS**	**190,477**
1.1.	Common Stock/Fondo de dotación (a)	80,317
1.1.1.	Issued	80,317
1.1.2.	*Unpaid and uncalled (-)*	
1.2.	Share premium	21,649
1.3.	Reserves	61,975
1.4.	Other equity instruments	
1.4.1.	Equity component of compound financial instruments	
1.4.3.	Other equity instruments	
1.5.	*Less: Treasury stock*	
1.6.	Income attributed	26,536
1.7.	*Less: Dividends and remuneration*	
2.	**VALUATION ADJUSTMENTS**	**16**
2.1.	Available-for-sale financial assets	16
2.2.	Cash flow hedging	
2.3.	Hedging of net investment in foreign transactions	
2.4.	Exchange differences	
2.5.	Non-current assets held-for-sale	
2.7.	Other valuation adjustments	
	TOTAL EQUITY	**190,493**
	TOTAL LIABILITIES AND EQUITY	**1,472,852**
	MEMORANDUM ITEM	
1.	**CONTINGENT RISK**	
2.	**CONTINGENT COMMITMENTS**	**2,356,419**

d) List of goods transferred subject to amortization

LIST OF GOODS TRANSFERRED BY CATALUNYA BANC, S.A.- Millions of Euros

	Previous years	2004	2005	2006	2007	2008	2009	2010	###	2012	2013	2014	2015	TOTAL
Property	444	8	24	4	70	1	1	2	-	-	-	-	-	**554**
Fixtures	173	16	22	16	31	27	6	3	6	13	3	3	8	**327**
Computer equipment	9	1	6	5	8	4	2	4	5	1	2	3	17	**67**
Furniture	18	2	3	3	4	3	1	1	-	-	-	-	-	**35**
TOTAL GROSS COST	**644**	**27**	**55**	**28**	**113**	**35**	**10**	**10**	**11**	**14**	**5**	**6**	**25**	**983**

Property Accrued depreciation	(80)
Fixtures Accrued depreciation	(256)
Computer equipment Accrued depreciation	(48)
Furniture Accrued depreciation	(33)
TOTAL ACCRUED DEPRECIATION AS OF DECEMBER 31, 2015	**(417)**
TOTAL NET COST AS OF DECEMBER 31, 2015	**566**

The breakdown of transferred assets that are subject to amortization for Banco Depositario and Uno-e is not shown because the assets of their balance sheets as of December 31, 2015 did not reach 1 million euros.

Glossary

Additional Tier 1 Capital	Includes: Preferred stock and convertible perpetual securities and deductions
Adjusted acquisition cost	The acquisition cost of the securities less accumulated amortizations, plus interest accrued, but not net of any other valuation adjustments.
Amortized cost	The amortized cost of a financial asset is the amount at which it was measured at initial recognition minus principal repayments, plus or minus, as warranted, the cumulative amount taken to profit or loss using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or change in measured value.
Associates	Companies in which the Group has a significant influence, without having control. Significant influence is deemed to exist when the Group owns 20% or more of the voting rights of an investee directly or indirectly.
Available-for-sale financial assets	Available-for-sale (AFS) financial assets are debt securities that are not classified as held-to-maturity investments or as financial assets designated at fair value through profit or loss (FVTPL) and equity instruments that are not subsidiaries, associates or jointly controlled entities and have not been designated as at FVTPL.
Basic earnings per share	Calculated by dividing “Profit attributable to Parent Company” corresponding to ordinary shareholders of the entity by the weighted average number of shares outstanding throughout the year (i.e., excluding the average number of treasury shares held over the year).
Basis risk	Risk arising from hedging exposure to one interest rate with exposure to a rate that reprices under slightly different conditions.
Business combination	A business combination is a transaction, or any other event, through which a single entity obtains the control of one or more businesses.
Cash flow hedges	Those that hedge the exposure to variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss.
Commissions	Income and expenses relating to commissions and similar fees are recognized in the consolidated income statement using criteria that vary according to their nature. The most significant income and expense items in this connection are: · Fees and commissions relating linked to financial assets and liabilities measured at fair value through profit or loss, which are recognized when collected · Fees and commissions arising from transactions or services that are provided over a period of time, which are recognized over the life of these transactions or services. · Fees and commissions generated by a single act are accrued upon execution of that act.

Consolidated statements of cash flows	The indirect method has been used for the preparation of the consolidated statement of cash flows. This method starts from the entity's consolidated profit and adjusts its amount for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with cash flows classified as investment or finance. As well as cash, short-term, highly liquid investments subject to a low risk of changes in value, such as cash and deposits in central banks, are classified as cash and equivalents. When preparing these financial statements the following definitions have been used: · Cash flows: Inflows and outflows of cash and equivalents. · Operating activities: The typical activities of credit institutions and other activities that cannot be classified as investment or financing activities. · Investing activities: The acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents or in operating activities. · Financing activities: Activities that result in changes in the size and composition of the Group's equity and of liabilities that do not form part of operating activities.
Consolidated statements of changes in equity	The consolidated statements of changes in equity reflect all the movements generated in each year in each of the headings of the consolidated equity, including those from transactions undertaken with shareholders when they act as such, and those due to changes in accounting criteria or corrections of errors, if any. The applicable regulations establish that certain categories of assets and liabilities are recognized at their fair value with a charge to equity. These charges, known as "Valuation adjustments" (see Note 31), are included in the Group's total consolidated equity net of tax effect, which has been recognized as deferred tax assets or liabilities, as appropriate.
Consolidated statements of recognized income and expenses	The consolidated statements of recognized income and expenses reflect the income and expenses generated each year. Such statement distinguishes between income and expenses recognized in the consolidated income statements and "Other recognized income (expenses)" recognized directly in consolidated equity. "Other recognized income (expenses)" include the changes that have taken place in the year in the "Valuation adjustments" broken down by item. The sum of the changes to the heading "Other comprehensive income " of the consolidated total equity and the consolidated profit for the year comprise the "Total recognized income/expenses of the year".
Contingencies	Current obligations of the entity arising as a result of past events whose existence depends on the occurrence or non-occurrence of one or more future events independent of the will of the entity.
Contingent commitments	Possible obligations of the entity that arise from past events and whose existence depends on the occurrence or non-occurrence of one or more future events independent of the entity's will and that could lead to the recognition of financial assets.

Control	An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. An investor controls an investee if and only if the investor has all the following: a) Power; An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns. b) Returns; An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. The investor's returns can be only positive, only negative or both positive and negative. c) Link between power and returns; An investor controls an investee if the investor not only has power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's returns from its involvement with the investee.
Correlation risk	Correlation risk is related to derivatives whose final value depends on the performance of more than one underlying asset (primarily, stock baskets) and indicates the existing variability in the correlations between each pair of assets.
Credit Valuation Adjustment (CVA)	An adjustment to the valuation of OTC derivative contracts to reflect the creditworthiness of OTC derivative counterparties.
Current tax assets	Taxes recoverable over the next twelve months.
Current tax liabilities	Corporate income tax payable on taxable profit for the year and other taxes payable in the next twelve months.
Debit Valuation Adjustment (DVA)	An adjustment made by an entity to the valuation of OTC derivative liabilities to reflect within fair value the entity's own credit risk.
Debt certificates	Obligations and other interest-bearing securities that create or evidence a debt on the part of their issuer, including debt securities issued for trading among an open group of investors, that accrue interest, implied or explicit, whose rate, fixed or benchmarked to other rates, is established contractually, and take the form of securities or book-entries, irrespective of the issuer.
Deferred tax assets	Taxes recoverable in future years, including loss carry forwards or tax credits for deductions and tax rebates pending application.
Defined benefit plans	Post-employment obligation under which the entity, directly or indirectly via the plan, retains the contractual or implicit obligation to pay remuneration directly to employees when required or to pay additional amounts if the insurer, or other entity required to pay, does not cover all the benefits relating to the services rendered by the employees when insurance policies do not cover all of the corresponding post-employees benefits.
Defined contribution plans	Defined contribution plans are retirement benefit plans under which amounts to be paid as retirement benefits are determined by contributions to a fund together with investment earnings thereon. The employer's obligations in respect of its employees current and prior years' employment service are discharged by contributions to the fund.
Deposits from central banks	Deposits of all classes, including loans and money market operations, received from the Bank of Spain and other central banks.

Deposits from credit institutions	Deposits of all classes, including loans and money market operations received, from credit entities.
Deposits from customers	Redeemable cash balances received by the entity, with the exception of debt certificates, money market operations through counterparties and subordinated liabilities, which are not received from either central banks or credit entities. This category also includes cash deposits and consignments received that can be readily withdrawn.
Derivatives	The fair value in favor (assets) or again (liabilities) of the entity of derivatives not designated as accounting hedges.
Derivatives - Hedging derivatives	Derivatives designated as hedging instruments in an accounting hedge. The fair value or future cash flows of those derivatives is expected to offset the differences in the fair value or cash flows of the items hedged.
Diluted earnings per share	Calculated by using a method similar to that used to calculate basic earnings per share; the weighted average number of shares outstanding, and the profit attributable to the parent company corresponding to ordinary shareholders of the entity, if appropriate, is adjusted to take into account the potential dilutive effect of certain financial instruments that could generate the issue of new Bank shares (share option commitments with employees, warrants on parent company shares, convertible debt instruments, etc.).
Dividends and retributions	Dividend income collected announced during the year, corresponding to profits generated by investees after the acquisition of the stake.
Early retirements	Employees that no longer render their services to the entity but which, without being legally retired, remain entitled to make economic claims on the entity until they formally retire.
Economic capital	Methods or practices that allow banks to consistently assess risk and attribute capital to cover the economic effects of risk-taking activities.
Effective interest rate	Discount rate that exactly equals the value of a financial instrument with the cash flows estimated over the expected life of the instrument based on its contractual period as well as its anticipated amortization, but without taking the future losses of credit risk into consideration.
Employee expenses	All compensation accrued during the year in respect of personnel on the payroll, under permanent or temporary contracts, irrespective of their jobs or functions, irrespective of the concept, including the current costs of servicing pension plans, own share based compensation schemes and capitalized personnel expenses. Amounts reimbursed by the state Social Security or other welfare entities in respect of employee illness are deducted from personnel expenses.
Equity	The residual interest in an entity's assets after deducting its liabilities. It includes owner or venturer contributions to the entity, at incorporation and subsequently, unless they meet the definition of liabilities, and accumulated net profits or losses, fair value adjustments affecting equity and, if warranted, non-controlling interests.
Equity instruments	An equity instrument that evidences a residual interest in the assets of an entity, that is after deducting all of its liabilities.
Equity instruments issued other than capital	Includes equity instruments that are financial instruments other than "Capital" and "Equity component of compound financial instruments".

Equity Method	Is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.
Exchange/translation differences	Exchange differences (P&L): Includes the earnings obtained in currency trading and the differences arising on translating monetary items denominated in foreign currency to the functional currency. Exchange differences (valuation adjustments): those recorded due to the translation of the financial statements in foreign currency to the functional currency of the Group and others recorded against equity.
Exposure at default	EAD is the amount of risk exposure at the date of default by the counterparty.
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Fair value hedges	Derivatives that hedge the exposure to changes in the fair value of assets and liabilities or firm commitments that have not be recognized, or of an identified portion of said assets, liabilities or firm commitments, attributable to a specific risk, provided it could affect the income statement.
Financial guarantees	Contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument, irrespective of its instrumentation. These guarantees may take the form of deposits, technical or financial guarantees, insurance contracts or credit derivatives.
Financial guarantees given	Transactions through which the entity guarantees commitments assumed by third parties in respect of financial guarantees granted or other types of contracts.
Financial instrument	A financial instrument is any contract that gives rise to a financial asset of one entity and to a financial liability or equity instrument of another entity.
Financial liabilities at amortized cost	Financial liabilities that do not meet the definition of financial liabilities designated at fair value through profit or loss and arise from the financial entities' ordinary activities to capture funds, regardless of their instrumentation or maturity.
Consolidation method	Method used for the consolidation of the accounts of the Group's subsidiaries. The assets and liabilities of the Group entities are incorporated line-by-line on the consolidate balance sheets, after conciliation and the elimination in full of intragroup balances, including amounts payable and receivable. Group entity income statement income and expense headings are similarly combined line by line into the consolidated income statement, having made the following consolidation eliminations: a) income and expenses in respect of intragroup transactions are eliminated in full. b) profits and losses resulting from intragroup transactions are similarly eliminated. The carrying amount of the parent's investment and the parent's share of equity in each subsidiary are eliminated.
Goodwill	Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not able to be individually identified and separately recognized.
Hedges of net investments in foreign operations	Foreign currency hedge of a net investment in a foreign operation.

Held for trading (assets and liabilities)	Financial assets and liabilities acquired or incurred primarily for the purpose of profiting from variations in their prices in the short term. This category also includes financial derivatives not qualifying for hedge accounting, and in the case of borrowed securities, financial liabilities originated by the firm sale of financial assets acquired under repurchase agreements or received on loan ("short positions").
Held-to-maturity investments	Held-to-maturity investments are financial assets traded on an active market, with fixed maturity and fixed or determinable payments and cash flows that an entity has the positive intention and financial ability to hold to maturity.
Impaired financial assets	A financial asset is deemed impaired, and accordingly restated to fair value, when there is objective evidence of impairment as a result of one or more events that give rise to: a) A measurable decrease in the estimated future cash flows since the initial recognition of those assets in the case of debt instruments (loans and receivables and debt securities). b) A significant or prolonged drop in fair value below cost in the case of equity instruments.
Income from equity instruments	Dividends and income on equity instruments collected or announced during the year corresponding to profits generated by investees after the ownership interest is acquired. Income is recognized gross, i.e., without deducting any withholdings made, if any.
Insurance contracts linked to pensions	The fair value of insurance contracts written to cover pension commitments.
Inventories	Assets, other than financial instruments, under production, construction or development, held for sale during the normal course of business, or to be consumed in the production process or during the rendering of services. Inventories include land and other properties held for sale at the real estate development business.
Investment properties	Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for own use or sale in the ordinary course of business.
Joint control	The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Joint venture	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.
Leases	A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time, a stream of cash flows that is essentially equivalent to the combination of principal and interest payments under a loan agreement. a) A lease is classified as a finance lease when it substantially transfers all the risks and rewards incidental to ownership of the asset forming the subject-matter of the contract. b) A lease will be classified as operating lease when it is not a financial lease.

Liabilities included in disposal groups classified as held for sale	The balance of liabilities directly associated with assets classified as non-current assets held for sale, including those recognized under liabilities in the entity's balance sheet at the balance sheet date corresponding to discontinued operations.
Liabilities under insurance contracts	The technical reserves of direct insurance and inward reinsurance recorded by the consolidated entities to cover claims arising from insurance contracts in force at period-end.
Loans and advances to customers	Loans and receivables, irrespective of their type, granted to third parties that are not credit entities.
Loans and receivables	Financial instruments with determined or determinable cash flows and in which the entire payment made by the entity will be recovered, except for reasons attributable to the solvency of the debtor. This category includes both the investments from the typical lending activity (amounts of cash available and pending maturity by customers as a loan or deposits lent to other entities, and unlisted debt certificates), as well as debts contracted by the purchasers of goods, or users of services, that form part of the entity's business. It also includes all finance lease arrangements in which the consolidated subsidiaries act as lessors.
Loss given default (LGD)	It is the estimate of the loss arising in the event of default. It depends mainly on the characteristics of the counterparty, and the valuation of the guarantees or collateral associated with the asset.
Mortgage-covered bonds	Financial asset or security created from mortgage loans and backed by the guarantee of the mortgage loan portfolio of the entity.
Non performing financial guarantees given	The balance of non performing risks, whether for reasons of default by customers or for other reasons, for financial guarantees given. This figure is shown gross: in other words, it is not adjusted for value corrections (loan loss reserves) made.
Non-controlling interests	The net amount of the profit or loss and net assets of a subsidiary attributable to associates outside the group (that is, the amount that is not owned, directly or indirectly, by the parent), including that amount in the corresponding part of the consolidated earnings for the period.
Non-current assets and disposal groups held for sale	A non-current asset or disposal group, whose carrying amount is expected to be realized through a sale transaction, rather than through continuing use, and which meets the following requirements: a) it is immediately available for sale in its present condition at the balance sheet date, i.e. only normal procedures are required for the sale of the asset. b) the sale is considered highly probable.
Non-monetary assets	Assets and liabilities that do not provide any right to receive or deliver a determined or determinable amount of monetary units, such as tangible and intangible assets, goodwill and ordinary shares subordinate to all other classes of capital instruments.
Option risk	Risks arising from options, including embedded options.

Other financial assets/liabilities at fair value through profit or loss	Instruments designated by the entity from the inception at fair value with changes in profit or loss. An entity may only designate a financial instrument at fair value through profit or loss, if doing so more relevant information is obtained, because: a) It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes called "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. It might be acceptable to designate only some of a number of similar financial assets or financial liabilities if doing so a significant reduction (and possibly a greater reduction than other allowable designations) in the inconsistency is achieved. b) The performance of a group of financial assets or financial liabilities is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity´s key management personnel. These are financial assets managed jointly with “Liabilities under insurance contracts” measured at fair value, in combination with derivatives written with a view to significantly mitigating exposure to changes in these contracts' fair value, or in combination with financial liabilities and derivatives designed to significantly reduce global exposure to interest rate risk. These headings include customer loans and deposits effected via so-called unit-linked life insurance contracts, in which the policyholder assumes the investment risk.
Other Reserves	This heading is broken down as follows: i) Reserves or accumulated losses of investments in subsidiaries, joint ventures and associate: include the accumulated amount of income and expenses generated by the aforementioned investments through profit or loss in past years. ii) Other: includes reserves different from those separately disclosed in other items and may include legal reserve and statutory reserve.
Other retributions to employees long term	Includes the amount of compensation plans to employees long term
Own/treasury shares	The amount of own equity instruments held by the entity.
Post-employment benefits	Retirement benefit plans are arrangements whereby an enterprise provides benefits for its employees on or after termination of service.
Potential problem risk	All debt instruments and contingent risks which do not meet the criteria to be classified individually as non-performing or written-off, but show weaknesses that may entail for the entity the need to assume losses greater than the hedges for impairment of risks subject to special monitoring.

Probability of default (PD)	It is the probability of the counterparty failing to meet its principal and/or interest payment obligations. The PD is associated with the rating/scoring of each counterparty/transaction.
Property, plant and equipment/tangible assets	Buildings, land, fixtures, vehicles, computer equipment and other facilities owned by the entity or acquired under finance leases.
Provisions	Provisions include amounts recognized to cover the Group's current obligations arising as a result of past events, certain in terms of nature but uncertain in terms of amount and/or cancellation date.
Provisions for contingent liabilities and commitments	Provisions recorded to cover exposures arising as a result of transactions through which the entity guarantees commitments assumed by third parties in respect of financial guarantees granted or other types of contracts, and provisions for contingent commitments, i.e., irrevocable commitments which may arise upon recognition of financial assets.
Provisions for pensions and similar obligation	Constitutes all provisions recognized to cover retirement benefits, including commitments assumed vis-à-vis beneficiaries of early retirement and analogous schemes.
Provisions or (-) reversal of provisions	Provisions recognized during the year, net of recoveries on amounts provisioned in prior years, with the exception of provisions for pensions and contributions to pension funds which constitute current or interest expense.
Refinanced Operation	An operation which is totally or partially brought up to date with its payments as a result of a refinancing operation made by the entity itself or by another company in its group.
Refinancing Operation	An operation which, irrespective of the holder or guarantees involved, is granted or used for financial or legal reasons related to current or foreseeable financial difficulties that the holder(s) may have in settling one or more operations granted by the entity itself or by other companies in its group to the holder(s) or to another company or companies of its group, or through which such operations are totally or partially brought up to date with their payments, in order to enable the holders of the settled or refinanced operations to pay off their loans (principal and interest) because they are unable, or are expected to be unable, to meet the conditions in a timely and appropriate manner.
Repricing risk	Risks related to the timing mismatch in the maturity and repricing of assets and liabilities and off-balance sheet short and long-term positions.
Restructured Operation	An operation whose financial conditions are modified for economic or legal reasons related to the holder's (or holders') current or foreseeable financial difficulties, in order to enable payment of the loan (principal and interest), because the holder is unable, or is expected to be unable, to meet those conditions in a timely and appropriate manner, even if such modification is provided for in the contract. In any event, the following are considered restructured operations: operations in which a haircut is made or assets are received in order to reduce the loan, or in which their conditions are modified in order to extend their maturity, change the amortization table in order to reduce the amount of the installments in the short term or reduce their frequency, or to establish or extend the grace period for the principal, the interest or both; except when it can be proved that the conditions are modified for reasons other than the financial difficulties of the holders and, are similar to those applied on the market on the modification date for operations granted to customers with a similar risk profile.

Retained earnings	Accumulated net profits or losses recognized in the income statement in prior years and retained in equity upon distribution.
Share premium	The amount paid in by owners for issued equity at a premium to the shares' nominal value.
Shareholders' funds	Contributions by stockholders, accumulated earnings recognized in the income statement and the equity components of compound financial instruments.
Short positions	Financial liabilities arising as a result of the final sale of financial assets acquired under repurchase agreements or received on loan.
Significant influence	Is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If an entity holds, directly or indirectly (i.e. through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (i.e. through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence. The existence of significant influence by an entity is usually evidenced in one or more of the following ways: a) representation on the board of directors or equivalent governing body of the investee; b) participation in policy-making processes, including participation in decisions about dividends or other distributions c) material transactions between the entity and its investee; d) interchange of managerial personnel; or e) provision of essential technical information.
Subordinated liabilities	Financing received, regardless of its instrumentation, which ranks after the common creditors in the event of a liquidation.
Subsidiaries	Companies over which the Group exercises control. An entity is presumed to have control over another when it possesses the right to oversee its financial and operational policies, through a legal, statutory or contractual procedure, in order to obtain benefits from its economic activities. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of an entity's voting power, unless, exceptionally, it can be clearly demonstrated that ownership of more than one half of an entity's voting rights does not constitute control of it. Control also exists when the parent owns half or less of the voting power of an entity when there is: a) an agreement that gives the parent the right to control the votes of other shareholders; b) power to govern the financial and operating policies of the entity under a statute or an agreement; power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; c) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.
Tax liabilities	All tax related liabilities except for provisions for taxes.

Territorials bonds	Financial assets or fixed asset security issued with the guarantee of portfolio loans of the public sector of the issuing entity
Tier 1 Capital	Includes: Common stock, parent company reserves, reserves in consolidated companies, non-controlling interests, deduction and others and attributed net income
Tier 2 Capital	Includes: Subordinated, preferred shares, generic countable and non- controlling interest
Unit-link	This is life insurance in which the policyholder assumes the risk. In these policies, the funds for the technical insurance provisions are invested in the name of and on behalf of the policyholder in shares of Collective Investment Institutions and other financial assets chosen by the policyholder, who bears the investment risk.
Value at Risk (VaR)	Value at Risk (VaR) is the basic variable for measuring and controlling the Group's market risk. This risk metric estimates the maximum loss that may occur in a portfolio's market positions for a particular time horizon and given confidence level VaR figures are estimated following two methodologies: · VaR without smoothing, which awards equal weight to the daily information for the immediately preceding last two years. This is currently the official methodology for measuring market risks vis-à-vis limits compliance of the risk. · VaR with smoothing, which weights more recent market information more heavily. This is a metric which supplements the previous one. VaR with smoothing adapts itself more swiftly to the changes in financial market conditions, whereas VaR without smoothing is, in general, a more stable metric that will tend to exceed VaR with smoothing when the markets show less volatile trends, while it will tend to be lower when they present upturns in uncertainty.
Yield curve risk	Risks arising from changes in the slope and the shape of the yield curve.

BBVA

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Management Report for the year ended December 31, 2016

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Management report for the year ended December 31, 2016

1. Introduction

Banco Bilbao Vizcaya Argentaria, S.A. (the "Bank" or "BBVA") is a private-law entity governed by the rules and regulations applicable to banks operating in Spain. The Bank conducts its business through branches and offices located throughout Spain and abroad.

The management report of BBVA, S.A. has been prepared from the individual accounting and management records of Banco Bilbao Vizcaya Argentaria, SA

BBVA is the parent company of the BBVA Group (hereinafter, "the Group"). It is an internationally diversified group with a significant presence in the business of traditional retail banking, asset management and wholesale banking.

The financial information included in this management report is presented in accordance with the criteria established by the Bank of Spain Circular 4/2004, of December 22, on Public and Confidential Financial Reporting Rules and Formats for Financial Statements, and its subsequent amendments.

2. Economic outlook

Global growth is expected to be slightly higher than 3% in 2017 and 2018, sustained by support from central banks, relative calm on the financial markets and the recovery of emerging economies. The key in this scenario of weak economic growth within a context of reduced global trade and a greater aversion to the spread of globalization lies in addressing the economic consequences of some of the risks linked to economic policies. First, there is the uncertainty in connection with the economic policy of the new administration in the United States, particularly regarding protectionism and its potential global effects. Second, while the impact of Brexit (the referendum at the end of June resulting in a victory for those wanting the United Kingdom to leave the European Union) has not had a systemic impact, there is nevertheless lingering uncertainty regarding the negotiations related to it, which could weigh heavily on economic confidence in 2017. An additional factor is concern with respect to the results of a very busy electoral calendar throughout Europe.

The 2017 outlook for Spain is one of moderate growth of up to 2.7%, in light of the weakening of some support factors such as fiscal policy and an increase in oil prices.

The recovery in the rest of Europe faces the risk of a slowdown associated with political uncertainty or the reversal of the reforms implemented in some countries. In this context, we expect a GDP growth of 1.7% in 2016 and 1.6% in 2017.

In the United States, there are still major doubts regarding economic policy, particularly with respect to trade agreements, as well as the rate of interest rate hikes by the Fed and their resulting impact on emerging economies. In light of the foregoing, the average growth in 2016 will slow to 1.6% and then increase slightly above 2% in 2017. In this scenario, the Fed is expected to conduct a gradual normalization process in a context characterized by the uncertainty of the external environment together with the Fed's own concerns regarding the trending growth in productivity and the economy's potential GDP growth.

