Quarterly report January-March 2015 and Condensed Interim Consolidated Financial Statements Corresponding to the Three Months ended March 31, 2015

Quarterly report

January-March 2015

We work for a better future for people

1Q15

BBVA

Quarterly report

January-March 2015

Contents

BBVA Group Highlights

BBVA Group Highlights

(Consolidated figures)

	31-03-15	∆%	31-03-14	31-12-14
Balance sheet (million euros)				
Total assets	672,598	12.3	599,135	651,511
Loans and advances to customers (gross)	374,873	7.2	349,726	366,536
Deposits from customers	339,675	9.6	309,817	330,686
Other customer funds	127,364	24.7	102,128	115,275
Total customer funds	467,039	13.4	411,945	445,961
Total equity	52,366	18.9	44,056	51,609
Income statement (million euros)				
Net interest income	3,663	8.0	3,391	15,116
Gross income	5,632	11.5	5,051	21,357
Operating income	2,857	17.2	2,438	10,406
Income before tax	1,442	41.8	1,017	4,063
Net attributable profit	1,536	146.2	624	2,618
Data per share and share performance ratios				
Share price (euros)	9.41	7.9	8.72	7.85
Market capitalization (million euros)	58,564	16.1	50,442	48,470
Net attributable profit per share (euros)	0.25	140.7	0.10	0.44
Book value per share (euros)	8.09	2.1	7.92	8.01
P/BV (Price/book value; times)	1.2		1.1	1.0
Significant ratios (%)				
ROE (Net attributable profit/average equity)	9.0		5.5	5.6
ROTE (Net attributable profit/average tangible equity)	10.6		6.3	6.5
ROA (Net income/average total assets)	0.73		0.51	0.50
RORWA (Net income/average risk-weighted assets)	1.34		0.91	0.90
Efficiency ratio	49.3		51.7	51.3
Cost of risk	1.21		1.27	1.25
NPL ratio	5.6		6.6	5.8
NPL coverage ratio	65		60	64
Capital adequacy ratios (%) (1)				
CET1	12.7		11.5	11.9
Tier I	12.7		11.5	11.9
Total ratio	15.8		14.3	15.1
Other information				
Number of shares (millions)	6,225	7.6	5,786	6,171
Number of shareholders	944,631	(2.4)	968,213	960,397
Number of employees (2)	108,844	(0.2)	109,079	108,770
Number of branches (2)	7,360	(1.1)	7,441	7,371
Number of ATMs (2)	22,595	7.8	20,964	22,159

General note: the financial information included in this document with respect to the stake in Garanti Group is presented as continuous with previous years, and integrated in the proportion corresponding to the Group's percentage holding. For the reconciliation of the BBVA Group's financial statements, see pages 42 and 43.

(1) The capital ratios are calculated under CRD IV, applying a 40% phase in for 2015.
(2) Excluding Garanti.

Group information

Relevant events

Earnings (more information on pages 4-8)

- Good year-on-year revenue performance, especially those of more recurring nature.
- Operating expenses growing below gross income, which has a positive influence on operating income and the efficiency ratio.
- Impairment losses on financial assets in line with the quarterly average in 2014.
- The result from corporate operations is due to the capital gains (net of taxes) from the various sale operations equivalent to 5.6% of BBVA Group's stake in China Citic Bank (CNCB).

Balance sheet and business activity (more information on pages 9-10)

- Favorable performance of production of new loans in practically all the geographical areas.
- Also, good performance of customer funds.
- Further decline in non-performing loans.

Solvency (more information on page 11)

- BBVA's capital levels are well above the minimum required levels, thanks basically to three factors: organic generation of earnings, closing of the aforementioned sale of CNCB and issuance of instruments eligible as additional Tier I.
- The Bank's leverage ratio (fully-loaded) also continues to compare very favorably with that of its peer group.
- Moody's has placed BBVA's senior debt and deposit long-term rating in review for an upgrade.

Risk management (more information on pages 12-13)

- The main credit risk indicators continue to perform well.

The BBVA share (more information on page 14)

- A new bonus share issue was carried out in April to implement the "dividend option". On this occasion, the holders of 90.3% of the free allocation rights chose to receive new shares, which once more demonstrates the success of this remuneration system.
- Holding of the Annual General Meeting on March 13, with attendance at more than 62%, in line with previous meetings, and with very strong support from both institutional and individual shareholders. BBVA's management during 2014 has thus once again received very strong support. BBVA has been the first company in Spain to ask its shareholders to vote on the remuneration policy of its Board of Directors, and obtained more than 95% of the vote in favor.

Business areas (more information on page 16)

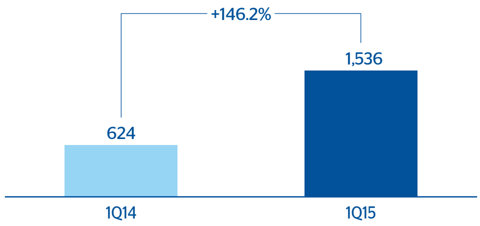
- Presentation of Turkey separately from the rest of Eurasia.
- Application of the SIMADI in Venezuela.

Other matters of interest

- In **digital transformation**, as of February 2015, BBVA has 9.4 million digital customers, who interact with the Entity via the Internet or cell phones (+21% average annual growth rate-CAGR-since December 2011). Of these, 4.6 million are mobile banking customers (+129% CAGR also from December 2011). Including Garanti, BBVA has 12.8 million digital customers and 6.4 million mobile banking customers.

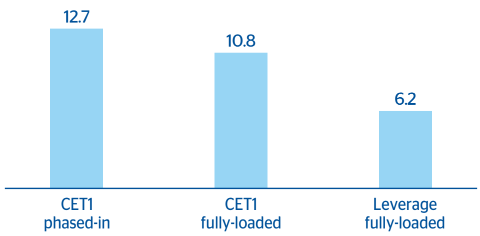
Net attributable profit

(Million euros)



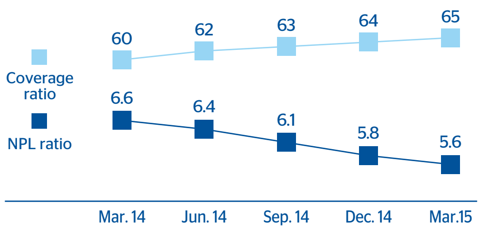
Capital and leverage ratios

(Percentage as of 31-03-2015)



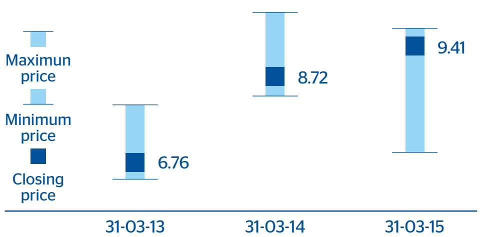
NPL and coverage ratios

(Percentage)



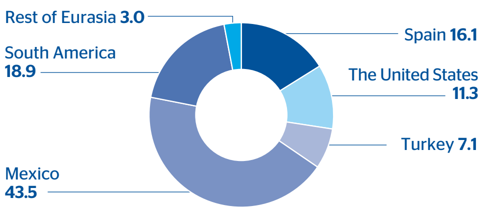
BBVA share

(Euros)



Net attributable profit breakdown (1)

(Percentage)



(1) Excludes the Corporate Center.

Earnings

Consolidated income statement: quarterly evolution (1)

(Million euros)

	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Net interest income	**3,663**	**4,248**	**3,830**	**3,647**	**3,391**
Net fees and commissions	1,077	1,168	1,111	1,101	985
Net trading income	775	514	444	426	751
Dividend income	42	119	42	342	29
Income by the equity method	3	3	31	16	(14)
Other operating income and expenses	73	(287)	(234)	(215)	(90)
Gross income	**5,632**	**5,765**	**5,223**	**5,317**	**5,051**
Operating expenses	(2,776)	(2,905)	(2,770)	(2,662)	(2,613)
Personnel expenses	(1,460)	(1,438)	(1,438)	(1,359)	(1,375)
General and administrative expenses	(1,024)	(1,147)	(1,037)	(1,017)	(959)
Depreciation and amortization	(291)	(320)	(296)	(286)	(279)
Operating income	**2,857**	**2,860**	**2,453**	**2,655**	**2,438**
Impairment on financial assets (net)	(1,119)	(1,168)	(1,142)	(1,073)	(1,103)
Provisions (net)	(230)	(513)	(199)	(298)	(144)
Other gains (losses)	(66)	(201)	(136)	(191)	(173)
Income before tax	**1,442**	**978**	**976**	**1,092**	**1,017**
Income tax	(386)	(173)	(243)	(292)	(273)
Net income from ongoing operations	**1,056**	**805**	**733**	**800**	**744**
Results from corporate operations (2)	583	-	-	-	-
Net income	**1,639**	**805**	**733**	**800**	**744**
Non-controlling interests	(103)	(116)	(132)	(95)	(120)
Net attributable profit	**1,536**	**689**	**601**	**704**	**624**
Net attributable profit (excluding results from corporate operations)	**953**	**689**	**601**	**704**	**624**
Basic earnings per share (euros)	**0.25**	**0.11**	**0.10**	**0.12**	**0.10**

(1) Financial statements with the revenues and expenses of the Garanti Group consolidated in proportion to the percentage of the Group's stake.
(2) 2015 includes the capital gains from the various sale transactions equivalent to 5.6% of BBVA Group's stake in CNCB.

The following are the most notable aspects of BBVA Group's earnings **in the first quarter of 2015**:

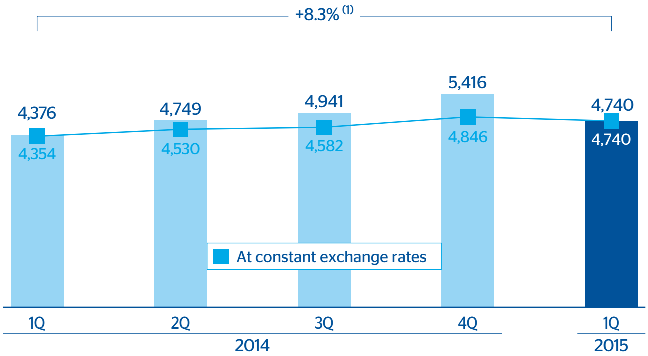
Gross income

Year-on-year increase of 8.3% in **recurring revenue**, thanks to the growth of net interest income in practically all geographical areas and to the positive trend in fees and commissions, despite the regulatory limitations that took effect in several countries in recent quarters.

Net gains/losses on financial assets (**NTI**) above the figure reported for the first quarter of 2014, largely due to portfolio sells and to the good performance of the Global Markets unit in the quarter.

Net interest income plus fees and commissions

(Million euros)



(1) At constant exchange rates: +8.9%.

Consolidated income statement [1]

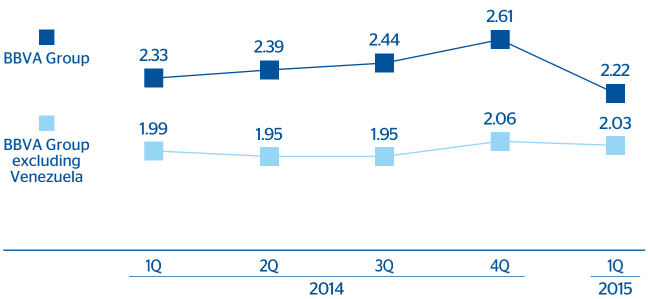
(Million euros)

	1Q15	Δ%	Δ% at constant exchange rates	1Q14
Net interest income	**3,663**	**8.0**	**9.7**	**3,391**
Net fees and commissions	1,077	9.3	6.0	985
Net trading income	775	3.3	10.0	751
Dividend income	42	46.7	41.4	29
Income by the equity method	3	n.m.	n.m.	(14)
Other operating income and expenses	73	n.m.	184.7	(90)
Gross income	**5,632**	**11.5**	**10.4**	**5,051**
Operating expenses	(2,776)	6.2	3.4	(2,613)
Personnel expenses	(1,460)	6.2	2.5	(1,375)
General and administrative expenses	(1,024)	6.8	5.0	(959)
Depreciation and amortization	(291)	4.5	2.6	(279)
Operating income	**2,857**	**17.2**	**18.2**	**2,438**
Impairment on financial assets (net)	(1,119)	1.5	(0.5)	(1,103)
Provisions (net)	(230)	58.9	74.5	(144)
Other gains (losses)	(66)	(62.0)	(62.2)	(173)
Income before tax	**1,442**	**41.8**	**46.1**	**1,017**
Income tax	(386)	41.3	51.4	(273)
Net income from ongoing operations	**1,056**	**42.0**	**44.3**	**744**
Results from corporate operations [2]	583	-	-	-
Net income	**1,639**	**120.4**	**124.0**	**744**
Non-controlling interests	(103)	(14.2)	22.2	(120)
Net attributable profit	**1,536**	**146.2**	**137.2**	**624**
Net attributable profit (excluding results from corporate operations)	**953**	**52.8**	**47.2**	**624**
Basic earnings per share (euros)	**0.25**			**0.10**

(1) Financial statements with the revenues and expenses of the Garanti Group consolidated in proportion to the percentage of the Group's stake.
(2) 2015 includes the capital gains from the various sale transactions equivalent to 5.6% of BBVA Group's stake in CNCB.

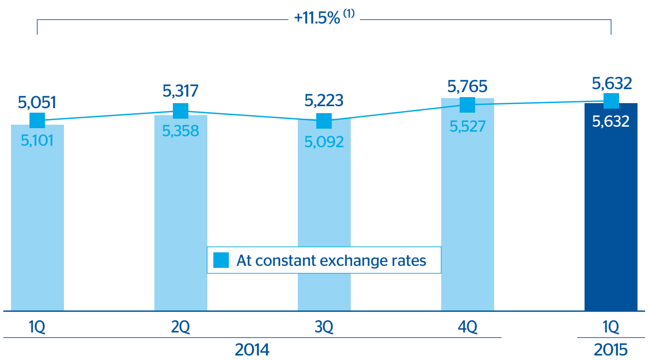
Net interest income/ATA

(Percentage)



Gross income

(Million euros)



(1) At constant exchange rates +10.4%.

Thus, the Group's **gross income** has risen by 11.5% over the last twelve months to €5,632m in the quarter.

Operating income

There has been a moderate increase in **operating expenses**, largely because they have been kept in check in Spain, the United States and Corporate Center. This has offset the effect of the high inflation in some countries and the digital transformation plans that the Group continues to implement.

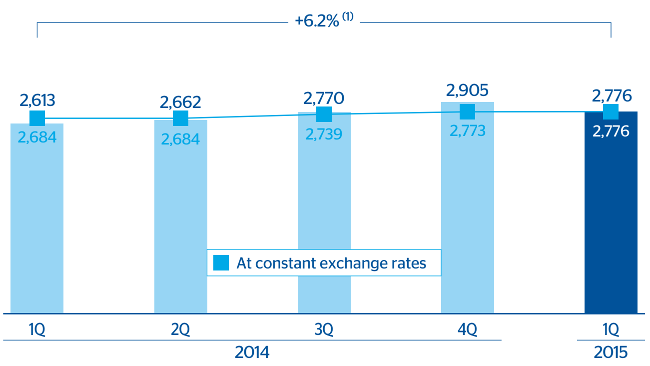
Breakdown of operating expenses and efficiency calculation

(Million euros)

	1Q15	Δ%	1Q14
Personnel expenses	**1,460**	**6.2**	**1,375**
Wages and salaries	1,115	7.3	1,039
Employee welfare expenses	222	0.4	221
Training expenses and other	123	7.5	114
General and administrative expenses	**1,024**	**6.8**	**959**
Premises	241	5.4	228
IT	203	7.9	188
Communications	64	(5.0)	68
Advertising and publicity	83	(1.5)	84
Corporate expenses	21	3.9	20
Other expenses	301	9.7	274
Levies and taxes	111	15.6	96
Administration expenses	**2,484**	**6.4**	**2,334**
Depreciation and amortization	**291**	**4.5**	**279**
Operating expenses	**2,776**	**6.2**	**2,613**
Gross income	**5,632**	**11.5**	**5,051**
Efficiency ratio (Operating expenses/gross income, in %)	**49.3**		**51.7**

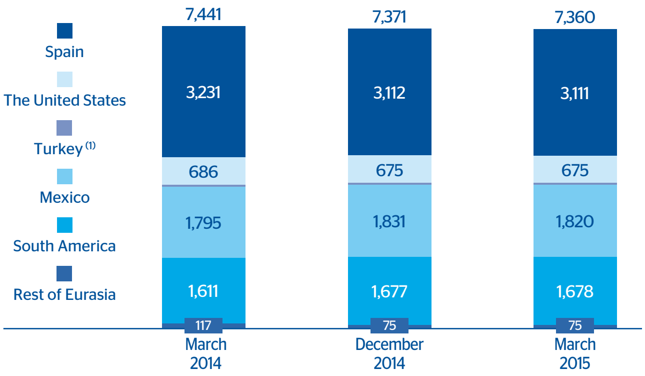
Operating expenses

(Million euros)



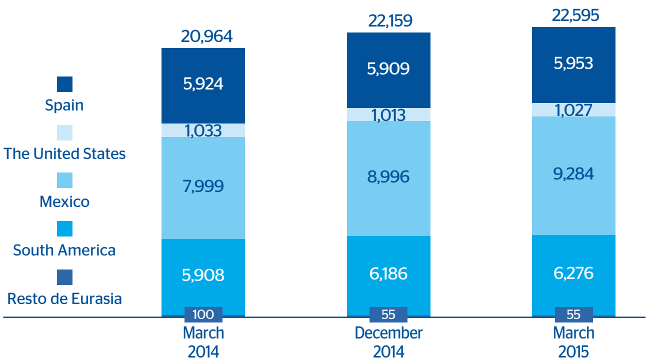
(1) At constant exchange rates: +3.4%.

Number of branches (1)



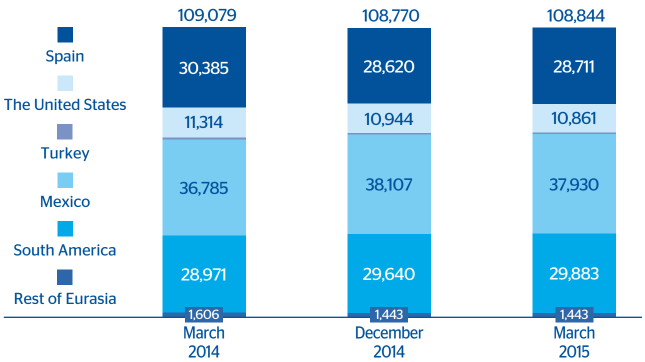
(1) Excludes Garanti but includes BBVA's Representative Office in Garanti.

Number of ATMs (1)



(1) Excluding Garanti.

Number of employees (1)



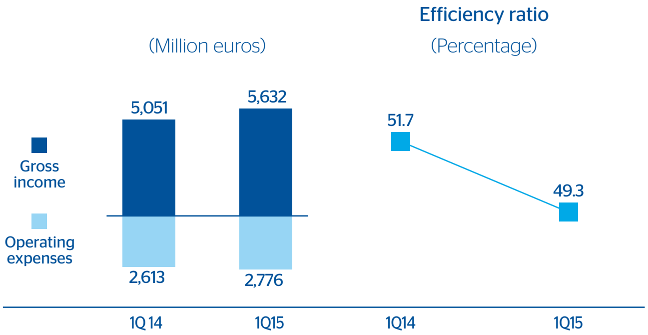
(1) Excluding Garanti.

This digital transformation process is driving the alternative sales channels. It explains the growing number of **ATMs**, which, in turn, makes it possible to reduce the number of **branch offices**.

The **number of employees** remains the same this quarter at the aggregate level (up 0.1%), with no major changes by geographical area.

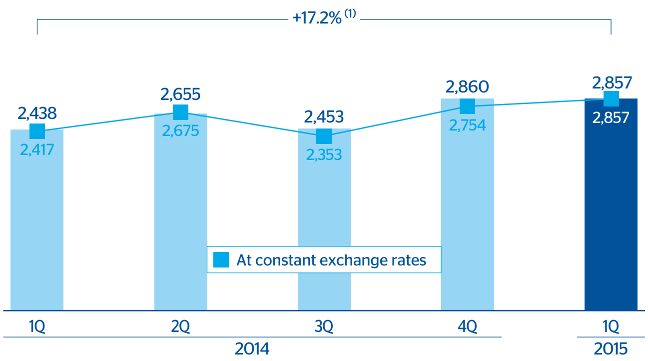
The year-on-year increase in expenses has been lower than that of gross income, thus improving the efficiency ratio (to 49.3% from the figure of 51.7% in the first quarter of 2014) and boosting **operating income** to €2,857m, a year-on-year increase of 17.2%.

Efficiency



Operating income

(Million euros)



(1) At constant exchange rates: +18.2%.

Provisions and others

Impairment losses on financial assets have been very similar to the 2014 quarterly average. They fall in Spain and have increased in the Americas and Turkey, in line with the performance of the business activity.

Provisions include among others, the costs stemming from the Group's digital transformation plans, provisions for contingent liabilities and contributions to pension funds. These items totaled €230m in the quarter.

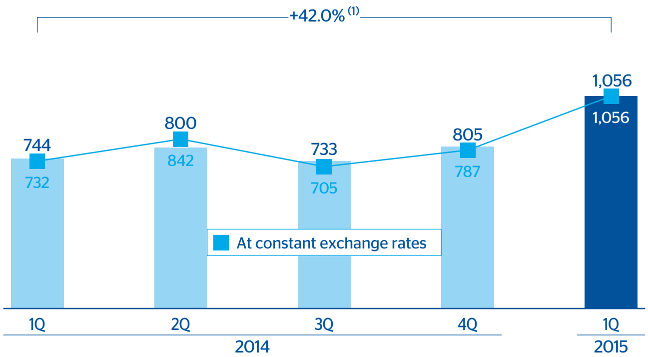
The main component of **other gains (losses)** is loan-loss provisions for real estate and foreclosed or acquired assets in Spain, which have decreased 62.0% in the first quarter of 2015.

Profit

As a result of the above, **net income from ongoing operations** grew year-on-year by 42.0%.

Net income from ongoing operations

(Million euros)



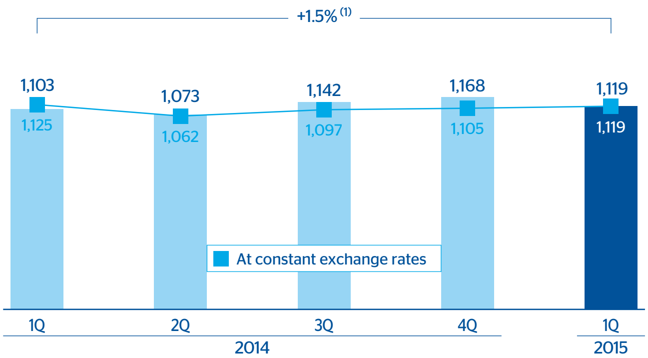
(1) At constant exchange rates: +44.3%.