The key for emerging economies is management of their vulnerability to sudden movements of capital. There has been increased inflationary pressure in Turkey, which could lead to a tougher monetary policy in an environment of moderate growth of approximately 2.5% in 2016 and 2017. The pace of economic growth in Mexico could have tapered off slightly to below 2% in 2016 and this slowdown may become more pronounced, down to 1% in 2017, given the uncertainty associated with the trade measures adopted by the United States. The GDP of South America as a whole could contract by over 2% in 2016, though it should recover and post growth of slightly over 1% in 2017 thanks to the increased contribution from the foreign sector, the end of the downturn in Brazil, private investment in Argentina and the plans for public-sector investment in countries such as Peru and Colombia.

However, in the more medium and longer term, the greatest risk for the global economy remains linked to the imbalances in China's economy. In this regard, concerns regarding a substantial slowdown in 2016 were allayed after reports of 6.6% growth (6.9% in 2015). However, the outlook continues to be for a gradual slowdown to around 6% in 2017. In the long term, doubts regarding the prospects of growth remain, given the slow progress of structural reforms in some key areas, particularly in state-owned companies.

3. Balance sheet, business activity and earnings

The key figures in the Bank's balance sheet with respect to its main business are as follow:

The Bank's total balance sheet as of December 31, 2016 stood at €418,447 million (€397,303 million in 2015). At the close of 2016, "Loans and receivables – Loans and advances to customers" amounted to €213,890 million, compared with €197,422 million for the previous year. As of December 31, 2016, customer deposits stood at €207,946 million (€190,222 million in 2015).

In 2016, the Bank had a net profit after tax of €1,662 million euros (€2,864 million in 2015). Operating expenses increased from €3,756 million in 2015 to €4,247 million in 2016. Gross income for 2016 totaled €8,674 million, compared with €7,701 million in 2015. Net interest income in 2016 stood at €3,523 million (€3,339 million in 2015).These changes are mainly explicated by the merger process of BBVA, S.A (absorbing company), Catalunya Banc, S.A. and Unoe Bank, S.A. during 2016.

4. Risk management

BBVA's risk management system is outlined in Note 5, Risk Management, of the accompanying Financial Statements.

5. BBVA Group solvency and capital ratios

The BBVA Group's capital ratios

BBVA Group's solvency and capital ratios required by the regulation in force are outlined in Note 28 of the accompanying Financial Statements.

6. Environmental information

6.1. Environmental commitment

Sustainable development is a priority for BBVA Group, given that as a financial institution it has a considerable impact on the environment, whether through the consumption of natural resources, management of its buildings, use of paper, travel, etc. (direct impact), or through the environmental consequences of BBVA Group products and services, particularly those related to financing, asset management and supply chain activities (indirect impact).

This commitment is set out in the Group's Environmental Policy, whose scope is global and affects all the activities carried out by the Group, i.e. banks and activities of subsidiaries in which BBVA has effective control.

6.2. Aims of the environmental policy

The objectives of the BBVA Group's environmental policy are as follows:

- To comply with prevailing environmental legislation where the BBVA Group operates.
- To continuously improve the identification and management of environmental risks in the Group's financial and investment operations.
- To integrate the environmental variables into the development of financial products and services.
- To reach Eco-efficiency in the use of natural resources, setting and fulfilling objectives for improvement as set out in the Global Eco-efficiency Plan.
- To manage direct impacts through an environmental management system based on ISO 14001 and other recognized environmental certifications.
- To have a positive influence on the environmental behavior of stakeholders through communication and raising awareness of the importance of the environment as an additional input in business and human management practice.
- To inform, raise awareness of, and train employees in environmental issues.
- To provide support for sponsorship, voluntary work and environmental research.

6.3. Main environmental actions in 2016

The main environmental actions that the BBVA Group carried out in 2016 are as follows:

- Launch of the third Global Eco-efficiency Plan 2016-2020, which establishes objectives in terms of environmental management and sustainable construction, energy and climate change, water, paper and waste. The previous Global Eco-efficiency Plan successfully concluded in 2015, far exceeding the targets set: reduce electricity consumption by 14%, water consumption by 23%, paper consumption by 43% and CO2 emissions by 16%; and increase the number of employees working in buildings that have been awarded environmental certification by 33% (compared with 2012 data).
- Improved environmental risk management systems in project finance through Equator Principles and in determining borrower credit profiles through the tool Ecorating.
- Leadership in financing renewable energy project at international level.
- Active participation in the green bond market.
- Social and environmental risk training for the Group's risk analysts.
- Activity with multilateral institutions that contribute to regional development through the project finance and trading operations, mainly in the agricultural and energy efficiency sectors.
- Support for major international initiatives to fight against climate change such as CDP, Green Bonds Principles, Global Investor Statement on Climate Change, declaration of the European Financial Services Roundtable in support of a response to climate change and the Joint Declaration on Energy Efficiency in the financial sector, promoted by UNEP FI.
- Development of ambitious environmental sponsorship programs, particularly through the BBVA Foundation. Worth noting are the BBVA Foundation Frontiers of Knowledge awards in the Ecology, Conservation Biology and Climate Change categories, each provided with €400,000, as well as the BBVA Foundation Award for Biodiversity Conservation which carry a total cash prize of €580,000
- Environmental awareness-raising activities with the Group's employees.

As of December 31, 2016, there are no items in the BBVA Group's consolidated Financial Statements that warranted inclusion in the separate environmental information document set out in the Ministry of Economy Order dated October 8, 2001.

7. Customer Care Service and Customer Ombudsman

The activities of the Customer Care Service and Customer Ombudsman in 2016 complied with Article 17 of Ministerial Order ECO/734/2004 of 11 March, issued by the Spanish Ministry of the Economy regarding customer care departments and services and the customer ombudsman in financial institutions; they also followed BBVA Group's Customer Protection Charter in Spain, which the BBVA Board of Directors approved in 2015, regulating the activities and powers of the Customer Care Service and Customer Ombudsman.

Thus, BBVA's Customer Care Service relays complains and complaints addressed to the Customer Ombudsman and, initially, to the Customer Care Service, except for matters falling within the powers of the Customer Ombudsman as established in the aforementioned Charter.

7.1. Report on the activity of the Customer Care Service department

In 2016, the Customer Care Service consolidated the proposals initiated in 2015 and, in keeping with the European guidelines on complaints established by the pertinent authorities the European Securities and Markets Authority (ESMA) and the European Banking Authority (EBA), worked on detected recurring, system-related or potential problems at the institution. Two key functions of the BBVA quality strategy are anticipation and root cause analysis. The Customer Care Service is a fundamental element for detecting and subsequently proposing action plans to improve customer experience and meet regulatory requirements.

The grievances and complaints handled are classified:

Type of Complaint to the Customer Care Service	Percentage of Complaints
Assets products	26.0%
Operations	29.0%
Commisions and expenses	0.0%
Customer information	8.0%
Investments - Derivatives	8.0%
Collection and payment services	10.0%
Financial and welfare products	6.0%
Other	13.0%
Total	**100%**

The complaints handled in 2016, broken down by the nature of their final resolution, are as follows:

Resolution for Complaints to the Customer Service Center	Number of Complaints
In favor of the person submitting the complaint	6,373
Partially in favor of the person submitting the complaint	2,511
In favor of the BBVA Group	9,594
Total	**18,478**

Quality governance has become one of the essential levers driving the corporate strategy and objectives that have been defined for service quality. In this regard, the a number of committees constituting quality governance assist in the adoption of improvement measures for the areas in which errors or poor practices were detected, creating work groups to operate with the support of the Bank's senior management. In 2016, this Service proposed 73 improvement plans, 58 of which have already been implemented.

Through periodic committee meetings, the Customer Care Service continues working on the uniformity of criteria, harvesting the fruits of this labor in an internal tool for grouping procedures, management criteria, rules, regulations and response models applicable to each type.

Additionally, and with a view to fulfilling the recommendations of regulators, an ambitious training plan has been created for all the members who are part of this Service's team. The plan aims to broaden the legal understanding of managers while deepening comprehension of the practical aspects of banking management: operations, marketing and action protocols in the retail network.

In line with the demands of society, there is particular sensitivity concerning protection for mortgage debtors, proposing solutions to enable debtors to pay their obligations with the entity and collaborating closely with the Social Housing Policy department, which is in turn a party represented on the Central Mortgagor Debtor Protection Committee.

The non-complex tasks of complaints admission and management that had been outsourced in 2015 were consolidated in 2016, resulting in more agile and motivated responses and guaranteeing compliance with the guidelines.

The complaints management tool launched at the beginning of 2015 is now fully operational and has become an essential element for not only complaints and claims management but also analysis of root causes.

Moreover, the Network Quality and Internal Quality units were incorporated into Quality and Customer Care in 2016. The aim has been to generate a single quality model that would enable us to satisfy our strategic priority of providing a new standard in customer experience by incorporating a unique vision and forestalling inefficiencies and dispersions.

7.2. Report on the activity of BBVA´s Customer Ombudsman

In accordance with article 17 of Order ECO / 734/2004, dated on March 11, of the Ministry of Economy, departments and services of customer service and customer defender of financial institutions, is included a summary of the activity in the year 2016 of the office of the BBVA´s Customer Ombudsman:

Statistical summary of grievances and complaints handled in 2016

Customer complaints submitted to the Customer Ombudsman for a decision in 2016 numbered 1,348 cases. Of these cases, 85 were finally not admitted for processing because they failed to meet the requirements stipulated in Ministerial Order ECO/734/2004. Of the total cases, 92.06%, a total of 1,241, were resolved and concluded within the year, and a total of 22 were pending analysis.

The grievances and complaints handled are classified in the table below in line with the criteria established by the Complaints Service of the Bank of Spain in its requests for information:

Type of Complaint to the Customer Ombudsman	Number of Complaints
Assets operations	462
Investment services	298
Liabilities operations	137
Other banking products (cash, ATM, etc.)	175
Collection and payment services	86
Insurance and welfare products	62
Other	128
Total	**1,348**

The details of the complaints resolved in 2016, broken down according to their final resolution, are as follows:

Resolution for Complains of the Ombudsman	Number of Complaints
In favor of the person submitting the complaint	0
Partially in favor of the person submitting the complaint	784
In favor of the BBVA Group	457
Total	**1,241**

Based on the above, it can be concluded that more than 59.20% of customers bringing a complaint before the Customer Ombudsman were in some way satisfied, either as a consequence of Ombudsman's formal resolution or because of the outcome of its action as mediator between the customer and the Bank.

The Customer Ombudsman's decisions are based on current legislation, on the contractual relationships in place between the parties, on current standards on transparency and customer protection, on best banking practices and, especially, on the principle of equity.

Independence is an essential aspect of the Customer Ombudsman. Resolutions by the Ombudsman that are favorable to the customer are binding on BBVA.

Recommendations or suggestions

Among the various initiatives implemented by the Bank at the behest of the Ombudsman in 2016, we would highlight the following:

- Suggestions have been made to relevant departments, for improving the Bank's claims system which can contribute to a better and more satisfactory customer service.
- Recommendations for clarity, simplicity and transparency of the information provided to customers on products and services offered by the Bank, as well as improving personal treatment quality with those.
- There have been recommendations on the suitability of matching product profile with customer profile, advertising and marketing and to streamline and improve insurance claims management.

- In partnership with Quality, Legal Services in Spain and Portugal, and the Customer Care Service, a Quality Committee has been set up, which meets on a monthly basis with the participation of various of the Group's Units and Areas in Spain to discuss and share problems, ideas or suggestions related to the grievances and complaints lodged by the customers, in order to improve the Group's complaints system and thus contribute to providing better and more satisfactory care to the customers.
- Group representatives are in constant contact and meet regularly with the Complaints Service of the Bank of Spain, the CNMV and the Spanish General Directorate of Insurance and Pension Funds, with the common goal of harmonizing criteria and fostering more robust customer protection and security.

Customers not satisfied with the resolution of the Customer Ombudsman can appeal before the Bank of Spain, the CNMV or the Spanish General Directorate of Insurance and Pension Funds. The Ombudsman always informs the customers of this option.

In 2016, 104 complaints by BBVA, S.A. customers were filed before the various public supervisory institutions, which were processed in the Office of the Ombudsman previously.

8. Innovation and Technology

BBVA is engaged in a process of digital transformation, the main aim of which is to achieve its aspiration of strengthening relationships with its customers and being the best possible Bank for them. The Engineering division's mission is therefore to enable a technology strategy that provides the foundation for this transformation, thus becoming more customer-centric and establishing a more global strategy, fast to implement, digital, flexible, and leveraged on the Group's data. This must be done while continuing to provide support to the Bank's core business: a) catering to the demand for traditional business (multi-segment, multi-product, multi-channel, etc.); and b) contributing reliability, with the necessary tools to ensure adequate internal controls, based on consistent information and data. Likewise, another Engineering objective is to provide the Group with all the tools it needs to drive profitability, new productivity paradigms and new business processes.

Customers are at the heart of digital transformation. To deliver on their requirements it is necessary to offer real-time operation, making all the necessary information and procedures available anywhere, anytime, and any channel. The area's responsibilities therefore need to be revised, particularly regarding rapid product development, the open ecosystem concept and the critical role of data. Therefore, the main lines of work focus on the following:

- A new technology stack to offer customers services that are more suited to their needs, in terms of speed and content.
- Alliances with strategic partners to harness cutting-edge technology, and the necessary collaboration to speed up the transformation process.
- Productivity and reliability, i.e. securing improved performance from technology, and doing so in a manner that is fully reliable and guarantees the highest quality standards.

New technology stack: cloud paradigms

With customers increasingly making use of digital channels, and therefore driving an exponential increase in transaction numbers, the Group has developed its IT model into a more uniform and scalable system, boosting cloud technology.

In 2016 Engineering has worked on constructing the fundamental building blocks of the technology stack that includes the entire BBVA Group and shares the cloud attributes such as flexibility and stability that are demanded by the digital world, while strictly complying with regulatory requirements. This new stack will enable real-time access, a new approach to data management and the optimization of processing costs, meaning customers benefit from a service that caters directly to their needs.

Strategic alliances

Engineering has driven creation of a network of strategic alliances, giving traction to BBVA's digital transformation and complementing its technology stack. Establishing an ecosystem of strategic alliances with some of the leading businesses in the market ensures the adoption of innovative technologies, digitalization of the business and speed in the global activation, deployment and operation of solutions. Furthermore, by building a network of technological alliances with strategic partners, BBVA will work in close cooperation with some of the foremost companies in their respective fields, such as Salesforce, Red Hat, Amazon Web Services or Cisco.

Productivity and reliability

Productivity is one of the key aspects of the BBVA transformation process. Greater productivity is critical to providing our customers with the best possible service while being profitable. Engineering is therefore working on the following:

- Technology transformation at two levels:
  - Hardware: creating the components of the new infrastructure, redirecting demand to new models based on the cloud paradigm and progressive migration of traditional transactions.
  - Software: reusing functionalities and automating as many processes as possible.
- Transformation of operations with a multi-local focus, representing a new organizational approach to production and functions that optimizes processes.

It is critical to obtain the best possible performance from infrastructures, architectures, operations and internal processes, and to do so in a way that is fully reliable. Reliability is another key factor for the Engineering function and digital transformation. Reliability must be at the heart of businesses, guaranteeing utmost quality standards; both internally, when providing service to other BBVA units, and from an external point of view, when providing a service to customers.

Operational and technological risk management

One standout initiative for the future in terms of the security and protection of technology channels is the complete account opening process via mobile devices, meaning customers do not have to go into a branch to open an account. This service has been designed pursuant to the directives of the Commission on the Prevention of Money Laundering and Monetary Offenses (SEPBLAC), and incorporates modern facial recognition technology, with capabilities to identify forged national ID cards (DNI). These technologies will be gradually incorporated into the most critical processes for customer relations via technological channels.

Work has been carried out in the field of business continuity, meaning contingency plans for low-probability but extremely high-impact events. Business impact analysis has been updated and implemented, reviewing technology dependency on critical processes to improve service recovery in the event of IT system malfunction. Business continuity plans have also been activated in several incidents that have affected BBVA Group, such as the flooding of the Mapocho River affecting the Bank's headquarters in Chile, social disturbances that affected the headquarters in Mexico and Venezuela, and the impact of Hurricane Mathew in the south of the United States.

At the same time, digital transformation has established itself as a strategic priority for the financial sector in general and for BBVA in particular. In this context, it is vital that we ensure effective protection for BBVA's brand and assets, as well as our customers' data, from the threats present in the virtual environment. To achieve this, BBVA has created a reliable and efficient center for cyber-attack prevention, alerts and response. This ensures that the Group develops at the same pace as organized technological crime.

BBVA has also consolidated deployment of the cybersecurity standard designed by NIST (National Institute for Standards and Technologies) as a benchmark framework for management and control.

Finally, it is important to note that BBVA is utterly committed to protecting its customers. It therefore works closely with regulators and the rest of the industry across its global footprint.

9. Other information

9.1. Capital and treasury stock

Information about common stock and transactions with treasury stock is detailed in Notes 23 and 26 of the accompanying Financial Statements.

9.2. Shareholder remuneration and allocation of earnings

Information about shareholder remuneration and application of earnings can be found in Note 3 of the accompanying Financial Statements.

9.3. Average period for payment to suppliers

The average period payment to suppliers during the year 2016 is 33 days, below the maximum legal limit of 60 days established by Law 15/2010 of July 5, for which measures are put into place combating late payment in commercial transactions. The calculation of the average period for payment was made as established in the Act.

10. Subsequent events

The interim dividend approved on December 21, 2016 was paid out on January 12, 2017, as detailed in Note 3.

On February 1, 2017, BBVA´s shareholder remuneration policy for 2017 was announced (see Note 4).

From January 1, 2017 to the date of preparation of these consolidated financial statements, no other subsequent events not mentioned above in these financial statements have taken place that could significantly affect the Group's earnings or its equity position.

11. Annual corporate governance report

In accordance with the provisions of Article 540 of the Spanish Corporate Act, the BBVA Group prepared the Annual Corporate Governance Report for 2016 (which is an integral part of the Management Report for that year) following the content guidelines set down in Order ECC/461/2013, dated March 20, and in CNMV Circular 5/2013, dated June 12 in the wording provided by CNMV Circular 7/2015, dated December 22, including a section detailing the degree to which the Bank is compliant with existing corporate governance recommendations in Spain. In addition, all the information required by Article 539 of the Spanish Corporations Act can be accessed on BBVA's website www.bbva.com

.

ANNUAL CORPORATE GOVERNANCE REPORT ON THE PUBLICLY TRADED COMPANIES

ISSUER IDENTIFICATION

FINANCIAL YEAR-END 31/12/2016

TAX ID No.: A-48265169

Registered name: BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Registered Address: Plaza de San Nicolás 4, 48005 Bilbao (Vizcaya)

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

ANNUAL CORPORATE GOVERNANCE REPORT
ON THE PUBLICLY TRADED COMPANIES

A. OWNERSHIP STRUCTURE

A.1 Fill in the following table on the company's share capital:

Date of last modification	Share capital (EUR)	Number of shares	Number of voting rights
20/10/2016	3,217,641,468.58	6,566,615,242	6,566,615,242

Indicate if there are different classes of shares with different rights associated with them.

NO

Class	Number of shares	Nominal amount	Number of voting rights	Different rights

A.2 Detail the direct and indirect owners of significant holdings in your company at year-end, excluding directors:

Name of shareholder (person or company)	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	

Indicate the most significant movements in the shareholder structure during the year.

Name of shareholder (person or company)	Date of the transaction	Description of the transaction

A.3 Fill in the following tables with the members of the company's Board of Directors with voting rights on company shares:

Name of director	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	
FRANCISCO GONZÁLEZ RODRÍGUEZ	2,255,715		1,716,059	0.06%
CARLOS TORRES VILA	173,974			0.00%
TOMÁS ALFARO DRAKE	17,425			0.00%
JOSÉ MIGUEL ANDRÉS TORRECILLAS	10,632			0.00%

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

JOSÉ ANTONIO FERNÁNDEZ RIVERO	74,467			0.00%
BELÉN GARIJO LÓPEZ	0		0	0.00%
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	51,983			0.00%
SUNIR KUMAR KAPOOR	0		0	0.00%
CARLOS LORING MARTÍNEZ DE IRUJO	58,311			0.00%
LOURDES MÁIZ CARRO	0		0	0.00%
JOSÉ MALDONADO RAMOS	38,761			0.00%
JOSÉ LUIS PALAO GARCÍA-SUELTO	10,928			0.00%
JUAN PI LLORENS	0		0	0.00%
SUSANA RODRÍGUEZ VIDARTE	26,390		1,008	0.00%
JAMES ANDREW STOTT	103		10,000	0.00%

% total voting rights held by the Board of Directors	**0.06%**

Fill in the following tables with the members of the company's Board of Directors with share options:

Name of director (person or company)	Number of direct share options	Indirect share options		Number of equivalent shares	% of total voting rights
		Direct owner	Number of voting rights		
FRANCISCO GONZÁLEZ RODRÍGUEZ	239,636	0	0	0	0.00%
CARLOS TORRES VILA	111,425	0	0	0	0.00%
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	23,942	0	0	0	0.00%

A.4 Where applicable, indicate any family, commercial, contractual or corporate relationships between holders of significant shareholdings, insofar as the company is aware of them, unless they are of little relevance or due to ordinary trading or exchange activities:

Related name (person or company)	Type of relationship	Brief description

A.5 Where applicable, indicate any commercial, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary trading or exchange activities:

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

Related name (person or company)	Type of relationship	Brief description

A.6 Indicate whether the company has been informed of any shareholder agreements that may affect it as set out under articles 530 and 531 of the Corporate Enterprises Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

NO

Participants in shareholders agreements	% of share capital affected	Brief description of agreement

Indicate whether the company is aware of the existence of concerted actions amongst its shareholders. If so, describe them briefly.

NO

Participants in concerted action	% of share capital affected	Brief description of concerted action

If there has been any amendment or breaking-off of said pacts or agreements or concerted actions, indicate this expressly:

A.7 Indicate whether any person or organization exercises or may exercise control over the company pursuant to article 5 of the Securities Exchange Act. If so, identify names:

NO

Name (person or company)

Comments

A.8 Fill in the following tables regarding the company's treasury stock:

At year end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
2,789,894	4,440,893	0.11%

(*) Through:

Name of direct owner of shareholding (person or company)	Number of direct shares
CORPORACIÓN GENERAL FINANCIERA, S.A.	4,440,893
Total:	**4,440,893**

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

Give details of any significant changes during the year, pursuant to Royal Decree 1362/2007.

Explain the significant changes
Seven treasury stock communications were made in 2016, of which two correspond to a change in the number of voting rights in the "Dividend Option", which let shareholders decide whether to receive shares or cash for their dividend payment and the rest correspond to acquisitions passed the 1% threshold. These communications are detailed below: • Communication date: 12 January 2016 with a total of 1,114,168 direct shares and 38,177,251 indirect shares acquired for 0.617% of the total share capital. This communication was made after acquisitions passed the 1% threshold. • Communication date: 03 March 2016 with a total of 4,065,465 direct shares and 34,238,771 indirect shares acquired for 0.602% of the total share capital. This communication was made after acquisitions passed the 1% threshold. • Communication date: 28 April 2016 with a total of 802,445 direct shares and 21,959,011 indirect shares acquired for 0.351% on the total share capital. This communication was made on execution of the "Dividend Option" program. • Communication date: 24 June 2016 with a total of 1,491,209 direct shares and 23,702,450 indirect shares acquired for 0.389% of the total share capital. This communication was made after acquisitions passed the 1% threshold. • Communication date: 29 September 2016 with a total of 1,513,946 direct shares and 7,696,489 indirect shares acquired for 0.142% on the total share capital. This communication was made after acquisitions passed the 1% threshold. • Communication date: 25 October 2016 with a total of 7,932,973 direct shares and 10,159,764 indirect shares acquired for 0.276% of the total share capital in the "Dividend Option" program. • Communication date: 13 December 2016 with a total of 896,297 direct shares and 7,267,288 indirect shares acquired for 0.124% of the total share capital. This communication was made after acquisitions passed the 1% threshold.

A.9 Describe the conditions and term of the prevailing mandate from the general meeting to the Board of Directors to issue, buy back and transfer treasury stock.

- The Annual General Meeting of Shareholders of BBVA held on 16 March 2012, under item three of the agenda, passed a resolution to delegate to the Board of Directors the power to increase the Bank's share capital, within a maximum term of 5 years following the date of the resolution, up to a maximum amount corresponding to 50% of BBVA's share capital on the date of such authorization, on one or several occasions, by issuing new ordinary or privileged shares with or without voting rights, including redeemable shares or shares of any other kind, with or without an issue premium, the countervalue of said shares comprising cash considerations. The authorization includes the setting out of the terms and conditions of the common stock increase, the determination of the nominal value of the shares to be issued, their characteristics and any privileges they may confer, the attribution of the right of redemption and the conditions of redemption, and the exercise of that right by BBVA; and grants the Board of Directors with the capacity to exclude the preemptive subscription right regarding shares issued by virtue of said resolution, though this capacity is limited to 20% of the share capital of BBVA on the date of said authorization.

  In the meeting held on 19 November 2014, the BBVA Board of Directors, by virtue of the aforementioned delegation, agreed to a common stock increase with exclusion to the preemptive subscription right through an Accelerated Bookbuilding Offering (ABO). On 20 November 2014, the common stock increase was executed for a nominal amount of €118,787,879.56 by issuing 242,424,244 ordinary shares of BBVA, each one at a nominal value of €0.49, in the same class and series as the shares currently in circulation.

- The fifth item on the agenda at BBVA's Annual General Meeting of Shareholders held on 16 March 2012 agreed to power to the Board of Directors to issue securities convertible and/or exchangeable for BBVA shares on one or multiple occasions within a maximum period of 5 years from the date of the adoption the agreement to do so, for a maximum amount of €12,000,000,000 or its equivalent in any other currency, extending the delegation's aspects and capacities to: establish the different aspects and conditions of each issue; increase the share capital by the amount needed to address the requests for conversion or subscription; exclude the preemptive subscription right to shareholders whenever necessary or required in the interest of the company; and determine the rate of conversion and/or exchange and the date of conversion and/or exchange.

  In exercising this delegation in 2016, 2015, 2014 and 2013, BBVA executed four issues of convertible perpetual securities into new issues of ordinary BBVA shares (level 1 additional capital instruments) with exclusion of the preemptive subscription right, amounting to €1 billion in 2016, €1.5 billion in 2015 and 2014 respectively and USD $1.5 billion in 2013.

- The Annual General Meeting of Shareholders of BBVA held on 14 March 2014, under agenda item three, agreed to authorized BBVA, directly or via any of its subsidiaries, for a maximum term of five years from the date of said resolution, for the derivative acquisition of BBVA shares at any time and on as many occasions as it deems appropriate, by any means permitted by law, including charging the acquisition to the year's profits and/or unrestricted reserves, and to subsequently dispose of the shares acquired, indicating that derivative acquisition of shares will at all times be carried out in compliance with the conditions established under applicable legislation and, in particular, the following conditions: (i) at no time will the nominal value of the treasury stock acquired, directly or indirectly, under this authorization, added to the shares already owned by the Company and its subsidiaries, exceed 10% of the subscribed share capital of BBVA or, as appropriate, the maximum amount permitted by applicable legislation; (ii) the acquisition shall not result in the equity being less than the share capital plus the legal reserves or the reserves that are restricted by the Company bylaws; (iii) a restricted reserve, equivalent to the sum of treasury stock of the company recorded to assets, may be established against the net equity; (iv) shares acquired must be fully paid up, unless the acquisition is without consideration, and must not entail any obligation to provide ancillary benefits; and (v) the acquisition price per share will not be below the nominal value of the share or more than 20% above the listed price or any other price associated with the shares on the acquisition date. Moreover, said General Meeting expressly authorized that the shares acquired by BBVA or its subsidiaries by exercising the aforementioned authorization may be wholly or partially earmarked for delivery to workers or directors of BBVA or its subsidiaries.

- The General Meeting of Shareholders of BBVA held on 11 March 2016 resolved, under item three, sections 3.3 and 3.4 of the agenda, to perform two common stock increases to be charged to voluntary reserves through the issue of new ordinary shares each with a nominal value of €0.49, without issue premium, which as of 31 December 2016 had not been executed. The maximum term for the execution of said increases is one year from the date of the adoption of said resolutions.

A.9 bis Estimated floating capital:

	%
Estimated floating capital	100

A.10 Indicate whether there is any restriction on the transferability of securities and/or any restriction on voting rights. In particular, report the existence of any restrictions that might hinder the take-over of control of the company by purchasing its shares on the market.

NO

A.11 Indicate whether the General Meeting has agreed to adopt measures to neutralize a public takeover bid, pursuant to Act 6/2007.

NO

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

A.12 Indicate whether the company has issued securities that are not traded on a regulated market in the EU.

YES

Where applicable, indicate the different classes of shares, and what rights and obligations each share class confers.

All the shares in BBVA's capital have the same class and series, and confer the same voting and economic rights. There are no different voting rights for any shareholder. There are no shares that do not represent capital.

The Bank's shares are admitted for trading on the Securities Exchanges in Madrid, Barcelona, Bilbao and Valencia, through the Spanish electronic trading platform (Continuous Market), and the stock markets in London and Mexico. BBVA American Depositary Shares (ADS) are traded on the New York Stock Exchange and also on the Lima Exchange (Peru) under an exchange agreement between both markets.

Additionally, as of 31 December 2016, shares of BBVA Banco Continental, S.A.; Banco Provincial S.A.; BBVA Colombia, S.A.; BBVA Chile, S.A. and BBVA Banco Francés, S.A., were traded on their respective local securities markets and, for the latter entity, on the New York Stock Exchange and in the Latin American securities exchange (LATIBEX) on the Stock Market of Madrid.

B GENERAL MEETING

B.1 Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Corporate Enterprises Act (CEA) with respect to the quorum and constitution of the General Meeting.

YES

	% quorum different from quorum set out in art. 193 of CEA for general circumstances	% quorum different from quorum set out in art. 194 of CEA for special circumstances in art.194 of CEA
Quorum required on first summons	0.00%	66.66%
Quorum required on second summons	0.00%	60.00%

Description of differences
Article 194 of the Corporate Enterprises Act establishes that, in public limited companies, in order for a General Meeting (whether annual or extraordinary) to validly resolve to increase or reduce capital or make any other amendment to the Company Bylaws, bond issuance, the cancellation or restriction of first refusal subscription rights over new shares, or the conversion, merger or spin-off of the company or global assignment of assets and liabilities or the transfer the registered office abroad, the shareholders present and represented on first summons must own at least fifty percent of the subscribed capital with voting rights. On second summons, twenty-five percent of said capital will be sufficient. The above notwithstanding, article 25 of the BBVA Company Bylaws establishes that a reinforced quorum of two-thirds of subscribed capital with voting rights must attend the General Meeting at first summons or 60% of that capital at second summons, in order to adopt resolutions on replacing the corporate purpose, the transformation, total spin off, winding-up of the Company and amending that article of Bylaws establishing this reinforced quorum.

B.2 Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Corporate Enterprises Act (CEA) for the adoption of corporate resolutions:

NO

Describe any differences from the minimum standards established under the CEA.

B.3 Indicate the rules applicable to amendments to the company bylaws. In particular, report the majorities established to amend the bylaws, and the rules, if any, to safeguard shareholders' rights when amending the bylaws.

Article 30 of the BBVA Company Bylaws establishes that the General Meeting is empowered to amend the Company Bylaws and to confirm and/or rectify Board of Directors' interpretation of them.

To such end, the rules established under articles 285 et seq. of the Corporate Enterprises Act shall apply.

The above paragraph notwithstanding, article 25 of the BBVA Company Bylaws establishes that in order to adopt resolutions regarding any change to the corporate purpose, transformation, total spin-off or winding up the Company and amendment of the second paragraph of said article 25, two-thirds of the subscribed voting capital must attend the General Meeting on first summons or 60% of that capital on second summons.

As regards the procedure for amending the Company Bylaws, article 4.2 c) of Act 10/2014 dated 26th June, on the regulation, supervision and solvency of credit institutions, establishes that the Bank of Spain shall be responsible for authorizing amendments to the bylaws of credit institutions.

Moreover, article 10 of Royal Decree 84/2015 dated 13rd February, implementing Act 10/2014, stipulates that the Bank of Spain shall have two months to decide following receipt of the request for the Company's Bylaws amendment, which must be accompanied by a certification of minutes recording the agreement, a report substantiating the proposal drawn up by the board of directors and a project of new bylaws, identifying the cited amendments.

Notwithstanding the foregoing, article 10 of Royal Decree 84/2015 also establishes that no previous authorization from the Bank of Spain is required, though the latter must be notified, so that it may be entered into the Credit Entity Register, of amendments with the following purposes:

- Change of the registered office within the national territory.

- Stock capital increase.

- Incorporating verbatim into the bylaws legal or regulatory precepts of a mandatory or prohibitive nature, or for the purpose of complying with legal or administrative decisions.

- Those amendments for which the Bank of Spain, in response to a prior enquiry made by the affected bank, deems that authorization is not required due to their little relevance.

This communication must be made within fifteen working days following the adoption of the Bylaws amendment resolution.

Finally, to indicate that as a significant entity, BBVA is under the direct supervision of the European Central Bank (ECB) in cooperation with the Bank of Spain under the Single Supervision Mechanism, so the authorization of the Bank of Spain above mentioned shall be submitted to the ECB, prior to its resolution by the Bank of Spain.

B.4 Indicate the data on attendance at general meetings held during the year to which this report refers and the previous year:

	Attendance figures				
			% voting remotely		
General Meeting date	**% shareholders present**	**% attending by proxy**	**Electronic vote**	**Other**	**Total**
13/03/2015	2.69%	39.68%	0.04%	19.64%	62.05%
11/03/2016	1.83%	38.34%	0.26%	22.08%	62.51%

B.5 Indicate the number of shares, if any, that are required to be able to attend the General Meeting and whether there are any restrictions on such attendance in the bylaws:

YES

Number of shares required to attend the General Meetings	500

B.6 Section repealed.

B.7 Indicate the address and means of access through the company website to the information on corporate governance and other information on the general meetings that must be made available to shareholders on the company's website.

The content on corporate governance and other information on the latest general meetings are directly accessible through the Banco Bilbao Vizcaya Argentaria, S.A. corporate website, www.bbva.com, in the Shareholders and Investors, Corporate Governance and Remunerations Policy section.

C CORPORATE GOVERNANCE STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the bylaws:

Maximum number of Directors	15
Minimum number of Directors	5

C.1.2 Fill in the following table on the Board members:

Name of director (person or company)	Representative	Type of directorship	Position on the Board	Date first appointed	Date last appointed	Election procedure
FRANCISCO GONZÁLEZ RODRÍGUEZ	-	EXECUTIVE	CHAIRMAN	28/01/2000	11/03/2016	GENERAL MEETING RESOLUTION
CARLOS TORRES VILA	-	EXECUTIVE	CHIEF EXECUTIVE OFFICER	04/05/2015	11/03/2016	GENERAL MEETING RESOLUTION
TOMÁS ALFARO DRAKE	-	INDEPENDENT	DIRECTOR	18/03/2006	14/03/2014	GENERAL MEETING RESOLUTION
JOSÉ MIGUEL ANDRÉS TORRECILLAS	-	INDEPENDENT	LEAD DIRECTOR	13/03/2015	13/03/2015	GENERAL MEETING RESOLUTION
JOSÉ ANTONIO FERNÁNDEZ	-	OTHER EXTERNAL	DIRECTOR	28/02/2004	13/03/2015	GENERAL MEETING

RIVERO						RESOLUTION
BELÉN GARIJO LÓPEZ	-	INDEPENDENT	DIRECTOR	16/03/2012	13/03/2015	GENERAL MEETING RESOLUTION
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	-	EXECUTIVE	DIRECTOR	03/06/2013	14/03/2014	GENERAL MEETING RESOLUTION
SUNIR KUMAR KAPOOR	-	INDEPENDENT	DIRECTOR	11/03/2016	11/03/2016	GENERAL MEETING RESOLUTION
CARLOS LORING MARTÍNEZ DE IRUJO	-	OTHER EXTERNAL	DIRECTOR	28/02/2004	14/03/2014	GENERAL MEETING RESOLUTION
LOURDES MÁIZ CARRO	-	INDEPENDENT	DIRECTOR	14/03/2014	14/03/2014	GENERAL MEETING RESOLUTION
JOSÉ MALDONADO RAMOS	-	OTHER EXTERNAL	DIRECTOR	28/01/2000	13/03/2015	GENERAL MEETING RESOLUTION
JOSÉ LUIS PALAO GARCÍA-SUELTO	-	INDEPENDENT	DIRECTOR	01/02/2011	14/03/2014	GENERAL MEETING RESOLUTION
JUAN PI LLORENS	-	INDEPENDENT	DIRECTOR	27/07/2011	13/03/2015	GENERAL MEETING RESOLUTION
SUSANA RODRÍGUEZ VIDARTE	-	OTHER EXTERNAL	DIRECTOR	28/05/2002	14/03/2014	GENERAL MEETING RESOLUTION
JAMES ANDREW STOTT	-	INDEPENDENT	DIRECTOR	11/03/2016	11/03/2016	GENERAL MEETING RESOLUTION

Total number of Directors	15

Indicate the severances that have occurred on the Board of Directors during the reporting period:

Name of director (person or company)	Status of the Director at the time	Date of leaving

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

RAMÓN BUSTAMENTE Y DE LA MORA	OTHER EXTERNAL	11/03/2016
IGNACIO FERRERO JORDI	OTHER EXTERNAL	11/03/2016

C.1.3 Fill in the following tables on the Board members and their different kinds of directorship:

EXECUTIVE DIRECTORS

Name of director (person or company)	Position within company organization
FRANCISCO GONZÁLEZ RODRÍGUEZ	GROUP EXECUTIVE CHAIRMAN
CARLOS TORRES VILA	CHIEF EXECUTIVE OFFICER
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	DIRECTOR OF GLOBAL ECONOMICS, REGULATION & PUBLIC AFFAIRS

Total number of executive Directors	**3**
% of total directors	**20%**

EXTERNAL PROPRIETARY DIRECTORS

EXTERNAL INDEPENDENT DIRECTORS

Name of director (person or company)	PROFILE
BELÉN GARIJO LÓPEZ	MEMBER OF THE EXECUTIVE BOARD OF MERCK GROUP AND CEO OF MERCK HEALTH CARE., DIRECTOR OF L'OREAL AND CHAIR OF THE PHRMA INTERNATIONAL EXECUTIVE COMMITTEE, ISEC (PHARMACEUTICAL RESEARCH AND MANUFACTURERS OF AMERICA). OTHER RELEVANT POSITIONS: WAS PRESIDENT OF COMMERCIAL OPERATIONS IN EUROPE AND CANADA AT SANOFI AVENTIS. GRADUATED IN MEDICINE FROM UNIVERSIDAD DE ALCALÁ DE HENARES, MADRID. SPECIALIST IN CLINICAL PHARMACOLOGY AT HOSPITAL DE LA PAZ - UNIVERSIDAD AUTÓNOMA DE MADRID.
JOSÉ LUIS PALAO GARCÍA-SUELTO	HAS BEEN SENIOR PARTNER OF THE FINANCIAL DIVISION AT ARTHUR ANDERSEN SPAIN. OTHER RELEVANT POSITIONS: WAS HEAD OF THE AUDIT AND INSPECTION SERVICES AT THE INSTITUTO DE CRÉDITO OFICIAL (OFFICIAL CREDIT INSTITUTE) AND HAS ALSO BEEN A FREELANCE CONSULTANT. GRADUATED IN AGRICULTURAL ENGINEERING FROM THE MADRID SCHOOL OF AGRICULTURAL ENGINEERS AND BUSINESS AND MANAGEMENT STUDIES FROM UNIVERSIDAD COMPLUTENSE DE MADRID.
JUAN PI LLORENS	CHAIR OF THE BOARD'S REMUNERATION COMMITTEE. HAD A PROFESSIONAL CAREER AT IBM HOLDING VARIOUS SENIOR POSITIONS AT A NATIONAL AND INTERNATIONAL LEVEL INCLUDING VICE PRESIDENT FOR SALES AT IBM EUROPE, VICE PRESIDENT OF TECHNOLOGY & SYSTEMS AT IBM EUROPE AND VICE PRESIDENT OF FINANCIAL SERVICES SECTOR, GMU (GROWTH MARKETS UNITS) IN CHINA. HE WAS EXECUTIVE CHAIRMAN OF IBM SPAIN. GRADUATED IN INDUSTRIAL ENGINEERING FROM UNIVERSIDAD POLITECNICA DE BARCELONA AND TOOK A GENERAL MANAGEMENT

	PROGRAM AT IESE.
LOURDES MÁIZ CARRO	WAS SECRETARY OF THE BOARD OF DIRECTORS AND DIRECTOR OF THE LEGAL DEPARTMENT OF IBERIA, LÍNEAS AÉREAS DE ESPAÑA UNTIL APRIL 2016. PHD IN PHILOSOPHY, WORKED IN RESEARCH AND GAVE CLASSES IN METAPHYSICS AT THE COMPLUTENSE UNIVERSITY DURING FIVE YEARS. GRADUATED IN LAW, JOINED THE STATE COUNSEL CORPS AND HELD VARIOUS POSTS OF RESPONSIBILITY IN THE PUBLIC ADMINISTRATIONS SUCH AS GENERAL ORGANIZATIONAL DIRECTOR, WORK AND COMPUTING POSITIONS AT THE MINISTRY OF PUBLIC ADMINISTRATIONS, GENERAL DIRECTOR OF THE SOCIEDAD ESTATAL DE PARTICIPACIONES PATRIMONIALES (SEPPA) IN THE MINISTRY OF ECONOMY AND FINANCES AND GENERAL TECHINCAL SECRETARY AT THE MINISTRY OF AGRICULTURE. SHE HAS BEEN A DIRECTOR IN NUMEROUS COMPANIES, INCLUDING RENFE, GIF (NOW, ADIF), ICO (INSTITUTO DE CRÉDITO OFICIAL), ALDEASA AND BANCO HIPOTECARIO.
TOMÁS ALFARO DRAKE	CHAIR OF THE BOARD'S APPOINTMENTS COMMITTEE. DIRECTOR OF INTERNAL DEVELOPMENT AND TEACHER IN THE FINANCE AREA AT UNIVERSIDAD FRANCISCO DE VITORIA. OTHER RELEVANT POSITIONS: WAS DIRECTOR OF THE FOLLOWING BACHELOR'S DEGREES AT UNIVERSIDAD FRANCISCO DE VITORIA: BUSINESS ADMINISTRATION AND MANAGEMENT; BUSINESS STUDIES; MARKETING; BUSINESS ADMINISTRATION. GRADUATED IN ENGINEERING AT ICAI AND BECAME MASTER IN ECONOMICS AND BUSINESS ADMINISTRATION (MBA) AT IESE.
JOSÉ MIGUEL ANDRÉS TORRECILLAS	CHAIR OF THE BOARD'S AUDIT AND COMPLIANCE COMMITTEE AND LEAD DIRECTOR. HIS PROFESSIONAL CAREER BEGAN WITH ERNST & YOUNG AS GENERAL MANAGING PARTNER FOR AUDIT AND ADVISORY SERVICES AND CHAIRMAN OF ERNST & YOUNG SPAIN UNTIL 2014. MEMBER OF SEVERAL ENTITIES SUCH AS THE OFFICIAL REGISTRY OF ACCOUNT AUDITORS (ROAC), REGISTRY OF ECONOMIST AUDITORS (REA), SPANISH INSTITUTE OF CHARTERED ACCOUNTANTS AND THE ADVISORY BOARD OF THE INSTITUTE OF INTERNAL AUDITORS. GRADUATED IN BUSINESS SCIENCES AND ECONOMICS FROM THE COMPLUTENSE UNIVERSITY IN MADRID.
SUNIR KUMAR KAPOOR	INDEPENDENT CONSULTANT IN SEVERAL TECHNOLOGICAL COMPANIES SUCH AS ATLANTIC BRIDGE VENTURES, PANDA SECURITY, AVNI NETWORKS, GLOBALLOGIC AND AGNITY GLOBAL. OTHER RELEVANT POSITIONS: RESPONSIBLE FOR EMEA IN MICROSOFT EUROPE AND WORLDWIDE DIRECTOR OF BUSINESS STRATEGY IN MICROSOFT CORPORATION. FORMERLY EXECUTIVE VICE PRESIDENT AND MARKETING DIRECTOR OF CASSATT CORPORATION AND PRESIDENT AND CEO OF UBMATRIX INCORPORATED. GRADUATED IN PHYSICS STUDIES FROM BIRMINGHAM UNIVERSITY AND MASTER IN COMPUTER SYSTEMS AT CRANFIELD INSTITUTE OF TECHNOLOGY.
JAMES ANDREW STOTT	CHAIR OF THE BOARD’S RISK COMMITTEE. OTHER RELEVANT POSITIONS: RESPONSIBLE FOR CORPORATE DEVELOPMENT OF THE ASIA-PACIFIC REGION AND FOR FINANCIAL SERVICES IN WESTERN EUROPE AND MEMBER OF THE OLIVER WYMAN FINANCIAL SERVICES GLOBAL LEADERSHIP COMMITTEE. FORMERLY INDEPENDENT DIRECTOR AND CHAIRMAN OF THE RISKS AND AUDIT COMMITTEE OF BARCLAYS BANK SPAIN AND INDEPENDENT DIRECTOR AND MEMBER OF THE AUDIT COMMITTEE OF CATENON, S.A. GRADUATED IN ECONOMICS FROM CAMBRIDGE UNIVERSITY.

Total number of independent Directors	8
% of total directors	53.33%

Indicate whether any director considered an independent director is receiving from the company or from its group any amount or benefit under any item that is not the remuneration for his/her directorship, or maintains or has maintained over the last year a business relationship with the company or any company in its group, whether in his/her own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such a relationship.

Where applicable, include a reasoned statement from the Board with the reasons why it deems that this director can perform his/her duties as an independent director.

Name of director (person or company)	Description of the relationship	Reasoned statement

OTHER EXTERNAL DIRECTORS

Identify all other external Directors and explain why these cannot be considered proprietary or independent Directors and detail their relationships with the company, its executives or shareholders.

Name of director (person or company)	Reasons	Company, executive or shareholder to which related
JOSÉ MALDONADO RAMOS	José Maldonado Ramos has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.
JOSÉ ANTONIO FERNÁNDEZ RIVERO	José Antonio Fernández Rivero has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.
CARLOS LORING MARTÍNEZ DE IRUJO	Carlos Loring Martínez de Irujo has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.
SUSANA RODRÍGUEZ VIDARTE	Susana Rodríguez Vidarte has been a director for a continuous period of more than 12 years.	Banco Bilbao Vizcaya Argentaria, S.A.

Total number of other external Directors	4
% of total directors	26.67%

Indicate any changes that may have occurred during the period in the type of directorship of each director:

Name of director (person or company)	Date of change	Previous category	Current category
JOSÉ ANTONIO FERNÁNDEZ RIVERO	01/03/2016	INDEPENDENT	OTHER EXTERNAL
CARLOS LORING MARTÍNEZ DE IRUJO	01/03/2016	INDEPENDENT	OTHER EXTERNAL

C.1.4 Fill in the following table with information regarding the number of female directors over the last 4 years, and the category of their directorships:

	Number of female directors				% of total Directors of each category			
	Year 2016	Year 2015	Year 2014	Year 2013	Year 2016	Year 2015	Year 2014	Year 2013
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Independent	2	2	2	2	25%	25%	28.57%	20%
Other external	1	1	1	0	25%	25%	25%	0.00%
Total:	3	3	3	2	20%	20 %	21.43%	14.29%

C.1.5 Explain the measures, if any, that have been adopted to try to include a number of female directors on the Board that would mean a balanced presence of men and women.

Explanation of measures

Article 3 of the Board of Directors Regulations establishes that the proposals submitted to the General Meeting by the Board for appointment or reelection of directors and the appointments the Board makes directly to cover vacancies, exercising its powers of co-option will be approved at the proposal of the Appointments Committee in the case of independent directors, and following a report from said Committee in the case of all other directors. In any case, the proposal must be accompanied by a report of the Board of Directors explaining the grounds on which the Board of Directors has assessed the competence, experience and merits of the candidate proposed, which will be attached to the minutes of the Annual General Meeting or of the Board of Directors. Also, in accordance with article 529 decies of the Corporate Enterprises Act, the proposal for the appointment or re-election of non-independent directors must be accompanied by a report from the Appointments Committee. When there is a proposal to re-elect directors, the Board of Directors' resolutions and deliberations will take place in the absence of the directors whose re-election is proposed, who if present, must leave the meeting.

The Appointments Committee's mission is to assist the Board of Directors in matters concerning the selection and appointment of directors and, in particular, to submit to the Board of Directors the proposals for the appointment, re-election or removal of independent directors and to report on the proposals for the appointment, re-election or removal of all other directors.

To such end, article 33 of the Board of Directors Regulations establishes that the Appointments Committee will assess the balance of skills, knowledge and expertise that the Board of Directors requires, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in view of the needs that the Company's governing bodies may have at any time. The Committee will ensure that, in line with the principles set out in the BBVA Board of Directors Regulations, when filling new vacancies, the selection procedures are not marred by implicit biases that may entail any discrimination and, in particular, discrimination that may hinder the selection of female directors, trying to ensure that women who display the professional profile being sought are included as potential candidates.

Moreover, BBVA has established a director selection policy stating that the selection procedures cannot involve discrimination in selecting female directors and that in 2020 the number of female board members will represent at least 30% of the total number of members of the Board of Directors.

In the latest selection processes, the Appointments Committee has ensured that there are no implicit biases that may hinder the access of women to the vacancies. It evaluated the skills, knowledge and expertise of all the candidates according to the needs of the governing bodies at any given time, assessing the dedication necessary to be able to suitably perform their duties in the light of the principles contained in the BBVA Board of Directors Regulations. For these selection processes, the Committee counts on the support of prestigious consultants at international level in the selection of directors, who carry out an independent search for potential candidates that meet the profile defined in each case by the Appointments Committee.

During these processes, the external expert was expressly requested to include women with the suitable profile among the candidates to be presented and the Committee analyzed the personal and professional profiles of all the candidates presented on the basis of the information provided by the consultancy firm, according to the needs of the Bank's governing bodies at any given time. The skills, knowledge and expertise necessary to be a Bank's director were assessed and the rules on incompatibilities and conflicts of interest as well as the dedication deemed necessary to be able to comply with the duties were taken into account.

BBVA currently has three female directors on its governing body, i.e. 20% of its members, one of whom is a member of the Group's Executive Committee.

C.1.6 Explain the measures, if any, agreed by the Appointments Committee to ensure that selection procedures do not suffer from implicit biases that may hinder the selection of female directors, and that the company deliberately seeks and includes potential female candidates that meet the professional profile sought:

Explanation of measures
See above section. The Appointments Committee, in compliance with the principles established in the Board of Directors' Regulations and Selection, Appointment, Renewal and Diversity Policy of the Board of Directors, in the selection processes of the directors, ensures that among the potential candidates are women who meet the professional profile sought, and also takes care that in the selection procedures there are no implicit biases that might hinder the selection of female directors.

When, despite any measures that might have been adopted, the number of female directors is low or zero, explain the reasons:

Explanation of reasons

C.1.6.bis Explain the conclusions of the Appointments Committee regarding verification of compliance with the board member selection policy. And, in particular, explain how this policy is fostering the goal for 2020 to have the number of female board members represent at least 30% of the total number of members of the board of directors.

The Board of Directors has established a director selection policy stating that the individuals proposed for appointment as members of the Board of Directors must meet the requirements set out in current legislation, in the specific regulations applicable to credit institutions, Company Bylaws and Board Regulations. In particular, the directors must meet the suitability requirements needed to hold the position and display recognized commercial and professional repute, possess adequate knowledge and experience to hold the position, and be committed to good governance of the Company.