The **results from corporate operations** line includes the capital gains (€583m net of taxes) from the various sale operations equivalent to 5.6% of BBVA Group's stake in CNCB. In 2014 there were no transactions under this heading.

As a result, the **net attributable profit** for the quarter stands at €1,536m, well above the €624m reported for the same period the previous year.

Impairment losses on financial assets

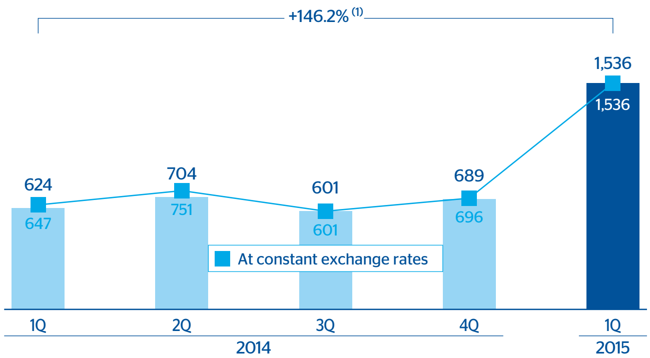
(Million euros)



(1) At constant exchange rates: -0.5%.

Net attributable profit

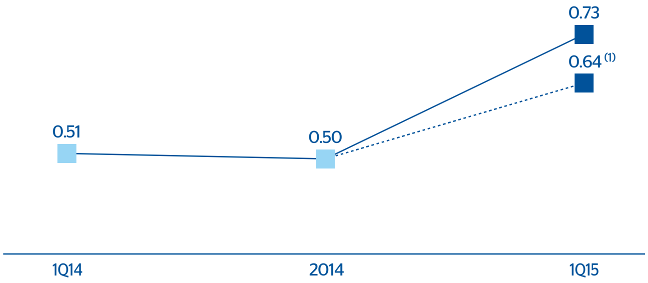
(Million euros)



(1) At constant exchange rates: +137.2%.

ROA

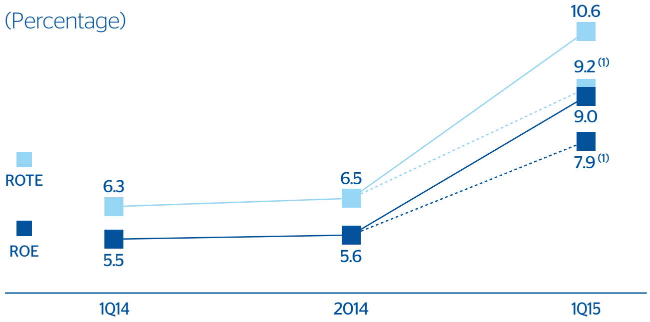
(Percentage)



(1) Excluding results from corporate operations.

ROE and ROTE

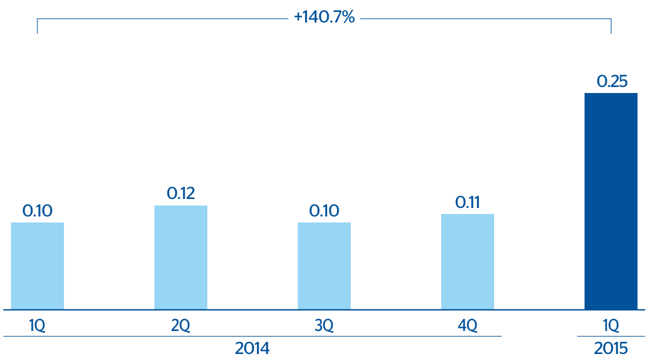
(Percentage)



(1) Excluding results from corporate operations.

Earnings per share

(Euros)



By **business area**, banking activity in Spain has contributed €347m, real-estate activity in Spain generated a loss of €154m, while the United States contributed €136m, Turkey €86m, Mexico €524m, South America €227m and the Rest of Eurasia €36m.

BBVA Group excluding Venezuela

On February 10, 2015, the Venezuelan government announced the closure of SICAD II as a mechanism regulating the purchase and sale of foreign currency, its merger with SICAD I in a new SICAD (not yet in place) and the creation of a new foreign-currency system called SIMADI. In accordance with the IAS 21, the exchange rate to be used to convert currencies is that which in the entity's judgement best reflects the situation at the date of the financial statements. The exchange rate used by the Group for converting the Venezuelan currency as of March 31, 2015 is that of SIMADI. Below are the income statements for the Group, excluding Venezuela.

Consolidated income statement of BBVA Group excluding Venezuela (1)

(Million euros)

	1Q15	Δ%	Δ% at constant exchange rates	1Q14
Net interest income	**3,624**	**17.0**	**9.3**	**3,097**
Net fees and commissions	1,071	12.9	5.7	948
Net trading income	703	3.4	0.5	680
Other income/expenses	140	230.3	175.9	43
Gross income	**5,538**	**16.2**	**9.0**	**4,768**
Operating expenses	(2,761)	9.6	3.1	(2,519)
Operating income	**2,778**	**23.5**	**15.6**	**2,249**
Impairment on financial assets (net)	(1,116)	3.1	(0.6)	(1,082)
Provisions (net) and other gains (losses)	(267)	(11.4)	(12.4)	(301)
Income before tax	**1,395**	**61.2**	**43.0**	**865**
Income tax	(365)	62.9	45.3	(224)
Net income from ongoing operations	**1,030**	**60.5**	**42.2**	**641**
Results from corporate operations (2)	583	n.m.	n.m.	-
Net income	**1,613**	**151.4**	**122.8**	**641**
Non-controlling interests	(91)	23.3	13.1	(74)
Net attributable profit	**1,521**	**168.1**	**136.5**	**567**
Net attributable profit (excluding results from corporate operations)	**938**	**65.4**	**45.9**	**567**

(1) Financial statements with the revenues and expenses of the Garanti Group consolidated in proportion to the percentage of the Group's stake.
(2) 2015 includes the capital gains from the various sale transactions equivalent to 5.6% of BBVA Group's stake in CNCB.

Balance sheet and business activity

The Group's balance sheet and business activity in the **first quarter of 2015** were shaped by:

- The strengthening against the euro of the **exchange rates** of the currencies that most influence the Group's financial statements, with the exception of the Venezuelan bolivar.
- There was widespread growth in **gross lending to customers**, with the exception of Spain, where year-on-year growth rates remain negative, but are gradually improving.
- In **customer deposits** all geographical areas recorded growth. In Spain there was an outflow from time deposits due to the significant decrease in costs compared with figures for the same period the previous year. Those funds were partly transferred to current and savings accounts and partly to mutual funds.
- Further reduction in **non-performing loans** in the quarter.
- Lastly, **off-balance-sheet funds** continue to perform very well, particularly in Spain, due to the aforementioned transfer of funds, although they are also progressing well in all other geographical regions.

Consolidated balance sheet (1)

(Million euros)

	31-03-15	Δ%	31-03-14	31-12-14
Cash and balances with central banks	27,553	-	27,546	33,908
Financial assets held for trading	94,883	24.1	76,433	83,427
Other financial assets designated at fair value	3,603	6.4	3,385	3,236
Available-for-sale financial assets	101,183	14.7	88,236	98,734
Loans and receivables	398,558	10.4	360,938	386,839
Loans and advances to credit institutions	33,672	57.0	21,441	28,254
Loans and advances to customers	360,265	7.6	334,698	351,755
Debt securities	4,622	(3.7)	4,799	6,831
Held-to-maturity investments	-	-	-	-
Investments in entities accounted for using the equity method	674	(48.9)	1,319	661
Tangible assets	8,057	7.8	7,474	8,014
Intangible assets	9,493	16.6	8,139	8,840
Other assets	28,593	11.4	25,666	27,851
Total assets	**672,598**	**12.3**	**599,135**	**651,511**
Financial liabilities held for trading	67,438	37.7	48,976	56,990
Other financial liabilities designated at fair value	3,903	28.4	3,040	3,590
Financial liabilities at amortized cost	518,819	8.8	476,656	509,974
Deposits from central banks and credit institutions	92,547	9.6	84,461	97,735
Deposits from customers	339,675	9.6	309,817	330,686
Debt certificates	58,259	(7.4)	62,892	59,393
Subordinated liabilities	15,723	29.7	12,123	14,118
Other financial liabilities	12,616	71.3	7,363	8,042
Liabilities under insurance contracts	11,193	10.8	10,102	10,471
Other liabilities	18,879	15.8	16,306	18,877
Total liabilities	**620,232**	**11.7**	**555,079**	**599,902**
Non-controlling interests	1,692	(9.2)	1,863	2,511
Valuation adjustments	327	n.m.	(3,636)	(348)
Shareholders' funds	50,347	9.9	45,830	49,446
Total equity	**52,366**	**18.9**	**44,056**	**51,609**
Total equity and liabilities	**672,598**	**12.3**	**599,135**	**651,511**
Memorandum item:				
Contingent liabilities	38,923	11.6	34,878	37,070

(1) Financial statements with the revenues and expenses of the Garanti Group consolidated in proportion to the percentage of the Group's stake.

Loans and advances to customers

(Million euros)

	31-03-15	∆%	31-03-14	31-12-14
Domestic sector	**160,938**	**(4.5)**	**168,461**	**162,652**
Public sector	23,106	(3.6)	23,962	23,362
Other domestic sectors	137,832	(4.6)	144,499	139,290
Secured loans	86,144	(6.2)	91,858	87,371
Other loans	51,688	(1.8)	52,641	51,920
Non-domestic sector	**191,148**	**22.3**	**156,233**	**180,719**
Secured loans	79,500	25.4	63,391	72,836
Other loans	111,648	20.3	92,842	107,883
Non-performing loans	**22,787**	**(9.0)**	**25,033**	**23,164**
Domestic sector	18,058	(11.3)	20,356	18,563
Non-domestic sector	4,729	1.1	4,677	4,601
Loans and advances to customers (gross)	**374,873**	**7.2**	**349,726**	**366,536**
Loan-loss provisions	(14,607)	(2.8)	(15,028)	(14,781)
Loans and advances to customers	**360,265**	**7.6**	**334,698**	**351,755**

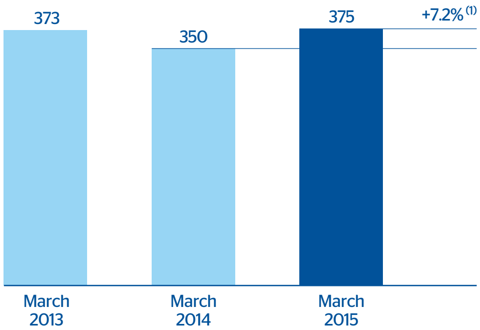
Customer funds

(Million euros)

	31-03-15	∆%	31-03-14	31-12-14
Deposits from customers	**339,675**	**9.6**	**309,817**	**330,686**
Domestic sector	**150,512**	**0.1**	**150,415**	**145,251**
Public sector	13,142	(27.6)	18,160	10,651
Other domestic sectors	137,370	3.9	132,255	134,600
Current and savings accounts	62,783	18.1	53,150	59,509
Time deposits	56,571	(17.6)	68,676	60,783
Assets sold under repurchase agreement and other	18,016	72.8	10,428	14,308
Non-domestic sector	**189,163**	**18.7**	**159,402**	**185,435**
Current and savings accounts	113,399	15.2	98,402	113,795
Time deposits	69,107	34.3	51,473	62,705
Assets sold under repurchase agreement and other	6,657	(30.1)	9,527	8,935
Other customer funds	**127,364**	**24.7**	**102,128**	**115,275**
Spain	**74,824**	**20.2**	**62,263**	**69,943**
Mutual funds	30,743	29.3	23,783	28,695
Pension funds	22,595	7.6	20,994	21,880
Customer portfolios	21,485	22.9	17,486	19,368
Rest of the world	**52,540**	**31.8**	**39,865**	**45,332**
Mutual funds and investment companies	26,798	23.2	21,759	24,087
Pension funds	6,349	46.6	4,331	5,484
Customer portfolios	19,394	40.8	13,775	15,761
Total customer funds	**467,039**	**13.4**	**411,945**	**445,961**

Loans and advances to customers (gross)

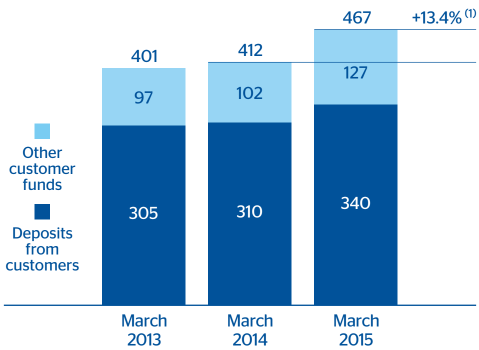
(Billion euros)



(1) At constant exchange rates: +1.4%.

Customer funds

(Billion euros)



(1) At constant exchange rates: +4.7%.

Solvency

Capital base

BBVA ended the **first quarter of 2015** with comfortable capital levels clearly above the minimum regulatory requirements and reached a leverage ratio (fully-loaded) that continues to compare very favorably with the rest of its peer group. The main highlights in the quarter are:

- An **issue of contingent convertible securities**, eligible as additional Tier I, for an amount of €1.5bn.
- The various **sale operations** of BBVA Group's stake in CNCB.
- It should be noted that a 40% **phased-in** is applied to the CET1 ratio in 2015, versus the 20% in 2014.
- Lastly, **RWAs** are down 1.1% in the quarter. The positive impacts stemming from the increased lending activity and the appreciation of the exchange rates of most currencies against the euro, have been offset by the application of the new SIMADI exchange-rate system in Venezuela.

Another relevant highlight in the quarter was that **BBVA Compass** passed the stress tests conducted in the United States and, thus, its capital plans have been approved without objections by the Fed. Moreover, in April, BBVA Compass completed a subordinated debt issue, eligible as Tier II, for $700m, with demand that was oversubscribed over 4.8 times.

To sum up, the Group's capitalization levels easily exceed the regulatory limits and enable it to meet all the capital targets.

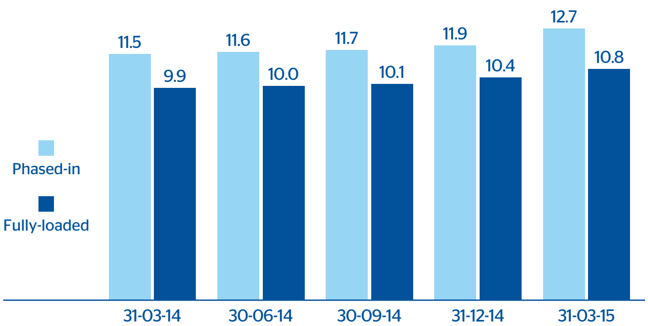
Ratings

After the publication by **Moody's** of the new bank rating methodology on March 16, the agency has reviewed its forecasts to upgrade the long-term rating for BBVA's senior debt and deposits. Should the upgrades take place, the senior debt rating would be one notch higher and the rating for deposits would be up two notches.

On February 10, **DBRS** changed its forecast for BBVA from negative to stable. This is a reflection of its outlook on the improvement of the Group's fundamentals, reinforced after the presentation of the results for the fourth quarter of 2014.

CET1 ratio evolution

(Percentage)



Ratings

	Long term	Short term	Outlook
DBRS	A	R-1 (low)	Stable
Fitch	A-	F-2	Stable
Moody's	Baa2	P-2	Under review for upgrade
Scope Ratings	A	S-1	Stable
Standard & Poor's	BBB	A-2	Stable

Capital base

(Million euros)

	CRD IV phased-in				
	31-03-15	31-12-14	30-09-14	30-06-14	31-03-14
Common equity Tier I	43,995	41,832	40,422	38,978	38,700
Capital (Tier I)	43,995	41,832	40,422	38,978	38,700
Other eligible capital (Tier II)	10,686	10,986	10,893	10,421	9,170
Capital base	54,681	52,818	51,316	49,399	47,870
Risk-weighted assets	347,096	350,803	345,381	336,584	335,276
Total ratio (%)	15.8	15.1	14.9	14.7	14.3
CET1 (%)	12.7	11.9	11.7	11.6	11.5
Tier I (%)	12.7	11.9	11.7	11.6	11.5
Tier II (%)	3.1	3.1	3.2	3.1	2.7

Risk management

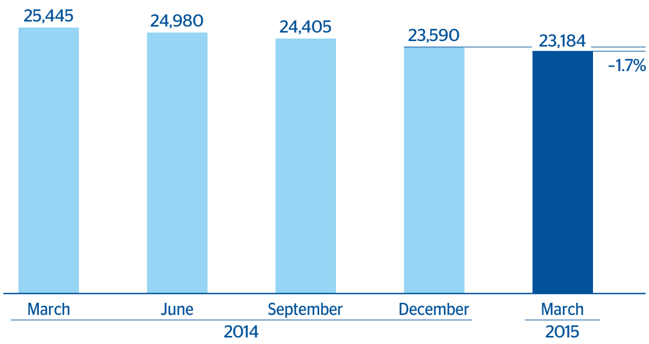
Credit risk

In the **first quarter of 2015** the main variables related to the Group's credit risk management have been positive, in line with the trend of previous quarters:

- The Group's credit risk has increased by 2.5% since the end of 2014, despite the negative effect of the application of the new SIMADI exchange rate in Venezuela.
- Stability in NPL flows due to containment of gross additions.
- Therefore, positive trend in the NPL ratio, which closed at 5.6% as of 31-Mar-2015.
- Improvement in the coverage ratio (65%) and the cost of risk (1.21% accumulated to March 2015, compared with 1.25% in 2014 and 1.27% in the same period the previous year).

Non-performing loans

(Million euros)



Credit risks [1]

(Million euros)

	31-03-15	31-12-14	30-09-14	30-06-14	31-03-14
Non-performing loans and contingent liabilities	23,184	23,590	24,405	24,980	25,445
Credit risks	413,687	403,633	397,952	389,355	384,577
Provisions	15,002	15,157	15,335	15,515	15,372
NPL ratio (%) [2]	5.6	5.8	6.1	6.4	6.6
NPL coverage ratio (%) [2]	65	64	63	62	60
NPL ratio (%) (excluding real-estate activity in Spain) [2]	3.9	4.1	4.3	4.5	4.6
NPL coverage ratio (%) (excluding real-estate activity in Spain) [2]	66	65	64	63	59

(1) Include gross customer lending plus contingent exposures.
(2) Includes contingent liabilities.

Non-performing loans evolution

(Million euros)

	1Q15	4Q14	3Q14	2Q14	1Q14
Beginning balance	**23,590**	**24,405**	**24,980**	**25,445**	**26,243**
Entries	2,359	2,363	2,429	2,092	2,190
Recoveries	(1,751)	(1,935)	(1,840)	(1,781)	(1,708)
Net variation	**608**	**427**	**589**	**311**	**482**
Write-offs	(1,152)	(1,248)	(1,297)	(961)	(1,248)
Exchange rate differences and other	138	5	133	185	(32)
Period-end balance	**23,184**	**23,590**	**24,405**	**24,980**	**25,445**
Memorandum item:					
Non-performing loans	22,787	23,164	23,983	24,554	25,032
Non-performing contingent liabilities	398	426	422	426	413

Structural risks

Liquidity and funding

Management of **liquidity and funding** aims to finance the recurring growth of the banking business at suitable maturities and costs, using a wide range of instruments that provide access to a large number of alternative sources of finance.

A core principle in BBVA's management of the Group's liquidity and funding is the financial independence of its banking subsidiaries abroad. This principle prevents the propagation of a liquidity crisis between the different areas and ensures that the cost of liquidity is correctly reflected in price formation.

In the **first quarter of 2015**, the liquidity conditions remained comfortable across BBVA's global footprint:

- The third TLTRO auction was held in March, at which BBVA borrowed €2,000m.
- The long-term wholesale financial markets in Europe have remained stable and BBVA completed a new issue of mortgage-covered bonds for €1,250m.
- Short-term funding in Europe has also continued to perform extremely well, in a context marked by a high level of market liquidity.
- In general, the financial soundness of the banks in other regions is based on the funding of lending activity, done basically with customer funds.

Foreign exchange

Foreign-exchange risk management of BBVA's long-term investments, basically stemming from its franchises abroad, aims to preserve the Group's capital adequacy ratios and ensure the stability of its income statement.

The **first quarter** of the year saw gains in the dollar against the euro and greater volatility in those emerging currencies affected by the major fall in the oil price. In this context, BBVA has maintained a policy of actively hedging its investments in Mexico, Chile, Colombia, Turkey and the dollar area. In addition to this corporate-level hedging, dollar positions are held at a local level by some of the subsidiary banks. The foreign-exchange risk of the earnings expected from abroad for 2015 is also managed.

Interest rate

The aim of managing this risk is to maintain sustained growth of net interest income in the short and medium term, irrespective of interest-rate fluctuations.

In the **first quarter of 2015**, the results of this management have been satisfactory, with limited risk strategies in Europe, the United States and Mexico. The amount of NTI generated in these geographical areas is the result of prudent portfolio management strategies, particularly in terms of sovereign debt, in a context marked by low interest rates.

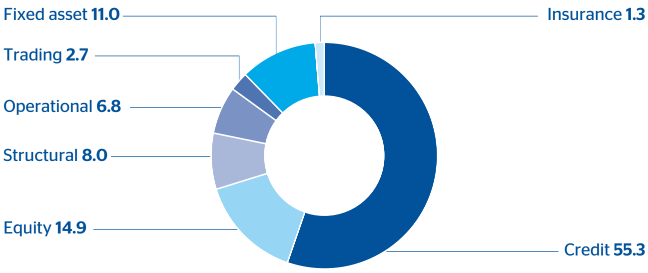
Economic capital

Attributable economic risk capital (ERC) consumption at the end of March 2015 stood at €30,836m(1), equivalent to an increase of 1.3% with respect to the close of December 2014. The most significant changes are summarized below:

- Increase in credit ERC due to the euro's depreciation against the respective local currencies (except the Venezuelan bolivar fuerte), affected by the approval of the quantitative easing (QE) program approved by the European Central Bank (ECB).
- Decline in equities ERC due to the reduction of the stake in CNCB.

Attributable economic risk capital breakdown

(Percentage as of March 2015)



(1) The rate of change is calculated against the close of December 2014 (€30,452m), which includes the annual effects of the update of the methodology, the credit risk parameters at the end of the year (Mexico, South America and the United States) and the review of models for the other risks. The figure published in the Quarterly Report of the fourth quarter of 2014 was €31,569m.

The BBVA share

In the first quarter of 2015, the **global economy** has continued to show differences between the geographical areas, with better relative performance in developed economies compared with the gradual slowdown in China and moderate activity in other emerging regions. This is taking place in a scenario of certain geopolitical tensions, an absence of inflationary pressures and diverging monetary policies.