The selection policy states that the member selection, appointment and rotation procedures for the Board of Directors shall be aimed at attaining a composition of the company's governing bodies that enable the adequate exercise of the duties established by Law, Company Bylaws and its own Regulations in the company's best interest.

To this effect, the Board of Directors shall ensure that the appointment, selection and rotation procedures enable the most suitable candidates to be identified at all times, based on the requirements of the corporate bodies and that they favor diversity of experience, knowledge, skills and gender and, in general, do not suffer from implicit biases that may involve any kind of discrimination.

In particular, the director selection policy establishes that the selection procedures cannot entail any discrimination for the selection of female directors and that in 2020 the number of female board members will represent at least 30% of the total number of members of the Board of Directors. In this regard, the number of women on the Board of Directors has increased in recent years and women meeting the required professional profile have been expressly requested to be nominated for director selection processes.

Additionally, it sets out that the composition of the Board of Directors shall attempt to have an appropriate balance between the different types of board members and that non-executive members represent an ample majority over executive directors, taking steps so that the number of independent directors accounts for at least 50% of the total seats.

Thus, following the appointments proposals that were submitted to the Board of Directors by the Appointments Committee and subsequently approved by the Annual General Meeting held on 11 March 2016, the Board of Directors has deepened the diversity of knowledge and experience and has increased the international profile of the members of the Board, by including people with ample experience in the financial and risk sector and extensive knowledge and experience in the area of information technology, digital business and cyber-security; having incorporated people with professional experience developed in positions of maximum responsibility in top level multinational companies.

Consequently, the Board of Directors currently comprises fifteen members, namely three executive directors, four in the "other external" category and eight are considered independent directors. BBVA's corporate bodies therefore have a structure, size and composition according to their needs and, as in recent years, with a structure in which at least half of its directors are independent directors, thus complying with that established in the Regulations of the Board of Directors and in the Selection, Appointment, Renewal and Diversity Policy of the Board of Directors.

Lastly, the Appointments Committee has followed the Selection, Appointment, Renewal and Diversity Policy of the Board of Directors when submitting candidates for re-election to the Board of Directors to be studied at the General Shareholders Meeting in 2017. On approval of said proposal by the BBVA General Shareholders Meeting, the Board composition shall continue to comprise 50% independent directors and a percentage of female directors on the Board representing 27% of non-executive directors.

C.1.7 Explain the form of representation on the Board of shareholders with significant holdings.

C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the behest of a shareholder whose holding is less than 3% of the capital:

Indicate whether formal petitions have been ignored for presence on the Board from shareholders whose holding is equal to or higher than that of others at whose behest proprietary directors were appointed. Where applicable, explain why these petitions have been ignored.

NO

C.1.9 Indicate whether any director has stood down before the end of his/her term of office, if the director has explained his/her reasons to the Board and through which channels, and if reasons were given in writing to the entire Board, explain below, at least the reasons that were given:

Name of director	**Reason for leaving**

C.1.10 Indicate any powers delegated to the managing directors(s):

Name of director (person or company)	Brief description
FRANCISCO GONZÁLEZ RODRÍGUEZ	Holds broad-ranging powers of representation and administration in line with his duties as Group Executive Chairman.
CARLOS TORRES VILA	Holds broad-ranging powers of representation and administration in line with his duties as Chief Executive Officer.
JOSÉ MANUEL GONZÁLEZ-PÁRAMO MARTÍNEZ-MURILLO	Holds powers of representation and administration in line with his duties as Head of Global Economics, Regulation & Public Affairs.

C.1.11 Identify any members of the Board holding positions as directors or managers in other companies belonging to the listed company's group:

Name of director (person or company)	Name of the Group Company	Position	Does the director hold executive functions?
FRANCISCO GONZÁLEZ RODRÍGUEZ	BBVA BANCOMER, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA BANCOMER	DIRECTOR	NO
FRANCISCO GONZÁLEZ RODRÍGUEZ	GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	DIRECTOR	NO
CARLOS TORRES VILA	BBVA BANCOMER, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA BANCOMER	DIRECTOR	NO
CARLOS TORRES VILA	GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	DIRECTOR	NO

C.1.12 Detail, where applicable, any company directors that sit on Boards of other companies publicly traded on regulated securities markets outside the company's own group, of which the company has been informed:

Name of director (person or company)	Corporate name of the listed company	Position
BELÉN GARIJO LÓPEZ	L'ORÉAL SOCIÉTÉ ANONYME	DIRECTOR
JUAN PI LLORENS	ECOLUMBER, S.A.	CHAIRMAN
JOSÉ MIGUEL ANDRÉS TORRECILLAS	ZARDOYA OTIS, S.A.	DIRECTOR

C.1.13 Indicate and, where applicable, if board regulations have established rules on the maximum number of company boards on which its directors may sit:

YES

Explanation of rules
Article 11 of the Board of Directors Regulations establishes that in the performance of their duties, directors will be subject to the rules on limitations and incompatibilities established under applicable regulations at any time and in particular to the provisions of Spanish Act 10/2014 on the regulation, supervision and solvency of credit institutions. Article 26 of Act 10/2014 establishes that the directors of credit institutions may not hold at the same time more positions than those set out in one of the following combinations: (i) an executive position together with two non-executive positions; or (ii) four non-executive positions. Executive positions are defined as those performing management duties irrespective of the legal bond attributed by those duties. The following will count as a single position: 1) executive or non-executive positions held within the same group; 2) executive or non-executive positions held within: (i) entities belonging to the same institutional protection scheme; or (ii) companies in which the entity holds a significant stake. The positions held in non-profit organizations or entities pursuing non-commercial purposes shall not count when determining the maximum number of positions. Nonetheless, the Bank of Spain may authorize members of the Board of Directors to hold an additional non-executive post if it deems that such a post would not interfere with the correct performance of the activities thereof in the credit institution. The Committee's duties are also detailed in article 11 of the Board of Directors Regulations, BBVA directors may not: • Provide professional services to companies competing with the Bank or with any of its Group companies, or be an employee, manager or director of such companies unless they have received express prior authorization from the Board of Directors or from the Annual General Meeting, as appropriate, unless these activities had been provided or performed before they became a Bank director, do not involve no effective competition and had been reported to the Bank at that time. • Take a direct or indirect stake in businesses or enterprises in which the Bank or its Group companies hold an interest, unless such stake was held prior to joining the Board of Directors or to the time when the Group took out its holding in such businesses or enterprise, or unless such companies are listed on domestic or international securities exchanges, or unless authorized to do so by the Board of Directors. • Be a director in companies in which the Group or any of the Group companies hold a stake. As an exception and when proposed by the Bank, executive directors are able to hold directorships in companies directly or indirectly controlled by the Bank with the approval of the Executive Committee, and in other associate companies with the approval of the Board of Directors. A person ceasing to be an executive director is obliged to resign from any office in a subsidiary or associate company that is held by virtue of such directorship. Non-executive directors may hold a directorship in the Bank's associate companies or in any other Group company provided the directorship is not related to the Group's holding in such companies. They must have prior approval from the Bank’s Board of Directors. For these purposes, holdings of the Bank or its Group in companies resulting from its ordinary business activities, asset management, treasury trading, derivative hedging and/or other transactions will not be taken into account. • Hold political office or engage in other activities that might have a public significance or affect the image of the Company in any manner, unless there is prior authorization from the Bank's Board of Directors.

C.1.14 Section repealed.

C.1.15 Indicate the overall remuneration for the Board of Directors:

Remuneration of the Board of Directors (thousands of euros)	15,718
Cumulative amount of rights of current Directors in pension scheme (thousands of euros)	16,660

Cumulative amount of rights of former Directors in pension scheme (thousands of euros)	89,059

C.1.16 Identify members of senior management that are not in turn executive directors, and indicate the total remuneration accruing to them during the year:

Name (person or company)	Position(s)
JUAN ASÚA MADARIAGA	CORPORATE & INVESTMENT BANKING (CIB)
JORGE SÁENZ-AZCÚNAGA CARRRANZA	COUNTRY MONITORING
CRISTINA DE PARIAS HALCÓN	COUNTRY MANAGER SPAIN
EDUARDO OSUNA OSUNA	COUNTRY MANAGER MEXICO
DON DEREK JENSEN WHITE	CUSTOMER SOLUTIONS
RICARDO FORCANO GARCÍA	TALENT & CULTURE
RICARDO ENRIQUE MORENO GARCÍA	ENGINEERING
JAIME SÁENZ DE TEJADA PULIDO	FINANCE
RAFAEL SALINAS MARTÍNEZ DE LECEA	GLOBAL RISK MANAGEMENT
EDUARDO ARBIZU LOSTAO	LEGAL & COMPLIANCE
FRANCISCO JAVIER RODRÍGUEZ SOLER	STRATEGY & M&A
RICARDO GÓMEZ BARREDO	ACCOUNTING & SUPERVISORS
DOMINGO ARMENGOL CALVO	GENERAL SECRETARY
JOSÉ LUIS DE LOS SANTOS TEJERO	INTERNAL AUDIT

Total senior management remuneration (thousands of euros)	18,442

C.1.17 Indicate the identity of the Board members, if any, who are in turn members of the Board of Directors in companies of significant shareholders and/or in entities of their group:

Detail the relevant affiliations, other than those considered in the above paragraph, that link Board members to significant shareholders and/or companies in their group:

C.1.18 Indicate whether there has been any change in the Board regulations during the year:

NO

Description of changes

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

C.1.19. Indicate procedures for selection, appointment, re-election, assessment and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

Selection and appointment procedure:

BBVA has established a policy setting out the main general principles applicable in the selection and appointment of directors. Additionally, articles 2 and 3 of the Board of Directors Regulations stipulate that the General Meeting is responsible for the appointment of members of the Board. However, if a seat falls vacant, the Board has the authority to co-opt members. In any event, persons proposed for appointment as directors must meet the requirements of prevailing legislation, the specific regulations applicable to credit institutions and he provisions of the Company Bylaws. In particular, directors should meet the necessary suitability requirements to exercise their directorship. Thus, they must be considered to be of commercial and professional good repute, with adequate knowledge and expertise to perform their duties and in situation in which they can exercise good governance of the entity.

The Board will ensure that the selection procedures for directors favour diversity in experience, knowledge, skills and gender and, in general, do not suffer from implicit biases that may imply any discrimination. The Board will submit its proposals to the General Meeting in such a way that there is an ample majority of non-executive directors over the number of executive directors on the Board. The proposals submitted to the General Meeting for appointment or re-election of directors and the appointments the Board makes directly to cover vacancies, exercising its powers of co-option, will be approved at proposal of the Appointments Committee in the case of independent directors, and following a report from said Committee for all other directors. In any case, the proposal must be accompanied by a report of the Board explaining the grounds on which the Board of Directors has assessed the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the General Meeting or of the Board of Directors. The Board's resolutions and deliberations on these matters will take place in the absence of the director whose re-election is proposed who, if present, must leave the meeting.

To such end, the Board of Directors Regulations establish that the Appointments Committee will evaluate the balance of skills, knowledge and expertise on the Board of Directors, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in view of the needs that the Company's governing bodies may have at any time. The Committee will ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may involve any discrimination and, in particular, those that hinder the selection of female directors, trying to ensure that women who display the professional profile being sought are included as potential candidates.

Directors will stay in office for the term established by the Company Bylaws or, if they have been co-opted, until the first General Meeting is held.

Re-election: Please refer to the section above.

Assessment:

As indicated in article 17 w) of the Board's Regulations, the Board of Directors is responsible for assessing the quality and efficiency of its operation and assessment of the performance of the duties of the Chairman of the Board. Such assessment will always begin with the report submitted by the Appointments Committee. Likewise, evaluation of the operation of its Committees, on the basis of the report that these submit to it. Moreover, article 5 of the Board's Regulations establishes that the Chairman, who is responsible for efficiently running of the Board, will organize and coordinate the regular assessment of the Board with the Chairs of the relevant Committees. Moreover, article 5 ter of the Board's Regulations establishes that the Lead Director is especially empowered to conduct the regular assessment of the Chairman of the Board.

Pursuant to the provisions of the Board Regulations, as in previous years, in 2016 the Board of Directors assessed the quality and efficiency of its own running and that of its Committees, as well as the performance of the duties of the Chairman, both as Chairman of the Board and as the first executive of the Bank, based on the report of the Appointments Committee.

Severance:

Directors will stand down from office when the term for which they were appointed has expired, unless they are re-elected.

Directors must apprise the Board of any circumstances affecting them that might harm the Company's reputation and credit and circumstances that may impact their suitability for the position. Directors must place their directorship at the disposal of the Board and accept its decision regarding their continuity or non-continuity in office, under the circumstances listed in section C.1.21 below. If its decision is negative, they are obliged to tender their resignation. In any event, directors will resign their positions on reaching 75 years of age. They must present their resignation at the first meeting of the Bank's Board of Directors after the General Meeting of Shareholders that approves the accounts for the year in which they reach this age.

C.1.20 Explain to what degree the self- assessment has led to significant changes in its internal organization and the procedures applicable to its activities:

Description of changes
Article 17 of the Board of Directors Regulations establishes that the Board will assess the quality and efficiency of the Board's operation, based on the report submitted by the Appointments Committee, which it has done in 2016, likewise producing certain changes (indicated below), similar to previous years, to continue the ongoing adaptation process of corporate governance to the regulatory requirements and best practices. Thus, the entity has been analyzing in 2016 its needs for improvement by introducing various measures to adapt its Corporate Governance system and practices to the new environment in which the entity carries out its activity, including, among other measures, the following: (i) the process of progressive renewal of the Board of Directors has been continued, as established in the Board of Directors' selection, appointment, renewal and diversity policy, proposing to the Annual General Shareholders' Meeting held on 11 March 2016 the appointment of two new directors, on an independent basis, which has increased the international profile and the diversity of experience and knowledge on the Board; (ii) in order to assist the Board of Directors in the better performance of its functions related to technology strategy and the risks associated with technology and cyber-security, it was agreed the creation of the Technology and Cyber-security Committee and it was developed its duties; (iii) the distribution of functions between the Board and its Committees has been strengthened in order to improve the formalization of the decision-making process by the corporate bodies, which strengthens its intervention in the Board Committees, reinforcing the analysis and review of the relevant issues that are the subject of consideration by the corporate bodies and critical review by the directors; (iv) the informational model has been strengthened, consisting in making available to the directors in sufficient time the information related to the matters included in the agenda, which allows the decisions of the corporate bodies to be adopted on the basis of more complete, consistent, homogeneous and quality information for decision-making, as well as the better development by the directors of their management and supervisory and control functions; (v) in order to strengthen the decision-making process of the corporate bodies at BBVA and the improvement of the supervisory and control functions of the Board, the content and frequency of meetings of certain corporate bodies have been adapted, as well as the reports to the Board of Directors, especially those made by the Chairmen of the Committees and other Group officers, to enable them to perform their duties better; and (vi) to facilitate the knowledge of those issues relevant to the proper performance of their functions, the specific program of continuous training for non-executive directors continued to be promoted, highlighting the improvements introduced especially in the areas of technology, cyber-security and digital business, in line with the Group's digital transformation process and its environment.

C.1.20.bis Describe the assessment process and the assessed areas conducted by the board of directors assisted, as the case may be, by an external consultant, regarding the diversity in its composition and capacities, duties and composition of its committees, the performance of the chair of the board of directors and the chief executive officer of the company, and the performance and contribution of each board member.

According to article 17 of the Board of Directors Regulations, the Board shall evaluate the quality and efficiency of its running and the performance of the functions of the Chairman of the Board, based in each case on the report submitted by the Appointments Committee. Likewise, the Board of Directors shall assess of the running of its Committees, based on the report they submit. Also, in compliance with the Recommendation of the Code of Good Governance, the Board of Directors has had an external consultant of recognized prestige at international level to carry out the evaluation of the quality and efficiency of the functioning of the Board of Directors and the performance of the functions of the Chairman for the year 2015.

In the most recent assessment process carried out for 2016, the Board of Directors has assessed: (i) the quality and efficiency of the Board of Directors' operation, (ii) the performance of the Chairman of the Board of Directors; and (iii) the running of the Committees of the Board of Directors. The procedure to conduct these assessments was:

- Throughout the year, the Appointments Committee has been analyzing the structure, size and composition of the Board of Directors during the selection processes of incorporating new members of the Board of Directors and re-electing directors, as well as while conducting the yearly assessment on the running of the Board of Directors. Thus the quality and efficiency of the running of the Board of Directors was examined based on the prior report submitted by the Appointments Committee and raised to the Board of Directors where the following matters were reviewed in detail: structure, size and composition of the Board of Directors; organization, preparation and development of the meetings of the Board of Directors; ethics and principles; training of members of the Board of Directors and activity of the Board of Directors. The Appointments Committee, with a view to drawing up this report, mined detailed reports on the composition and operations thereof, and on the main activities implemented by these bodies in the performance of the duties attributed thereto by the Company Bylaws and the Board of Directors Regulations.

- The performance of the duties of the Chairman of the Board of Directors, as Chairman and as first executive, was carried out by the Board of Directors on the basis of a report on its activities during the year and taking into account the previous report of the Appointments Committee, the Lead Director having conducted the evaluation process in accordance with the provisions of Article 5 ter of the Board Regulations. The Appointments Committee drew up its report with detailed information on the performance of the duties by the Chairman.

- The Board of Directors conducted the quality and efficiency assessment on the operations of the Audit and Compliance, Risk, Appointment and Remuneration Committees based on the reports submitted by their respective Chairs. Thus, the activity carried out by the Audit and Compliance Committee was the subject of a corresponding presentation to the Board at its meeting held on 26 October 2016 by the Chairman of the Committee, which explained the process of selecting the new external auditor of the Bank and its Group, the supervision and control of the Group's financial and accounting information, as well as the main communications and inspections carried out by supervisors, among other matters. Moreover, during its meeting on 30 November 2016, the Board of Directors received the report of the Chairman of the Risk Committee regarding the activities undertaken by the Committee during 2016, apprising of the tasks executed by the Committee in the analysis and preparation of the proposals for resolution that, within the scope of risks, were conveyed to the Executive Committee and the Board for consideration; and insofar as risk tracking and control. The Board also received, at its meeting held on January 31, 2017, the report of the Chairman of the Remuneration Committee on the activity carried out by the latter during 2016, which treated, among other things, the work carried out in relation to the preparation and development of the proposals for resolutions submitted to the Board on remuneration matters, in particular those relating to remuneration issues of the executive directors and the Senior Management, as well as of the non-executive directors and on the other work that had been carried out regarding to the review of the Remuneration Policy applicable in view of the new regulation recently approved. Likewise, in its session on 31 January 2017, the Board received the report of the Chairman of the Appointments Committee regarding the activities undertaken by the Committee during 2016 within the different scopes of duties. The operations of the Committees were also analyzed in the Board's general assessment process described above.

C.1.20.ter Break down, where pertinent, the business relationship that the consultant or any company of its group maintains with the company or any company of its group.

C.1.21 Indicate the circumstances under which directors are obliged to resign.

In addition to the circumstances set out in applicable legislation, as established in article 12 of the BBVA Board of Directors Regulations, the directors shall resign from their office when the term for which they were appointed has expired, unless they are re-elected. Directors must apprise the Board of Directors of any circumstances affecting them that might harm the Company's reputation and credit circumstances that may impact their suitability for the position.

As set out in article 12 of the BBVA Board of Directors Regulations, directors must place their office at the disposal of the Board of Directors and accept the Board's decision regarding their continuity or non-continuity in office. Should the Board resolve they not continue, they will be obliged to tender their resignation, in the following circumstances:

- When they are affected by circumstances of incompatibility or prohibition as defined under prevailing legislation, in the Company Bylaws or in the Board of Directors Regulation;

- When significant changes occur in their personal or professional situation that may affect the condition by virtue of which they were appointed to the Board;

- When they are in serious dereliction of their duties as directors;

- When for reasons attributable to the director in his or her condition as such, serious damage has been done to the Company's net worth, credit or reputation; or

- When they lose their suitability to hold the position of director of the Bank.

C.1.22 Section repealed.

C.1.23 Are reinforced qualified majorities required, other than the legal majorities, for some type of resolution?

NO

If applicable, describe the differences.

C.1.24 Explain whether there are specific requirements, other than those regarding directors, to be appointed Chairman of the Board of Directors.

NO

C.1.25 Indicate whether the Chairman has a casting vote:

NO

C.1.26 Indicate whether the bylaws or the Board Regulations establish an age limit for directors:

YES

Age limit for Chairman	**Age limit for Chief Executive Officer**	**Age limit for directors**
0	0	75

C.1.27 Indicate whether the bylaws or the Board Regulations establish a limited term of office for independent directors, other than that established by law:

NO

C.1.28 Indicate whether the bylaws or the Board Regulations establish specific rules for proxy voting in the Board of Directors, the way this is done and, in particular, the maximum number of proxies a director may have, and whether it has established any limit regarding the categories that may be delegated beyond the limits stipulated by legislation. If so, briefly give details on such rules.

The BBVA Board of Directors Regulations establishes that directors are required to attend the meetings of corporate bodies and the meetings of the Board Committees on which they sit, except for a justifiable reason. Directors shall participate in the deliberations, discussions and debates on matters submitted for their consideration.

However, article 21 of the Board of Directors Regulations establishes that should it not be possible for directors to attend any of the Board of Directors' meetings, they may grant proxy to another director to represent and vote for them. This may be done by a letter or e-mail sent to the Company with the information required for the proxy director to be able to follow the absent director's instructions, in observance of the applicable legislation, though non-executive directors may only grant their proxy to another director that is also non-executive.

C.1.29 Indicate the number of meetings the Board of Directors has held during the year. Where applicable, indicate how many times the Board has met without the Chairman in attendance. In calculating this number, proxies given with specific instructions will be counted as attendances.

Number of Board meetings	**12**
Number of Board meetings held without the Chairman's attendance	**0**

If the Chairman is an executive Director, indicate the number of meetings held without an executive director present or represented and chaired by the Lead Director

Number of meetings	**0**

Indicate the number of meetings of the Board's different committees held during the year.

Number of Executive Committee meetings	**17**
Number of Audit and Compliance Committee meetings	**12**
Number of Appointments Committee meetings	**8**
Number of Remuneration Committee meetings	**6**
Number of Risk Committee meetings	**38**
Number of Technology and Cyber-security Committee meetings	**3**

C.1.30 Indicate the number of meetings held by the Board of Directors during the year attended by all its members. In calculating this number, proxies given with specific instructions will be counted as attendances.

Number of meetings attended by all directors	**12**
% of attendances to total votes during the year	**100%**

C.1.31 Indicate whether the individual and consolidated financial statements presented for Board approval are certified beforehand:

NO

Where applicable, identify the person(s) who has(have) certified the Company's individual and consolidated financial statements to be filed by the Board:

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements that it files from being presented to the General Meeting with a qualified auditors report.

Article 29 of BBVA's Board of Directors Regulations establishes that the Audit and Compliance Committee will be formed exclusively by independent directors and its main task is to assist the Board of Directors in supervising the financial information and exercising oversight for the Group. In this regard, its functions are as follows: oversee the efficacy of the Company's internal control, the internal audit and the risk management systems in the process of drawing up and reporting the financial information, including tax-related risks, as well as to discuss with the external auditor any significant weaknesses in the internal control system detected when the audit is conducted, without undermining its independence and oversee the process of drawing up and reporting the financial information. For such purposes, the Audit and Compliance Committee may submit recommendations or proposals to the Board of Directors.

Moreover, article 3 of the Audit and Compliance Committee Regulations establishes that the Committee shall verify that the external audit schedule is conducted under the agreed conditions at appropriate intervals, and that it meets the requirements of the competent authorities and the Bank's governing bodies. The Committee will also periodically – at least once a year – request from the auditor its evaluation of the quality of the group's internal control procedures regarding the drafting and presentation the financial information of the Group.

The Committee shall also be apprised of any infringements, situations requiring adjustments, or anomalies that may be detected during the course of the external audit and are of a material nature; materiality in this context signifies those issues that, in isolation or as a whole, may give rise to a significant and substantive impact or harm to assets, earnings or the reputation of the Group; discernment of such matters shall be at the discretion of the auditor who, if in doubt, must opt to report on them.

In exercising these duties, the Audit and Compliance Committee holds monthly meetings with the external auditor's representatives without the presence of executives, to monitor their work on an ongoing basis, in order to guarantee that the activity is carried out under the best conditions and with no interference in management.

C.1.33 Is the company Secretary a director?

NO

Complete if the Secretary is not also a Director:

Name or corporate name of Secretary	Representative
DOMINGO ARMENGOL CALVO	-

C.1.34 Section repealed.

C.1.35 Indicate the specific mechanisms the company has established, if any, to preserve the independence of the external auditors, the financial analysts, the investment banks and the rating agencies.

The BBVA Audit and Compliance Committee Regulations establish that this Committee's duties, described in section C.2.1, include ensuring the independence of the external audit in two ways:

- Avoiding any possibility of the warnings, opinions or recommendations of the external auditor being adversely influenced. To this end, the Committee must ensure that compensation for the auditor's work does not compromise either its quality or independence, in compliance with current legislation on auditing at all times.

- Stipulating as incompatible the provision of audit and consulting services unless they are work required by supervisors or whose provision by the external auditor is allowed by applicable legislation, and there are not available in the market alternatives as regards content, quality or efficiency of equal value to those which the auditor could provide; in this case approval by the Committee will be required, but this decision may be delegated in advance to its Chair. The external auditor shall be prohibited from providing prohibited services outside the audit, in compliance with what is set out at all times by audit legislation.

This matter is the subject of special attention by the Audit and Compliance Committee, which holds monthly meetings with the representatives of the external auditor, without the presence of Bank executives, to know the details of the progress and quality of their work, as well as to confirm their independence of the performance of their work. It also monitors the engagement of additional services to ensure compliance with the Committee's Regulations and applicable legislation in order to safeguard the independence of the external auditor.

Moreover, in accordance with the provisions of point f), section 4 of article 529 quaterdecies of the Corporate Enterprises Act and article 30 of the BBVA Board of Directors Regulations, the Audit and Compliance Committee each year before the external financial auditor issues their report on the financial statements, has to issue a report expressing its opinion regarding the independence of the auditor.

This report must in any event contain the reasoned assessment of the provision of additional services of any kind by the auditors to the Group's entities, considered individually and as a whole, other than the legal audit and in relation to the regime of independence or the rules regulating the account audit activity. The external auditor must issue, also on an annual basis, a report confirming its independence via-à-vis BBVA or entities linked to BBVA, either directly or indirectly, with information on the additional services of any kind provided to these entities by the external auditor, or by the individuals or entities linked to them, as set out in the redrafted text of the Audit Act.

In keeping with the legislation in force, the relevant reports confirming the auditor's independence were issued in 2016.

In addition, as BBVA's shares are listed on the New York Stock Exchange, it is subject to compliance with the Sarbanes Oxley Act and its implementing regulations.

C.1.36 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

NO

If there were disagreements with the outgoing auditor, explain their grounds.

Explanation of disagreements

C.1.37 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees on the total fees charged to the company and/or its group:

YES

	Company	Group	Total
Amount of non-audit work (thousands euros)	657	437	1.094
Amount of non-audit work/total amount billed by the audit firm (%)	4.88%	2.46%	3.50%

C.1.38 Indicate whether the audit report on the annual financial statements for the previous year contained reservations or qualifications. If so, indicate the reasons given by the chair of the audit committee to explain the content and scope of such reservations or qualifications.

NO

C.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements for the company and/or its group. Likewise, indicate the percentage of the number of years audited by the current audit firm to the total number of years in which the annual financial statements have been audited:

	Company	Group
Number of consecutive years	14	14

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

Number of years audited by current audit firm / number of years the company has been audited (%)	87.50%	87.50%

C.1.40 Indicate and, where applicable, give details on the existence of a procedure for directors to engage external advisory services:

YES

Details of the procedure
Article 6 of the BBVA Board of Directors Regulations expressly recognizes that directors may request any additional information or advice they require to comply with their duties, and may request the Board of Directors for assistance from external experts on matters subject to their consideration whose special complexity or importance so requires. The Audit and Compliance Committee, pursuant to article 31 of the Board of Directors Regulations, may engage external advisory services for relevant issues when it considers that these cannot be properly provided by experts or technical staff within the Group on grounds of specialization or independence. Under articles 34, 37 and 40 of the Board of Directors Regulations and in accordance with the specific regulations of the Technology and Cyber-security Committee, the rest of the Committees may obtain such advice as may be necessary to establish an informed opinion on matters related to its business. This will be done through the Secretariat of the Board.

C.1.41 Indicate and, where applicable, give details on the existence of a procedure for directors to obtain the information they need to prepare the meetings of the governing bodies with sufficient time:

YES

Details of the procedure
Article 6 of the Board of Directors Regulations establishes that before meetings the directors will be apprised of the necessary information to be able to form their own opinions regarding questions corresponding to the Bank's corporate bodies. They may request any additional information and advice they require to comply with their duties. Exercise of these rights will be channeled through the Chairman and/or Secretary of the Board of Directors, who will attend to requests by providing the information directly or by establishing suitable arrangements within the organization for this purpose, unless a specific procedure has been established in the regulations governing the Board of Directors Committees. Thus, the Bank's corporate bodies have a procedure for verifying the information that is submitted for consideration to them, coordinated by the Board Secretariat with the areas responsible for information, through the Information of Governing Bodies' Department, in order to provide in due time sufficient, adequate and complete information for the meetings of the Bank's various corporate bodies and to enable directors to best perform their duties.

C.1.42 Indicate and, where applicable give details, whether the company has established rules requiring directors to inform and, where applicable, resign under circumstances that may undermine the company's standing and reputation:

YES

Explanation of rules

In accordance with article 12 of the Board of Directors Regulations, directors must apprise the Board of Directors of any circumstances affecting them that might harm the Company’s reputation and credit and circumstances that may impact their suitability for the position. Directors must place their office at the disposal of the Board of Directors and accept its decision regarding their continuity or non-continuity in office. Should the Board resolve they not continue, they will be obliged to tender their resignation when for reasons attributable to the director in his or her condition as such, serious damage has been done to the Company’s net worth, credit and/or reputation or when they lose their suitability to hold the position of director of the Bank.

C.1.43 Indicate whether any member of the Board of Directors has informed the company of any legal suit or court proceedings against him or her for any of the offences listed in article 213 of the Corporate Enterprises Act:

NO

Indicate whether the Board of Directors has analyzed the case. If so, explain the grounds for the decision taken as to whether or not the director should retain his/her directorship or, where applicable, describe the actions taken or planned to be taken by the Board of Directors on the date of this report.

Decision adopted/action taken	Reasoned explanation

C.1.44 Detail significant agreements reached by the Company that come into force, are amended or concluded in the event of a change in the control of the company stemming from a public takeover bid, and its effects.

C.1.45 Identify in aggregate terms and indicate in detail any agreements between the company and its directors, managers or employees that have guarantee or ring-fencing severance clauses for when such persons resign or are wrongfully dismissed or if the contractual relationship comes to an end due to a public takeover bid or other kinds of transactions.

Number of beneficiaries	62
Type of beneficiary 1 executive director 14 members of Senior Management (excluding executive directors) 47 technical & specialist professionals	**Description of the agreement** The Bank as of 31 December 2016, is committed to pay severance indemnity to the director José Manuel González-Páramo Martínez-Murillo, whose contract recognizes his right to receive an indemnity in the event of severance on grounds not due to his own will, death, retirement, invalidity or dereliction of duties, equivalent to twice his fixed remuneration. In addition, as of 31 December 2016, 14 members of Senior Management are entitled to receive compensation payment in the event of severance on grounds other than their own will, retirement, disability or dereliction of duties. Its amount will be calculated by factoring in the fixed elements of the Bank employee's remuneration and length of office and which under no circumstances are paid in the event of lawful dismissal for misconduct by decision of the employer on grounds of the worker's dereliction of duties. The Bank has also agreed compensation clauses with some employees (47 technical and specialist professionals) in the event of unfair dismissal. The amount of this compensation is calculated as a function of the wage and professional conditions of each employee.

Indicate whether these contracts must be disclosed to and/or approved by the Company governance bodies:

	Board of Directors	General Meeting
Body authorizing the clauses	YES	NO

	YES	NO
Is the General Meeting informed of the clauses?	x	

C.2 Board of Directors Committees

C.2.1 Detail all the Board Committees, their members and the proportion of executive, proprietary, independent and other external directors sitting thereon:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Category
FRANCISCO GONZÁLEZ RODRÍGUEZ	CHAIRMAN	EXECUTIVE
CARLOS TORRES VILA	MEMBER	EXECUTIVE
SUSANA RODRÍGUEZ VIDARTE	MEMBER	OTHER EXTERNAL
JOSÉ ANTONIO FERNÁNDEZ RIVERO	MEMBER	OTHER EXTERNAL
JOSÉ MALDONADO RAMOS	MEMBER	OTHER EXTERNAL
CARLOS LORING MARTÍNEZ DE IRUJO	MEMBER	OTHER EXTERNAL

% of executive Directors	33.33%
% of proprietary Directors	0%
% of independent Directors	0%
% of other external Directors	66.66%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

In accordance with article 27 of BBVA's Board of Directors Regulations, the Executive Committee shall be apprised of matters delegated by the Board of Directors, in accordance with the pertinent legislation currently in force, the Company Bylaws or the Board Regulations. Among the functions of the Executive Committee is that of assisting the Board of Directors in its general supervision role, and in particular in the supervision of the progress of business and the monitoring of the risks to which the Bank is or may be exposed and in decision-making on matters that fall within the scope of the powers of the Board of Directors, provided that they do not constitute non-delegable powers under the Law, the Company Bylaws or the Board of Directors Regulations.

As regards its organizational and operating rules of this Committee, article 28 of the Board Regulations establishes that the Executive Committee shall meet on the dates set out in the annual calendar of meetings and at the request of the Chair or the Chair's delegate. All other aspects of its organization and operation will be subject to the provisions established for the Board of Directors by the Board Regulations. Once the minutes of the meeting of the Executive Committee are approved, they shall be signed by the meeting's Secretary and countersigned by whoever has chaired the meeting.

Directors will be given access to the approved minutes of the Executive Committee at the beginning of Board meetings, so that they can be apprised of the content of its meetings and the resolutions it has adopted.

With regard to its most important actions in 2016, the Executive Committee has analyzed the Bank's quarterly and annual results and the monthly performance of the Group's activity and results throughout 2016. It has also studied the Strategic Plan and the budget established for the exercise of the main resolutions of the Bank's Assets and Liabilities Committee; has developed intense management, control and supervision of risks in the BBVA Group throughout 2016; has analyzed the most relevant aspects related to the economic and market situation and the evolution of the BBVA share price; has been informed of the most outstanding aspects of regulatory developments affecting financial institutions; has analyzed and, if appropriate, approved different operations and projects arising from the Group's activity and has been informed of the changes that have been made in the internal regulations of the Bank, among other issues.

Indicate whether the composition of the Executive Committee reflects the distribution of different classes of directorship on the Board.

YES

Otherwise, explain the composition of the Executive Committee.

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
JOSÉ MIGUEL ANDRÉS TORRECILLAS	CHAIRMAN	INDEPENDENT
BELÉN GARIJO LÓPEZ	MEMBER	INDEPENDENT
JUAN PI LLORENS	MEMBER	INDEPENDENT
TOMÁS ALFARO DRAKE	MEMBER	INDEPENDENT
LOURDES MÁIZ CARRO	MEMBER	INDEPENDENT

% of proprietary Directors	0%
% of independent Directors	100%
% of other external Directors	0%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

As established in article 30 of the Board of Directors Regulations, the duties of the Audit and Compliance Committee include the following:

- Report to the General Meeting on questions raised in relation to issues within the Committee's competence.
- To supervise the effectiveness of the Company's internal control, the internal audit area and the risk management systems in the process of drawing up and reporting the financial information, including tax-related risks, as well as

to discuss with the auditor any significant weaknesses in the internal control system detected during the audit, without undermining its independence.
- To oversee the drafting and presentation of the financial information and submit recommendations or proposals to the Board aimed at safeguarding its completeness.
- To submit to the Board of Directors the proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process in accordance with applicable regulations, as well as the conditions for its engagement, and periodically obtain from the external auditor information on the audit plan and its execution, in addition to preserving its independence in the discharge of its duties.
- To establish appropriate relations with the external auditor in order to receive information on any matters that may jeopardize its independence, for examination by the Committee, and any others that have to do with the process of auditing the accounts, as well as those other communications provided for by law and in auditing standards.
- Each year, before the audit report is issued, to submit a report expressing an opinion on whether the auditor's independence has been compromised. This report must contain the reasoned assessment of the provision of each of the additional services referred to in the preceding section, considered individually and as a whole, other than the legal audit and in relation to the regime of independence or the rules regulating the audit activity.
- To report, prior to the decisions that the Board may adopt, on all those matters provided for by law, in the Company Bylaws and in the Board Regulations, and in particular on: (i) the financial information that the Company is required to disclose regularly; (ii) the creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens; and (iii) the transactions carried out with related parties.
- To oversee compliance with applicable domestic and international regulations on matters related to money laundering, conduct on the securities markets, data protection and the scope of Group activities with respect to anti-trust regulations. Also to ensure that any requests for action or information made by official authorities on these matters are dealt with in due time and in due form.
- To ensure that the internal codes of ethics and conduct and securities market trading, as they apply to Group personnel, comply with legislation and are suitable.
- To especially enforce compliance with the provisions applicable to directors contained in these Regulations, and ensure that directors comply with applicable regulations regarding their conduct on the securities markets.

In keeping with the organizational and operating rules, article 31 of the Board Regulations states that the Audit and Compliance Committee shall meet as often as necessary to discharge its duties, though an annual calendar of meetings will be drawn up in accordance with its tasks. The officers responsible for the areas within their remit, in particular, Accounting, Internal Audit and Compliance, may be invited to attend Committee meetings. They may request that other staff be invited from their areas that have particular knowledge or responsibility in the matters contained on the agenda, when their presence at the meeting is deemed advisable. However, only the Committee members and the Secretary shall be present when the results and conclusions of the meeting are assessed. The Committee may hire external advisory services for matters of importance if, for reasons of specialization or independence, it considers that such services cannot be rendered by Group experts or technical personnel. The Committee may also call on the personal cooperation and reports of any employee when it considers that this is necessary to fulfill its duties with regard to relevant issues. The usual channel for a request of this nature shall be through the reporting lines of the Company. However, in exceptional cases the request may be notified directly to the person in question. In addition, its convocation, quorum of constitution, adoption of agreements, minutes and other ends of its operating regime shall be in accordance with the Board Regulations for the Board of Directors, as applicable, and with that established in the specific regulations of this Committee

The most important activities carried out by the Audit and Compliance Committee in 2016 are detailed in section C.2.5.

Identify the Director who has been appointed Chairman on the basis of knowledge and experience of accounting or auditing, or both and state the number of years they have been Chairman.

Name of Director	JOSÉ MIGUEL ANDRÉS TORRECILLAS
Number of years as Chairman	1

APPOINTMENTS COMMITTEE

Name	Position	category
TOMÁS ALFARO DRAKE	CHAIRMAN	INDEPENDENT
JOSÉ MIGUEL ANDRÉS TORRECILLAS	MEMBER	INDEPENDENT
JOSÉ MALDONADO RAMOS	MEMBER	OTHER EXTERNAL
LOURDES MÁIZ CARRO	MEMBER	INDEPENDENT
SUSANA RODRÍGUEZ VIDARTE	MEMBER	OTHER EXTERNAL

% of proprietary Directors	0%
% of independent Directors	60%
% of other external Directors	40%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

The Appointments Committee is bound to assist the Board of Directors in matters relating to the selection and appointment of Board members. Thus, as provided for under article 33 of the Board Regulations, the Appointments Committee will discharge the following duties:

- Submit proposals to the Board of Directors on the appointment, re-election or removal of independent directors and report on the proposals for the appointment, re-election or removal of the other directors.

To such end, the Committee will assess the balance of skills, knowledge and expertise on the Board of Directors, as well as the conditions that candidates should display to fill the vacancies arising, assessing the time dedication necessary to be able to suitably perform their duties in view of the needs that the Company's governing bodies may have at any time.

The Committee will ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may entail any discrimination and, in particular, discrimination that may hinder the selection of female directors, trying to ensure that women who display the professional profile being sought are included as potential candidates.

Likewise, when drawing up proposals within its scope of competence for the appointment of directors, the Committee will take into account, in case they may be considered suitable, any applications that may be made by any Board of Directors' member for potential candidates to fill the vacancies.

- Submit proposals to the Board of Directors for policies on the selection and diversity of members of the Board of Directors.

- Establish a target for representation of the under-represented gender in the Board of Directors and draw up guidelines on how to achieve that target.

- Analyze the structure, size and composition of the Board of Directors at least once a year when carrying out its operational assessment.

- Analyze the suitability of the various members of the Board of Directors.

- Perform an annual review of the status of each director, so that this may be reflected in the annual corporate governance report.

- Report the proposals for the appointment of the Chairman and the Secretary and, where applicable, of the Deputy Chairman and the Deputy Secretary.

- Report on the performance of the duties of the Chairman of the Board, for the purposes of the periodic assessment by the Board of Directors, under the terms established in the Board Regulations.

- Examine and organize the succession of the Chairman in conjunction with the Lead Director and, where appropriate, submit proposals to the Board of Directors so that the succession takes place in an planned and orderly manner.

- Review the Board of Directors policy on the selection and appointment of members of senior management, and make recommendations to the Board when necessary.

- Report on proposals for appointment and removal of senior managers.

Moreover, article 34 of the Board Regulations regulates the organizational and operating rules of the Appointments Committee, establishing that it will meet as often as necessary to fulfill its duties, convened by its Chair or by whoever stands in for its Chair pursuant to the provisions of article 32 of the Board Regulations. The Committee may request the attendance at its meetings of persons with tasks in the Group that are related to the Committee's duties. It may also obtain advice as necessary to establish criteria related to its business. This will be done through the Secretary of the Board. For all other matters, the system for convening meetings, quorums, passing resolutions, drafting minutes and other details of its operation will be in accordance with the provisions of the Board of Directors Regulations insofar as they are applicable.

Regarding the most important actions carried out by the Appointments Committee in 2016, the Committee Chairman presented to the Board a report on the activities carried out during the 2016 financial year, which included, among other things, the tasks carried out in relation to the appointment and re-election of directors over the year, the assessment of the duties of the Chairman of the Board, analysis of the structure, size and composition of the Board with a view to evaluating the quality and efficiency of its operations, a review of the suitability of the directors and the condition of independent directors, and proposals for appointment and severance of the members of Senior Management.

REMUNERATION COMMITTEE

Name	Position	Category
JUAN PI LLORENS	CHAIRMAN	INDEPENDENT
JOSÉ ANTONIO FERNÁNDEZ RIVERO	MEMBER	OTHER EXTERNAL
BELÉN GARIJO LÓPEZ	MEMBER	INDEPENDENT
JOSÉ LUIS PALAO GARCÍA-SUELTO	MEMBER	INDEPENDENT
JAMES ANDREW STOTT	MEMBER	INDEPENDENT

% of proprietary Directors	0%
% of independent Directors	80%
% of other external Directors	20%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

The Remuneration Committee's main task is to assist the Board of Directors in matters related to the remuneration policy for directors, senior management and any employees, whose professional activities have a significant impact on the Bank's risk profile, ensuring that the established remuneration policy is observed. Thus, as provided for under article 36 of the Board of Directors Regulations, it will discharge the following duties:

- Propose to the Board of Directors, for its submission to the Annual General Meeting, the directors' remuneration policy, with respect to its items, amounts and parameters for its determination and its vesting. Also to submit the

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

corresponding report, in the terms established by applicable law at any time.

- Determine the extent and amount of the individual remunerations, entitlements and other economic compensations and other contractual conditions for the executive directors, so that these can be reflected in their contracts. The Committee's proposals on such matters will be submitted to the Board of Directors.

- Propose the annual report on the remuneration of the Bank's directors to the Board of Directors each year, which will then be submitted to the Annual General Shareholders Meeting in accordance with applicable law.

- Propose the remuneration policy to the Board of Directors for senior managers and employees whose professional activities have a significant impact on the Company's risk profile.

- Propose the basic conditions of the senior management contracts to the Board, and directly supervise the remuneration of senior managers responsible for risk management and compliance duties within the Company.

- Oversee observance of the remuneration policy established by the Company and periodically review the remuneration policy applied to directors, senior managers and employees whose professional activities have a significant impact on the Company's risk profile.

- Verify the information on directors and senior managers' remunerations contained in the different corporate documents, including the annual report on directors' remuneration.

Moreover, article 37 of the Board of Directors Regulations states that the Remuneration Committee will meet as often as necessary to fulfill its duties, convened by its Chair or by whoever stands in for its Chair pursuant to the provisions of article 35 of the Board Regulations. The Committee may request the attendance at its meetings of persons with tasks in the Group that are related to the Committee's duties. It may also obtain advice as necessary to establish criteria related to its business. This will be done through the Secretary of the Board. For all other matters, the system for convening meetings, quorums, passing resolutions, drafting minutes and other details of its operation will be in accordance with the provisions of the Board of Directors Regulations for the Board insofar as they are applicable.

The most important activities carried out by the Remuneration Committee in 2016 are detailed in section C.2.5.

RISK COMMITTEE

Name	Position	Category
JAMES ANDREW STOTT	CHAIRMAN	INDEPENDENT
JOSÉ LUIS PALAO GARCÍA-SUELTO	MEMBER	INDEPENDENT
CARLOS LORING MARTÍNEZ DE IRUJO	MEMBER	OTHER EXTERNAL
SUSANA RODRÍGUEZ VIDARTE	MEMBER	OTHER EXTERNAL
JOSÉ MIGUEL ANDRÉS TORRECILLAS	MEMBER	INDEPENDENT

% of proprietary Directors	0%
% of independent Directors	60%
% of other external Directors	40%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

The Risk Committee will be tasked with assisting the Board of Directors in determining and monitoring the Group's risk control and management policy and its strategy in this area. Thus, as provided for under article 39 of the Board of Directors Regulations, it will discharge the following duties:

- Analyze and assess the proposals on the Group's risk management, control and strategy. In particular, these will identify:

i. The Group's risk appetite; and
ii. The setting of the level of risk considered acceptable according to the risk profile and capital at risk, broken down by the Group's businesses and areas of activity.

- Analyze and assess the control and management policies for the Group's different risks and the information and internal control systems.

- The measures established to mitigate the impact of risk identified, should they materialise.

- Monitor the performance of the Group's risks and their fit with the strategies and policies and the Group's risk appetite.

- Analyze, prior to submitting them to the Board of Directors or the Executive Committee, those risk operations that must be put to its consideration.

- Examine whether the prices of the assets and liabilities offered to customers fully take into account the Bank's business model and risk strategy and, if not, present a remedy plan to the Board of Directors.

- Participate in the process for establishing the remuneration policy, ensuring that it is consistent with adequate and effective risk management and does not offer incentives for assuming risks that may exceed the level tolerated by the Company.

- Ensure that the Company and its Group are provided with means, systems, structures and resources in line with best practices to enable it to implement its risk management strategy, ensuring that the entity's risk management mechanisms are appropriate in relation to the strategy.

Moreover, article 40 of the Board Regulations regulates the organizational and operating rules of the Risk Committee, establishing that it will meet as often as necessary to fulfill its duties, convened by its Chair or by whoever stands in for its Chair pursuant to the provisions of article 38 of the Board Regulations, though an annual calendar of meetings will be drawn up in accordance with its tasks. The Committee may request the attendance at its meetings of the Group's Chief Risk Officer, as well as the executives to whom the various risk areas report or the persons with tasks in the Group that are related to the Committee's duties. It may also obtain advice as necessary to establish criteria related to its business. This will be done through the Secretary of the Board. The system for convening meetings, quorums, adopting resolutions, drafting minutes and other details of its procedures will be governed by the provisions defined in the Board Regulations for the Board of Directors insofar as they are applicable to the Committee and by any specific Regulations that might be established.

The Chairman of the Risk Committee presented to the Board a report on the most significant aspects of the activity carried out by the Committee since taking office in April 2016. This emphasized the Committee's follow-up on the evolution of Group risks and its degree of compliance with the defined strategies and policies and the Risk Appetite Framework (RAF) established by the Board of Directors. Among the components of this Framework are the key metrics in solvency, liquidity and recurrence of income, and the limits established for each type of risk. The Committee analyzed the situation of the different geographical areas where the Group operates, with special attention to current issues that could directly affect Group entities, throughout the year. In carrying out its duties, the Committee reviewed different corporate risk policies during the year, prior to their approval by the Executive Committee, and monitored the evolution of different projects developed by the Risk Area. In relation to the ICAAP and ILAAP reports, as well as the Group Recovery Plan, the report commented on the review carried out by the Committee prior to its approval by the Board of Directors, to verify its adequacy, integrity and alignment from the perspective of the Group's risk profile. The report also referred to other projects of relevance to the Group, such as RDA (Risk Data Aggregation), and to the actions carried out by the Committee in monitoring and supervising the development of the project. He also reported on the Committee's follow-up on the Group's risk profile and its various indicators and on the Committee's reviews of the preliminary proposals for the Risk Area for the establishment of the Group's Risk Appetite Framework for 2017.

TECHNOLOGY AND CYBER-SECURITY COMMITTEE

Position	Position	category
CARLOS TORRES VILA	CHAIRMAN	EXECUTIVE

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

TOMÁS ALFARO DRAKE	MEMBER	INDEPENDENT
SUNIR KUMAR KAPOOR	MEMBER	INDEPENDENT
JUAN PI LLORENS	MEMBER	INDEPENDENT
JAMES ANDREW STOTT	MEMBER	INDEPENDENT

% of executive Directors	20%
% of proprietary Directors	0%
% of independent Directors	80%
% of other external Directors	0%

Explain the committee's duties, describe the procedure and organizational and operational rules and summarize the main actions taken during the year.

According to its specific regulations, the purpose of the Technology and Cyber-security Committee is to assist the Board in the following areas: (i) the understanding and acknowledgement of the risks associated to technology and information systems related to the Group's activity and the oversight of its management and control, particularly with regard to the cyber-security strategy; (ii) the acknowledgment and supervision of the infrastructure and technology strategy of the Group and how this is integrated into the development of its overall strategy; and (iii) ensuring that the Bank has determined plans and policies, and has the appropriate means, for managing the abovementioned matters.

It will also perform the following functions:

- Oversight of technological risk and cyber-security management:

- Review the major technology risks exposures of the Bank, including information security and cyber-security risks and the steps management has taken to monitor and control such exposures.
- Review the policies and systems for the assessment, control and management of the Group's technology risks and infrastructures, including the cyber-attack incident response and recovery plans.
- Receive reports from management regarding the business continuity planning in technology and technology infrastructure matters.
- Receive reports from management, as and when appropriate, on: (i) IT-related compliance risks; and (ii) the steps taken to identify, assess, monitor, manage and mitigate those risks.
- Additionally, the Technology and Cyber-security Committee will be informed of any relevant event that may occur regarding cyber-security issues. These are deemed to be those which, individually or as a whole, may have a material impact or damage in the Group's equity, results or reputation. In any case, such events will be informed to the Chair of the Committee as soon as possible.

- Stay informed of the Technology Strategy:

- Receive reports from management, as and when appropriate, on technology strategy and trends that may affect the Company's strategic plans, including the monitoring of overall industry trends.
- Receive reports from management, as and when appropriate, on the metrics established by the Group for the management and control of IT-related matters, including the progress of the developments and investments carried out by the Group in this field.
- Receive reports from management, as and when appropriate, on matters related to new technologies, applications, information systems and best practices that affect the Group's IT strategy or plans.
- Receive reports from management on the core policies, strategic projects and plans defined by the Engineering area.
- Inform the Board of Directors and, if applicable, the Executive Committee, on any IT-related matters falling within the scope of their functions.