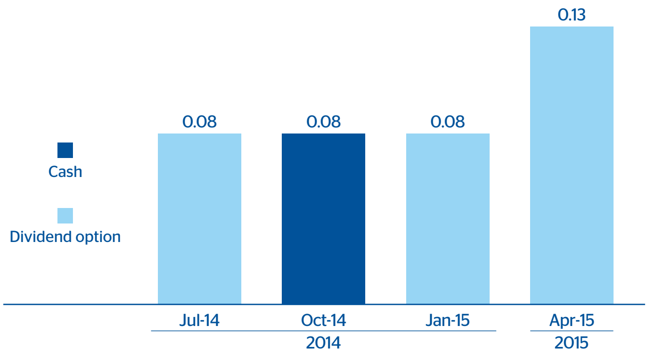
Against this backdrop, the main **stock market indices** ended the first quarter of 2015 with general rises, which were significantly higher in Europe than in the United States (the Euro Stoxx 50 up 17.5%, the Ibex 35 up 12.1% and the S&P500 up 0.4%). The Eurozone banking index, Euro Stoxx Banks, gained 17.2% in the quarter, while the S&P Regional Banks in the United States lost 0.9% in the same period.

As of March 31, 2015, the **BBVA share** price stood at €9.41 per share, a gain of 19.8% over the quarter and 7.9% in the last 12 months. In quarter-on-quarter terms it outperformed the Ibex 35 and the European indices Euro Stoxx 50 and Euro Stoxx Banks. As of 31-Mar-2015, the share has a weighting of 10.51% on the Ibex 35 and of 2.49% on the Euro Stoxx 50. As of the same date, BBVA's market capitalization stood at €58,564m, 20.8% higher than on 31-Dec-2014.

With respect to **shareholder remuneration**, at the meeting held on March 25, 2015 the Board of Directors of BBVA agreed to perform a capital increase against reserves for the implementation of the "dividend option" shareholder remuneration scheme. Each shareholder is entitled to one free allocation right for each BBVA share held on the date of publication of the announcement of the capital increase in the Official Bulletin of the Companies Register, with 70 rights entitling the holder to one new BBVA share. Alternatively, shareholders who wish to receive their remuneration in cash are entitled to sell their free allocation rights to BBVA at a gross fixed price of €0.13 per right during the first ten calendar days of their trading period, or on the market during the complete trading period. This system seeks to optimize and customize the remuneration scheme so that shareholders can benefit from greater flexibility, since they can adapt their remuneration to their preferences and personal circumstances.

Shareholder remuneration

(Euros (gross)/share)



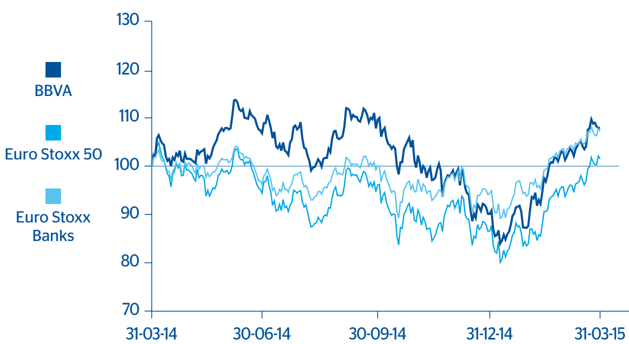
The BBVA share and share performance ratios

	31-03-15	31-12-14
Number of shareholders	944,631	960,397
Number of shares issued	6,224,923,938	6,171,338,995
Maximum price (euros)	9.60	9.66
Minimum price (euros)	7.21	7.45
Closing price (euros)	9.41	7.85
Book value per share (euros)	8.09	8.01
Market capitalization (million euros)	58,564	48,470
Price/book value (times)	1.2	1.0
PER (Price/earnings; times)	15.9	17.3
Yield (Dividend/price; %) (1)	3.4	4.5

(1) Calculated by dividing the median of the forecast dividend per share of a consensus of analysts by the BBVA share price at the end of each quarter.

BBVA share evolution compared with European indices

(Base indice 100=31-03-2014)



Responsible Banking

The highlight of the **first quarter of 2015** in terms of responsible banking has been BBVA's joining of CSR Europe (The European Business Network for Corporate Social Responsibility) and the launch of 'Camino al éxito' (Path to Success).

Founded to promote companies' contributions to social development at both the local and European levels, **CSR Europe** has the participation of 70 large international companies, and BBVA is the first Spanish financial entity to join. Through active collaboration, the members of CSR Europe have been able to influence European policies on employment, education and the environment, as well as to promote inclusive and sustainable growth.

'Camino al éxito' is a comprehensive program for SMEs in South America whose aim is to contribute to their growth and, therefore, to the development of Latin American societies. The program has been launched in seven countries in which BBVA is present (Argentina, Chile, Colombia, Paraguay, Peru, Uruguay and Venezuela) and addresses three areas: 1) training, 2) financing and value offer and 3) recognition and visibility.

Investment in social programs

In March 2015, the **2014 Responsible Banking Report** was published. According to the Report, the Group allocated €107.15m to social programs, representing 4.1% of the net attributable profit and an increase of 10% on 2013. BBVA allocated 16% of said investment to financial literacy and 17% to high social impact products, 25% to educational programs for society and 41% to other strategic projects. By geographical area, 37% is allocated to Spain, 22% to Mexico, 11% to South America, 5% to the United States, 21% to the BBVA Foundation and 5% to the Microfinance Foundation.

TCR Communication

BBVA continues to make progress on closer and simpler communication with its customers. In 2015, the aim is to be perceived as one of the top two banks for the clearest and most transparent communication in the eight main geographical areas where we operate. On January 1, 2015, the **TCR Commercial Communication Code** was implemented. This document contains the principles to be followed in commercial communication and advertising in the Group to guarantee they are transparent, clear and responsible.

Financial literacy

In the first quarter of 2015, BBVA joined the program **'Tus Finanzas, Tu Futuro'** (Your Finances, Your Future), the joint initiative of 16 Spanish banks promoted by the Spanish Banking Association (AEB), whose purpose is to foster financial literacy among Spanish youth. The aim is to enroll 6,500 students and more than 100 schools around Spain in the course, which will be taught by 400 volunteers. All volunteers will be employees from participating banks.

Products with a high social impact

The use of new digital **channels and products** bolsters a form of banking that is in touch with the needs of every customer. They also make it possible to unveil new opportunities for banking penetration for a segment of the population that is also in need of a savings strategy to help make financial projects a reality. BBVA Bancomer continues to lead in the creation of financial products and services for lower income customers, who benefit from access to the bank through various channels. This, in turn, strengthens financial inclusion, as seen in the 40% share achieved in this segment. Moreover, the entity in Mexico maintains its banking correspondent network with 24,500 member retailers. Through them, more than 45 million transactions are completed every year.

The BBVA Microfinance Foundation serves almost 1.6 million customers, to whom €983m in microloans have been granted. A total of 96% of these customers are considered successful in the business they have set up to rise out of poverty. The BBVA Microfinance Foundation has signed an alliance with **UN WOMEN** to promote the development and inclusion of low-income female entrepreneurs in Latin America and the Caribbean.

The **Momentum Social Investment** committee has selected the five 2014 Momentum Project ventures and another two from past editions. The recipients will receive more than €900,000 to grow their business. With this funding, Momentum Project wants to lead and promote social investment in Spain, to which it has allocated more than €8m since its launch in 2011.

Society

Innovation and knowledge

The BBVA Foundation **Ayudas a Proyectos de Investigación** (Research Project Grants) program has received more than 1,000 project applications from a total of 7,607 researchers in hopes of accessing one of the 21 BBVA Foundation Research Project Grants in the areas of Biomedicine, Ecology and Conservation Biology, Socioeconomics and Digital Humanities, in this first edition of the call for proposals. This program has €2.2m in funds available per year.

Environment

BBVA has significantly boosted its **Global Eco-efficiency Plan** with the signing of an agreement with Iberdrola for the electric power supplied to the 3,091-branch offices network and 71-buildings in Spain to be entirely renewable as of 2015. This measure will prevent the emission of 180,000 tons of CO_2 per year, the equivalent of the annual emissions of 75,000 vehicles, a city with 50,000 inhabitants or the planting of 4.5 million trees.

On March 28, 2015, the BBVA Group again took part in the global **Earth Hour** campaign, switching off the lights of 523 buildings (133 corporate buildings and 390 branch offices) in 158 cities in 10 countries in the Americas and Europe. This project, which is now in its seventh edition, has become the main world event for environmental protection.

Business areas

This section presents and analyzes the most relevant aspects of the Group's different areas. Specifically, it shows the income statement, the balance sheet, the business activity and the most significant ratios in each of them.

In 2015 changes have been made to the **reporting structure** of BBVA Group's business areas with respect to that in place during 2014. Due to the increase of the stake in the Turkish bank Garanti to 39.9%, expected to take effect in the coming months, its balance sheet and earnings are presented separately from the rest of Eurasia. Thus, the business areas are:

- **Banking activity in Spain** includes, as in previous years, the Retail Network, Corporate and Business Banking (CBB), Corporate & Investment Banking (CIB), BBVA Seguros and Asset Management. It also includes the portfolios, funding and structural interest-rate positions of the euro balance sheet**.**
- **Real-estate activity in Spain** basically covers lending to rea l-estate developers and foreclosed real-estate assets in the country.
- The **United States** encompasses the business conducted by the Bank in that country through BBVA Compass, the office in New York and Simple.
- **Turkey** includes BBVA's stake in the Turkish bank Garanti (currently 25.01%, as the additional 14.89% is still pending the relevant authorizations).
- **Mexico** includes the banking and insurance businesses in the country.
- **South America** includes the banking and insurance businesses that BBVA carries out in the region.
- **The rest of Eurasia** includes the business carried out in the rest of Europe and Asia, i.e. the Group's retail and wholesale businesses in the area.

In addition to the above, all the areas include a remainder made up of other businesses and a supplement that includes deletions and allocations not assigned to the units making up the above areas.

Lastly, the **Corporate Center** is an aggregate that contains the rest of the items that have not been allocated to the business areas, as it basically corresponds to the Group's holding function. It includes: the costs of the head offices that have a corporate function; management of structural exchange-rate positions; specific issues of capital instruments to ensure adequate management of the Group's global solvency; portfolios and their corresponding results, whose management is not linked to customer relations, such as industrial holdings; certain tax assets and liabilities; funds due to commitments with pensioners; goodwill and other intangibles. It also comprises the result from certain corporate operations carried out by the Group that are commented at various points in this report.

In addition to this geographical breakdown, **supplementary information** is provided for all the wholesale businesses carried out by BBVA, i.e. Corporate & Investment Banking (CIB). This aggregate business is considered relevant to better understand the Group because of the characteristics of the customers served, the type of products offered and the risks assumed.

Lastly, as usual, in the case of the Americas and Turkey the results of applying constant **exchange rates** are given in addition to the year-on-year variations at current exchange rates.

The Group compiles **information by areas** based on units at the lowest level, and all the accounting data related to the business they manage is recorded in full. These basic units are then aggregated in accordance with the organizational structure established by the Group for higher-level units and, finally, the business areas themselves. Similarly, all the companies making up the Group are also assigned to the different units according to the geographical area in which they carry out their activity.

Once the composition of each business area has been defined, certain **management criteria** are applied, of which the following are particularly important:

- **Capital**. Capital is allocated to each business according to ERC criteria. This is based on the concept of unexpected loss at a specific confidence level, depending on the Group's capital adequacy targets. The calculation of the ERC combines credit risk, market risk, structural balance-sheet risk, equity positions, operational risk, fixed-asset risk and technical risks in the case of insurance companies. These calculations are carried out using internal models that have been defined following the guidelines and requirements established under the Basel III capital accord, with economic criteria taking precedence over regulatory ones.

  ERC is risk-sensitive and thus linked to the management policies of the businesses themselves. It standardizes capital allocation among them in accordance with the risks incurred. In other words, it is calculated in a way that is standard and integrated for all kinds of risks and for each operation, balance or risk position, allowing its risk-adjusted return to be assessed and an aggregate to be calculated for profitability by client, product, segment, unit or business area.
- **Internal transfer prices**. BBVA Group has a transfer prices system whose general principles apply in the Bank's different entities, business areas and units. Within each geographical

area, internal transfer rates are established to calculate the net interest income of its businesses, under both the asset and liability headings. These rates consist of a reference rate (an index whose use is generally accepted on the market) that is applied based on the transaction's revision period or maturity, and a liquidity premium, i.e. a spread, that is established based on the conditions and outlook of the financial markets in this respect. There are also agreements for the allocation of earnings between the product-generating units and the distribution units.

- **Allocation of operating expenses**. Both direct and indirect costs are allocated to the business areas, except where there is no clearly defined relationship with the businesses, i.e. when they are of a clearly corporate or institutional nature for the Group as a whole.

- **Cross-selling**. In some cases, consolidation adjustments are made to eliminate double accounting entries in the results of two or more units as a result of cross-selling incentives between businesses.

Mayor income statement items by business area

(Million euros)

		Business areas								
	BBVA Group [(1)]	Banking activity in Spain	Real-estate activity in Spain	The United States	Turkey [(1)]	Mexico	South America	Rest of Eurasia	∑ Business areas	Corporate Center
1Q15										
Net interest income	3,663	968	(9)	435	210	1,340	802	46	3,792	(129)
Gross income	5,632	1,786	(46)	654	250	1,752	1,159	164	5,718	(86)
Operating income	2,857	1,081	(79)	223	140	1,105	655	74	3,200	(343)
Income before tax	1,442	496	(221)	191	107	693	468	56	1,791	(349)
Net attributable profit	**1,536**	**347**	**(154)**	**136**	**86**	**524**	**227**	**36**	**1,203**	**333**
1Q14										
Net interest income	3,391	931	(7)	345	146	1,173	934	47	3,569	(179)
Gross income	5,051	1,753	(58)	517	210	1,537	1,160	156	5,275	(225)
Operating income	2,438	1,048	(94)	166	118	969	665	70	2,941	(504)
Income before tax	1,017	550	(353)	143	88	598	501	48	1,576	(559)
Net attributable profit	**624**	**384**	**(245)**	**106**	**70**	**454**	**243**	**37**	**1,049**	**(425)**

(1) Financial statements with the revenues and expenses of the Garanti Group consolidated in proportion to the percentage of the Group's stake.

Breakdown of gross income, operating income and net attributable profit by geography [(1)]

(1Q15)

	Banking activity in Spain	Spain [(2)]	The United States	Turkey	Mexico	South America	Rest of Eurasia
Gross income	31.2	30.4	11.4	4.4	30.6	20.3	2.9
Operating income	33.8	31.3	7.0	4.4	34.5	20.5	2.3
Net attributable profit	**28.9**	**16.1**	**11.3**	**7.1**	**43.5**	**18.9**	**3.0**

(1) Excludes the Corporate Center.
(2) Including real-estate activity in Spain.

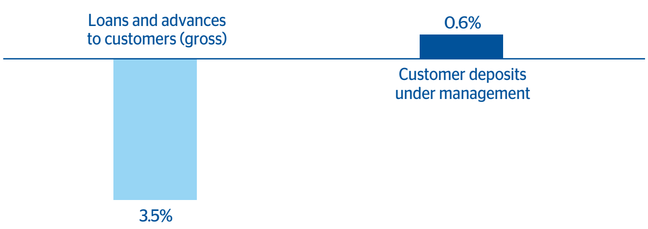
Banking activity in Spain

Highlights in the first quarter of 2015

- The demand for loans continues to perform well.
- New reduction in the cost of time deposits and change of mix in funds.
- Favorable trend in more recurring revenue.
- Operating expenses in check.
- Improvement in the NPL and coverage ratios.

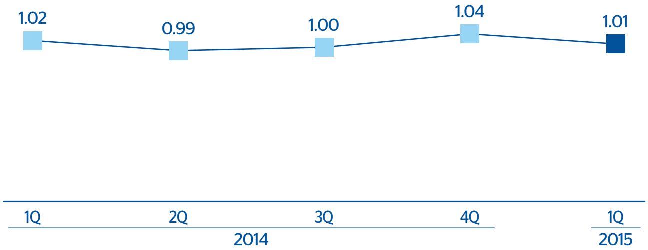
Business activity

(Year-on-year change. Data as of 31-03-2015)



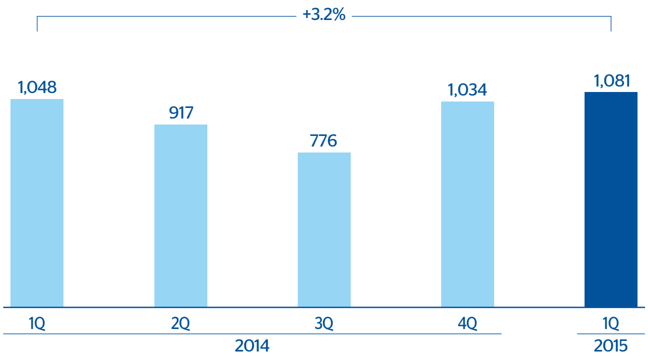
Net interest income/ATA

(Percentage)



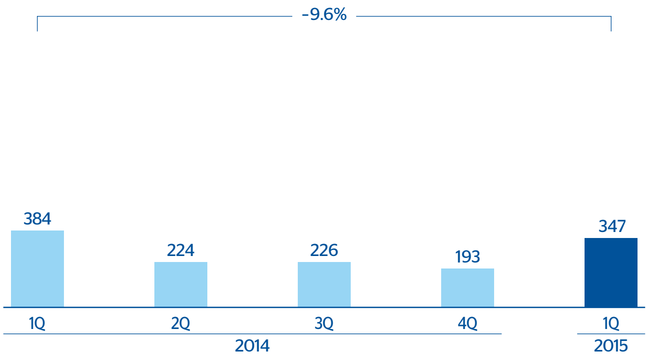
Operating income

(Million euros)



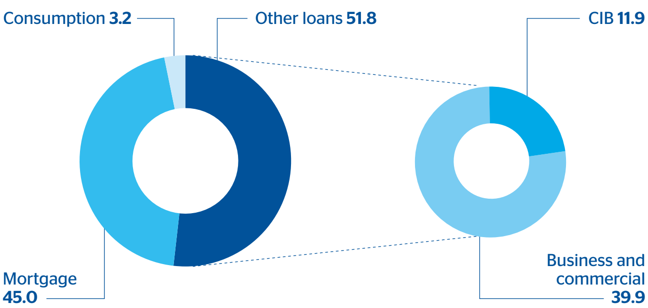
Net attributable profit

(Million euros)



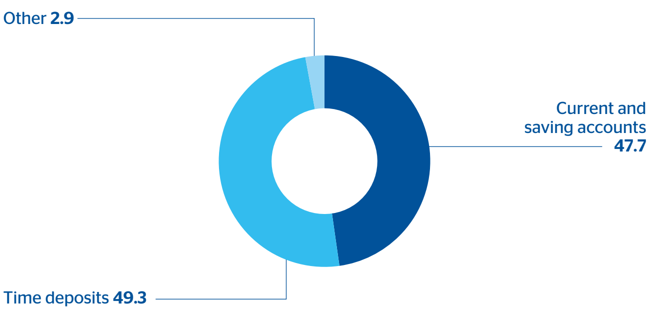
Breakdown of loans and advances to customers (gross)

(Percentage as of 31-03-2015)



Breakdown of customer deposits under management

(Percentage as of 31-03-2015)



Macro and industry trends

GDP growth in Spain is expected to pick up in the quarter, thanks to an improvement in household and business confidence, the sustained recovery of employment, reduced financial tension, a less restrictive fiscal policy and the positive effect of the euro's depreciation on exports.

In the **banking system**, the decline in the volume of loans continues to moderate (down 6% year-on-year according to the information available as of February 2015), thanks to the fact that the flow of new loans to the retail segment continues to improve (up 10.3% year-on-year also as of February 2015). A reduction in the financing costs of households and businesses has also been observed in recent months.

Activity

The recovery of **credit** is underway, with good performance in the production of new loans, although growth is not yet perceived in the stock. By portfolio, the demand for mortgage, consumer, SME and business loans shows positive year-on-year growth supported by stronger economic activity in the country. As a result, the percentage change of gross lending to customers in the quarter is –0.6%, a lower decline to that reported in the immediate previous periods.

Improvement in the **NPL and coverage ratios** over the quarter.

Year-on-year growth in customer **deposits** under management, but with a change in the mix, as seen in recent quarters. The significant reduction in the remuneration paid for time deposits has led to funds being shifted toward demand deposits and mutual funds.

Earnings

Favorable trend in **more recurring revenue** in the first quarter of 2015:

- Year-on-year growth in net interest income (up 3.9%), basically due to the reduced cost of both retail (reduction in the cost of deposits) and wholesale funding. The customer spread remains flat in the quarter, as the lower cost of deposits has been offset by the reduction of the average yield on assets, significantly affected by all-time low interest rates.

Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	1Q15	Δ%	1Q14
Net interest income	**968**	**3.9**	**931**
Net fees and commissions	378	8.9	347
Net trading income	337	(22.9)	437
Other income/expenses	104	166.3	39
Gross income	**1,786**	**1.9**	**1,753**
Operating expenses	(705)	(0.1)	(706)
Personnel expenses	(411)	(6.2)	(438)
General and administrative expenses	(269)	11.2	(242)
Depreciation and amortization	(25)	(3.4)	(26)
Operating income	**1,081**	**3.2**	**1,048**
Impairment on financial assets (net)	(421)	(9.1)	(463)
Provisions (net) and other gains (losses)	(164)	n.m.	(35)
Income before tax	**496**	**(9.8)**	**550**
Income tax	(148)	(10.1)	(165)
Net income	**348**	**(9.6)**	**385**
Non-controlling interests	(1)	(3.9)	(1)
Net attributable profit	**347**	**(9.6)**	**384**

Balance sheet	31-03-15	Δ%	31-03-14
Cash and balances with central banks	3,902	(12.7)	4,468
Financial assets	125,945	16.2	108,377
Loans and receivables	195,472	3.0	189,842
Loans and advances to customers	168,212	(3.6)	174,566
Loans and advances to credit institutions and other	27,260	78.4	15,276
Inter-area positions	-	-	8,515
Tangible assets	706	(5.4)	746
Other assets	3,501	95.1	1,794
Total assets/liabilities and equity	**329,526**	**5.0**	**313,743**
Deposits from central banks and credit institutions	58,264	1.7	57,306
Deposits from customers	159,816	2.4	156,123
Debt certificates	39,184	(18.8)	48,236
Subordinated liabilities	2,052	(5.6)	2,173
Inter-area positions	5,769	-	-
Financial liabilities held for trading	51,938	29.2	40,193
Other liabilities	4,638	230.3	1,404
Economic capital allocated	7,866	(5.3)	8,307

Relevant business indicators	31-03-15	31-12-14	31-03-14
Loans and advances to customers (gross)	173,234	174,201	179,563
Customer deposits under management [1]	136,250	138,140	135,416
Mutual funds	30,743	28,695	23,783
Pension funds	22,595	21,880	20,994
Efficiency ratio (%)	39.5	43.0	40.3
NPL ratio (%)	5.9	6.0	6.4
NPL coverage ratio (%)	46	45	41
Cost of risk (%)	0.99	0.95	1.04

(1) Excluding repos.

- There has also been good performance in income from fees and commissions (up 8.9%) thanks to those from fund management and securities. All this against a backdrop of regulatory restrictions in credit-card and pension fund fees and commissions.