For a better performance of its functions, channels for an appropriate coordination between the Technology and Cyber-security Committee and the Audit and Compliance Committee will be established to ensure: (i) that the Technology and Cyber-security Committee can have access to the conclusions of the work performed by the Internal Audit Department in technology and cyber-security matters; (ii) and that the Audit and Compliance

Committee is informed on IT-related systems and processes that are related to or affect the Bank's internal control systems and other matters falling within the scope of its functions. Additionally, channels for an appropriate coordination between the Technology and Cyber-security Committee and the Risk Committee will be established to ensure that the Risk Committee monitors the impact of technological risks within the scope of Operational Risk and other matters falling within the scope of its functions.

With regard to its functioning and organization, will meet as often as necessary to perform its duties, convened by its Chair or by whoever stands in for its Chair pursuant to its Regulations. The Committee may request the attendance at its meetings of persons with tasks within the Group that are related to the Committee's duties.
In particular, the Committee will maintain a direct and recurring contact with the executives responsible for the areas of Engineering and Cyber-security in the Group, for the purpose of receiving the necessary information for a better performance of the Committee's duties. This information will be discussed in the meetings held.

The Committee may also engage external advisory services as may be necessary to establish an informed opinion on matters related to its duties. This will be done through the Secretariat of the Board. For all other matters, the system for convening meetings, quorums, passing resolutions, drafting minutes and other details of its operation will be in accordance with the provisions of the Board of Directors Regulations for the Board insofar as they are applicable.

The most important activities carried out by the Technology and Cyber-security Committee in 2016 are detailed in section C.2.5.

C.2.2 Fill in the following table with information on the number of female directors sitting on Board Committees over the last four years:

	Number of female directors							
	Year 2016		**Year 2015**		**Year 2014**		**Year 2013**	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Executive Committee	1	16.66%	1	20%	1	20%	1	16.66%
Audit and Compliance Committee	2	40%	2	40%	1	25%	1	20%
Appointments Committee	2	40%	1	20%	1	20%	1	20%
Remuneration Committee	1	20%	-	-	-	-	1	20%
Risk Committee	1	20%	1	16.66%	1	20%	-	-
Technology and Cyber-security Committee	-	-	-	-	-	-	-	-

C.2.3 Section repealed.

C.2.4 Section repealed.

C.2.5 Indicate, where applicable, the existence of regulations for the Board Committees, where they can be consulted and any amendments made to them during the year. Indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The Board of Directors Regulations, available on the Company's website, regulate the composition, functions and operating rules of the Board Committees, except for the Technology & Cyber-security Committee, which has its own Regulations.

APPOINTMENTS COMMITTEE: The Chairman of the Appointments Committee presented to the Board of Directors a report on the activities of the Committee throughout 2016, which is explained in more detail in the section on the Appointments Committee in section C.2.1 above.

AUDIT AND COMPLIANCE COMMITTEE: The Audit and Compliance Committee has specific Regulations approved by the Board and available on the company's website, which govern its operation and powers, among other matters.

The Chairman of the Audit and Compliance Committee presented to the Board a report on its activities in 2016, in which it reported on the tasks carried out by the Committee in relation to the functions assigned to it by the Board Regulations, indicating that the Committee had carried out its activity without incident and fulfilled the functions assigned to it in relation to the monitoring and supervision of financial information; the system of internal control of financial-accounting information; internal and external audits; matters related to compliance and those related to the regulatory environment. He reported on the Supervisory Review and Evaluation Process (SREP) carried out by the European Central Bank; on the annual plan for the Compliance Area and its regular monitoring and the communications with both national and international supervisory and regulatory authorities. He also informed the Board regarding the evolution of the Group's corporate structure during the 2016 financial year, the Group's fiscal management and the impact of the forthcoming entry into force of national and international accounting standards.

With regard to the external audit, he highlighted the work plans, schedules and communications maintained with the external auditors for the 2016 financial year, having observed its independence by the Committee in compliance with the applicable regulations and it's plan with regard to the selection process for the new BBVA Group external auditor for 2017, 2018 and 2019.

RISK COMMITTEE: The Risk Committee has specific Regulations approved by the Board and available on the Company's website, which govern matters including its duties and procedural standards, among other matters.

Likewise, the Chairman of the Risk Committee presented to the Board of Directors a report on the activities of the Committee in 2016, which is explained in more detail in the section on the Risk Committee in section C.2.1 above.

TECHNOLOGY AND CYBER-SECURITY COMMITTEE: The Risk Committee has specific Regulations approved by the Board and available on the Company's website, which govern matters including its duties and procedural standards, among other matters. As this Committee was constituted by the Board of Directors in 2016, no specific Committee activity report has been made for this financial year.

C.2.6 Section repealed.

D RELATED-PARTY TRANSACTIONS AND INTRA-GROUP TRANSACTIONS

D.1 Explain the procedure, if any, for approving related-party and intra-group transactions.

Procedures for approving related party transactions
Article 17 v) of the Board of Directors Regulations establishes that the Board is responsible for approving, where applicable, the transactions that the Company or its Group companies may make with directors or with shareholders that individually or in concert hold a significant stake. This includes shareholders represented in the Board of Directors of the Company or of other Group companies or with parties related to them, with the exceptions provided for by law. Moreover, article 8 of the Board of Directors Regulations establishes that approval of the transactions of the Company or its Group companies with directors needing to be approved by the Board of Directors will be granted after receiving a report from the Audit and Compliance Committee. The only exceptions to this approval will be transactions that simultaneously fulfill the following three characteristics: (i) they are carried out under contracts with standard terms and are applied *en masse* to a large number of customers; (ii) they go through at market rates or prices set in general by the party acting as supplier of the goods or services; and (iii) they are worth less than 1% of the Company's annual revenues.

D.2 Detail any significant transactions, entailing a transfer of a significant amount or obligations between the company or its group companies, and the company's significant shareholders:

Name of significant shareholder (person or company)	Name of the company or group entity	Nature of the relationship	Type of transaction	Amount (thousands of euros)

D.3 Detail any significant transactions entailing a transfer of a significant amount or obligations between the company or its group companies, and the directors and/or senior managers:

Name of the directors and/or senior managers (person or company)	Name of the related party (person or company)	Relationship	Nature of transaction	Amount (thousands of euros)

D.4 Detail the significant transactions in which the company has engaged with other companies belonging to the same group, except those that are eliminated in the process of drawing up the consolidated financial statements and that do not form part of the company's usual trade with respect to its object and conditions.

In any event, provide information on any intragroup transactions with companies established in countries or territories considered tax havens.

Name of the Group Company	Brief description of the transaction	Amount (€k)
BBVA GLOBAL FINANCE LTD.	Holding of securities representing debt	1,197
BBVA GLOBAL FINANCE LTD.	Current account deposits	1,663
BBVA GLOBAL FINANCE LTD.	Term account deposits	6,462
BBVA GLOBAL FINANCE LTD.	Issue-linked subordinated liabilities	185,839

D.5 State the amount of the transactions carried out with other related parties.

D.6 Detail the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, managers and/or significant shareholders.

Articles 7 and 8 of the Board Regulations regulate issues relating to possible conflicts of interest as follows:

Article 7

Directors must adopt necessary measures to avoid finding themselves in situations where their interests, whether for their own account or for that of others, may enter into conflict with the corporate interest and with their duties with respect to the Company, unless the Company has granted its consent under the terms established in applicable legislation and in the Board of Directors Regulations.

Likewise, they must refrain from participating in deliberations and votes on resolutions or decisions in which they or a related party may have a direct or indirect conflict of interest, unless these are decisions relating to appointment to or severance from positions on the governing body.

Directors must notify the Board of Directors of any situation of direct or indirect conflict that they or parties related to them may have with respect to the Company's interest.

Article 8

The duty of avoiding situations of conflict of interest referred to in the previous article obliges the directors to refrain from, in particular:

- Carrying out transactions with the Company, unless these are ordinary business, performed under standard conditions for the customers and of insignificant quantity. Such transactions are deemed to be those whose information is not necessary to provide a true picture of the net worth, financial situation and performance of the Company.

- Using the Company's name or invoking their position as director to unduly influence the performance of private transactions.

- Making use of the corporate assets, including the Company's confidential information, for private ends.

- Taking advantage of the Company’s business opportunities.

- Obtaining advantages or remuneration from third parties other than the Company and its Group, associated to the performance of their position, unless they are mere tokens of courtesy.

- Engaging in activities for their own account or on behalf of third parties that involve effective actual or potential competition with the Company or that, in any other way, bring them into permanent conflict with the Company's interests.

The above provisions will also apply should the beneficiary of the prohibited acts or activities described in the previous subsections be a related party related to the director. However, the Company may dispense with the aforementioned prohibitions in specific cases, authorising a director or a related party to carry out a certain transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity or to obtain an advantage or remuneration from a third party.

When the authorization is intended to dispense with the prohibition against obtaining an advantage or remuneration from third parties, or affects a transaction whose value is over 10% of the corporate assets, it must necessarily be agreed by a General Meeting resolution.

The obligation not to compete with the Company may only be dispensed with them no damage is expected to the Company or when any damage that is expected is compensated by benefits that are foreseen from the dispensation. The dispensation will be conferred under an express and separate resolution of the General Meeting.

In other cases, the authorization may also be resolved by the Board of Directors, provided the independence of the members conferring it is guaranteed with respect to the director receiving the dispensation. Moreover, it will be necessary to ensure that the authorized transaction will not do harm to the corporate net worth or, where applicable, that it is carried out under market conditions and that the process is transparent.

Approval of the transactions of the Company or its Group companies with directors needing to be approved by the Board will be granted after receiving a report from the Audit and Compliance Committee. The only exceptions to this approval will be transactions that simultaneously meet the following 3 specifications: 1) they are carried out under contracts with standard terms and are applied en masse to a large number of customers; 2) they go through at market rates or prices set in general by the party acting as supplier of the goods or services; and 3) they are worth less than one per cent of the Company’s annual revenues.

Since BBVA is a credit institution, it is subject to the provisions of Act 10/2014, dated 26th June, on the regulation, supervision and solvency of credit institutions, whereby the directors and general managers or similar may not obtain credits, bonds or guarantees from the Bank on whose board or management they work, above the limit and under the terms established in article 35 of Royal Decree 84/2015, which implemented Law 10/2014, unless expressly authorized by the Bank of Spain.

All the members of the Board of Directors and the senior management are subject to the Company's Internal Regulations on the Securities Markets. These Regulations are intended to control possible conflicts of interest. They establish that everyone subject to it must notify the head of their area or the Compliance Unit of situations that could potentially and under specific circumstances may entail conflicts of interest that could compromise their impartiality, before they engage in any transaction or conclude any business in which they could arise.

D.7 Are more than one of the Group's companies listed in Spain as publicly traded companies?

NO

Identify the listed subsidiaries in Spain

Listed subsidiaries

Indicate whether the respective areas of business and any potential relations between them and any potential business relations between the holding company and the listed subsidiary and other group companies have been publicly defined;

Define any potential business relations between the holding company and the listed subsidiary company and between the listed subsidiaries and other group companies

Identify the mechanisms established to resolve any potential conflicts of interest between the listed subsidiary and other companies of the group:

Mechanisms to resolve possible conflicts of interest

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's Risk Management System, including risks of a tax-related nature.

The BBVA Group has a General Risk Control and Management Model (hereinafter, "the Model") adapted to its business model, organization and the geographical areas in which it operates. It allows it to operate within the framework of the control and risk management strategy defined by the Bank's company bodies and adapt to an economic and regulatory environment, addressing management globally and monitoring to the circumstances at any particular time.

The risk management function at BBVA (Global Risk Management) is organized and developed by establishing procedures and specific rules for each type of risk, bringing the Model's elements closer to the day-to-day management of risks in the Group.

The elements comprising the model are:
1. A system of governance and organization of the risk management function that has an adequate definition of roles and responsibilities in all areas, a series of committees and delegation structures, and an internal control system which is consistent with the nature and scale of the risks.
2. A Group Risk Appetite Framework approved by the Board that determines the risks and the risk level that the Group is willing to assume to achieve its business objectives.
3. A system of decision-making and processes to allow the ordinary management of risks, which is based on three basic elements: the existence of a homogeneous normative body; a risk planning that ensures its integration into the management of the Risk Appetite Framework and the comprehensive management of risks throughout their life cycle.
4. A framework of risk identification, evaluation, monitoring and reporting that provides the Model with a dynamic and proactive vision to enable compliance with the Risk Appetite Framework, even in unfavorable scenarios.
5. An adequate infrastructure that ensures that the Group has the human and technological resources needed for effective management and supervision of risks in order to achieve its objectives.

Some notes on the Group management of different risks are given below:

• Credit risk: is the most relevant for the Group and includes management of counterparty, issuer, settlement and country-specific risks. Management of this risk is based on the following principles: A) availability of basic information for assessing risks, proposing risks and having supporting documentation for approval purposes; B) sufficient customer fund generation and solvency to assume the repayments of principal and interest on loans owed; C) establishment of adequate and sufficient guarantees to allow effective recovery of the operation, considered a secondary and exceptional method of recovery for when the first fails. Management of this risk is based on a comprehensive structure covering for objective and independent decision-making.

• Structural interest-rate risk: This includes the potential impact that changes in market interest rates have on the net interest income and book value of entities. Its management model in the Group is decentralized, thus the Balance-Sheet Management unit, pertaining to Finance, designs and executes the strategies to implement via ALCO in accordance with the tolerances set out in the Risk Appetite Framework.

• Structural exchange-rate risk: Managed centrally focusing on the risk that arises when consolidating holdings in subsidiaries with functional currencies other than the euro. The corporate Balance-Sheet Management unit, through ALCO, designs and executes the hedging policies with the main purpose of controlling the potential negative effect of exchange-rate fluctuations on capital ratios and on the equivalent value in euros of the foreign-currency earnings of the different subsidiaries, considering the transactions according to market expectations and their cost.

• Structural equity risk: Exposure to this risk mainly stems from holdings in non-strategic industrial and financial companies with medium- and long-term investment horizons. It is managed in accordance with the corporate risk management policies for equity positions in the equity portfolio, in order to ensure their adaptation to BBVA's business model and its risk tolerance level according to the Risk Appetite Framework.

• Market risk (trading portfolio): This arises from the probability that there may be losses in the value of the positions held as a result of changes in the market prices of financial instruments. The Value at Risk (VaR) model is used to measure this.

• Liquidity and funding risk: Its control, monitoring and management, intends in the short term, to meet the payment commitments envisaged in a timely manner without resorting to obtaining funds in difficult conditions or that might deteriorate the reputation of the entity. In the medium and long term, the aim is to ensure that the Group's funding structure is appropriate and that its evolution is suitable according to the economic situation, the markets and the regulatory changes, in accordance with the established Risk Appetite.

• Operational risk: Its management is based on the value provided by the Advanced Measurement Approach model (AMA): knowledge, identification, prioritization and management of potential and actual risks, supported by a governance model to drive management across all the Group's units. The aim is to reduce operating losses by managing an adequate control environment.

Regarding taxation, BBVA has defined a tax-related risk management policy based on a suitable control environment, a system for identifying risks and a monitoring process including continuous improvement of the effectiveness of the established controls. In 2016 this management model was evaluated by an independent third party.

E.2 Identify the corporate bodies responsible for drawing up and enforcing the Risk Management System, including tax-related risks.

BBVA Group's risk governance model is characterized by a special involvement of its governing bodies, both in setting the risk strategy and in monitoring and supervising its implementation on an ongoing basis.

The Board of Directors approves the risk strategy and supervises the internal control and management systems. Specifically, the strategy approved by the Board includes, at least, the Group's Risk Appetite statement, the fundamental metrics and the basic structure of limits by areas, types of risk and asset classes, as well as the bases of the risk management and control model. The Board of Directors is also responsible for approving and monitoring the strategic and business plan, the annual budgets and management goals, as well as the investment and funding policy, in a consistent way and in line with the approved Risk Appetite Framework.

On the basis established by the Board of Directors, the Executive Committee approves specific corporate policies for each type of risk; the metrics by type of risk related to concentration, profitability and reputation and the basic structure of the Group's risk limits. By following up on them, with information on any possible excesses of the limits that may occur and on the corrective measures to be taken in such cases in order to reestablish the situation.

Lastly, the Board of Directors includes a committee specializing in risks, the Risk Committee. This committee conducts an ongoing analysis and monitoring of risks within the remit of the governing bodies, assisting the Board of Directors and the Executive Committee in the determination and monitoring of the risk strategy and the corporate policies, respectively. Another task of special relevance it carries out is detailed control and monitoring of the risks that affect the Group as a whole, which enables it to supervise the effective integration of the risk strategy into management and the application of the corporate policies approved by the governing bodies.

The head of GRM is the Group's Chief Risk Officer (CRO), whose main responsibility is to ensure that the Group's risks are managed in accordance with the Model. The Chief Risk Officer is supported by a structure consisting of cross-cutting risk units in the corporate area and specific risk units in the Group's geographical areas and/or business areas. Each of these units is headed by a Risk Officer who, within his/her field of competence, carries out risk management and control functions and is responsible for applying the corporate policies and rules approved at the Group level in a consistent manner, adapting them if necessary to the local requirements and reporting to the local governing bodies.

The Risk Officers of the geographical and/or business areas report both to the Group's Chief Risk Officer and to the head of their geographical and/or business area. This dual reporting system aims to ensure the independence of the local risk management function from the operating functions and enable its alignment with the Group's corporate policies and goals related to risks.

The risks function has a decision-making process supported by a structure of committees. The Global Risk Management Committee (GRMC) is the highest executive body in the risk area and proposes, examines and, where applicable, approves, among others, the internal risk regulatory framework and the procedures and infrastructures needed to identify, assess, measure and manage the risks facing the Group in its businesses, as well as the admission of operations involving more relevant risks.

Regarding the tax-related risk, the Tax Department establishes the control mechanisms and internal rules necessary to ensure compliance with the tax laws in force and the tax strategy approved by the Board of Directors.

This function is subject to supervision by the Audit and Compliance Committee of the BBVA Group, and is evidenced by the appearances made before the same by the Head of the Fiscal Function of the BBVA Group.

E.3 Indicate the primary risks, including tax-related risks that could prevent business targets from being met.

BBVA has risk identification and scenario analysis processes in place that enables the Group to conduct a dynamic and proactive risk management.

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

Risks are captured and measured in a consistent way using the most appropriate methodologies in each case. Their measurement includes the design and application of scenario analyses and stress testing, and considers the controls the risks are subjected to.

As part of this process, a forward projection is performed of the Risk Appetite Framework variables in stress scenarios, with the aim of identifying possible deviations from the established thresholds; if such deviations are detected, the appropriate measures are adopted to keep those variables within the target risk profile.

In this context, there are a series of emerging risks that could affect the Group's business performance. These risks are organized into the following large blocks:

• Macroeconomic and geopolitical risks

According to the latest available information, global growth remains stabilized slightly above 3% in year-on-year terms.

Recently, the uncertainty of the global panorama has increased with the victory of the exit option from the European Union in the referendum held in the United Kingdom.

In general, the gradual recovery of growth in the developed economies does not suffice to offset the slowdown in emerging economies. Developments in the Chinese economy, with vulnerabilities due to its high level of debt, will continue to determine the global growth outlook and, in particular, in emerging economies.

Other events complete the outlook for global uncertainties for 2016 and 2017, and could affect the valuation of the Group's holdings in certain countries:

- Geopolitical tensions in some areas. In connection with this issue, it is worth noting the uncertainty over the political and economic situation following the events in Turkey since 15 July.

- The risk of an adjustment scenario in the United States, which might be caused by the Federal Reserve's decision to postpone the rise in interest rates and a lower growth forecast than the previous.

These uncertainties have led to a significant increase in financial market volatility, asset price decline and significant devaluations in emerging countries.

The Group's geographical diversification is the key to achieving a high level of recurring revenue, despite the conditions of the environment and the economic cycles of the economies in which it operates.

• Regulatory and reputational risks

- Financial institutions are exposed to a complex and changing regulatory and legal environment that can impact their growth capacity and the development of certain businesses, with higher liquidity and capital requirements and lower profitability ratios. The Group monitors changes in the regulatory framework on an ongoing basis to enable it to anticipate and adapt to those changes sufficiently in advance, adopt the best practices and the most efficient and rigorous criteria for their implementation.

- The financial sector is coming under intense scrutiny by regulators, governments and society itself. Negative news or inappropriate conduct can seriously damage an institution's reputation and affect its ability to conduct a sustainable business. The attitudes and conduct of the Group and of its members are governed by the principles of integrity, honesty, long-term vision and best practices, thanks to the internal control Model, the Code of Conduct, tax strategy and the Group's Responsible Business strategy, among others.

• Business, legal and operational risks

- New technologies and forms of customer relations: The development of the digital world and the information technologies poses major challenges for financial institutions that represent threats (new competitors, disintermediation…) and also opportunities (new customer relations framework, greater ability to adapt to their needs, new products and distribution channels...). In this regard, digital transformation is one of the priorities for the Group, which aims to lead the digital banking of the future.

- Technological risks and security breaches: Financial institutions are exposed to new threats such as cyber-attacks, internal and customer database theft, payment system fraud… that require major investments in security from the technological and human point of view. The Group attaches a great deal of importance to active management and control of operational and technological risk. One example is the early adoption of advanced models for managing these risks (AMA - Advanced Measurement Approach).

The financial sector is exposed to growing litigation rates in that financial entities are facing an elevated number of lawsuits whose economic consequences cannot be easily foreseen. The Group carries out a constant management and tracking of such lawsuits in defense of its own interests, and allocates, when considered necessary, the corresponding provisions for coverage thereof, following the criteria of internal lawyers and external legal experts and based on the applicable laws and regulations.

E.4 Identify whether the entity has a risk tolerance level, including tax-related risks.

The Group's Risk Appetite Framework approved by the governing bodies determines the risks and the risk level that the Group is willing to assume to achieve its business objectives taking into account the organic evolution of the business. These are expressed in terms of solvency, liquidity and funding, profitability, or other metrics, which are reviewed periodically or if there are any substantial changes in the entity's business or relevant corporate operations.

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

The risk appetite is expressed through the following elements:

- Risk Appetite Statement: sets out the general principles of the Group's risk strategy and the target risk profile.

- Statements and core metrics: based on the appetite statement, statements are established that specify the general principles of risk management in terms of solvency, profitability, liquidity and funding. Moreover, the core metrics reflect, in quantitative terms, the principles and the target risk profile set out in the Risk Appetite statement.

- Statements and metrics by type of risk: based on the core metrics and their thresholds for each type of risk, statements are established that set out the general management principles for the risk and a number of metrics are determined, whose observance enables compliance with the core metrics and the Group's Risk Appetite statement. These metrics have a maximum risk appetite.

- The basic structure of limits: they shape the Risk Appetite Framework at geographical area, risk type, asset type and portfolio level, ensuring that management is within the metrics by type of risk.

In addition to this Framework, there is a level of management limits that is defined and managed by the risks function when developing the basic structure of limits, with the aim of ensuring that proactive management of risks by risk subcategory within each type or by subportfolio is in line with that basic structure of limits and in general with the established Risk Appetite Framework.

Each geographical and/or business area has its own Risk Appetite Framework, consisting of its local Risk Appetite statement, core metrics, and metrics by type of risk and limits, which must be consistent with those set at the Group level, but adapted to their own reality. These are approved by the corresponding governing bodies of each entity.

The corporate risks area works with the various geographical and/or business areas to define their Risk Appetite Framework, so that it is coordinated with, and integrated into the Group's Risk Appetite Framework, making sure that its profile is in line with the one defined.

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

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

E.5 State what risks, including tax-related risks, have occurred during the year.

Risk is inherent to financial business, so the occurrence of risk to a greater or lesser extent is absolutely implicit in the Group’s activities. BBVA thus provides detailed information on its annual financial statements (note 7 in the Report and note 19 in the consolidated accounts covering tax-related risks) regarding the developments of such risks, since their very nature can permanently affect the Group in undertaking its activities.

Likewise, as described in note 24 of the Report, BBVA has provided, as a result of the judgement issued by the European Union Court of Justice regarding the interest rate clauses in consumer mortgage loans (known as "floor clauses"), a provision to cover future claims that may arise.

E.6 Explain the response and supervision plans for the principal risks faced by the company, including tax-related risks

The BBVA Group's internal control system takes its inspiration from the best practices developed both in the COSO (Treadway Commission Committee of Sponsoring organizations) “Enterprise Risk Management - Integrated Framework” and in the “Framework for Internal Control Systems in Banking Organizations”, drawn up by the Basel Bank of International Settlements (BIS).

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

- The Group's business units constitute the first line of defense. They are responsible for managing current and emerging risks and implementing control procedures. It is also responsible for reporting to its business/support unit.

- The second line is constituted by the specialist control units (Compliance, Accounting & Supervisors (specifically, Internal Financial Control), Global Risk Management (within it, Internal Risk Control) and Engineering (specifically, Internal Operations Control and Internal IT Control)). This line collaborates in identifying current and emerging risks, defines the control policies within the scope of its cross-sector specialty, ensures that they are implemented correctly, and provides training and advice to the first line. In addition, one of its main functions is to monitor and question the control activity carried out by the first line of defense.

  The control activity of the first and second line of defense will be coordinated by the Internal Risk Control Unit, which will also be responsible for providing these units with a common internal control methodology.

- The third line of defense is made up of the Internal Audit unit, for which the Group assumes the guidelines of the Basel Committee on Banking Supervision and of the Institute of Internal Auditors. Its function is that of providing independent and objective assurance and consulting activity designed to add value and improve the Organization's operations.

In addition, within the risk area, the Group has units for Internal Risk Control and Internal Validation that are independent of the units that develop the models, manage the processes and execute the controls.

Its scope of action is global, both from the geographical point of view and in terms of the types of risks. It encompasses all the areas of the organization and is designed to identify and manage the risks faced by the Group entities, in order to guarantee the established corporate objectives.

The main function of Internal Risk Control is to ensure the existence of a sufficient internal regulatory framework, a process and measures defined for each type of risks identified in the Group, and for those other types of risk that may potentially affect the Group, control their application and operation, and ensure that the risk strategy is integrated into the Group's management.

The Group's Internal Risk Control Director is responsible for the function and reports its activities and informs on its work plans to CRO and to the Board's Risk Committee, assisting it in any matters where requested.