Lower contribution from **NTI** compared with the first quarter of 2014 due to lower capital gains from sales of ALCO portfolios.

The Group's transformation and digitization process in Spain is having a clear positive effect on **operating expenses**, which are down slightly (0.1%) in year-on-year terms.

Impairment losses on financial assets have continued to decline as in previous quarters: they are down 9.1% in year-on-year terms and 5.5% in the quarter. The cost of risk stands below 1%.

The costs resulting from the aforementioned transformation and digitization process explain the higher amount allocated to **provisions**.

As a result, the **net attributable profit** generated by banking activity in Spain in the first quarter of 2015 totaled €347m, which means a decline of 9.6% year-on-year.

Real-estate activity in Spain

Highlights in the first quarter of 2015

- The positive trend in indicators related to demand for residential housing continues.
- Stabilization of prices.
- Lower loan-loss provisions than in previous periods due to lower net additions to NPL and foreclosures.

Industry trends

According to the latest data from the General Council of Spanish Notaries, **home** sales picked up in the last months of 2014. This trend is expected to continue in 2015, so the excess housing stock should be reduced gradually, and it will continue to influence the stabilization of prices, whose adjustment could be practically completed.

Exposure

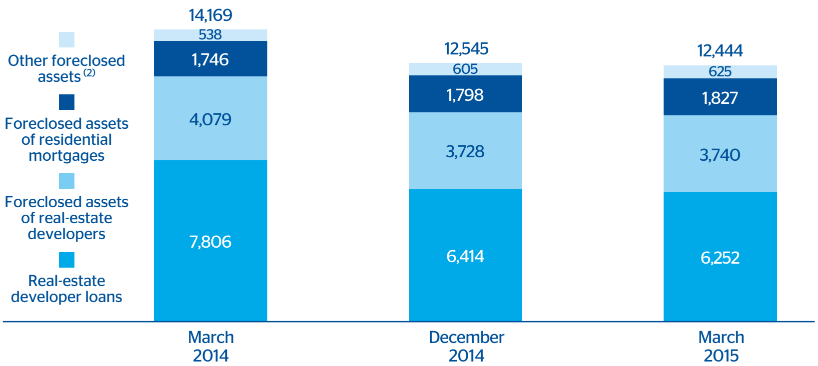
BBVA continues with its strategy of reducing its net **exposure** to the real-estate sector in Spain, both to the developer segment (lending to real-estate developers plus foreclosed assets derived from those loans) and to foreclosed real-estate assets from retail mortgage loans.

Non-performing loans continued to decline over the quarter, with contained additions during the period. The **coverage ratio** of non-performing and substandard loans in the last three months stood at 54%, and of real-estate exposure as a whole at 48%.

Sales of real-estate assets in the quarter totaled 2,105 units, or 4,094 if third-party and developer sales are added to this figure. In the first quarter of 2015, the average monthly sales in monetary units, is in line with the first three months of 2014. Thus, the change of strategy already seen in 2014 of more selective sales and higher profitability is consolidated.

Net exposure to real estate [(1)]

(Million euros)



(1) Transparency on like-for-like basis: the figures include Unnim but exclude the investment in Metrovacesa.
(2) Other foreclosed assets include foreclosed assets that do not stem from financing family home buying.

Coverage of real-estate exposure in Spain

(Million of euros as of 31-03-15)

	Risk amount	Provision	% Coverage over risk
NPL + Substandard	8,136	4,360	54
NPL	7,097	4,028	57
Substandard	1,039	332	32
Foreclosed real-estate and other assets	13,092	6,900	53
From real-estate developers	8,580	4,840	56
From dwellings	3,305	1,478	45
Other	1,207	582	48
Subtotal	**21,228**	**11,260**	**53**
Performing	2,476	-	-
With collateral	2,280		
Finished properties	1,720		
Construction in progress	313		
Land	247		
Without collateral and other	196		
Real-estate exposure	**23,704**	**11,260**	**48**

Note: Transparency scope according to Bank of Spain Circular 5/2011 dated November 30.

Earnings

In the first quarter of 2015, BBVA's real-estate business in Spain registered a **loss** of €154m, less than the €245m loss posted in the same period the previous year, due basically to the reduced need for loan-loss and real-estate provisions.

Financial statements

(Million euros)

Income statement	1Q15	Δ%	1Q14
Net interest income	**(9)**	**29.4**	**(7)**
Net fees and commissions	1	(14.8)	1
Net trading income	1	n.m.	0
Other income/expenses	(39)	(25.8)	(52)
Gross income	**(46)**	**(20.3)**	**(58)**
Operating expenses	(33)	(10.0)	(36)
Personnel expenses	(18)	(0.3)	(18)
General and administrative expenses	(9)	(27.0)	(12)
Depreciation and amortization	(5)	(4.2)	(5)
Operating income	**(79)**	**(16.3)**	**(94)**
Impairment on financial assets (net)	(57)	(24.4)	(76)
Provisions (net) and other gains (losses)	(85)	(53.8)	(183)
Income before tax	**(221)**	**(37.5)**	**(353)**
Income tax	67	(36.7)	107
Net income	**(153)**	**(37.8)**	**(246)**
Non-controlling interests	(1)	n.m.	1
Net attributable profit	**(154)**	**(37.2)**	**(245)**

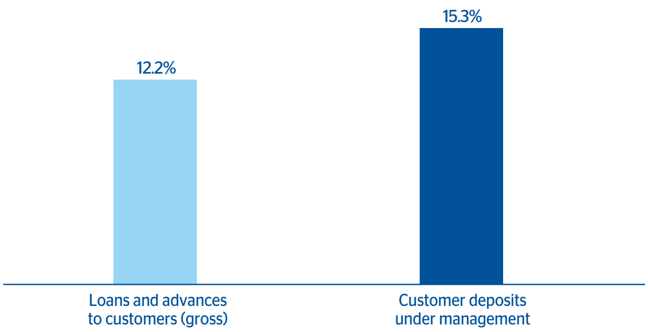
Balance sheet	31-03-15	Δ%	31-03-14
Cash and balances with central banks	6	19.4	5
Financial assets	346	(42.6)	603
Loans and receivables	8,777	(12.8)	10,067
Loans and advances to customers	8,777	(12.8)	10,067
Loans and advances to credit institutions and other	-	-	-
Inter-area positions	-	-	-
Tangible assets	1,279	(20.0)	1,600
Other assets	6,762	(4.5)	7,080
Total assets/liabilities and equity	**17,170**	**(11.3)**	**19,355**
Deposits from central banks and credit institutions	-	-	-
Deposits from customers	28	(72.4)	100
Debt certificates	-	-	-
Subordinated liabilities	776	(14.9)	912
Inter-area positions	13,264	(9.7)	14,695
Financial liabilities held for trading	-	-	-
Other liabilities	-	-	-
Economic capital allocated	3,103	(14.9)	3,648

The United States

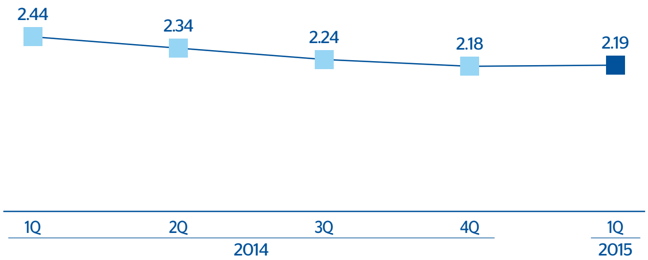
Highlights in the first quarter of 2015

- Strong activity in lending and fund gathering.
- Improvement in net interest income.
- Cost containment.
- Good risk indicators.
- Positive news in solvency and liquidity.

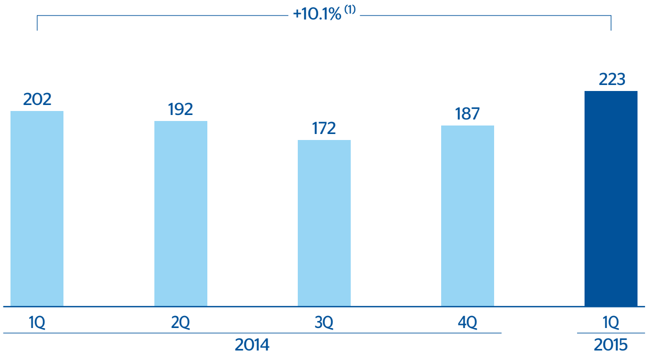
Business activity
(Year-on-year change at constant exchange rate. Data as of 31-03-2015)



Net interest income/ATA
(Percentage. Constant exchange rate)

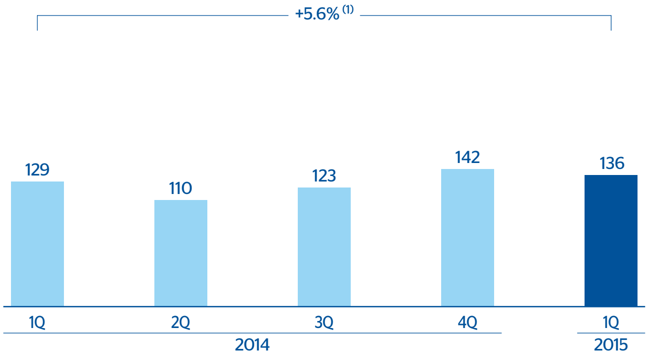


Operating income
(Million euros at constant exchange rate)



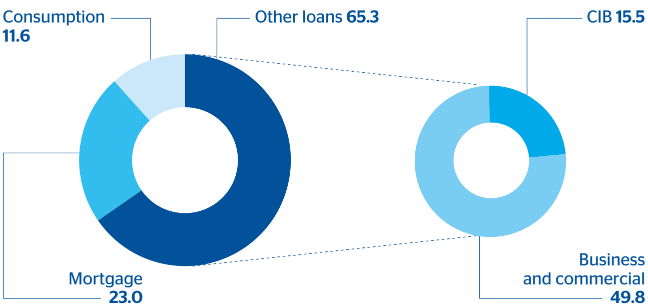
(1) At current exchange rate: +34.3%.

Net attributable profit
(Million euros at constant exchange rate)

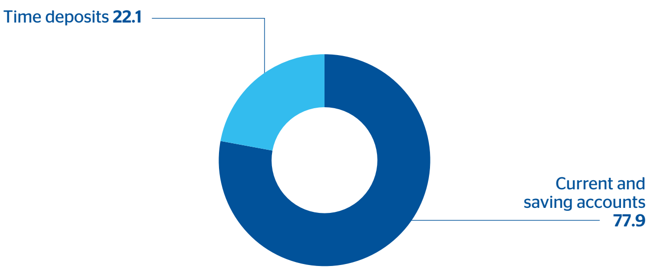


(1) At current exchange rate: +29.2%.

Breakdown of loans and advances to customers (gross)
(Percentage as of 31-03-2015)



Breakdown of customer deposits under management
(Percentage as of 31-03-2015)



Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	1Q15	Δ%	Δ% (1)	1Q15
Net interest income	**435**	**25.9**	**3.5**	**345**
Net fees and commissions	156	17.2	(3.8)	133
Net trading income	56	51.4	23.1	37
Other income/expenses	7	231.3	175.5	2
Gross income	**654**	**26.4**	**3.7**	**517**
Operating expenses	(431)	22.6	0.7	(351)
Personnel expenses	(246)	19.5	(1.9)	(206)
General and administrative expenses	(132)	30.3	7.1	(102)
Depreciation and amortization	(52)	19.5	(1.8)	(43)
Operating income	**223**	**34.3**	**10.1**	**166**
Impairment on financial assets (net)	(30)	53.4	27.6	(19)
Provisions (net) and other gains (losses)	(2)	(34.9)	(46.5)	(3)
Income before tax	**191**	**33.3**	**9.1**	**143**
Income tax	(55)	45.0	19.1	(38)
Net incomes	**136**	**29.2**	**5.6**	**106**
Non-controlling interests	-	-	-	-
Net attributable profit	**136**	**29.2**	**5.6**	**106**

Balance sheet	31-03-15	Δ%	Δ% (1)	31-03-14
Cash and balances with central banks	4,839	8.0	(15.7)	4,479
Financial assets	14,179	92.7	50.4	7,358
Loans and receivables	59,243	44.2	12.5	41,080
Loans and advances to customers	57,096	44.1	12.5	39,619
Loans and advances to credit institutions and other	2,146	46.9	14.6	1,461
Inter-area positions	-	-	-	-
Tangible assets	811	23.3	(3.8)	658
Other assets	1,858	(14.7)	(33.5)	2,180
Total assets/liabilities and equity	**80,930**	**45.2**	**13.3**	**55,754**
Deposits from central banks and credit institutions	7,548	105.0	59.9	3,683
Deposits from customers	59,337	39.5	8.9	42,536
Debt certificates	926	-	-	-
Subordinated liabilities	846	29.9	1.4	651
Inter-area positions	223	(86.6)	(89.6)	1,669
Financial liabilities held for trading	3,492	n.m.	n.m.	178
Other liabilities	5,635	18.6	(7.4)	4,751
Economic capital allocated	2,922	27.8	(0.3)	2,286

Relevant business indicators	31-03-15	31-12-14	31-03-14
Loans and advances to customers (gross) (1)	57,878	56,047	51,588
Customer deposits under management (1-2)	58,424	56,528	50,673
Mutual funds	-	-	-
Pension funds	-	-	-
Efficiency ratio (%)	65.9	70.1	67.9
NPL ratio (%)	0.9	0.9	1.0
NPL coverage ratio (%)	164	167	160
Cost of risk (%)	0.23	0.16	0.19

(1) Figures at constant exchange rate.
(2) Excludes repos.

Macro and industry trends

The macroeconomic outlook for 2015 in the **United States** is clearly positive, particularly in terms of improved employment and private disposable income, two determining factors in the recovery of domestic spending. This excellent backdrop is consistent with a scenario in which the Federal Reserve (Fed) launches the normalization process for the monetary policy.

With respect to the **exchange rate**, the U.S. dollar has strengthened its appreciation against the euro, due to the change in the course of the monetary policies of the ECB (towards the expansion of its balance sheet) and of the Fed (towards an increase in rates) and the increased spread between the United States and the euro area, in favor of the United States. All the comments below referring to rates of change are expressed at a constant exchange rate, unless expressly stated otherwise.

The most notable event with respect to the **financial system** was the publication in March of the results of the Fed's stress test carried out on the leading banks in the country. In it, all banks exceeded the minimum CET1 capital adequacy ratio threshold of 4.5% (Basel III) permitted in the severely adverse scenario.

Activity

Lending maintains its upward trend of previous periods (up 12.2% year-on-year and up 3.3% in the quarter), though with a slight moderation in growth rates. By portfolio, of note is that of companies (commercial lending), which represents 46% of the gross lending in the area and is growing at year-on-year rates of 14.0% (up 5.1% in the quarter). Also worth highlighting is consumer finance, accounting for 12% and presenting growth of 18.2% and 4.0%, respectively, in the last 12 and three month periods.

Asset quality indicators remain at historically low levels, with the NPL (0.9%) maintaining levels from the end of 2014 while the coverage ratio increases to 164%. Progressive normalization of the cost of risk continued and remains very low (0.23%).

Customer deposits under management also performed well, with a year-on-year rise of 15.3% (up 3.4% in the quarter) supported by the favorable performance of both time deposits (up 23.5% in the last 12 months and up 1.9%

since the end of December) and the current and savings accounts (up 13.2% in the year and up 3.8% in the quarter).

Earnings

The area generated a **net attributable profit** in the quarter of €136m, 5.6% more than in the same period in 2014.

Gross income progressed favorably, up 3.7% in the year and 0.5% in the quarter. This good performance is supported by net interest income, positively impacted by increased activity in the context of unfavorable rates and by the NTI, due to the capital gains from the sale of ALCO portfolios and the positive performance of the Global Markets unit in the quarter. The above were able to offset the reported decrease in fees and commissions, due in part to revenues from one-off wholesale operations in the first quarter of 2014.

Operating expenses have been contained due to the structural adjustments made in previous periods, particularly in personnel costs.

As a result, **operating income** experienced double-digit year-on-year growth, up 10.1%, and the **efficiency ratio** improved significantly, from 70.1% in December 2014 to 65.9% in March 2015.

Lastly, **impairment losses on financial assets** increased year-on-year by 27.6%, but at highly contained levels. This was affected by the growth of activity and the aforementioned progressive normalization of the cost of risk.

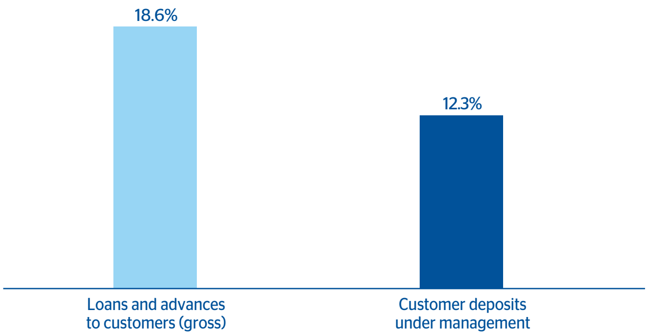
Turkey

Highlights in the first quarter of 2015

- Strong loans in liras.
- Lower contribution from the portfolio of inflation linked bonds.
- Good performance of recurring revenue.
- Improvement of asset quality indicators.

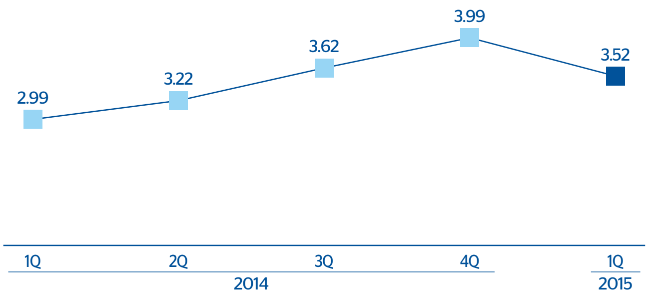
Business activity

(Year-on-year change at constant exchange rate. Data as of 31-03-2015)



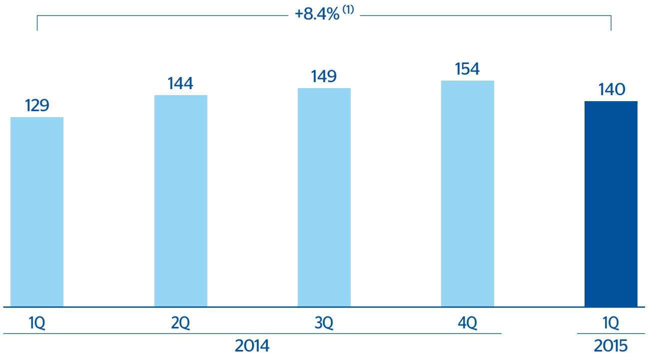
Net interest income/ATA

(Percentage. Constant exchange rate)



Operating income

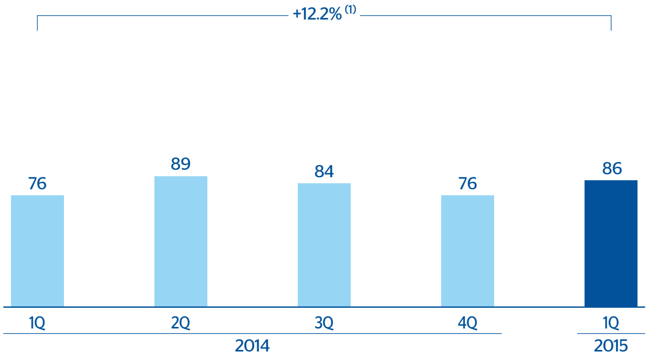
(Million euros at constant exchange rate)



(1) At current exchange rate: +18.8%.

Net attributable profit

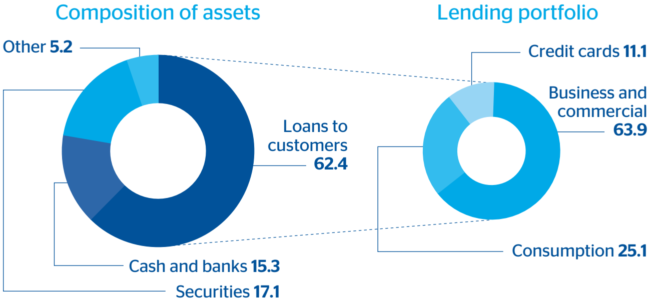
(Million euros at constant exchange rate)



(1) At current exchange rate: +23.0%.

Garanti. Composition of assets and lending portfolio [1]

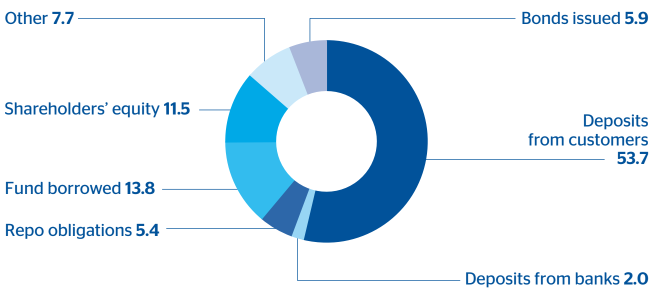
(Percentage as of 31-03-2015)



(1) Garanti Bank only.

Garanti. Composition of liabilities [1]

(Percentage as of 31-03-2015)



(1) Garanti Bank only.

Macro and industry trends

Economic growth picked up in the last quarter of 2014 due to the recovery of private consumption. The outlook for 2015 is favorable, positively influenced by the fall in oil prices and sound foreign demand. Moderation in inflation and in the current account deficit is giving the Central Bank more room for maneuver, enabling it to maintain in the first quarter of 2015 the gradual cuts to interest rates, a process it started in the second half of 2014.

Lending to the private sector maintains relatively high rates of growth, supported above all by the increase in the commercial segment, while the system's **NPL ratio** remains stable. **Gathering** of funds in the private sector is also in line with the figures registered in 2014. The Turkish banking system continues to enjoy high levels of capitalization and sound profitability.

All the comments below on rates of change will be expressed at a constant exchange rate, unless expressly stated otherwise.

Activity

Gross lending to customers closed the quarter with year-on-year growth above 18%, driven by strong consumer finance, mortgage loans and commercial lending in Turkish liras, which offsets the lower demand for loans in foreign currency, held back by exchange rate volatility.

Asset quality indicators improved in the quarter, with the NPL ratio down 15 basis points and the coverage ratio improving by 2.7% compared with the figure at the end of 2014. Significant improvement also in the cost of risk, which is below 1% in the quarter as a whole.

Customer **deposits** under management in the area registered a significant increase over the last twelve months, which affected most products, although the increase in time deposits in foreign currency (of lower cost than those in local currency) is worth mentioning.

Financial statements and relevant business indicators

(Million euros and percentage)

Income statement [1]	1Q15	Δ%	Δ% [2]	1Q14
Net interest income	**210**	**43.8**	**31.3**	**146**
Net fees and commissions	50	18.9	8.6	42
Net trading income	(15)	n.m.	n.m.	18
Other income/expenses	5	25.2	14.3	4
Gross income	**250**	**19.2**	**8.9**	**210**
Operating expenses	(110)	19.7	9.5	(92)
Personnel expenses	(56)	19.9	9.6	(47)
General and administrative expenses	(44)	20.5	10.0	(37)
Depreciation and amortization	(10)	15.8	5.7	(8)
Operating income	**140**	**18.8**	**8.4**	**118**
Impairment on financial assets (net)	(33)	31.4	20.0	(25)
Provisions (net) and other gains (losses)	(0)	(89.5)	(90.4)	(5)
Income before tax	**107**	**20.9**	**10.2**	**88**
Income tax	(21)	12.7	2.7	(19)
Net income	**86**	**23.0**	**12.2**	**70**
Non-controlling interests	-	-	-	-
Net attributable profit	**86**	**23.0**	**12.2**	**70**

Balance sheet [1]	31-03-15	Δ%	Δ% [2]	31-03-14
Cash and balances with central banks	2,430	20.1	13.8	2,024
Financial assets	4,469	16.2	10.0	3,848
Loans and receivables	15,749	23.5	17.0	12,748
Loans and advances to customers	14,177	25.1	18.5	11,335
Loans and advances to credit institutions and other	1,572	11.3	5.4	1,413
Tangible assets	193	10.0	4.2	175
Other assets	779	22.6	16.2	636
Total assets/liabilities and equity	**23,620**	**21.6**	**15.2**	**19,430**
Deposits from central banks and credit institutions	4,349	(1.3)	(6.5)	4,407
Deposits from customers	12,507	23.4	16.9	10,133
Debt certificates	1,306	38.9	31.6	940
Subordinated liabilities	23	(1.6)	(6.7)	23
Financial liabilities held for trading	373	125.3	113.4	166
Other liabilities	4,120	38.6	31.3	2,973
Economic capital allocated	943	19.5	13.3	789

Relevant business indicators	31-03-15	31-12-14	31-03-14
Loans and advances to customers (gross) [2]	14,741	13,726	12,429
Customer deposits under management [2-3]	12,057	11,054	10,733
Mutual funds	365	344	350
Pension funds	572	538	385
Efficiency ratio (%)	44.0	41.8	43.8
NPL ratio (%)	2.6	2.8	2.7
NPL coverage ratio (%)	118	115	112
Cost of risk (%)	0.94	1.16	0.88

(1) Financial statements with the revenues and expenses of the Garanti Group consolidated in proportion to the percentage of the Group's stake.
(2) Figures at constant exchange rate.
(3) Excluding repos.

Earnings

There has been a positive trend in **more recurring revenue**, due to:

- Stable customer spreads. This, however, has been reversed by the lower contribution from inflation-linked bonds in the quarter, due to the moderation in the consumer price index. This explains the decline in net interest income in the quarter, although in year-on-year terms it has grown 31.3%.

- Good performance of income from fees and commissions, which continues to grow thanks to a diversified revenue base that mitigates the impact of the regulations, approved in October 2014, that limit fees and commissions on consumer loans and credit cards. In addition, the quarter includes one-off fees and commissions from the closing of several project finance deals.

Operating expenses closed in line with those for the previous quarter, despite the negative effect that the Turkish lira's depreciation against the U.S. dollar has on expense items that are paid in dollars.

Increase in **impairment losses on financial assets** due to a provision for loans in foreign currency, also influenced by the aforementioned deterioration of the Turkish lira since the beginning of the year.

As a result of the above, the **net attributable profit** generated by the inclusion in BBVA Group's earnings of the 25.01% stake in Garanti amounts to €86m, 12.2% more than in the same quarter of the previous year.

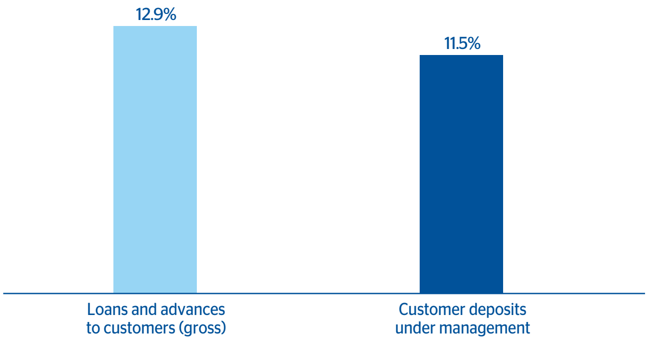
Mexico

Highlights in the first quarter of 2015

- Standout performance compared with its main competitors in an environment of moderate growth.
- Sound earnings.
- Improvement in risk indicators, which compare favorably with those of BBVA's competitors.

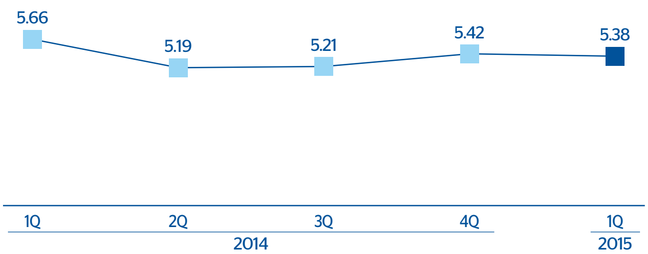
Business activity

(Year-on-year change at constant exchange rate. Data as of 31-03-2015)



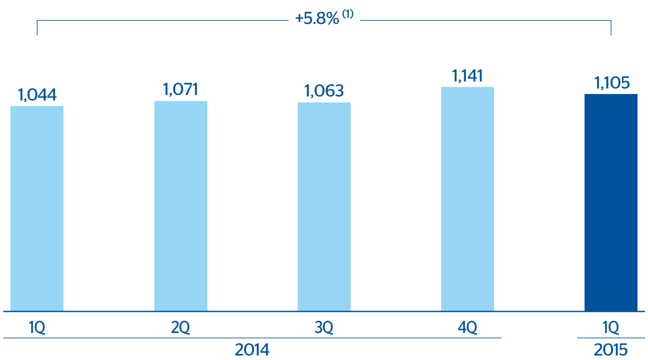
Net interest income/ATA

(Percentage. Constant exchange rate)



Operating income

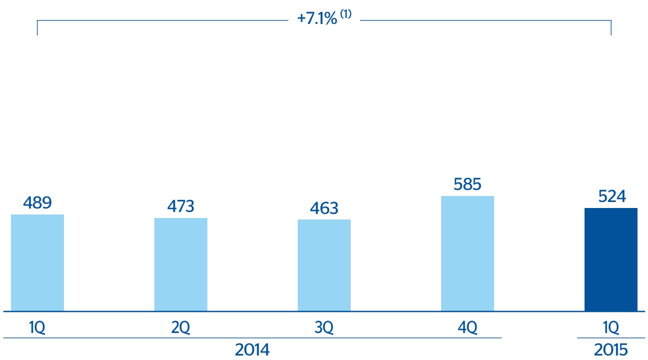
(Million euros at constant exchange rate)



(1) At current exchange rate: +14.0%.

Net attributable profit

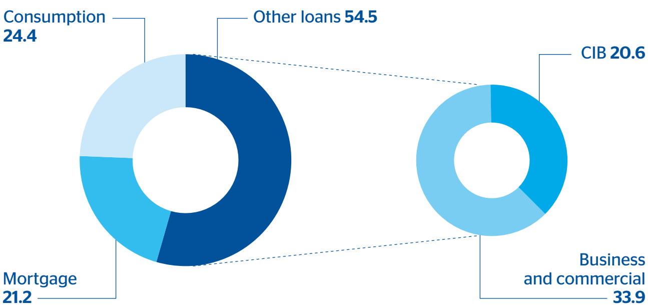
(Million euros at constant exchange rate)



(1) At current exchange rate: +15.4%.

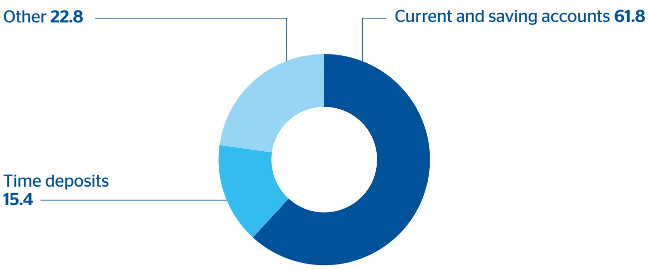
Breakdown of loans and advances to customers (gross)

(Percentage as of 31-03-2015)



Breakdown of customer deposits under management

(Percentage as of 31-03-2015)



Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	1Q15	Δ%	Δ% (2)	1Q14
Net interest income	**1,340**	**14.3**	**6.1**	**1,173**
Net fees and commissions	295	12.6	4.5	262
Net trading income	52	7.2	(0.5)	48
Other income/expenses	64	20.0	11.3	54
Gross income	**1,752**	**14.0**	**5.8**	**1,537**
Operating expenses	(647)	13.9	5.8	(568)
Personnel expenses	(288)	17.8	9.4	(244)
General and administrative expenses	(305)	8.9	1.1	(280)
Depreciation and amortization	(54)	24.6	15.7	(44)
Operating income	**1,105**	**14.0**	**5.8**	**969**
Impairment on financial assets (net)	(422)	18.7	10.2	(355)
Provisions (net) and other gains (losses)	10	n.m.	n.m.	(16)
Income before tax	**693**	**16.0**	**7.7**	**598**
Income tax	(170)	18.0	9.5	(144)
Net income	**524**	**15.4**	**7.1**	**454**
Non-controlling interests	-	-	-	-
Net attributable profit	**524**	**15.4**	**7.1**	**454**

Balance sheet	31-03-15	Δ%	Δ% (1)	31-03-14
Cash and balances with central banks	6,328	19.4	9.5	5,299
Financial assets	37,896	16.6	6.9	32,502
Loans and receivables	51,672	21.1	11.0	42,673
Loans and advances to customers	49,987	23.8	13.5	40,381
Loans and advances to credit institutions and other	1,685	(26.5)	(32.6)	2,292
Tangible assets	1,898	42.4	30.5	1,333
Other assets	4,505	22.3	12.1	3,682
Total assets/liabilities and equity	**102,300**	**19.7**	**9.7**	**85,489**
Deposits from central banks and credit institutions	9,241	(1.3)	(9.6)	9,366
Deposits from customers	50,963	14.9	5.3	44,342
Debt certificates	6,189	59.4	46.1	3,883
Subordinated liabilities	4,683	28.7	18.0	3,638
Financial liabilities held for trading	7,861	14.1	4.6	6,890
Other liabilities	18,321	43.1	31.1	12,807
Economic capital allocated	5,041	10.5	1.3	4,562

Relevant business indicators	31-03-15	31-12-14	31-03-14
Loans and advances to customers (gross) (1)	51,700	50,640	45,809
Customer deposits under management (1-2)	50,251	48,086	45,070
Mutual funds	20,797	18,691	17,191
Pension funds	-	-	-
Efficiency ratio (%)	36.9	36.9	36.9
NPL ratio (%)	2.8	2.9	3.4
NPL coverage ratio (%)	116	114	114
Cost of risk (%)	3.44	3.45	3.51

(1) Figures at constant exchange rate.
(2) Including all the repos.

Macro and industry trends

Moderate growth of the **Mexican economy**, which will continue to be driven by foreign demand from the United States. Recently, some factors have surprised on the downside, such as, for example, lower oil production and the cutbacks announced for public spending. In terms of interest rates, the Mexican Central Bank's announcement points toward a synchronization of its monetary policy with the Fed's normalization process, but the elevated ease and low inflation suggest that the cycle of upgrades should be slow.

Strengthening of the Mexican peso's **exchange rate** against the euro, both over the last twelve months and in the quarter. All the comments below on rates of change will be expressed at a constant exchange rate, unless expressly stated otherwise.

The country's **financial system** has recorded double-digit growth in business activity (in both loans and customer funds gathering), according to the latest information available, from February 2015, released by the National Banking and Securities Commission (CNBV); it maintains high solvency levels, adequate liquidity, a gradual improvement of the NPL ratio and robust profitability, strongly supported by financial revenue.

Activity

In the first months of 2015, BBVA's business activity in Mexico performed well, with the **loan book** growing at a double-digit rate (up 12.9% year-on-year), above the figure registered by the market as a whole (up 11.7% according to February data published by the CNBV).

Boost of the **wholesale portfolio**, which recorded a balance 24.4% above that of March 2014 (taking into consideration commercial and public sector loans). Lending to large corporations and medium-sized companies maintains its positive trajectory.

Within the **retail portfolio**, consumer lending sold by the branch network (payroll and personal loans) performed strongly (up 24.9%), boosted by the pre-approved loan campaigns. Also, positive performance of lending to small businesses (up 24.7%), due largely to the recent expansion of the network and the number of specialized executives. The housing portfolio continues to perform well, with a cumulative increase in new production of 18.8% over the first three months of the year. In contrast, weak increase in the balances from credit cards (up 3.5% year-on-year excluding the Finanzia card) in line with the country's moderate economic growth.

This trend has been accompanied by sound **risk indicators**, which compare favorably with those of the competitors. Worth noting is the 8 bp decline in the quarter in the NPL ratio to 2.8% as of 31-Mar-2015, and a new improvement in the coverage ratio, which at the end of March stood at 116%.

Customer **funds** (on-balance-sheet deposits, repos, mutual funds and other off-balance-sheet funds) are up 11.2% since the end of the first quarter of 2014, thanks to the favorable trend in all of its headings (up 17.0% in deposits, up 24.7% in time deposits and up 10.9% in mutual funds), maintaining a mix with a greater share of lower-cost deposits.

Earnings

In Mexico, BBVA has registered a sound income statement, despite the country's moderate economic growth.

Progress in the **net interest income**, though with a year-on-year rate of growth lower than in previous quarters. The above is mainly due to the lower growth of credit card volumes, and to the high revenue of the Global Markets in the first quarter of the previous year.

Income from fees and commissions has increased year-on-year by 4.5%, driven by banking fees and fees from advice to corporate and investment banking customers.

NTI stands at levels similar to those posted in the same period the previous year.

The **other income/expenses** heading has improved thanks to the more favorable trend in the insurance business in this quarter compared with the same period in 2014.

Operating expenses have increased by 5.8%, while the efficiency ratio remains at the level posted in previous quarters (36.9%), once again positioning BBVA in Mexico as one of the most efficient institutions in the Mexican banking system.

Impairment losses on financial assets are in line with the growth of the loan portfolio, and the cost of risk in the quarter (3.44%) is practically stable (3.45% in 2014 as a whole).

As a result of the above, the area's **net attributable profit** stands at €524m, up 7.1% over the last twelve months.

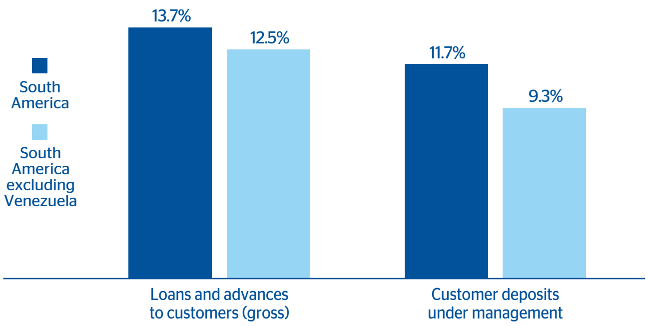
South America

Highlights in the first quarter of 2015

- General strengthening of the region's currencies against the euro, except for the Venezuelan bolivar.
- Increased activity in all the banks in the area.
- Improvement in the mix, in both the loan book and customer funds.
- Stable risk indicators.

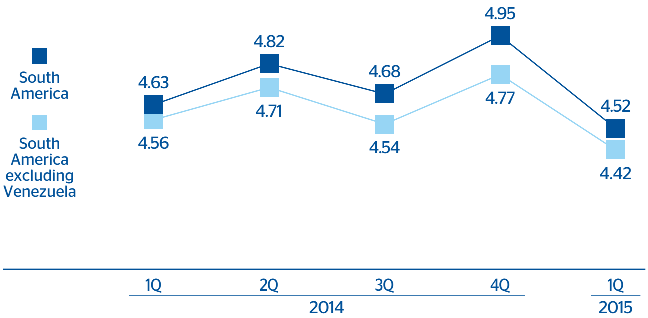
Business activity

(Year-on-year change at constant exchange rates. Data as of 31-03-2015)



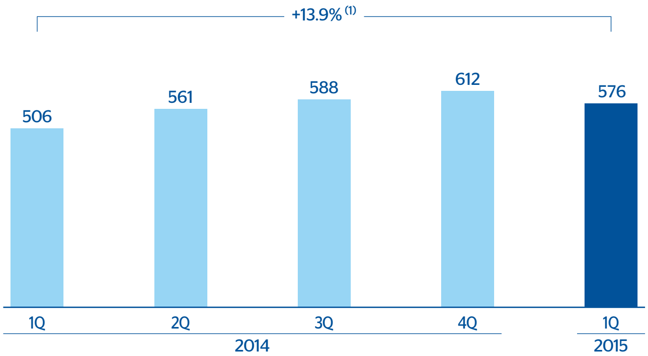
Net interest income/ATA

(Percentage. Constant exchange rates)



South America excluding Venezuela. Operating income

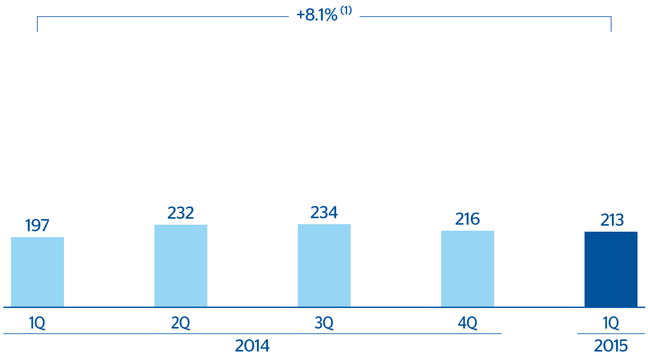
(Million euros at constant exchange rates)



(1) At current exchange rates: +21.2%.

South America excluding Venezuela. Net attributable profit

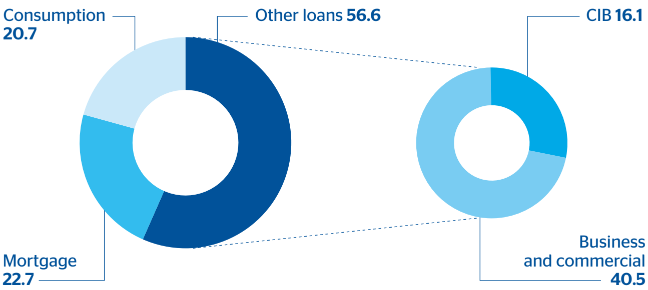
(Million euros at constant exchange rates)



(1) At current exchange rates: +14.0%.

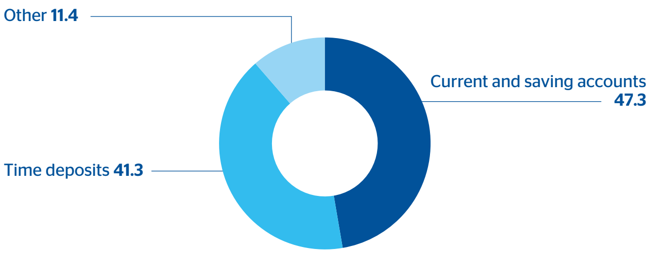
South America excluding Venezuela. Breakdown of loans and advances to customers (gross)

(Percentage as of 31-03-2015)



South America excluding Venezuela. Breakdown of customer deposits under management

(Percentage as of 31-03-2015)



Macro and industry trends

South America faces an unfavorable **external environment** due to the decline in commodity prices, the slowdown of growth in China and less lax financing conditions as a result of the appreciation of the dollar and the moderation in capital flows into the region. Growth is expected to return in 2015, although the recovery will vary widely by country. The central banks in the region have taken advantage of the decline in inflation to support the economic cycle, with laxer monetary policies, and this could lead to additional cuts in interest rates in Peru, Chile and Colombia.

In terms of **exchange rates**, there were general appreciations in all the currencies in the region, except for the Venezuelan bolivar, as a result of the new exchange-rate system SIMADI. All the comments below on rates of change are expressed at constant exchange rates and without taking into account earnings and activity in Venezuela, unless stated otherwise.

The **financial system** remains sound, as was recently acknowledged by the International Monetary Fund in the specific case of Peru and Colombia.

Activity

Gross lending to customers once again grew in year-on-year terms (up 12.5%), driven by all banking businesses and, particularly, by the significant increase in balances in Colombia and Peru.

By **portfolio**, worth mentioning is the excellent performance of all of them, but particularly loans to individuals due to the good performance of credit cards (up 30.7%), mortgage loans (up 14.0%), consumer credit (up 9.1%) as well as commercial lending (up 13.4%).

The most noteworthy aspect in **asset quality** in the quarter is the stability in both the NPL and coverage ratios.

Customer **funds**, both on-balance and off-balance, have grown by 11.0% in the year-on-year comparison. BBVA Francés is the bank that has shown the highest growth (up 31.8%). By products, there has once again been notable growth in those most transactional, which has resulted in an improvement of the mix, although there has also been a significant

Financial statements and relevant business indicators

(Million euros and percentage)

	South America	South America excluding Venezuela			
Income statement	1Q15	1Q15	∆%	∆%[1]	1Q14
Net interest income	**802**	**763**	**19.1**	**12.3**	**641**
Net fees and commissions	174	168	23.8	15.0	136
Net trading income	180	108	32.4	23.8	82
Other income/expenses	2	26	34.5	31.1	19
Gross income	**1,159**	**1,065**	**21.4**	**14.2**	**877**
Operating expenses	(504)	(489)	21.7	14.5	(402)
Personnel expenses	(266)	(261)	24.2	16.6	(210)
General and administrative expenses	(211)	(203)	20.0	13.2	(169)
Depreciation and amortization	(27)	(25)	11.6	5.1	(22)
Operating income	**655**	**576**	**21.2**	**13.9**	**475**
Impairment on financial assets (net)	(137)	(133)	15.6	9.0	(115)
Provisions (net) and other gains (losses)	(50)	(22)	116.1	99.6	(10)
Income before tax	**468**	**421**	**20.3**	**13.1**	**350**
Income tax	(145)	(124)	33.7	26.4	(93)
Net income	**323**	**297**	**15.4**	**8.3**	**258**
Non-controlling interests	(96)	(85)	19.2	9.0	(71)
Net attributable profit	**227**	**213**	**14.0**	**8.1**	**187**

Balance sheet	31-03-15	31-03-15	∆%	∆%[1]	31-03-14
Cash and balances with central banks	9,786	9,237	42.1	26.5	6,501
Financial assets	10,528	10,274	36.5	28.6	7,525
Loans and receivables	50,427	48,885	25.5	13.8	38,956
Loans and advances to customers	45,800	44,789	24.0	12.7	36,108
Loans and advances to credit institutions and other	4,627	4,096	43.8	28.4	2,848
Tangible assets	808	777	33.1	18.9	583
Other assets	1,979	1,913	39.9	25.5	1,368
Total assets/liabilities and equity	**73,529**	**71,086**	**29.4**	**17.7**	**54,933**
Deposits from central banks and credit institutions	7,075	7,038	64.1	45.2	4,288
Deposits from customers	44,055	42,111	18.9	8.7	35,425
Debt certificates	5,315	5,315	40.5	24.1	3,783
Subordinated liabilities	1,814	1,814	45.9	33.0	1,243
Financial liabilities held for trading	3,659	3,659	169.8	141.2	1,356
Other liabilities	8,968	8,594	29.8	17.6	6,622
Economic capital allocated	2,644	2,556	15.4	8.2	2,215

	South America	South America excluding Venezuela		
Relevant business indicators	31-03-15	31-03-15	31-12-14	31-03-14
Loans and advances to customers (gross)[1]	47,212	46,171	45,272	41,026
Customer deposits under management[1-2]	44,235	42,313	41,218	38,720
Mutual funds	4,400	4,399	3,838	3,210
Pension funds	5,411	5,411	4,632	3,656
Efficiency ratio (%)	43.5	45.9	44.0	45.8
NPL ratio (%)	2.3	2.3	2.2	2.2
NPL coverage ratio (%)	121	119	123	134
Cost of risk (%)	1.03	1.21	1.19	1.23

(1) Figures at constant exchange rates.
(2) Excluding repos and including specific marketable debt securities.

increase in funds under management in mutual funds (up 23.5%).