To perform its duties, the unit has a structure of teams at a corporate level and also in the most important geographical areas in which the Group operates. As in the corporate area, the local units remain independent from the business areas that implement the processes, and from the units that carry out the controls, reporting functionally to the Internal Risk Control unit. The unit's lines of action are established at Group level and it is then responsible for their local-level adaptation and implementation, and for reporting on the most relevant aspects.

Among other functions, Internal Validation is responsible for the independent review and validation, at internal level, of the models used to measure and assume the risks and for determining the Group's capital requirements.

With regard to tax risks, the Board of Directors approved the Tax Strategy for the BBVA Group. This strategy reflects the tax-related postures of the Group. In this regard, the Tax Department establishes the policies and control processes for guaranteeing compliance with the tax laws currently in force and the tax strategy.

F SYSTEMS OF INTERNAL RISK MANAGEMENT AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprising the risk management and control systems for financial reporting (ICFR) in the entity.

F.1 The entity's control environment

Give information, describing the key features of at least:

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

Pursuant to article 17 of the Board Regulations, the Board of Directors approves the financial information that BBVA is required to publish periodically as a publicly traded company. The Board of Directors has an Audit and Compliance Committee, whose mission is to assist the Board supervise financial information and exercise control over the BBVA Group.

In this respect, the BBVA Audit and Compliance Committee Regulations establish that the Committee's duties include the supervision of the sufficiency, adequacy and effective operation of the internal control systems in the process of drawing up and preparing financial information, so as to rest assured of the correctness, accuracy, sufficiency and clarity of the financial information of the Entity and its consolidated Group.

The BBVA Group complies with the requirements imposed by the Sarbanes Oxley Act ("SOX") for each year's consolidated annual accounts due to its status as a publicly traded company listed to the U.S. Securities Exchange Commission ("SEC"). The main Group executives are involved in the design, compliance and maintenance of an effective internal control model that guarantees the quality and veracity of the financial information. The Accounting & Supervisors Department ("A&S") is responsible for the operation and maintenance of the internal financial control model.

In addition, and with the aim of reinforcing internal control environment, the Group has the Corporate Assurance model (which includes the ICFR) where is established a framework for the supervision of the internal control model. The Corporate Assurance model (in which the business areas, support areas and the areas specializing in internal control participate) is organized into a system of committees that analyze the most relevant issues related to internal control in each geographical area, with the participation of the country's top managers. These committees report to the Group's Global Committee, chaired by the CEO with the assistance of the main executives responsible for the business and control areas.

The different internal control units at holding and local level, coordinated by the Internal Control Area located in Global Risk Management, are responsible for implementing and applying the internal control and operational risk methodology defined in the Group. These internal control units are responsible, together with the business areas, for identifying, prioritizing and assessing the risks, helping the units to implement a control model, documenting it and supervising it periodically as well as defining risk mitigating measures and promoting their proper implementation.

The effectiveness of this internal control system is assessed on an annual basis for those risks that may have an impact on the proper drawing up of the Group's financial statements. The Internal Financial Control area, the control specialists of the business and support areas and the Group's Internal Audit department collaborate in this assessment. In addition, the external auditor of the BBVA Group issues an opinion every year on the effectiveness of internal control over financial reporting based on criteria established by COSO (Committee of Sponsoring Organizations of the Treadway Commission) and in accordance with the standards of the U.S. Public Company Accounting Oversight Board (PCAOB). This opinion appears in the Form 20-F that is filed every year with the SEC.

The result of the annual assessment of the System of Internal Control over Financial Reporting is reported to the Group's Audit and Compliance Committee by the heads of Internal Audit and Internal Financial Control.

F.1.2. Whether, especially in the process of drawing up the financial information, the following elements exist:

• Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) the clear definition of lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) ensuring that sufficient procedures exist for their correct dissemination within the entity.

The drafting of the financial information is carried out by the local Financial Management units of the countries and in a centralized manner by the A&S Division, which is overall responsible for the drafting and reporting of accounting and regulatory information.

The BBVA Group has organizational structure design and review mechanisms that clearly define action and responsibility lines in the areas involved in drawing up of financial information of each entity and consolidated group, and also has the channels and circuits necessary for their communication and distribution. The units responsible for drawing up these financial statements have a distribution of tasks and segregation of functions necessary to draw up these statements in an appropriate operational and control framework.

Additionally, there is an accountability model aimed at extending the culture of, and commitment to internal control. Those in charge of the design and operation of the processes that have an impact on financial reporting certify that all the controls associated with its operation under their responsibility are sufficient and have worked correctly.

• Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether specific mention is made of recording the transactions and drawing up of the financial information), body in charge of analysing non-compliance and proposing corrective measures and sanctions.

BBVA has a Code of Conduct, approved by the Board of Directors that sets out BBVA's specific commitments in developing one of the principles of its Corporate Culture: Integrity as a way of understanding and carrying out its businesses. This Code likewise establishes the corresponding channel for whistleblowers regarding possible infringements of the Code. It is the subject of ongoing training and refresher programs including key personnel in the financial function.

During 2016, and after the Code was updated in 2015, campaigns have been developed to communicate and disseminate its new contents, taking advantage of new formats and digital channels. In addition, an ambitious training plan has been developed at a global level, reaching the entire workforce of the Group.

The Code of Conduct is published on the Bank's website (www.bbva.com) and on the employees' website (intranet). Additionally, Group's integrant undertake personally and individually to observe its principles and rules in an express declaration of awareness and adhesion.

The duties of the Audit and Compliance Committee include ensuring that the internal codes of ethics and conduct and on securities market, applicable to all group personnel, comply with legal requirements and are adequate for the Bank.

Additionally, BBVA has adopted a structure of Corporate Integrity Management Committees (with individual powers at jurisdiction or Group entity levels, as applicable). Their joint scope of action covers all the Group businesses and activities and their main duty is to ensure effective application of the Code of Conduct. There is also a Corporate Integrity Management Committee, whose scope of responsibility extends throughout BBVA. The fundamental mission of this committee entails ensuring uniform application of the Code in BBVA.

The Compliance Unit in turn independently and objectively promotes and supervises to ensure that BBVA acts with integrity, particularly in areas such as money-laundering prevention, conduct with clients, security market conduct, corruption prevention, data protection and other areas that could entail a reputational risk for BBVA. The unit's duties include fostering the knowledge and application of the Code of Conduct, promoting the drafting and distribution of its implementing standards, assisting in the resolution of any concern insofar as interpretation of the Code that may arise, and managing the Whistle-Blowing Channel.

• Whistle-blowing channel, to allow financial and accounting irregularities to be communicated to the Audit Committee, as well as possible non-compliance with the code of conduct and irregular activities in the organization, reporting where applicable if this is confidential in nature.

Preservation of the Corporate Integrity of BBVA transcends the merely personal accountability for individual actions, it calls for all employees to have zero tolerance for activities outside the Code of Conduct or that could harm the reputation or good name of BBVA, an attitude that is reflected in everyone's commitment to whistle-blowing, by timely communication, of situations that, even when unrelated to their activity or area of responsibility, could be illegal or infringe upon the values and guidelines of the Code.

The Code of Conduct itself establishes the communication guidelines to follow and contemplates a Whistle-Blowing Channel, likewise guaranteeing the duty to reserve of the reporting parties, confidentiality of the investigations and the prohibition of retaliation or adverse consequences in light of communications made in good faith.

Telephone lines and email boxes have been set up for these communications in each jurisdiction. A list of these appears on the Group's Intranet.

As described in the previous section, BBVA has adopted a structure of Corporate Integrity Management Committees (with individual powers at jurisdiction or Group entity levels, as applicable), whose joint scope of action covers all the

Group businesses and activities and whose functions and responsibilities (explained in greater detail in their corresponding regulations) include:

• Drive and monitor global initiatives to foster and promote a culture of ethics and integrity among members of the Group.

• Ensure an uniform application of the Code.

• Promote and monitor the functioning and effectiveness of the Whistle-blowing Channel.

• In exceptional cases where they are not already included among the members of the Committee, inform Senior Management and/or the person responsible for the preparation of the financial statements of those events and circumstances from which significant risks might arise for BBVA.

In addition, periodic reports are made to the Audit and Compliance Committee that supervises and controls their proper functioning (independently managed by the Compliance area).

• Periodic training and refresher courses for employees involved in preparing and revising the financial information, and in ICFR assessment, covering at least accounting standards, audit, internal control and risk management.

Specific training and periodic refresher courses are given on accounting and tax-related standards, internal control and risk management in units involved in preparing and reviewing the financial and tax-related information and in evaluating the internal control system, to help them perform their functions correctly.

Within the A&S area, there is an annual training program for all members of the area on aspects related to the preparation of financial information and new regulations applicable in accounting, financial and fiscal matters, as well as other courses adapted to the needs of the area. These courses are taught by professionals from the area and renowned external providers.

This specific training program is in addition to the general Group training, which includes courses on finance and technology among other subjects.

Additionally, the BBVA Group has a personal development plan for all employees, which forms the basis of a personalized training program to deal with the areas of knowledge necessary to perform their functions.

F.2 Financial reporting risk assessment

Give information on at least:

F.2.1. The key features of the risk identification process, including error and fraud risks, with respect to:

• Whether the process exists and is documented.

The ICFR was developed by the Group Management in accordance with international standards set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") establishing five components on which the effectiveness and efficiency of internal control systems must be based:

- Establishing an adequate control environment for monitoring all these activities.
- Evaluating the risks that may be incurred by an entity in drawing up its financial information.
- Designing the necessary controls to mitigate the most critical risks.
- Establishing the adequate information circuits to detect and communicate the system's weaknesses or inefficiencies.
- Monitoring such controls to ensure they are operational and the validity of their effectiveness over time.

In order to identify the risks with a greater potential impact on the generation of financial information, the processes from which such information is derived are identified and documented, and an analysis of the risks that may arise in each is conducted.

Based on the corporate internal control and operational risk methodology, the risks are included in a range of categories by type, which include the error and fraud (internal/external), and their probability of occurrence and possible impact is analyzed.

The process of identifying risks of error, falsehood or omission in the drawing up of the Financial Statements is carried out by the Financial Reporting Internal Control unit, which manages their correction and in turn reports to the Audit and Compliance Committee. The scope of the annual/quarterly or monthly assessment of their controls is determined based on the materiality of the risks, thus ensuring coverage of the critical risks for the financial statements.

The assessment of the aforementioned risks and of the effectiveness of their controls begins with the management's understanding of and insight into the business and the analyzed operating process, considering criteria of quantitative materiality, likelihood of occurrence and economic impact, in addition to qualitative criteria associated with the type, complexity and nature of the risks or of the business structure itself.

The system for identifying and assessing the risks of internal control over financial reporting is dynamic. It evolves continuously, always reflecting the reality of the Group's business, changes in operating processes, the risks affecting them and the controls that mitigate them.

All this is documented in a corporate management tool developed and managed by Operational Risk (Storm) where are documented all the processes, risks and controls managed by the different control specialists, including the Financial Reporting Internal Control unit.

• Whether the process covers all the objectives of financial reporting (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations), whether the information is updated and with what frequency.

All the processes developed in the BBVA Group for drawing up financial information aim to record all financial transactions, value the assets and liabilities in accordance with applicable accounting regulations and provide a breakdown of the information in accordance with regulatory requirements and market needs.

The model of control over financial information analyses each of the aforementioned processes in order to ensure that error or fraud risks are properly covered with controls that work efficiently, and is updated when there are changes in the relevant processes for drawing up the financial information.

• The existence of a process for identifying the consolidation perimeter, taking into account aspects including the possible existence of complex corporate structures, instrumental or special purpose vehicles.

The A&S (Accounting & Supervisors) organization includes a Consolidation department that carries out a monthly process of identification, analysis and updating of the Group's consolidation perimeter.

In addition, the information from the consolidation department on new companies set up by the Group's different units and the changes made to existing companies is compared with the issues analyzed by two specific committees whose function is to analyze and document the changes in the composition of the corporate group (Holding Structure Committee and Investments in Non-Banking Companies Committee, both corporate).

In addition, with regard to special-purpose entities control, the Internal Audit and Compliance areas of the Bank make a periodic report of the Group's structure to the Board of Directors and to the Audit and Compliance Committee.

• Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax-related, reputational, environmental, etc.) insofar as they impact the financial statements.

The model of internal control over financial reporting applies to processes for drawing up such financial information and all operational or technical processes that could have a relevant impact on the financial, accounting, tax-related or management information.

As explained above, all the specialist control areas apply a standard methodology and use a common tool (Storm) to document the identification of the risks, of the controls that mitigate those risks and of the assessment of their effectiveness.

There are control specialists in all the operational or support areas, and therefore any type of risk that may affect the Group's operations is analyzed under that methodology (market, credit, operational, technological, financial, legal, tax-related, reputational or any other type of risk) and is included in the ICFR insofar as it may have an impact on the financial information.

• Which of the entity's governing bodies supervises the process.

The process for identifying risks and assessing the effectiveness and suitability of the controls is documented at least once a year, supervised by the Internal Audit area and reported to the Global Corporate Assurance Committee of the Group.

Moreover, the Internal Audit Director and head of the Group's Internal Financial Control report each year to the Audit and Compliance Committee on the analysis and certification work carried out pursuant to SOX methodology, to comply with the legal requirements imposed by the Sarbanes Oxley Act related to internal control systems for the financial reporting and is included in Form 20-F, which is filed every year with the SEC (as explained in point one regarding the control environment).

F.3 Control activities

Give information on the main features, if at least the following exist:

F.3.1. Procedures for review and authorization of the financial information and the description of the ICFR, to be published on the securities markets, indicating who is responsible for it, and the documentation describing the activity flows and controls (including those concerning risk of fraud) for the different types of transactions that may materially impact the financial statements, including the procedure for closing the accounts and the specific review of the relevant judgements, estimates, valuations and projections.

All the processes related to the drawing up of the financial information are documented, together with their control model: potential risks linked to each process and controls established for their mitigation. As explained in point F.2.1, the aforementioned risks and controls are recorded in the corporate tool Storm, which also includes the result of the assessment of the operability of the controls and the degree of risk mitigation.

In particular, the main processes related to the generation of financial information are: accounting, consolidation, financial reporting, financial planning and monitoring, financial and tax-related management. The analysis of these processes, their risks and their controls is also supplemented by all other critical risks that may have a financial impact from business areas or other support areas.

Likewise, there are procedures for review by the areas responsible for generating the financial and tax-related information disseminated to the securities markets, including the specific review of the relevant judgements, estimates and projections.

As mentioned in the annual financial statements, it is occasionally necessary to make estimates to determine the amount at which some assets, liabilities, income and expenses and commitments should be recorded. These estimates are mainly related to:

- Impairment losses on certain financial assets.
- The assumptions used to quantify certain provisions and in the actuarial calculation of liabilities and commitments for post-employment remunerations and other obligations.
- The useful life and impairment losses of tangible and intangible assets.
- The appraisal of goodwill and price assignments in business combinations.
- The fair value of certain unlisted assets and liabilities.
- The recoverability of deferred tax assets.
- The exchange rate and inflation index in Venezuela.

These estimates are made based on the best information available on the financial statement closing date and, together with the other relevant issues for the closing of the annual and six-monthly financial statements, are analyzed and authorized by a Technical Committee of A&S (A&S Executive Steering Committee) and submitted to the Audit and Compliance Committee before their formulation by the Board of Directors.

F.3.2. Internal control procedures and policies for information systems (among others, access security, change control, their operation, operational continuity and segregation of functions) that support the relevant processes in the entity with respect to the drawing up and publication of the financial information.

The internal control models include procedures and controls regarding the operability of information systems and access security, functional segregation, development and modification of computer applications used to generate financial information.

The current methodology for internal control and operational risk establishes a list of controls by category whose breakdown includes (among others) two categories: access control and functional segregation. Both categories are identified in the model of internal control of financial information and their risks and controls are analyzed and assessed on a regular basis, so the integrity and reliability of the information drawn up can be guaranteed.

Additionally, there is a corporate level procedure for managing system access profiles. It is developed, implemented and updated by the Group's internal control unit of Engineering. This unit is also in charge of providing support for control processes in change management (development in test environments and putting changes into production), incident management, management of transactions, media and backup copy management, and management of business continuity, among other things.

With all these mechanisms, the BBVA Group ensures the maintenance of adequate management of access control, the establishment of the correct and necessary steps to put applications into production and their subsequent support, the creation of backup copies, and assurance of continuity in the processing and recording of transactions.

In summary, the entire process of preparing and publishing financial information has established and documented the procedures and control models necessary to provide reasonable assurance about the correctness of BBVA Group's public financial information.

F.3.3. Internal control procedures and policies designed to supervise the management of activities subcontracted to third parties, and those aspects of the evaluation, calculation and assessment outsourced to independent experts, which may materially impact the financial statements.

The internal control policies establish controls and procedures for the management of subcontracted activities or those aspects of evaluation, calculation and assessment outsourced to independent experts.

There is a set of standards and an Outsourcing Committee that establishes and supervises the requirements that must be met at group level for the activities to be subcontracted. Regarding the financial processes, there are procedural manuals contemplating the outsourced activity that identify the processes to be executed and the controls to be applied by the service provider units and units entrusted with the outsourcing thereof. The controls established in the outsourced processes concerning the generation of financial information are also tested by the Internal Financial Control area.

The valuations from independent experts used for matters relevant for generating financial information are included within the standard circuit of review procedures executed by internal control, internal audit and external audit.

F.4 Information and communication

Give information on the main features, if at least the following exist:

F.4.1. A specific function in charge of defining and keeping the accounting policies updated (accounting policy department or area) and dealing with queries or conflicts stemming from their interpretation, ensuring fluent communication with those in charge of operations in the organization, and an up-to-date manual of accounting policies, communicated to the units through which the entity operates.

The organization has two areas within A&S (Group Financial Accounting and Global Supervisory Relations) in charge of the Accounting Technical Committees (Accounting Working Group) and Solvency. Their purpose is to analyze, study and issue standards that may impact the drawing up of the Group's financial and regulatory information, determining the accounting and solvency criteria required to ensure correct recording of transactions to the accounts and calculation of capital requirements within the framework of standards issued by the Bank of Spain, the European Union (IASB, directives on equity) and the Basel Committee.

There is an updated accounting policies Manual, disseminated over the Company's intranet to all the units in the Group. This manual is the tool that guarantees that all the decisions related to accounting policies or specific accounting criteria to be applied in the Group are supported and are standardized. The Accounting Policies Manual is approved in the Accounting Working Group and is documented and updated for its use and analysis by all the Group's entities.

F.4.2. Mechanisms to capture and prepare the financial reporting in standardised formats, for application and use by all the units of the entity or the group, that support the main financial statements and the notes, and the information detailed on ICFR.

The Group's A&S area and the financial directorates of the countries are responsible for the preparation of the financial statements in accordance with the current accounting and consolidation manuals. There is also a consolidation computer application that includes the information on the accounting of the various Group companies and performs the consolidation processes, including the standardization of accounting criteria, aggregation of balances and consolidation adjustments.

Control measures have also been implemented in each of the said processes in order to guarantee that all the data underpinning the financial information are collected in a comprehensive, exact and timely manner. There is also a single and standardized format for the financial reporting system. It is applicable to and used by all the Group units and supports the main financial statements and the explanatory notes. There are also control measures and procedures to ensure that the information disclosed to the markets includes a sufficient level of detail to enable investors and other users of the financial information to understand and interpret it.

F.5 Supervision of the system's operation

Give information, describing the key features of at least:

F.5.1. The ICFR supervision activities carried out by the Audit Committee and whether the entity has an internal audit function whose powers include providing support to the Audit Committee in its task of supervising the internal control system, including the ICFR. Likewise, give information on the scope of the ICFR assessment carried out during the year and of the procedure by which the person in charge of performing the assessment communicates its results, whether the entity has an action plan listing the possible corrective measures, and whether its impact on the financial reporting has been considered.

The internal control units of the business areas and of the support areas conduct a preliminary assessment of the internal control model, assess the risks of the processes and the degree of mitigation of the controls, identify weaknesses, design, implement and monitor the mitigation measures and action plans.

BBVA also has an Internal Audit unit that provides support to the Audit and Compliance Committee on the independent supervision of the internal control system of financial information. The Internal Audit function is entirely independent of the units that draw up the financial information.

All the control weaknesses, mitigation measures and specific action plans are documented in the corporate tool Storm and submitted to the internal control and operational risk committees of the areas, as well as to the local or global Corporate Assurance Committees, based on the relevance of the detected issues.

To sum up: both the weaknesses identified by the internal control units and those detected by the internal or external auditor have an action plan in place to correct or mitigate the risks.

During 2016, internal control areas have conducted a full assessment of the internal control system of financial information, and, to date, no material or significant weakness have been revealed therein. These were reported to the Audit and Compliance Committee, and the Global Corporate Assurance Committee.

Additionally, in compliance with SOX, the Group annually assesses the effectiveness of the internal control model for financial reporting on group of risks (within the perimeter of SOX companies and critical risks) that could impact the drawing up of Financial Statements at local and consolidated levels. This perimeter considers risks and controls of other specialties that are not directly financial (regulatory compliance, technology, risks, operational, human resources, procurement, legal, etc.).

F.5.2. Whether there is a discussion procedure by which the auditor (in line with the technical auditing notes), the internal audit function and other experts can inform senior management and the audit committee or the directors of the entity of significant weaknesses in the internal control encountered during the review processes for the annual accounts or any others within their remit. Likewise, give information on whether there is an action plan to try to correct or mitigate the weaknesses observed.

As mentioned in the preceding section (F.5.1) of this Annual Corporate Governance Report, the Group has a procedure in place whereby the internal auditor, the external auditor and the heads of Internal Financial Control can report to the Audit and Compliance Committee, where appropriate, any significant internal control weaknesses detected in the course of their work. Thus, a plan of action is prepared for all detected weaknesses, including those that are not significant, which is presented to the Audit and Compliance Committee.

Since BBVA is a company listed with the SEC, the BBVA Group's auditor issues on an annual basis its opinion on the effectiveness of the internal control over the financial information contained in the Group's annual consolidated statements as of 31 December each year under PCAOB standards ("Public Company Accounting Oversight Board"), with a view to filing the financial information under Form 20-F with the SEC. The latest report issued on the financial information for 2015 is available on www.sec.gov. As of the date of this report, the auditor of the annual consolidated statements corresponding to 2016 reported no significant or material weakness to the Audit and Compliance Committee, the Board of Directors or executive management bodies of the Group.

The supervision activities of the internal control system carried out by the Audit and Compliance Committee, described in the Audit and Compliance Committee Regulations published on the Group website, includes the following:

- Analyze the financial statements of the Bank and of its consolidated Group contained in the annual, six-monthly and quarterly reports prior to their submission to the Board of Directors, as well as all other required financial information, with the necessary detail deemed appropriate. For this purpose, the Committee shall be provided with the necessary support by the Group's Senior Management, especially that of the Accounting Department and the external auditor of the Company and its Group.

- Review the necessary scope of consolidation, the correct application of accounting criteria, and all the relevant changes relating to the accounting principles used and the presentation of the financial statements.

- Oversee the effectiveness of the company's internal control, internal audit and risk management systems in the process of drawing up and reporting the mandatory financial information, including tax-related risks, as well as discuss with the external auditor any significant weaknesses in the internal control systems detected during the audit, without undermining its independence. For such purposes, and where appropriate, they may submit recommendations or proposals to the Board of Directors, along with the period for their follow-up.

- Analyze, and approve as the case may be, the Annual Internal Audit Plan, monitoring it and being apprised of the degree to which the audited units are complying with the corrective measures recommended by Internal Audit.

- Examine the draft codes of ethic and conduct, and respective amendments thereto drawn up by the corresponding areas of the Group, and express an opinion before the proposals being put to the Bank's governing bodies.

The external auditor and the head of Internal Audit attend all meetings of the Audit and Compliance Committee, as well as the Internal Control officer attend every six months, and are duly informed of the matters discussed.

F.6 Other relevant information

F.7 External auditor report

Report on:

F.7.1. Whether the ICFR information disclosed to the markets has been submitted by the external auditor, in which case the entity must attach the corresponding report as an annex. Otherwise, explain the reasons why it was not.

The information related to internal control over the financial information of the BBVA Group described in this report is reviewed by the external auditor, which issues its opinion on the control system and on its effectiveness in relation to the statements published at the close of each financial year.

On 6 April 2016, the BBVA Group, as a private foreign issuer in the United States, filed the Annual Report (Form 20-F) which was published on the SEC website on that same date.

In accordance with the requirements set out in Section 404 of the Sarbanes-Oxley Act of 2002 by the Securities and Exchange Commission (SEC), the annual report Form 20-F included the certification of the main Group executives on the establishment, maintenance and assessment of the Group's internal control system of financial reporting. Form 20-F report also included the opinion of the external auditor regarding the effectiveness of the entity's internal control system of financial reporting at year-end 2015.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the Good Governance Code of listed companies.

Should any recommendation not be followed or be only partially followed, a detailed explanation should be given of the reasons so that the shareholders, investors and the market in general have sufficient information to assess the way the company works. General explanations will not be acceptable.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

COMPLIANT

2. When a dominant and subsidiary company are both listed, they should provide detailed disclosure on:

a) The activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.
b) The mechanisms in place to resolve possible conflicts of interest.

NOT APPLICABLE

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

a) Changes taking place since the previous annual general meeting.
b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

COMPLIANT

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

COMPLIANT

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

PARTIALLY COMPLIANT

The Company has proposed to the General Shareholders' Meeting to delegate to the Board of Directors the power to increase the share capital and issue convertible securities, while delegating the power to exclude, wholly or in part, the preemptive right in capital increases and convertible securities issued, although this power to exclude the pre-emptive right will be jointly limited to 20% of the share capital at the time of the delegation, this limitation not being applicable to the issue of convertible securities which foresee their eventual conversion to the effects of their computability as capital instruments, in accordance with the applicable solvency regulations, for being dilutive to shareholders.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

a) Report on auditor independence.
b) Reviews of the operation of the audit committee and the nomination and remuneration committee.
c) Audit committee report on third-party transactions.
d) Report on corporate social responsibility policy.