Earnings

In the first quarter of 2015, South America posted a **net attributable profit** of €213m, equivalent to a year-on-year increase of 8.1%.

Recurring revenue performed very well, with a year-on-year increase of 12.3% in net interest income (thanks to strong activity and the maintenance of spreads) and of 15.0% in fees and commissions.

Meanwhile, **NTI** registered year-on-year growth of 23.8%, despite the fact that in the first quarter of 2014 this heading included the positive impact resulting from the revaluation of the dollar positions due to the depreciation of the Argentinean peso.

Operating expenses continue to be greatly influenced by the investment plans implemented and by the high inflation in some countries in the area.

Moderate performance of **impairment losses on financial assets,** together with an improvement in the cost of risk, both over the year and in the quarter.

Lastly, there has been a negative impact from the increase in **tax rates** in Chile and Colombia as a result of the reforms implemented in those countries.

By **country**, Argentina shows the best trend in recurring revenues. In Colombia and more clearly in Peru, cost control and good performance of impairments drove earnings above the growth of gross income. Of note in Chile is the favorable performance of Forum Chile, a leading entity in the country, in which BBVA has increased its stake to 100% at the end of this quarter. Moreover, there has also been a general improvement in the cost/income of the banking businesses.

South America. Relevant business indicators per country

(Million euros)

	Argentina		Chile		Colombia		Peru		Venezuela	
	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14
Loans and advances to customers (gross) (1)	4,629	3,779	13,622	12,702	11,426	9,827	13,397	12,238	1,042	484
Customer deposits under management (1-2)	5,729	4,640	9,163	8,710	11,753	11,315	11,642	10,695	1,922	889
Mutual funds	819	281	1,441	1,146	770	701	1,369	1,082	1	10
Efficiency ratio (%)	51.8	52.7	48.5	46.3	39.1	41.3	36.4	37.2	15.7	33.1
NPL ratio (%)	0.9	0.8	2.5	2.5	2.3	2.0	2.8	2.3	1.3	2.2
NPL coverage ratio (%)	388	406	68	84	139	153	122	149	232	146
Cost of risk (%)	1.39	1.18	1.13	1.04	1.35	1.49	1.23	1.39	0.16	1.20

(1) Figures at constant exchange rates.
(2) Excluding repos and including specific marketable debt securities.

South America. Data per country

(Million euros)

	Operating income				Net attributable profit			
Country	1Q15	∆%	∆% at constant exchange rates	1Q14	1Q15	∆%	∆% at constant exchange rates	1Q14
Argentina	149	50.7	41.8	99	60	40.4	32.0	43
Chile	89	4.3	(2.9)	85	30	(15.1)	(20.9)	36
Colombia	151	15.8	17.1	131	72	18.1	19.5	61
Peru	176	22.2	9.4	144	46	28.5	15.1	36
Venezuela	79	(58.2)	n.m.	189	15	(74.2)	246.2	57
Other countries (1)	11	(33.9)	(41.1)	17	4	(61.2)	(65.3)	12
Total	**655**	**(1.4)**	**26.1**	**665**	**227**	**(6.5)**	**13.1**	**243**

(1) Paraguay, Uruguay and Bolivia. Additionally, it includes eliminations and other charges.

Rest of Eurasia

Highlights in the first quarter of 2015

- Recovery of wholesale lending activity in the quarter.
- Significant growth in customer deposits.
- Good performance of the Global Markets unit in the area.
- Favorable trend in risk indicators.

Macro and industry trends

Economic activity in the **euro zone** in the quarter has been influenced by the ECB's asset purchase program and its impact on the currency's depreciation and the reduction in financing costs, with an incipient recovery of demand for new bank lending in an environment of inflation at all-time lows. Growth in the area is expected to consolidate in 2015, on the back of the recovery of the peripheral countries and the better relative performance of Italy and France.

In **China**, activity continues to slow down. As a result, demand, fiscal and, above all, monetary policies have room for responding to modulate the rate of GDP growth. In fact, the Central Bank cut interest rates by 25 basis points last March 1st and new cuts cannot be ruled out.

Activity

Gross lending to customers in the area already shows positive year-on-year rates of change (up 1.2%). Particularly strong performance has been observed in the quarter, when this heading has increased by 6.8%.

Asset quality indicators are favorable, both in the quarter and over the last twelve months.

Customer **deposits** under management have grown significantly, 52.6% over the last twelve months and 17.5% on the figure for December, influenced by the good performance of deposits in the wholesale segment in Europe, which maintain the positive trend seen at the end of the previous year.

Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	1Q15	Δ%	1Q14
Net interest income	**46**	**(2.2)**	**47**
Net fees and commissions	46	(3.5)	47
Net trading income	73	71.4	43
Other income/expenses	(1)	n.m.	19
Gross income	**164**	**4.9**	**156**
Operating expenses	(90)	4.4	(86)
Personnel expenses	(51)	0.6	(51)
General and administrative expenses	(35)	8.0	(32)
Depreciation and amortization	(4)	35.1	(3)
Operating income	**74**	**5.4**	**70**
Impairment on financial assets (net)	(22)	(8.4)	(24)
Provisions (net) and other gains (losses)	4	71.7	2
Income before tax	**56**	**15.5**	**48**
Income tax	(20)	77.8	(11)
Net income	**36**	**(3.0)**	**37**
Non-controlling interests	-	-	-
Net attributable profit	**36**	**(3.0)**	**37**

Balance sheet	31-03-15	Δ%	31-03-14
Cash and balances with central banks	247	42.0	174
Financial assets	3,474	(17.8)	4,229
Loans and receivables	17,189	(0.2)	17,222
Loans and advances to customers	16,187	1.5	15,949
Loans and advances to credit institutions and other	1,002	(21.3)	1,273
Inter-area positions	-	-	-
Tangible assets	52	(36.3)	82
Other assets	621	97.7	314
Total assets/liabilities and equity	**21,583**	**(2.0)**	**22,020**
Deposits from central banks and credit institutions	6,070	14.9	5,282
Deposits from customers	12,969	52.1	8,525
Debt certificates	-	-	-
Subordinated liabilities	331	(35.8)	516
Inter-area positions	310	(94.4)	5,486
Financial liabilities held for trading	115	(39.7)	190
Other liabilities	461	n.m.	(46)
Economic capital allocated	1,327	(35.8)	2,065

Financial statements and relevant business indicators

(Million euros and percentage)

Relevant business indicators	31-03-15	31-12-14	31-03-14
Loans and advances to customers (gross)	16,868	15,795	16,676
Customer deposits under management [(1)]	12,858	10,941	8,425
Mutual funds	1,236	1,205	998
Pension funds	365	314	290
Efficiency ratio (%)	54.8	46.6	55.0
NPL ratio (%)	3.4	3.7	3.8
NPL coverage ratio (%)	82	80	77
Cost of risk (%)	0.55	0.31	0.49

(1) Excluding repos.

Earnings

Growth of **gross income** (up 4.9% year-on-year) thanks to the positive contribution from **NTI**, as a result of the stronger activity of the Global Markets unit.

Operating expenses remain at levels similar to those in the fourth quarter and grow year-on-year below **gross income** in cumulative terms, enabling **operating income** to increase by 5.4% compared with the first quarter of 2014.

Lastly, reduction in **impairment losses on financial assets**.

As a result, the **net attributable profit** is very similar to that for the first three months of 2014, although significantly better than in the previous quarter.

Corporate Center

The Corporate Center **results** in the first quarter of 2015 were a loss of €250m, notably less than that registered in the same period of the previous year (€425m). The comparison is heavily influenced by:

- The good performance of NTI, due basically to the accounting of certain capital gains from the Holdings in Industrial and Financial Companies unit.
- The reduction in operating expenses as a result of the measures to keep costs in check applied in recent years.
- Results from corporate operations, which include the capital gains (net of taxes) of €583m from the various sale operations equivalent to 5.6% of BBVA Group's stake in CNCB.

Financial statements

(Million euros)

Income statement	1Q15	∆%	1Q14
Net interest income	**(129)**	**(27.6)**	**(179)**
Net fees and commissions	(23)	14.3	(20)
Net trading income	91	n.m.	16
Other income/expenses	(25)	(40.0)	(42)
Gross income	**(86)**	**(61.8)**	**(225)**
Operating expenses	(257)	(7.8)	(279)
Personnel expenses	(123)	(0.8)	(124)
General and administrative expenses	(20)	(50.2)	(40)
Depreciation and amortization	(114)	(0.7)	(115)
Operating income	**(343)**	**(31.9)**	**(504)**
Impairment on financial assets (net)	2	n.m.	(4)
Provisions (net) and other gains (losses)	(8)	(84.7)	(51)
Income before tax	**(349)**	**(37.6)**	**(559)**
Income tax	104	(24.5)	137
Net income from ongoing operations	**(245)**	**(41.9)**	**(422)**
Results from corporate operations (1)	583	n.m.	-
Net income	**338**	**n.m.**	**(422)**
Non-controlling interests	(5)	47.6	(3)
Net attributable profit	**333**	**n.m.**	**(425)**
Net attributable profit (excluding results from corporate operations)	**(250)**	**(41.2)**	**(425)**

(1) 2015 includes the capital gains from the various sale transactions equivalent to 5.6% of BBVA Group's stake in CNCB.

Balance sheet	31-03-15	∆%	31-03-14
Cash and balances with central banks	15	(31.5)	21
Financial assets	3,504	10.7	3,164
Loans and receivables	30	(62.5)	81
Loans and advances to customers	30	(62.5)	81
Loans and advances to credit institutions and other	-	-	-
Inter-area positions	-	-	-
Tangible assets	2,310	10.8	2,085
Other assets	18,081	9.3	16,540
Total assets/liabilities and equity	**23,940**	**9.4**	**21,891**
Deposits from central banks and credit institutions	-	-	-
Deposits from customers	-	-	-
Debt certificates	5,339	(11.7)	6,049
Subordinated liabilities	5,198	75.3	2,965
Inter-area positions	(19,566)	46.7	(13,335)
Financial liabilities held for trading	-	-	-
Other liabilities	7,181	55.7	4,611
Shareholders' funds	49,633	7.5	46,165
Economic capital allocated	(23,845)	(2.9)	(24,564)

Annex

Interest rates

(Quarterly averages)

	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Official ECB rate	0.05	0.05	0.12	0.22	0.25
Euribor 3 months	0.05	0.08	0.16	0.30	0.30
Euribor 1 year	0.25	0.33	0.44	0.57	0.56
USA Federal rates	0.25	0.25	0.25	0.25	0.25
TIIE (Mexico)	3.30	3.29	3.29	3.67	3.79
CBRT (Turkey)	7.99	8.40	8.40	9.79	9.22

Exchange rates

(Expressed in currency/euro)

	Year-end exchange rates			Average exchange rates	
	31-03-15	Δ% on 31-03-14	Δ% on 31-12-14	1Q15	Δ% on 1Q14
Mexican peso	16.5123	9.1	8.2	16.8274	7.7
U.S. dollar	1.0759	28.2	12.8	1.1261	21.6
Argentinean peso	9.4849	16.4	9.5	9.7799	6.3
Chilean peso	674.31	12.6	9.3	703.23	7.4
Colombian peso	2,770.08	(2.2)	4.9	2,777.78	(1.1)
Peruvian new sol	3.3321	16.2	8.5	3.4433	11.7
Venezuelan bolivar fuerte	207.5981	(92.9)	(93.0)	207.5981	(92.5)
Turkish lira	2.8131	5.6	0.7	2.7731	9.5

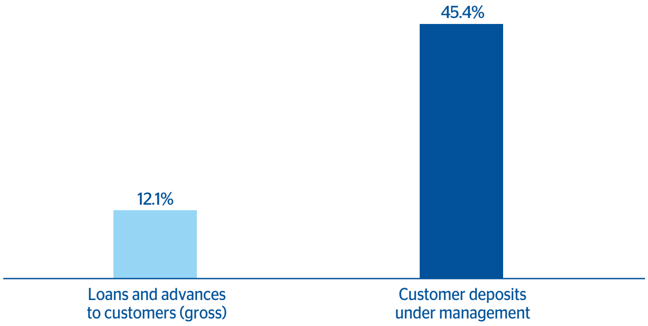
Other information: Corporate & Investment Banking

Highlights in the first quarter of 2015

- Good performance of both lending and fund gathering activity in practically all the geographical areas.
- Sound revenue performance from customer related activity and that of the banking business.
- Environment of greater volatility in the Global Markets business.

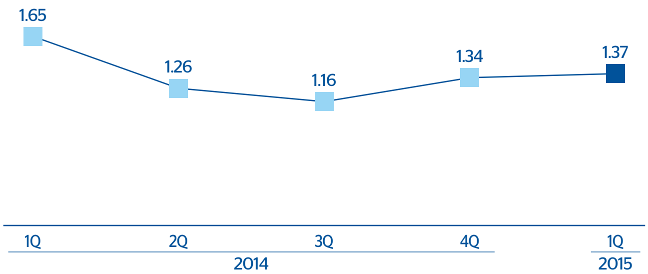
Business activity

(Year-on-year change at constant exchange rates. Data as of 31-03-2015)



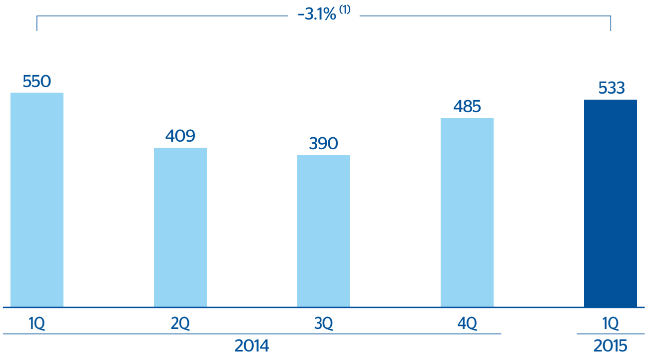
Gross income/ATA

(Percentage. Constant exchange rates)



Operating income

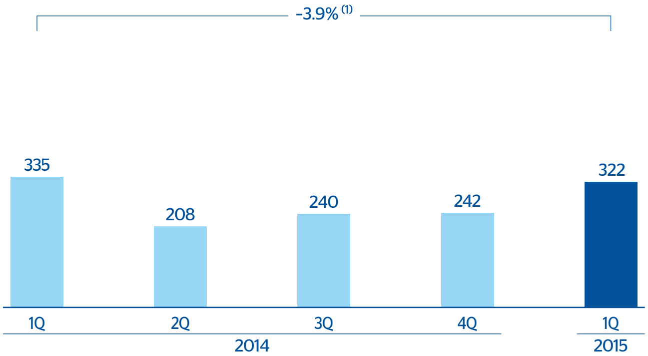
(Million euros at constant exchange rates)



(1) At current exchange rates: -7.2%.

Net attributable profit

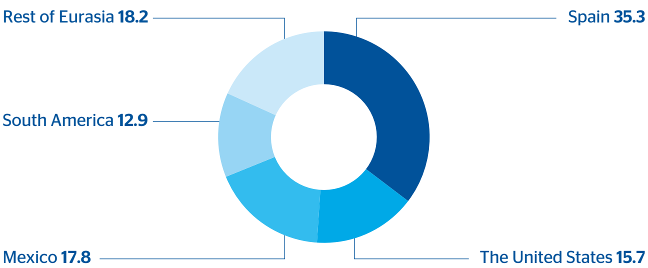
(Million euros at constant exchange rates)



(1) At current exchange rates: -4.2%.

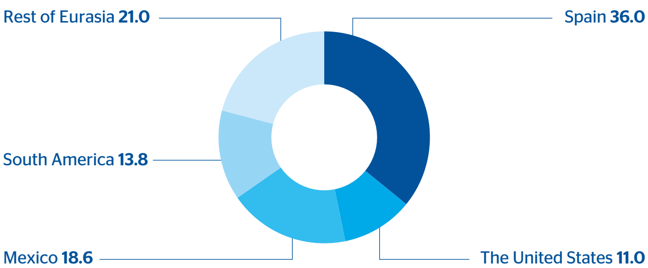
Breakdown of loans and advances to customers (gross)

(Percentage as of 31-03-2015)



Breakdown of customer deposits under management by country

(Percentage as of 31-03-2015)



Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	1Q15	Δ%	Δ% (1)	1Q14
Net interest income	**342**	**(7.5)**	**(2.4)**	**370**
Net fees and commissions	186	6.8	2.1	175
Net trading income	233	(7.5)	(0.7)	251
Other income/expenses	16	n.m.	n.m.	(6)
Gross income	**776**	**(1.7)**	**0.8**	**790**
Operating expenses	(243)	13.0	10.3	(215)
Personnel expenses	(124)	5.5	0.7	(118)
General and administrative expenses	(113)	22.0	22.9	(93)
Depreciation and amortization	(6)	24.0	13.2	(5)
Operating income	**533**	**(7.2)**	**(3.1)**	**575**
Impairment on financial assets (net)	(23)	(47.8)	(45.1)	(44)
Provisions (net) and other gains (losses)	2	(25.3)	(62.1)	3
Income before tax	**513**	**(4.0)**	**(0.4)**	**535**
Income tax	(144)	(11.0)	(6.5)	(162)
Net income	**369**	**(1.0)**	**2.2**	**372**
Non-controlling interests	(46)	28.2	84.2	(36)
Net attributable profit	**322**	**(4.2)**	**(3.9)**	**336**

Balance sheet	31-03-15	Δ%	Δ% (1)	31-03-14
Cash and balances with central banks	3,424	20.6	31.4	2,838
Financial assets	103,224	22.0	19.2	84,631
Loans and receivables	89,075	36.7	30.2	65,181
Loans and advances to customers	57,593	19.0	12.5	48,385
Loans and advances to credit institutions and other	31,482	87.4	82.7	16,795
Inter-area positions	-	-	-	-
Tangible assets	56	123.2	100.1	25
Other assets	4,968	44.2	40.1	3,444
Total assets/liabilities and equity	**200,747**	**28.6**	**24.6**	**156,118**
Deposits from central banks and credit institutions	51,686	(4.3)	(6.0)	58,506
Deposits from customers	58,462	50.5	57.1	38,836
Debt certificates	(19)	(71.8)	(69.2)	(67)
Subordinated liabilities	1,875	44.5	37.1	1,298
Inter-area positions	12,081	154.6	25.1	222
Financial liabilities held for trading	67,362	35.9	34.7	49,550
Other liabilities	5,111	38.9	37.7	3,678
Economic capital allocated	4,189	2.3	(1.6)	4,094

Relevant business indicators	31-03-15	31-12-14	31-03-14
Loans and advances to customers (gross) (1)	58,466	54,782	52,148
Customer deposits under management (1-2)	40,030	33,916	27,563
Mutual funds	1,314	1,093	984
Pension funds	-	-	-
Efficiency ratio (%)	31.3	32.5	27.2
NPL ratio (%)	0.9	0.9	1.6
NPL coverage ratio (%)	119	136	83
Cost of risk (%)	0.17	0.39	0.29

(1) Figures at constant exchange rates.
(2) Including area's repos in Mexico.

Macro and industry trends

The most important macroeconomic and industry trends affecting the Group's wholesale business in the **first quarter of 2015** have been:

- Financial markets characterized by higher volatility and greater risk appetite, particularly in the first half of the quarter.
- Increased investor activity, driven by a number of significant events (ECB bond purchase program, end of the fixed exchange rate between the euro and the Swiss franc, dollar strengthening, uncertainty surrounding Greece).

All the comments below on rates of change will be expressed at a constant **exchange rate**, unless expressly stated otherwise.

Activity

CIB continues to focus on its customer-centric strategy, boosting cross-selling and prioritizing profitability over volume. From the point of view of activity this means:

- Maintaining the trend mentioned in the fourth quarter of 2014 for increased **gross lending to customers**, which as of 31-Mar-2015 grew 15.2% year-on-year (up 12.1% including the balances of Global Markets). This increase is general across all geographical areas.
- Significant increase in gathering of new customer **deposits** under management, whose balance grew year-on-year by 42.9% (up 45.4% including Global Markets).
- Maintenance of the **NPL ratio** in the quarter and decline in the **coverage ratio**, which started at high levels.

Earnings

In the first quarter of 2015, the **net attributable profit** generated by CIB was 3.9% lower than in the same period in 2014. This was strongly influenced by the Global Markets units, whose performance has been lower than in the first three months of the previous year (although above that shown in the last three months of the previous year). Not taking into account market activity, the net attributable profit generated by CIB is 4.7% higher than the figure registered in the first quarter of 2014. The most relevant elements are summarized below:

- Good performance of **revenue** from customer activity. CIB's gross income not including Global Markets is up 7.2%. Taking into account this unit, the year-on-year figure is a 0.8% increase, which is positive considering the complex environment in which it was generated.
- **Operating expenses** have grown by 10.3% over the same period as a result of high inflation in some geographical areas and the investments in technology being undertaken. Despite this, the efficiency ratio has improved in the quarter.
- Lastly, lower **impairment losses on financial assets** than in the first quarter of 2014.

Conciliation of the BBVA Group's financial statements

These headings present the reconciliation of the Group's financial statements with the Garanti Group using the equity method versus consolidation in proportion to the percentage of the BBVA Group's stake in the Turkish entity. In terms of reporting to the market, this consolidation method is deemed better for evaluating the nature and financial effects of the Garanti Group's business activities, consistent with the information from previous periods, and more coherent in its effects on solvency. Moreover, the corporate operations heading in 2015 includes the capital gains from the various sale transactions equivalent to 5.6% of BBVA Group's stake in CNCB.

Consolidated income statement BBVA Group

(Million euros)

	Garanti Group consolidated in proportion to the percentage of the Group's stake and with the heading "Results from corporate operations"		Garanti Group consolidated using the equity method	
	1Q15	1Q14	1Q15	1Q14
Net interest income	**3,663**	**3,391**	**3,453**	**3,244**
Net fees and commissions	1,077	985	1,027	943
Net trading income [1]	775	751	790	733
Dividend income	42	29	42	29
Income by the equity method	3	(14)	88	55
Other operating income and expenses	73	(90)	69	(92)
Gross income	**5,632**	**5,051**	**5,469**	**4,912**
Operating expenses	(2,776)	(2,613)	(2,385)	(2,252)
Personnel expenses	(1,460)	(1,375)	(1,405)	(1,329)
General and administrative expenses	(1,024)	(959)	(980)	(923)
Depreciation and amortization	(291)	(279)	(282)	(271)
Operating income	**2,857**	**2,438**	**2,802**	**2,389**
Impairment on financial assets (net)	(1,119)	(1,103)	(1,086)	(1,078)
Provisions (net)	(230)	(144)	(228)	(140)
Other gains (losses) [2]	(66)	(173)	671	(174)
Income before tax	**1,442**	**1,017**	**2,159**	**998**
Income tax	(386)	(273)	(520)	(254)
Net income from ongoing operations	**1,056**	**744**	**1,639**	**744**
Net income from discontinued operations	-	-	-	-
Results from corporate operations	583	-	-	-
Net income	**1,639**	**744**	**1,639**	**744**
Non-controlling interests	(103)	(120)	(103)	(120)
Net attributable profit	**1,536**	**624**	**1,536**	**624**

(1) Includes "Net trading income" and "Exchange rate differences (net)".
(2) Includes "Impairment losses on other assets (net)", "Gains (losses) on derecognized assets not classified as non-recurrent assets held for sale" and "Gains (losses) in non-current assets held for sale not classified as discontinued operations".

Consolidated balance sheet BBVA Group

(Million euros)

	Garanti Group consolidated in proportion to the percentage of the Group's stake	Garanti Group consolidated using the equity method
	31-03-15	31-03-15
Cash and balances with central banks	27,553	25,123
Financial assets held for trading	94,883	94,651
Other financial assets designated at fair value	3,603	3,098
Available-for-sale financial assets	101,183	97,456
Loans and receivables	398,558	382,810
Loans and advances to credit institutions	33,672	32,215
Loans and advances to customers	360,265	346,089
Debt securities	4,622	4,506
Held-to-maturity investments	-	-
Investments in entities accounted for using the equity method	674	4,579
Tangible assets	8,057	7,864
Intangible assets	9,493	8,017
Other assets [(1)]	28,593	28,204
Total assets	**672,598**	**651,802**
Financial liabilities held for trading	67,438	67,065
Other financial liabilities designated at fair value	3,903	2,956
Financial liabilities at amortized cost	518,819	499,831
Deposits from central banks and credit institutions	92,547	88,199
Deposits from customers	339,675	327,167
Debt certificates	58,259	56,953
Subordinated liabilities	15,723	15,700
Other financial liabilities	12,616	11,813
Liabilities under insurance contracts	11,193	11,181
Other liabilities [(2)]	18,879	18,403
Total liabilities	**620,232**	**599,436**
Non-controlling interests	1,692	1,692
Valuation adjustments	327	327
Shareholders' funds	50,347	50,347
Total equity	**52,366**	**52,366**
Total equity and liabilities	**672,598**	**651,802**
Memorandum item:		
Contingent liabilities	38,923	35,264

(1) Includes "Fair value changes of the hedge items in portfolio hedges of interest-rate risk", "Hedging derivatives", "Non-current assets held for sale", "Reinsurance assets", "Tax assets" and "Other assets".
(2) Includes "Hedging derivatives", "Provisions", "Tax liabilities" and "Other liabilities".

Condensed Interim Consolidated Financial Statements and Auditors' limited review report Corresponding to the Three Months ended March 31, 2015

Deloitte.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Banco Bilbao Vizcaya Argentaria, S.A.,
at the request of the Board of Directors,

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Banco Bilbao Vizcaya Argentaria, S.A. ("the Bank") and Subsidiaries composing, together with the Bank, the Banco Bilbao Vizcaya Argentaria, S.A. Group ("the Group"), which comprise the condensed interim consolidated balance sheet as at 31 March 2015, and the condensed interim consolidated income statement, condensed interim consolidated statement of recognised income and expense, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows and explanatory notes thereto for the three-month period then ended. The Bank's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the three-month period ended 31 March 2015 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

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.

Emphasis of Matter

We draw attention to explanatory Note 1 to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report (entitled "Quarterly information, January – March 2015") for the three-month period ended 31 March 2015 contains the explanations which the Bank's directors consider appropriate about the significant events which took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the three-month period ended 31 March 2015. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Banco Bilbao Vizcaya Argentaria, S.A. and Subsidiaries.

Paragraph on Other Matters

This report was prepared at the request of the Bank's Board of Directors in relation to the publication of the quarterly financial report prepared voluntarily in the framework of Article 35 of Spanish Securities Market Law 24/1988, of 28 July, implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

José M. Domínguez

José Manuel Domínguez

May 7, 2015

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE ACCOMPANYING CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

BBVA Group

Condensed Interim Consolidated balance sheets as of March 31, 2015 and December 31, 2014.

ASSETS	Millions of Euros March 2015	 December 2014 (*)
CASH AND BALANCES WITH CENTRAL BANKS	25,123	31,430
FINANCIAL ASSETS HELD FOR TRADING	94,651	83,258
OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	3,098	2,761
AVAILABLE-FOR-SALE FINANCIAL ASSETS	97,456	94,875
LOANS AND RECEIVABLES	382,810	372,375
HELD-TO-MATURITY INVESTMENTS	-	-
HEDGES OF INTEREST RATE RISK	116	121
HEDGING DERIVATIVES	2,972	2,551
NON-CURRENT ASSETS HELD FOR SALE	3,849	3,793
METHOD	4,579	4,509
INSURANCE CONTRACTS LINKED TO PENSIONS	-	-
REINSURANCE ASSETS	557	559
TANGIBLE ASSETS	7,864	7,820
INTANGIBLE ASSETS	8,017	7,371
TAX ASSETS	11,795	12,426
OTHER ASSETS	8,915	8,094
TOTAL ASSETS	**651,802**	**631,942**

LIABILITIES AND EQUITY	Millions of Euros March 2015	 December 2014 (*)
FINANCIAL LIABILITIES HELD FOR TRADING	67,065	56,798
OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	2,956	2,724
FINANCIAL LIABILITIES AT AMORTIZED COST	499,831	491,899
HEDGES OF INTEREST RATE RISK	-	-
HEDGING DERIVATIVES	2,760	2,331
SALE	-	-
LIABILITIES UNDER INSURANCE CONTRACTS	11,181	10,460
PROVISIONS	7,280	7,444
TAX LIABILITIES	4,015	4,157
OTHER LIABILITIES	4,348	4,519
TOTAL LIABILITIES	**599,436**	**580,333**
STOCKHOLDERS' FUNDS	50,347	49,446
Common Stock	3,050	3,024
Share premium	23,992	23,992
Reserves	22,602	20,936
Other equity instruments	26	67
Less: Treasury stock	(11)	(350)
Income attributed to the parent company	1,536	2,618
Less: Dividends and remuneration	(848)	(841)
VALUATION ADJUSTMENTS	327	(348)
NON-CONTROLLING INTEREST	1,692	2,511
TOTAL EQUITY	**52,366**	**51,609**
TOTAL LIABILITIES AND EQUITY	**651,802**	**631,942**

MEMORANDUM ITEM		
CONTINGENT RISKS	35,264	33,741
CONTINGENT COMMITMENTS	115,835	106,252

(*) Presented solely and exclusively for comparison purposes (see Note 1)

The accompanying Notes 1 to 10 are an integral part of the condensed interim consolidated balance sheet as of March 31, 2015.

BBVA Group

Condensed Interim Consolidated income statements for the three months ended March 31, 2015 and 2014

	Millions of Euros	
	March 2015	March 2014 (*)
INTEREST AND SIMILAR INCOME	5,197	5,374
INTEREST AND SIMILAR EXPENSES	(1,744)	(2,130)
NET INTEREST INCOME	**3,453**	**3,244**
DIVIDEND INCOME	42	29
SHARE OF PROFIT OR LOSS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	88	55
FEE AND COMMISSION INCOME	1,359	1,249
FEE AND COMMISSION EXPENSES	(332)	(306)
NET GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES	443	567
EXCHANGE DIFFERENCES (NET)	347	166
OTHER OPERATING INCOME	1,188	1,150
OTHER OPERATING EXPENSES	(1,119)	(1,242)
GROSS INCOME	**5,469**	**4,912**
ADMINISTRATION COSTS	(2,385)	(2,252)
DEPRECIATION AND AMORTIZATION	(282)	(271)
PROVISIONS (NET)	(228)	(140)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)	(1,086)	(1,078)
NET OPERATING INCOME	**1,487**	**1,172**
IMPAIRMENT LOSSES ON OTHER ASSETS (NET)	(52)	(48)
GAINS (LOSSES) ON DERECOGNIZED ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	30	15
GAINS (LOSSES) IN NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCONTINUED OPERATIONS	693	(140)
OPERATING PROFIT BEFORE TAX	**2,159**	**998**
INCOME TAX	(520)	(254)
PROFIT FROM CONTINUING OPERATIONS	**1,639**	**744**
PROFIT FROM DISCONTINUED OPERATIONS (NET)	-	-
PROFIT	**1,639**	**744**
Profit attributable to parent company	1,536	624
Profit attributable to non-controlling interests	103	120

	March 2015	March 2014 (*)
Basic earnings per share	0.25	0.10
Diluted earnings per share	0.25	0.10

(*) Presented solely and exclusively for comparison purposes (see Note 1)

The accompanying Notes 1 to 10 are an integral part of the consolidated income statement corresponding to the three months ended March 31, 2015.

BBVA Group

Condensed Interim Consolidated statements of recognized income and expenses for the three months ended March 31, 2015 and 2014

	Millions of Euros	
	March 2014	March 2014
PROFIT RECOGNIZED IN INCOME STATEMENT	**1,639**	**744**
OTHER RECOGNIZED INCOME (EXPENSES)	**(64)**	**(258)**
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**(18)**	**(1)**
Actuarial gains and losses from defined benefit pension plans	(26)	(1)
Non-current assets available for sale	-	-
Entities under the equity method of accounting	-	-
Income tax related to items not subject to reclassification to income statement	8	-
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT	**(46)**	**(257)**
Available-for-sale financial assets	**333**	**1,532**
Valuation gains/(losses)	1,448	1,689
Amounts reclassified to income statement	(1,118)	(167)
Reclassifications (other)	3	10
Cash flow hedging	**(175)**	**(9)**
Valuation gains/(losses)	(175)	(8)
Amounts reclassified to income statement	-	-
Amounts reclassified to the initial carrying amount of the hedged items	-	-
Reclassifications (other)	-	(1)
Hedging of net investment in foreign transactions	**(399)**	**-**
Valuation gains/(losses)	(399)	-
Amounts reclassified to income statement	-	-
Reclassifications (other)	-	-
Exchange differences	**194**	**(1,282)**
Valuation gains/(losses)	194	(1,282)
Amounts reclassified to income statement	-	-
Reclassifications (other)	-	-
Non-current assets held for sale	**-**	**(4)**
Valuation gains/(losses)	-	(4)
Amounts reclassified to income statement	-	-
Reclassifications (other)	-	-
Entities accounted for using the equity method	**(46)**	**(25)**
Valuation gains/(losses)	(46)	(26)
Amounts reclassified to income statement	-	1
Reclassifications (other)	-	-
Rest of recognized income and expenses	**-**	**-**
Income tax	**47**	**(469)**
TOTAL RECOGNIZED INCOME/EXPENSES	**1,575**	**486**
Attributable to the parent company	2,212	818
Attributable to non-controlling interest	(637)	(332)

(*) Presented solely and exclusively for comparison purposes (see Note 1).

The accompanying Notes 1 to 10 are an integral part of the condensed interim consolidated statement of recognized income and expenses for the three months ended March 31, 2015.

BBVA Group

Condensed Interim Consolidated statements of changes in equity for the three months ended March 31, 2015 and 2014

	Millions of Euros												
	Total Equity Attributed to the Parent Company												
	Stockholders' Funds												
			Reserves										
MARCH 2015	Common Stock	Share Premium	Reserves (Accumulated Losses)	Reserves (Losses) from Entities Accounted for Using the Equity Method	Other Equity Instruments	Less: Treasury Stock	Profit for the Year Attributed to Parent Company	Less: Dividends and Remunerations	Total Stockholders' Funds	Valuation Adjustments	Total	Non-controlling Interests	Total Equity
Balances as of January 1, 2015	**3,024**	**23,992**	**20,304**	**633**	**67**	**(350)**	**2,618**	**(841)**	**49,446**	**(348)**	**49,098**	**2,511**	**51,609**
Effect of changes in accounting policies			-				-		-		-		-
Effect of correction of errors													-
Adjusted initial balance	**3,024**	**23,992**	**20,304**	**633**	**67**	**(350)**	**2,618**	**(841)**	**49,446**	**(348)**	**49,098**	**2,511**	**51,609**
Total income/expense recognized	-	-	-	-	-	-	**1,536**	-	**1,536**	**675**	**2,213**	**(637)**	**1,575**
Other changes in equity	**26**	**-**	**1,327**	**338**	**(40)**	**339**	**(2,618)**	**(8)**	**(636)**	**-**	**(636)**	**(182)**	**(818)**
Common stock increase	26	-	(26)	-	-	-	-	-	-	-	-	-	-
Common stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase of other equity instruments	-	-	-	-	8	-	-	-	8	-	8	-	8
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	6	(6)	-	-	-	(849)	(849)	-	(849)	(129)	(978)
Transactions including treasury stock and other equity instruments (net)	-	-	5	-	-	339	-	-	344	-	344	-	344
Transfers between total equity entries	-	-	1,433	344	-	-	(2,618)	841	-	-	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	2	-	(48)	-	-	-	(46)	-	(46)	-	(46)
Rest of increases/reductions in total equity	-	-	(93)	-	-	-	-	-	(93)	-	(93)	(53)	(146)
Balances as of March 31, 2015	**3,050**	**23,992**	**21,631**	**971**	**26**	**(11)**	**1,536**	**(848)**	**50,347**	**327**	**50,675**	**1,692**	**52,366**

	Millions of Euros												
	Total Equity Attributed to the Parent Company												
	Stockholders' Funds												
			Reserves										
MARCH 2014	Common Stock	Share Premium	Reserves (Accumulated Losses)	Reserves (Losses) from Entities Accounted for Using the Equity Method	Other Equity Instruments	Less: Treasury Stock	Profit for the Year Attributed to Parent Company	Less: Dividends and Remunerations	Total Stockholders' Funds	Valuation Adjustments	Total	Non-controlling Interests	Total Equity (*)
Balances as of January 1, 2014	**2,835**	**22,111**	**19,317**	**450**	**59**	**(66)**	**2,084**	**(765)**	**46,025**	**(3,831)**	**42,194**	**2,371**	**44,565**
Effect of changes in accounting policies													
Effect of correction of errors													
Adjusted initial balance	**2,835**	**22,111**	**19,317**	**450**	**59**	**(66)**	**2,084**	**(765)**	**46,025**	**(3,831)**	**42,194**	**2,371**	**44,565**
Total income/expense recognized	-	-	-	-	-	-	**624**	-	**624**	**195**	**819**	**(332)**	**486**
Other changes in equity	-	**-**	**997**	**270**	**(31)**	**(35)**	**(2,084)**	**(224)**	**(1,107)**	-	**(1,107)**	**(176)**	**(1,283)**
Common stock increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase of other equity instruments	-	-	-	-	7	-	-	-	7	-	7	-	7
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	10	(10)	-	-	-	(989)	(989)	-	(989)	(211)	(1,200)
Transactions including treasury stock and other equity instruments (net)	-	-	4	-	-	(35)	-	-	(31)	-	(31)	-	(31)
Transfers between total equity entries	-	-	1,039	280	-	-	(2,084)	765	-	-	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	6	-	(38)	-	-	-	(32)	-	(32)	-	(32)
Rest of increases/reductions in total equity	-	-	(62)	-	-	-	-	-	(62)	-	(62)	35	(27)
Balances as of March 31, 2014	**2,835**	**22,111**	**20,314**	**720**	**28**	**(101)**	**624**	**(988)**	**45,543**	**(3,636)**	**41,906**	**1,863**	**43,769**

(*)Presented solely and exclusively for comparison purposes (see Note 1).

The accompanying Notes 1 to 10 are an integral part of the condensed interim consolidated statement of changes in equity for the three months ended March 31, 2015.

BBVA Group

Condensed Interim Consolidated statements of cash flows for the three months ended March 31, 2015 and 2014

	Millions of Euros	
	March 2014	March 2014 (*)
CASH FLOW FROM OPERATING ACTIVITIES (1)	**(2,703)**	**(6,477)**
Profit for the year	**1,639**	**744**
Adjustments to obtain the cash flow from operating activities:	**661**	**1,622**
Depreciation and amortization	282	271
Other adjustments	379	1,351
Net increase/decrease in operating assets	**(4,483)**	**(8,589)**
Financial assets held for trading	(48)	(1,141)
Other financial assets/liabilities designated at fair value through profit or loss	(31)	(569)
Available-for-sale financial assets	(227)	(6,533)
Loans and receivables / Financial liabilities at amortized cost	(3,640)	(685)
Other operating assets/liabilities	(537)	339
Collection/Payments for income tax	**(520)**	**(254)**
CASH FLOWS FROM INVESTING ACTIVITIES (2)	**(230)**	**(123)**
Tangible assets	(198)	(170)
Intangible assets	(36)	(36)
Investments	-	16
Subsidiaries and other business units	(125)	(89)
Non-current assets held for sale and associated liabilities	129	156
Held-to-maturity investments	-	-
Other settlements/collections related to investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES (3)	**639**	**985**
Dividends	(125)	(25)
Subordinated liabilities	552	1,241
Common stock amortization/increase	-	-
Treasury stock acquisition/disposal	341	(25)
Other items relating to financing activities	(129)	(206)
EFFECT OF EXCHANGE RATE CHANGES (4)	**(4,013)**	**(3,762)**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (1+2+3+4)	**(6,307)**	**(9,377)**
CASH OR CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**31,430**	**34,887**
CASH OR CASH EQUIVALENTS AT END OF THE YEAR	**25,123**	**25,510**

	Millions of Euros	
COMPONENTS OF CASH AND EQUIVALENT AT END OF THE Y	**March 2014**	**March 2014**
Cash	5,872	4,270
Balance of cash equivalent in central banks	19,251	21,240
Other financial assets	-	-
Less: Bank overdraft refundable on demand	-	-
TOTAL CASH OR CASH EQUIVALENTS AT END OF THE YEAR	**25,123**	**25,510**

(*)Presented solely and exclusively for comparison purposes (see Note 1).

The accompanying Notes 1 to 10 are an integral part of the condensed interim consolidated statement of cash flows for the three months ended March 31, 2015.

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BBVA Group

Notes to the condensed interim consolidated financial statements as of and for the period ended March 31, 2015

1. Introduction, basis for the presentation of the condensed interim consolidated financial statements and other information.

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 inspection at the Bank's registered address (Plaza San Nicolás, 4 Bilbao) as on its web site (www.bbva.com).

In addition to the transactions it carries out directly, the Bank heads a group of subsidiaries, joint venture 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 separate financial statements, the Bank is therefore required to prepare the Group's consolidated financial statements.

The consolidated financial statements of the BBVA Group for the year ended December 31, 2014 were approved by the shareholders at the Annual General Meeting ("AGM") on March 13, 2015.

Basis for the presentation of the condensed interim consolidated financial statements

The BBVA Group's unaudited condensed interim consolidated financial statements are presented in accordance with the International Accounting Standard 34 ("IAS 34"), on interim financial information for the preparation of condensed financial statements for an interim period and have been presented to the Board of Directors at its meeting held on April 28, 2015. According to IAS 34, the interim financial information is prepared solely with the purpose of updating the last prepared consolidated financial statements, focusing on new activities, events and circumstances that occurred during the period without duplicating the information previously published in the last consolidated financial statements. Therefore, the accompanying consolidated financial statements do not include all information required by a complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, consequently for an appropriate understanding of the information included in them, they should be read together with the consolidated financial statements of the Group for the year ended December 31, 2014. The consolidated financial statements of the Group for the year ended December 31, 2014 were presented in accordance with the International Financial Reporting Standards endorsed by the European Union (hereinafter, "EU-IFRS") applicable as of December 31 2014, considering the Bank of Spain Circular 4/2004, of 22 December (and as amended thereafter), and with any other legislation governing financial reporting applicable to the Group.

The accompanying interim consolidated financial statements (hereinafter "consolidated financial statement") were prepared applying the principles of consolidation, accounting policies and valuation criteria, which as described in Note 2, are the same as those applied in the consolidated financial statements of the Group for the year ended December 31, 2014, taking into account the standards and interpretations issued during the first quarter of 2015, so that they presented fairly the Group's consolidated equity and financial position of the Group as of March 31, 2015, together with the consolidated results of its operations and the consolidated cash flows generated in the Group during the three months ended March 31, 2015. These consolidated financial statements and explanatory notes were prepared on the basis of the accounting records kept by the Bank and each of the other entities in the Group, they include the adjustments and reclassifications required to harmonize the accounting policies and valuation criteria used by the Group.

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

The amounts reflected in the accompanying consolidated financial statements are presented in millions of euros, unless it is more appropriate to use smaller units. Some items that appear without a total in these consolidated 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 totals appearing in some tables are not the exact arithmetical sum of their component figures. Translation of the Interim Consolidated Financial Statements originally issued in Spanish and prepared in accordance with IAS 34, as adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

When determining the information to disclose about various items of the financial statements, the Group, in accordance with IAS 34, has taken into account their materiality in relation to the interim consolidated financial statements.

Comparative information

The information included in the accompanying consolidated financial statements and the explanatory notes referring to December 31, 2014 and March 31, 2014 is presented exclusively for the purpose of comparison with the information for March 31, 2015.

In the first quarter of 2015, the BBVA Group business segments have been changed with regard to the existing structure in 2014 (See Note 5). The information related to business segments as of December 31, 2014 and as of March 31, 2014 have been restated in order to make them comparable, as required by IFRS 8 "Information by business segments".

Seasonal nature of income and expenses

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

Responsibility for the information and for the estimates made

The information contained in the BBVA Group's consolidated financial statements is the responsibility of the Group's Directors.

Estimates have to be made at times when preparing these consolidated financial statements in order to calculate the recorded amount of some assets, liabilities, income, expenses and commitments. These estimates (see Notes 7, 8 and 9) relate mainly to the following:

- Impairment on certain financial assets.
- The assumptions used to quantify certain provisions and for the actuarial calculation of post-employment benefit liabilities and commitments.
- The useful life and impairment losses of tangible and intangible assets.
- The valuation of goodwill.
- The fair value of certain unlisted financial assets and liabilities.