COMPLIANT

7. The company should broadcast its general meetings live on the corporate website.

COMPLIANT

8. The audit committee should strive to ensure that the board of directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

COMPLIANT

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

COMPLIANT

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate the supplementary items and new proposals.
b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.
c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

NOT APPLICABLE

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

NOT APPLICABLE

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximizing its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

COMPLIANT

13. The board of directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.

COMPLIANT

14. The board of directors should approve a director selection policy that:

a) Is concrete and verifiable;
b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs; and
c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The nomination committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

COMPLIANT

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

COMPLIANT

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
b) In companies with a plurality of shareholders represented on the board but not otherwise related.

COMPLIANT

17. Independent directors should be at least half of all board members.

However, when the company does not have a large market capitalization, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent directors should occupy, at least, a third of board places.

COMPLIANT

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

a) Background and professional experience.
b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.
d) Dates of their first appointment as a board member and subsequent re-elections.
e) Shares held in the company, and any options on the same.

COMPLIANT

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

NOT APPLICABLE

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latters' number should be reduced accordingly.

COMPLIANT

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

COMPLIANT

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the offences stated in company legislation, the board of directors should open an investigation and, in light of the particular circumstances, decides whether or not he or she should be called on to resign. The board should give a reasoned account of all such determinations in the annual corporate governance report.

COMPLIANT

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

COMPLIANT

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the annual corporate governance report.

COMPLIANT

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of director's regulations should lay down the maximum number of company boards on which directors can serve.

COMPLIANT

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

COMPLIANT

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

COMPLIANT

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

COMPLIANT

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

COMPLIANT

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

COMPLIANT

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

COMPLIANT

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

COMPLIANT

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

COMPLIANT

34. When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

COMPLIANT

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

COMPLIANT

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the board's operation.
b) The performance and membership of its committees.
c) The diversity of board membership and competences.
d) The performance of the chairman of the board of directors and the company's chief executive.
e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

COMPLIANT

37. When an executive committee exists, its membership mix by director class should resemble that of the board. The secretary of the board should also act as secretary to the executive committee.

PARTIALLY COMPLIANT

The current composition of the Executive Committee of BBVA was agreed by the Board of Directors at its meeting on 31 March 2016, and it was considered that it had the most adequate composition for the performance of its functions.

Thus, in accordance with article 26 of the Board of Directors Regulations of BBVA, which establishes that in its composition non-executive directors have to be a majority over executive directors, as of 31 December 2016, the Executive Committee of the Board of Directors partially reflects the participation on the Board of Directors since its Chairman and Secretary are those of the Board of Directors and is composed of two executive directors and four non-executive directors with the status of other external directors, which represents a majority of non-executive directors in accordance with the provisions of the Regulations of the Board of Directors.

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

COMPLIANT

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.

COMPLIANT

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

COMPLIANT

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

COMPLIANT

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
c) Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

COMPLIANT

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

COMPLIANT

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyze the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

COMPLIANT

45. Risk control and management policy should identify at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off-balance sheet risks.
b) The determination of the risk level the company sees as acceptable.
c) The measures in place to mitigate the impact of identified risk events should they occur.
d) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

COMPLIANT

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
b) Participate actively in the preparation of risk strategies and in key decisions about their management.
c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

COMPLIANT

47. Appointees to the nomination and remuneration committee – or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

COMPLIANT

48. Large-cap companies should operate separately constituted nomination and remuneration committees.

COMPLIANT

49. The nomination committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the nomination committee to propose candidates that it might consider suitable.

COMPLIANT

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the board the standard conditions for senior officer contracts.
b) Monitor compliance with the remuneration policy set by the company.
c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.
d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

COMPLIANT

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior officers.

COMPLIANT

52. The terms of reference of supervision and control committees should be set out in the board of directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations.

They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.
b) They should be chaired by independent directors.
c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.
d) They may engage external advice, when they feel it necessary for the discharge of their functions.
e) Meeting proceedings should be minuted and a copy made available to all board members.

COMPLIANT

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-organization, with at the least the following functions:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.
b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.

e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.
f) Monitor and evaluate the company's interaction with its stakeholder groups.
g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

COMPLIANT

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

a) The goals of its corporate social responsibility policy and the support instruments to be deployed.
b) The corporate strategy with regard to sustainability, the environment and social issues.
c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.
d) The methods or systems for monitoring the results of the practices referred to above and identifying and managing related risks.
e) The mechanisms for supervising non-financial risk, ethics and business conduct.
f) Channels for stakeholder communication, participation and dialogue.
g) Responsible communication practices that prevent the manipulation of information and protect the company's honor and integrity.

COMPLIANT

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

COMPLIANT

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

COMPLIANT

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

COMPLIANT

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

COMPLIANT

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

COMPLIANT

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

COMPLIANT

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

COMPLIANT

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

PARTIALLY COMPLIANT

As a credit entity and thus bound to requirements insofar as remunerations, BBVA establishes its specific rules and regulations by furnishing its remuneration policy with a variable remuneration system that includes deferral conditions, payment in shares, unavailability and clauses for the ex-post adjustment of the remuneration depending on the risk.

In this regard, the BBVA remuneration policy establishes that executive directors will receive 50% of the Annual Variable Remuneration in equal parts in cash and in shares, in the first quarter of the financial year following the year to which the remuneration corresponds, and the remaining 50% (in cash and in shares) deferred as a whole for a period of three years, whereby its accrual and vesting shall be subject to compliance with a series of multi-year indicators, which may reduce the deferred amount even to zero. Moreover, all shares paid for the settlement of Annual Variable Remuneration, both the initial percentage and deferred amounts subject to multi-year indicators shall be unavailable during a certain period, which shall be established on an annual basis by the Board of Directors, applying such a withholding on the resulting number of shares after discounting the part required to honor the tax payments.

In addition, the variable remuneration as a whole will be subject to the reduction and recovery clauses established in the remuneration policy of BBVA's directors, which approval is subject to the coming General Shareholders' Meeting of the Bank, which will be applicable to the annual variable remuneration accrued since 2016, inclusive.

This policy already includes for years 2017, 2018 and 2019 the executive directors' commitment not to transfer the shares that they receive from the remuneration systems, in the terms established in this Recommendation, thus fulfilling it.

On a separate note, the executive directors have not transferred during 2016 the shares derived from remuneration systems, except those transfers made to fulfill tax obligations deriving from their delivery.

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

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

COMPLIANT

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

COMPLIANT

H OTHER INFORMATION OF INTEREST

1. If there is any other aspect relevant to the corporate government in the company or in the group entities that has not been reflected in the rest of the sections of this report, but is necessary to include to provide more comprehensive and well-grounded information on the corporate governance structure and practices in your entity or its group, detail them briefly.

2. This section may also include any other relevant information, clarification or detail related to previous sections of the report insofar as they are relevant and not reiterative.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the mandatory information to be provided when different from that required by this report.

3. The company may also indicate if it has voluntarily signed up to other international, industry-wide or any other codes of ethical principles or best practices. Where applicable, the code in question will be identified along with the date of signing. In particular, mention will be made as to whether it has adhered to the Code of Best Tax Practices (Código de Buenas Prácticas Tributarias) of 20 July 2010.

The data in this report refer to the year ending 31 December 2016, except in those cases when another date of reference is specifically stated.

Further to Section A.2, State Street Bank and Trust Co., The Bank of New York Mellon S.A.N.V. and Chase Nominees Ltd., as international custodian/depositary banks, held 11.74%, 5.18% and 7.04% of BBVA's share capital, respectively, as of December 31 2016. Of said positions held by the custodian banks, BBVA is not aware of any individual shareholders with direct or indirect holdings greater than or equal to 3% of the BBVA common stock.

Filings of significant holdings to CNMV: On 6 October 2016, Blackrock Inc. filed a report with the CNMV (securities exchange authority) stating that it now had an indirect holding of 5.000% of the BBVA share capital, through the company Blackrock Investment Management. Likewise, on 9 January 2017, Blackrock Inc. filed a report with the CNMV (securities exchange authority) stating that it now had an indirect holding of 4.886% of the BBVA share capital. Likewise, on 13 January 2017, Blackrock Inc. filed a report with the CNMV (securities exchange authority) stating that it now had an indirect holding of 5.253% of the BBVA share capital.

The director holdings indicated in section A.3 are those reported as of 31 December 2016 and therefore may have subsequently changed. Moreover, following the instructions to complete the Corporate Governance Report, the owners of indirect holdings are not identified in this section; as none of them holds as much as 3% of share capital and none of them reside in tax havens.

Moreover, as an explanation to the second table of section A.3., the number of direct rights on shares in the Company corresponds with the shares from the Annual Variable Remuneration (AVR) from previous years that was deferred and pending payment on the date of this Report, subject to the conditions for this. Thus, is included the total number of "rights to shares" of BBVA executive directors corresponding to the third and second third deferred of years 2013 and 2014 that they will perceive in 2017; to the third third deferred of the year 2014 that they will perceive in 2018; and the 50% deferred of the AVR 2015 that they will perceive in 2019, subject in this case to the multiannual indicators that could reduce the amount deferred, even become zero.

These amounts are disclosed in an individual manner for each executive director in the following way:

- In the case of the Chairman: 29,555 shares corresponding to the third third deferred of AVR 2013; 37,392 shares and 37,390 shares corresponding to the second and third third deferred of AVR 2014; and 135,299 shares corresponding to the 50% of AVR 2015.
- In the case of the CEO, who was appointed to that position on 4 May 2015: 7,937 shares corresponding to the third third deferred of AVR 2013; 11,766 shares and 11,766 shares corresponding to the second and third third deferred of AVR 2014, all of this in his previous condition of Director of Digital Banking; and 79,956 shares corresponding to the 50% of AVR 2015, being his AVR 2015 proportional to the months elapsed in the performance of both positions.
- In the case of the executive director Head of GERPA: 1,768 shares corresponding to the third third deferred of AVR 2013; 3,681 shares and 3,678 shares corresponding to the second and third third deferred of AVR 2014; and 14,815 shares corresponding to the 50% of AVR 2015.

The payment of these deferred shares is subject to the non-occurrence of any of the situations established by the Remuneration Policy applicable in each year that could impede payment thereof (malus clauses/clawback) in addition the remaining conditions of the liquidation and payment system.

Further to the information in section A.8, regarding earnings from treasury-stock trading, rule 21 of Circular 4/2004 and IAS 32, paragraph 33, expressly prohibit the recognition in the income statement of profits or losses made on transactions carried out with treasury stock, including their issue and redemption. Said profits and losses are directly booked against the company's net assets. In the table of significant variations, the date of entry of CNMV Model IV in the registries of that body is included. Such model corresponds to the communications with own shares and the reason for such communication.

In addition to what is indicated in section A.9, in relation to the agreement adopted by the BBVA Ordinary General Shareholders Meeting held on 16 March 2012, item three of the Agenda, regarding delegation to the Board of Directors of the power to increase the share capital, one or more times, within a maximum period of five years from the date of adoption of said agreement, up to 50% of the share capital of BBVA at the time of said authorization, the countervalue of said shares comprising cash considerations, given that the term of the aforementioned delegation expires in 2017, the adoption of a new delegation in terms similar to those currently in force will be proposed at the next Ordinary General Shareholders' Meeting.

Also, in relation to the agreement adopted by the BBVA Ordinary General Shareholders' Meeting held on March 16, 2012, in the fifth item on the Agenda, delegating to the Board of Directors the power to issue convertible securities and/or securities exchangeable for BBVA shares, one or more times, within a maximum period of five years from the date of adoption of said agreement, to a maximum total amount of €12,000,000,000 or the equivalent in any other currency , given that the term of the aforementioned delegation expires in 2017, a new delegation agreement will be proposed at the next Ordinary General Shareholders' Meeting in terms similar to those currently in force.

Regarding section A.9 bis, the resulting estimated floating capital of BBVA less the capital held by the members of the Board of Directors and as treasury stock, both as of 31 December 2016, following the instructions to complete the Corporate Governance Report is 99.87%.

Further to the information in section A.10, there are no legal or bylaws restrictions on the exercise of voting rights and there are no legal or bylaws restrictions on the free acquisition or transfer of shares in the company's share capital. As for the legal restrictions on the free acquisition or transfer of shares in the company's share capital, Spanish Act 10/2014, dated 26th June, on the regulation, supervision and solvency of credit institutions establishes that the direct or indirect acquisition of a significant holding (as defined in section 16 of that Act) is subject to assessment by the Bank of Spain as set out in sections 16 et seq. of that Act. Additionally, article 25 of Royal Decree 84/2015, implementing Act 10/2014, establishes that the Bank of Spain shall evaluate proposals for acquisitions of significant shares and submit a proposal to the European Central Bank regarding whether to oppose this acquisition or not. This same article establishes the criteria that should be considered during said evaluation and the applicable timelines.

Further to the information included in section C.1.15:

The amount indicated as "Remuneration of the Board of Directors" includes remuneration stemming from the remuneration systems established for non-executive and executive directors as provided for in the Remuneration Policy for BBVA directors and pursuant to article 33 bis and 50 bis of the Company Bylaws, respectively, and includes:

a) The fixed remuneration (for pertaining to the Board and Committees) and remuneration in kind corresponding to 2016 of non-executive board members.

b) The fixed remuneration and in kind for executive directors (3) corresponding to 2016.

c) The Annual Variable Remuneration 2016 equally distributed in cash and in shares for executive directors. It should nonetheless be noted that this remuneration, has not accrued to the executive directors in its entirety on the date of this Report, since, according to the BBVA director Remuneration Policy applicable to them, they will only receive 50% of this amount in 2017, while the remaining amount will be deferred for a period of three years, and its accrual and payment is subject to the concurrence of the multi-year assessment indicators. Furthermore, the deferred Annual Variable Remuneration will be subject to the non-occurrence of any of the situations established by the Remuneration Policy applicable in each year, that could reduce or impede payment thereof (malus clauses/clawback) in addition the remaining conditions of the liquidation and payment system of the Annual Variable Remuneration.

d) The remuneration paid for all concepts to two independent directors who ceased in their position in March 2016 and who, consequently, did not remain in office as of 31 December 2016.

The total amount indicated, pursuant to the instructions in this Report, corresponds to the amount declared as total remuneration accrued according to chart c) "Summary of Remuneration", section D.1 in the Annual Report on Directors' Remuneration of BBVA.

All these items are included for each individual director in Note 54 of the Annual Report.

For calculating the cash value of the shares corresponding to the Annual Variable Remuneration for 2016, and in accordance with the Remuneration Policy, the reference used was the average BBVA share closing price corresponding to the trading days between 15 December 2016 and 15 January 2017, namely €6.43 per share.

The provisions recorded as of 31 December 2016 to cover commitments undertaken for the Chief Executive Officer amounted to €16,051 thousand, of which, during 2016 and according to applicable accounting regulations, €2,342 thousand have been provisioned against earnings of the year and €836 thousand against equity, in order to adapt the interest rate assumption used for the valuation of pension commitments in Spain. In the case of the executive director Head of GERPA, the provisions recorded as of 31 December 2016 amounted to €609 thousand, of which €310 have been provisioned against earnings of the year. In both cases, these amounts include the provisions covering retirement, as well as death and disability.

There are no other pension obligations in favour of other executive directors.

As a result of the entry into force of Circular 2/2016, of the Bank of Spain to the credit institutions, on supervision and solvency, 15% of the annual contributions agreed to pension systems determined on the basis of the benefit accrued for the financial year corresponding to executive directors and BBVA's senior managers, will be based on variable components and will be considered as discretionary pension benefits, and in consequence will be deemed as deferred variable remuneration, subject to the payment and withholding conditions provided in the applicable regulations, as well as reduction arrangements and other applicable conditions established to the variable remuneration in the Remuneration Policy for BBVA's Directors.

The balance of the item "Provisions - Funds for pensions and similar liabilities" on the Group's consolidated balance sheet as of 31 December 2016 includes €89 million under the item for post-employment benefit commitments maintained with former members of the Board of Directors.

Further to the information included in section C.1.16:

The heading “Total senior management remuneration” includes the remuneration of members of Senior Management listed as such as of 31 December 2016 (14 members), comprising:

a) The fixed remuneration and the remuneration in kind during 2016;

b) The Annual Variable Remuneration received during the first quarter of 2016 corresponding to 2015, both in cash and in shares;

c) The deferred part of the variable remuneration received during the first quarter of 2016, corresponding to previous years (2014, 2013 and 2012), both in cash and in shares, plus the amount of the corresponding updates.

For calculating the cash value of the shares corresponding to said remuneration, the payment price has been €5.44.

Moreover, members of Senior Management of the BBVA Group, excluding executive directors, who had ceased in that condition during 2016 have received an overall total amount during this period of: €2,232 thousand as fixed remuneration; €1,076 thousand and 162,266 BBVA shares corresponding to 50% of the Annual Variable Remuneration for 2015; and €462 thousand and 53,246 BBVA shares as liquidation of the parts deferred from the Annual Variable Remuneration from 2014, 2013 and 2012 whose corresponding payment was settled during the first quarter of 2016, including the corresponding update; and as remuneration in kin and others amounting to €511 thousand.

Moreover, in 2016 following the disengagement of some members of Senior Management from the Group, compensations were settled for a total amount of €1,788 thousand, which is recorded in note 44 to the Annual Report under Other Personnel Expenses.

Lastly, the provisions recorded as of 31 December 2016 for pension commitments for members of the Senior Management, excluding executive directors, amounted to €46,299 thousand, of which, during 2016 and according to applicable accounting regulations, €4,895 thousand have been provisioned against earnings of the year and €2,226 thousand against equity, in order to adapt the interest rate assumption used for the valuation of pension commitments in Spain. These amounts include the provisions covering retirement, as well as death and disability.

As a result of the entry into force of Circular 2/2016, of the Bank of Spain to the credit institutions, on supervision and solvency, 15% of the annual contributions agreed to pension systems determined on the basis of the benefit accrued for the financial year corresponding to executive directors and BBVA’s senior managers, will be based on variable components and will be considered as discretionary pension benefits, and in consequence will be deemed as deferred variable remuneration, subject to the payment and withholding conditions provided in the applicable regulations, as well as reduction arrangements and other applicable conditions established to the variable remuneration in the Remuneration Policy for BBVA’s Directors.

The balance of the item "Provisions - Funds for pensions and similar liabilities" on the Group's consolidated balance sheet as of 31 December 2016 includes €265 million under the item for post-employment benefit commitments maintained with former members of the Bank's Senior Management.

In reference to section C.1.29, the Board of Directors always meets with the attendance of its chair and therefore the Lead Director has never chaired a meeting of the Board of Directors. The Lead Director, in the scope of his entrusted duties, maintains fluid contact with the independent directors to simplify the discharge of his duties.

With regard to section C.1.31, as BBVA shares are listed on the New York Stock Exchange, it is subject to the supervision of the Securities & Exchange Commission (SEC) and, thus, to compliance with the Sarbanes Oxley Act and its implementing regulations, and for this reason each year the Group Executive Chairman, the CEO and the executive tasked with preparing the Accounts sign and submit the certifications described in sections 302 and 906 of this Act, related to the content of the Annual Financial Statements. These certificates are contained in the annual registration statement (Form 20-F) which the Company files with this authority for the official record.

As reference to section C.1.45, the contractual terms and conditions insofar as provisions of the Chief Executive Officer, shall determine that when no longer holding said position for any reason other than his own will, retirement, disability or serious breaches of duty, he would be given early retirement with a pension payable, as he chooses, through a lifelong annuity pension or capital, whose annual amount will be calculated on the basis of the provisions that, according to current actuarial criteria applicable at that moment, the Bank might have made to said date in fulfillment of the pension commitments for retirement as established in his contract, though in no case whatsoever shall this commitment bind the Bank to any additional provisions. This pension may not exceed 75% on the pensionable base if the event occurs before turning 55 or 85% on the pensionable base if the event occurs after turning said age.

Likewise, the Board of Directors only approves the contract conditions related to executive directors and Senior Management members as set out in article 17 of the Board Regulations, which are reported to the General Meeting through this Report and the Annual Report on Directors' Remuneration of BBVA, but does not authorize those of other technical and specialist professionals.

Further to section C.2.1, on 31 December 2016, the BBVA Executive Committee partially reflected participation in the Board of Directors, since its Chair and Secretary sit on the Board of Directors whose composition, according to article 26 of the Regulations of the Board of Directors, has more non-executive directors than executive directors.

Moreover, and further to section C.2.1, we provide brief indications regarding what the regulations establish about the composition and functions of each board committee:

• Audit and Compliance Committee: Article 29 of the Board Regulations establishes that the Audit and Compliance Committee will exclusively comprise independent directors tasked with assisting the Board of Directors in supervising the financial information and exercising oversight for the Group. The members of the Audit and Compliance Committee, and particularly its Chair, shall be appointed with regard to their knowledge and background in accounting, auditing and risk management. It will be made up of four members appointed by the Board, one of whom will be appointed taking into account his/her knowledge of accounting, auditing or both. The Board will also appoint the Chair of this Committee, who must be replaced every four years and may be re-elected one year after the end of his/her term of office. When the Chair cannot be present, his/her duties will be performed by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest. The Committee will appoint a Secretary who may or may not be a member of the Committee.

Turning to the duties of the Audit and Compliance Committee mentioned in section C.2.1, in addition to the duties cited in said section, the Audit and Compliance Committee has its own operating regulations available on the BBVA website (www.bbva.com) and includes a full breakdown of the duties of this Committee.

• Appointments Committee: Article 32 of the Board Regulations establishes that the Appointments Committee will comprise a minimum of three members who will be appointed by the Board of Directors, which will also appoint its Chair. All the members of this Committee must be non-executive directors, and a majority of them independent directors, as its Chair. When the Chair cannot be present, the meetings will be chaired by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest.

• Remuneration Committee: Article 35 of the Board Regulations establishes that the Remuneration Committee will comprise a minimum of three members who will be appointed by the Board of Directors, which will also appoint its Chair. All the members of this Committee must be non-executive directors, and a majority of them independent directors, as its Chair. When the Chair cannot be present, the meetings will be chaired by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest.

• Executive Committee: Article 26 of the Board Regulations establishes the following: In accordance with the Company Bylaws, the Board of Directors may, with the favorable vote of two-thirds of its members, appoint an Executive Committee, ensuring that there is a majority of non-executive directors over executive directors. The Executive committee will be chaired by the Chairman of the Board of Directors, or when this is not possible, by whomever the Company Bylaws determines. The secretary of the Committee will be the Secretary of the Board. If absent, the person the meeting's members appoint for this purpose will stand in for the secretary.

• Risk Committee: Article 38 of the Company Board Regulations establishes that the Risk Committee will comprise a minimum of three members who will be appointed by the Board of Directors, which will also appoint its Chair. All the members of this Committee must be non-executive directors of whom at least one third, and in any event the Chair, must be independent. When the Chair cannot be present, the meetings will be chaired by the most senior independent director on the Committee, and, where more than one person of equal seniority are present, by the eldest.

• Technology and Cyber-security Committee: The Technology and Cyber-security Committee Regulations establish that it will comprise a minimum of three members appointed by the Board of Directors, which will also appoint its Chairman. For these purposes, the Board of Directors will consider the knowledge and experience in technology, information systems and cyber-security. When the Chairman cannot be present, the Committee meetings will be chaired by the most senior member of the Committee and, where more than one person of equal seniority are present, by the eldest.

Regarding section C.2.5, on the most important actions of the Remuneration Committee during 2016, the Chairman of the Remuneration Committee submitted a report to the Board on its activities during 2016 including, among others, the following aspects: in relation to non-executive directors, the need to extend the remuneration system with deferred payment for an additional period of 5 years and submitted that decision to the General Meeting as governing body responsible for approving it; likewise, the remuneration corresponding to the Technology and Cyber-security members' was determined for its proposal to the Board. Regarding the remuneration issues of executive directors, the Committee proposed for approval by the Board the settlement of the Annual Variable Remuneration 2015, the updating of the deferred parts of the variable remuneration of previous years, the review of the update of the fixed and variable remuneration of reference for 2016, the determination of the annual and multiannual indicators for the calculation of the Annual Variable Remuneration 2016, as well as their weightings, target and scales, and annual determination rules for the settlement and payment system of the variable remuneration applicable to the categories of personal whose professional activities significantly influence the risk profile of the Group, including executive directors and BBVA Senior Management (Identified Group). In addition, regarding the remuneration issues of Senior Management, the Committee proposed for approval by the Board the settlement of the variable remuneration for 2015 and the basic contractual conditions for 2016. This also included, among other matters, the tasks carried out by the Committee in relation to the Annual Report on Directors' Remuneration, proposed to the Board for a consultative vote by the General Meeting, review of the application of the Remuneration Policy in the previous year and verification of information on the remuneration of directors and senior executives contained in corporate documents. In addition, the Committee has carried out in 2016 an intense work to review the Remuneration Policy applicable in view of the new regulation that has recently been approved on remuneration, by submitting the corresponding proposals to the Board for the amendment of the Remuneration Policy for directors and Identified Group.

With respect to section D (Related-party and Intragroup Transactions), see Note 53 of the BBVA Annual Consolidated Accounts for 2016. With respect to section D.4, it details the transactions conducted by Banco Bilbao Vizcaya Argentaria, S.A. at the close of the year, with companies issuing securities on international markets, carried out as part of ordinary trading related to the management of outstanding issuances. Moreover, with respect to section D.4, please refer to the section entitled "Offshore financial centers" in the BBVA Consolidated Management Report for 2016.

During 2011, the BBVA Board of Directors approved the Bank's adhesion to the Code of Best Tax Practices (Código de Buenas Prácticas Tributarias) approved by Foro de Grandes Empresas according to the wording proposed by the State Tax Administration Agency (AEAT). During this year, it has been compliant with the contents of this Code. Moreover, BBVA is committed to applying the provisions of the Universal Declaration of Human Rights, Principles of United Nations Global Compact (which BBVA has formally signed), Equator Principles (to which BBVA has been formally adhered since 2004) and other conventions and treaties involving international organizations such as the Organization for Economic Cooperation and Development and the International Labor Organization.

This annual report on corporate governance has been approved by the company's board of directors on 9 February 2017.

List whether any Directors voted against or abstained from voting on the approval of this Report.

NO

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