Although these estimates were made on the basis of the best information available as of March 31, 2015 on the events analyzed, future events may make it necessary to modify them (either up or down) over the coming years. This would be done prospectively in accordance with applicable standards, recognizing the effects of changes in the estimates in the corresponding consolidated income statement.

During the three months ended March 31, 2015 there have been no significant changes to the assumptions made as of December 31, 2014, other than those indicated in these interim consolidated financial statements.

Related-party transactions

As financial institutions, BBVA and other entities in the Group engage in transactions with related parties in the normal course of their business. All of these transactions are of little relevance and are carried out under normal market conditions.

The most recent available information related to these transactions is presented in Note 52 of the consolidated financial statements of the Group for the year ended December 31, 2014.

2. Principles of consolidation, accounting policies and measurement bases applied and recent IFRS pronouncements

The accounting policies and methods applied for the preparation of the accompanying financial statements, except those mentioned above, are the same as those applied in the 2014 consolidated financial statements.

Recent IFRS pronouncements

The following modifications to the IFRS standards or their interpretations (hereinafter "IFRIC") came into force after January 1, 2015. They have not had a significant impact on the BBVA Group's consolidated financial statements corresponding to the period ended March 31, 2015.

Amended IAS 19 - "Employee Benefits. Defined Benefit Plans: Employee Contributions"

The new IAS 19 amends the accounting requirements for contributions to defined benefit plans to permit to recognize these contributions as a reduction in the service cost in the same period where they are paid if they meet certain requirements, without the need for calculations to attribute the contributions to the periods of service.

Annual Improvements cycle to IFRSs 2010-2012– laminar changes to IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38

Annual Improvements cycle to IFRSs 2010-2012 introduces small modifications and clarifications to IFRS 8 - Operating Segments, IFRS 13 - Fair Value Measurement, IAS 16 - Property, Plant and Equipment, IAS 24 – Related Party Disclosures and IAS 38 - Intangible Assets.

Annual Improvements to IFRSs 2011-2013 Cycle

Annual Improvements to IFRSs 2011-2013 Cycle introduces small modifications and clarifications to IFRS 1 - First-time Adoption of IFRSs, IFRS 3 - Business Combinations, IFRS 13 - Fair Value Measurement and IAS 40 - Investment Property.

Standards and interpretations issued but not yet effective as of March 31, 2015

New International Financial Reporting Standards together with their interpretations had been published at the date of preparation of the accompanying consolidated financial statements, but are not obligatory as of March 31, 2015. Although in some cases the IASB permits early adoption before they come into force, the BBVA Group has not done so as of this date, as it is still analyzing the effects that will result from them.

IFRS 9 - "Financial instruments"

As of July, 24, 2014, IASB has issued the IFRS 9 which will replace IAS 39. The new standard introduces significant differences with respect to the current regulation with regards to financial assets; among others, the approval of a new classification model based on two single categories of amortized cost and fair value, the elimination of the current "Held-to-maturity-investments" and "Available-for-sale financial assets" categories, impairment analyses only for assets measured at amortized cost and non-separation of embedded derivatives in contracts of financial assets.

With regard to financial liabilities, the classification categories proposed by IFRS 9 are similar to those contained in IAS 39, so there should not be very significant differences save for the requirement to recognize changes in fair value related to own credit risk as a component of equity, in the case of financial liabilities designated at fair value through profit or loss. Hedge accounting requirements also differs from the current IAS 39 due to the new focus on the economic risk management.

The IASB has established January 1, 2018, as the mandatory application date, with the possibility of early adoption.

IFRS 7 amended - "Financial instruments: Disclosures"

The IASB modified IFRS 7 in December 2011 to include new disclosures on financial instruments that entities will have to provide as soon as they apply IFRS 9 for the first time.

Amended IFRS 11 - "Joint Arrangements"

The amendments made to IFRS 11 require the acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs.

These modifications will be applied to the accounting years starting on or after January 1, 2016, although early adoption is permitted.

Amended IAS 16 - "Property, Plant and Equipment" and Amended IAS 38 – "Intangible Assets".

The amendments made to IAS 16 and IAS 38 exclude, as general rule, as depreciation method to be used, those methods based on revenue that is generated by an activity that includes the use of an asset, because the revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits of the asset.

These modifications will be applied to the accounting years starting on or after January 1, 2016, although early adoption is permitted.

IFRS 15 - "Revenue from contracts with customers"

IFRS 15 contains the principles that an entity shall apply to account for revenue and cash flows arising from a contract with a customer.

The core principle of IFRS 15 is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services, in accordance with contractually agreed. It is considered that the good or service is transferred when the customer obtains control over it.

The new Standard replaces IAS 18 - Revenue IAS 11 - Construction Contracts, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 – Revenue-Transactions Involving Advertising Services

This Standard will be applied to the accounting years starting on or after January 1, 2017, although early adoption is permitted.

IAS 27 Amended – "Separate financial statements"

Changes to IAS 27 allow entities to use the equity method to account for investment in subsidiaries, joint ventures and associates, in their separate financial statements.

These changes will be applicable to accounting periods beginning January 1, 2016, although early adoption is permitted.

IFRS 10 amended – "Consolidated financial statements" and IAS 28 amended

The amendments to IFRS 10 and IAS 28 establish that when an entity sells or transfers assets are considered a business (including its consolidated subsidiaries) to an associate or joint venture of the entity, the latter will have to recognize any gains or losses derived from such transaction in its entirety. Notwithstanding, if the assets sold or transferred are not considered a business, the entity will have to recognize the gains or losses derived only to the extent of the interests in the associate or joint venture with unrelated investors.

These changes will be applicable to accounting periods beginning January 1, 2016, although early adoption is allowed.

Annual improvements cycle to IFRSs 2012-2014

The annual improvements cycle to IFRSs 2012-2014 includes minor changes and clarifications to IFRS 5 – Non current assets held for sale and discontinued operations, IFRS 7 – Financial instruments: Information to disclose, IAS 19 – Employee benefits and IAS 34 – interim financial information.

These changes will be applicable to accounting periods beginning January 1, 2016, although early adoption is allowed.

Amended IAS 1 – Presentation of Financial Statements

The amendments made to IAS 1 further encourage companies to apply professional judgment in determining what information to disclose in their financial statements, in determining when line items are disaggregated and additional headings and subtotals included in the statement of financial position and the statement of profit or loss and other comprehensive income, and in determining where and in what order information is presented in the financial disclosures.

These modifications will be applied to the accounting years starting on or after January 1, 2016, although early adoption is permitted.

IFRS 10 - "Consolidated Financial Statements", Amended IFRS 12 – "Disclosure of interests in other entities" and Amended IAS 28 – "Investments in Associates and Joint Ventures"

The amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities in three aspects:

- The amendments confirm that a parent entity that is a subsidiary of an investment entity has the possibility to apply the exemption from preparing consolidated financial statements
- The amendments clarify that if an investment entity has a subsidiary whose main purpose is to support the investment entity's investment activities by providing investment-related services or activities, to the entity or other parties, and that is not itself an investment entity, it shall consolidate that subsidiary; but if that subsidiary is itself an investment entity, the investment entity parent shall measure the subsidiary at fair value through profit or loss.
- The amendments require a non-investment entity investor to retain, when applying the equity method, the fair value measurement applied by an investment entity associate or joint venture to its interests in subsidiaries.

These modifications will be applied to the accounting years starting on or after January 1, 2016, although early adoption is permitted.

3. BBVA Group

The BBVA Group is an international diversified financial group with a significant presence in retail banking, wholesale banking, asset management and private banking. The Group also operates in other sectors such as insurance, real estate, operational leasing, etc..

Appendices I and II of the 2014 consolidated financial statements show relevant information as of December 31, 2014 related to the main subsidiaries and structured entities and joint ventures and associates accounted for using the equity method. Appendix III of the 2014 consolidated financial statements show the main changes and notification of investments and divestments in the BBVA Group in 2014. Appendix IV show fully consolidated subsidiaries with more than 10% owned by non-Group shareholders as of December 31, 2014. During the three months ended March 31, 2015, the Group acquired the non-controlling interests in "Forum Financial Services, SA" and "Forum Distribuidora SA" in Chile.

The BBVA Group's activities are mainly located in Spain, Mexico, South America and the United States, with an active presence in other areas of Europe and Asia (see Note 5).

Ongoing operations

Investments

New agreement for the acquisition of an additional 14.9% of Garanti

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

Completion of the acquisition and the entry into force of the new agreement are conditional on the obtaining of all necessary regulatory consents from the relevant Turkish, Spanish, European Union and, if applicable, other jurisdictions' regulatory authorities. After the acquisition of the new shares, the stake of the BBVA Group in Garanti will be 39.9%.

In accordance with EU-IFRS, as a consequence of the implementation of the new agreement, the BBVA Group shall value its current stake in Garanti (which is classified at present as a joint venture accounted for using the equity method) at fair value and shall fully consolidate Garanti in the consolidated financial statements of the BBVA Group as from the date of the actual acquisition of control foreseen during 2015, subject to obtaining the abovementioned regulatory consents.

The date of announcement of the agreement the estimated negative impact in the attributable profit of the consolidated financial statements of the BBVA Group was approximately €1,500 million. As of the most recent date to the date of completion of December 2014 consolidated financial statements, the update of the estimated negative impact in the attributable profit of the consolidated financial statements of the BBVA Group was approximately €1,250 million, basically being affected by the exchange differences due to the depreciation of the Turkish lira against euro since initial acquisition. These exchange differences are already registered as Other Comprehensive Income deducting the stock shareholder's equity of the BBVA Group. Such accounting impact does not translate into any additional cash outflow from BBVA. From the date of the last estimate update to the date of preparation of these consolidated financial statements, profit attributable to BBVA Group may have changed due to market volatility.

Catalunya Banc competitive auction

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.

As of December 31, 2014, Catalunya Banc had a volume of assets of approximately €49 billion, (excluding the sale of loans to an asset securitization fund announced on April 15)), of which €20,866 million corresponded to "Loans and advances to customers". "Customer deposits" amounted to €43,962 million. The Group is in the process of determining the effects of the business combination in the consolidated financial statements of the Group, although the Group does not expect any significant changes in the fair value of this acquisition.

Divestitures

Agreement to sell the participation in Citic International Financial Holding (CIFH)

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

As of March 31, 2015, this participation is recognized under the heading "Non-Current assets held for sale".

Changes in the Group in 2015

Divestitures

Agreement to sell CNCB

On January 23, 2015 the Group BBVA has signed an agreement to sell 4.9% in China CITIC Bank Corporation Limited (CNCB) to UBS AG, London Branch (UBS), who has 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 (at the exchange rate on the transaction date: Eur/HK$=8.45).

In addition to the above mentioned 4.9%, various sales were made in the market to total a 5.6% participation sale. The impact on the consolidated financial statements of the BBVA Group was a gain net of taxes of approximately €583 million. This gain gross of taxes was recognized under "Gains (losses) in non-current assets available for sale" in the accompanying consolidated income statement.

As of March 31, 2015, this participation of 4.3% is recognized under the heading "Non-Current assets available for sale" (see Note 8).

4. Shareholder remuneration system

In April 2015, the Executive Committee approved the execution of the first of the capital increases charged to reserves as agreed by the AGM held on March 13, 2015 to implement the Dividend Option. As a result of this increase, the Bank's common stock increased by €39,353,896.26 (80,314,074 shares at a €0.49 par value each). 90.31% of shareholders opted to receive their remuneration in the form of shares. The other 9.69% of the right owners opted to sell the rights assigned to them to BBVA, and as a result, BBVA acquired 602,938,646 rights for a total amount of €78,382,023.98,

5. Operating segment reporting

The information about operating segments is provided in accordance with IFRS 8. Operating segment reporting represents a basic tool in the oversight and management of the BBVA Group's various activities. The BBVA Group compiles reporting information on as disaggregated level as possible, and all data relating to the businesses these units manage is recognized in full. These minimum level units are then aggregated in accordance with the organizational structure determined by the BBVA Group management into higher level units and, ultimately, the reportable segments themselves.

During 2015, there have been changes in the reporting structure of the operating segments of the BBVA Group with regard to the current structure during 2014. The increase of participation in the Turkish bank Garanti up to 39.9%, which is expected to close in the forthcoming months, the balance sheet and income statement of Garanti is presented separately from the Eurasia operating segment. The operating segment reporting structure is as follows:

- Banking activity in Spain which as in previous years includes:
  - The Retail network, with the segments of individual customers, private banking, and small businesses.
  - Corporate and Business Banking (CBB), which handles the SMEs, corporations and public sector in the country.
  - Corporate & Investment Banking (CIB), which includes business with large corporations and multinational groups and the trading floor and distribution business in the same geographical area.
  - Other units, among them BBVA Seguros and Asset Management (management of mutual and pension funds in Spain.
  - In addition, it also includes the portfolios, finance and structural interest-rate positions of the euro balance sheet.
- Real estate activity in Spain

  Manage the assets of the real-estate area accumulated by the Group as a result of the crisis in Spain. It therefore mainly combines loans to real-estate developers and foreclosed real estate assets.
- Turkey

  Includes the 25.01% stake in the Turkish bank Garanti as of March 31, 2015 and December 31, 2014.
- Mexico

  Comprising of the banking and insurance businesses. The banking business includes retail business through its Commercial Banking, Consumer Finance and Corporate and Institutional Banking units; and wholesale banking through CIB.
- The United States

  Encompasses the Group's businesses in the United States.
- South America

  Includes the banking and insurance businesses that BBVA carries out in the region.
- Rest of Eurasia

Includes the business carried out in the rest of Europe and Asia, i.e. the retail and wholesale businesses of the BBVA Group in the area.

Finally, Corporate Center is an aggregate that contains the remainder of the items that have not been allocated to the operating segments, as it basically corresponds to the Group's holding function. It groups together the costs of the headquarters that have a corporate function; management of structural exchange-rate positions, carried out by the Financial Planning unit; specific issues of capital instruments to ensure adequate management of the Group's global solvency; portfolios and their corresponding results, whose management is not linked to customer relations, such as industrial holdings; certain tax assets and liabilities; funds due to commitments with pensioners; goodwill and other intangibles; and the results of certain corporate transactions.

With regards to the exchange rates used to convert the financial statements of the Group's subsidiaries in Venezuela into Euros, we note that the exchange rate used in the Accounts for the periods ended March 31, 2014 and December 31, 2014 was that fixed by the SICAD I (Complementary Currency Management System). Through this system, the Exchange rate for the U.S. dollar was fixed in open auctions for both individuals or companies, resulting in an exchange rate that fluctuates from auction to auction and which is published in the SICAD web page.

On February 10, 2015, the Venezuelan government announced the closure of SICAD II as a mechanism regulating the purchase and sale of foreign currency, its merger with SICAD I in a new SICAD (not yet in place) and the creation of a new foreign-currency system called SIMADI. In accordance with the IAS 21, the exchange rate to be used to convert currencies is that which in the entity's judgment best reflects the situation at the date of the financial statements. The exchange rate used by the Group for converting the Venezuelan currency as of March 31, 2015 is that of SIMADI (see Notes 8 and 9).

The breakdown of the BBVA Group's total assets by operating segments as of March 31, 2015 and December 31. 2014, is as follows:

	Millions of Euros	
Total Assets by Operating Segments	**March 2015**	**December 2014 (*)**
Spain	329,526	318,353
Real Estate Activity in Spain	17,170	17,934
Turkey (1)	23,620	22,342
Eurasia Ex Turkey	21,583	22,325
Mexico	102,300	93,731
South America	73,529	84,364
United States	80,930	69,261
Subtotal Assets by Operating Segments	648,658	628,310
Corporate Center and other adjustments (2)	3,144	3,632
Total Assets BBVA Group	**651,802**	**631,942**

(1) The information is presented under management criteria, pursuant to which Garanti's assets and liabilities have been proportionally integrated based on our 25.01% interest in Garanti as of March 31, 2015 and December 31, 2014.

(2) Other adjustments include adjustments made to account for the fact that, in our Consolidated Financial Statements, Garanti is accounted for using the equity method rather than using the management criteria referred above.

(*) The figures corresponding to December 31, 2014 have been restated under 2015 operating segment reporting structure for the purpose of comparison with the information for March 31, 2015 (see Note 1).

The profit and main earning figures in the consolidated income statements for the three months ended March 31, 2015 and 2014 by operating segments are as follows:

	Millions of Euros									
		Operating Segments								
Main Margins and Profits by Operating Segments	**BBVA Group**	**Spain**	**Real Estate Activity in Spain**	**Turkey**	**Eurasia Ex Turkey**	**Mexico**	**South America**	**United States**	**Corporate Center**	**Adjusments (2)**
Net interest income	3,453	968	(9)	210	46	1,340	802	435	(129)	(210)
Gross income	5,469	1,786	(46)	250	164	1,752	1,159	654	(86)	(163)
Net operating income (1)	2,802	1,081	(79)	140	74	1,105	655	223	(343)	(55)
Operating profit /(loss) before tax	2,159	496	(221)	107	56	693	468	191	(349)	717
Profit	**1,536**	**347**	**(154)**	**86**	**36**	**524**	**227**	**136**	**333**	**-**
Net interest income	3,244	931	(7)	146	47	1,173	934	345	(179)	(147)
Gross income	4,912	1,753	(58)	210	156	1,537	1,160	517	(225)	(139)
Net operating income (1)	2,389	1,048	(94)	118	70	969	665	166	(504)	(49)
Operating profit /(loss) before tax	998	550	(353)	88	48	598	501	143	(559)	(19)
Profit	**624**	**384**	**(245)**	**70**	**37**	**454**	**243**	**106**	**(425)**	**-**

(1) Gross Income less Administrative Cost and Amortization

(2) Includes adjustments due to Garanti Group accounted for using the equity method instead of using management criteria as referenced earlier.

(*) The figures corresponding to March 31, 2014 have been restated under 2015 operating segment reporting structure for the purpose of comparison with the information for March 31, 2015.

6. Risk management

The principles and risk management policies, as well as tools and procedures established and implemented in the Group as of March 31, 2015 do not differ significantly from those included in the consolidated financial statements for the year ended December 31, 2014.

The table below shows the evolution of the main items related to the credit risk of the Group as of March 31, 2015 and 31 December 2014. Balances are presented gross and excluding any valuation adjustments or impairment losses, or the risk of derivatives detailed in Note 8:

	Millions of euros	
Maximum Credit Risk Exposure	**March 2015**	**December 2014**
Financial assets held for trading	**41,600**	**39,028**
Debt securities	36,024	33,883
Equity instruments	5,392	5,017
Customer lending	184	128
Other financial assets designated at fair value through profit or loss	**3,098**	**2,761**
Debt securities	819	737
Equity instruments	2,279	2,024
Available-for-sale financial assets	**96,536**	**94,125**
Debt securities	90,538	86,858
Government	66,614	63,764
Credit institutions	6,944	7,377
Other sectors	16,980	15,717
Equity instruments	5,998	7,267
Loans and receivables	**394,620**	**384,461**
Loans and advances to credit institutions	32,113	26,975
Loans and advances to customers	357,997	350,822
Of which:		
Mortgage loans	126,240	124,097
Secured loans, except mortgage	30,932	28,419
Debt securities	4,510	6,664
Derivatives (trading and hedging)	**53,414**	**47,248**
Subtotal	**589,268**	**567,623**
Valuation adjustments	895	980
Total Financial Assets Risk	**590,163**	**568,603**
Total Contingent Risks and Commitments	**151,099**	**139,993**
Total Maximum Credit Exposure	**741,262**	**708,596**

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

Impaired Risks. Breakdown by Type of Asset and by Sector	Millions of euros March 2015	December 2014
Asset Instruments Impaired (1)		
Available-for-sale financial assets	101	91
Debt securities	101	91
Loans and receivables	22,340	22,730
Loans and advances to credit institutions	25	23
Loans and advances to customers	22,311	22,703
Resident	18,058	18,563
Non Resident	4,253	4,139
Debt securities	5	4
	22,441	**22,821**
Contingent Risks Impaired		
Contingent Risks Impaired (2)	386	413
	22,827	**23,234**
Of which:		
Government	175	180
Credit institutions	48	44
Other sectors	22,218	22,597
Contingent Risks Impaired	386	413
Total impaired risks (1) + (2)	**22,827**	**23,234**

Below is presented the change in the impaired financial assets in the period of three months ended March 31, 2015 and 2014:

Changes in Impaired Financial Assets and Contingent Risks	Millions of Euros March 2015	March 2014
Balance at the beginning	**23,234**	**25,977**
Additions	2,322	2,131
Decreases	(1,717)	(1,673)
Net additions	**605**	**458**
Amounts written-off	(1,152)	(1,240)
Exchange differences and other (including Unnim)	140	(33)
Balance at the end	**22,827**	**25,162**

Below is a breakdown of the impairment losses and provisions for contingent risks recognized on the accompanying consolidated balance sheets to cover estimated impairment losses as of March 31, 2015 and December 31, 2014, broken down by heading in the accompanying consolidated balance sheet:

	Millions of Euros	
Impairment Losses and Provisions for Contingent Risks	**March 2015**	**December 2014**
Available-for-sale portfolio	**178**	**174**
Loans and receivables	**14,079**	**14,277**
Loans and advances to customers	14,043	14,244
Loans and advances to credit institutions	31	29
Debt securities	5	4
Impairment losses	**14,256**	**14,451**
Provisions to Contingent Risks and Commitments	**399**	**381**
Total	**14,655**	**14,833**
Of which:		
For impaired portfolio	11,873	12,034
For currently non-impaired portfolio	2,782	2,799

Below are the changes in the period of three months ended March 31, 2015 and 2014, in the estimated impairment losses:

	Millions of Euros	
Changes in the Impairment Losses	**March 2015**	**March 2014**
Balance at the beginning	**14,833**	**15,192**
Increase in impairment losses charged to income	1,826	3,087
Decrease in impairment losses charged to income	(631)	(1,932)
Transfer to written-off loans, exchange differences and other	(1,372)	(1,520)
Balance at the end	**14,655**	**14,826**
Of which:		
For impaired portfolio	11,873	12,487
For currently non-impaired portfolio	2,782	2,339

7. Fair Value

The criteria and valuation methods used to calculate the fair value of financial assets do not differ significantly from those included in the consolidated financial statements for the year ended December 31, 2014.

During the three months ended March 31, 2015, there is no material entry due to financial instruments transfers between the different levels of measurement and the changes are due to the variations in the fair value of the financial instruments.

8. Balance sheet

Cash and balances with central banks

	Millions of Euros	
Cash and Balances with Central Banks	**March 2015**	**December 2014**
Cash	5,872	6,247
Balances at the Central Banks	18,664	24,974
Reverse repurchase agreements	587	209
Total Assets	**25,123**	**31,430**
Deposits from central banks	17,133	19,419
Repurchase agreements	10,456	8,774
Total Liabilities	**27,589**	**28,193**

Changes in the balance of these assets is mainly due to the decrease of "Balance at the Central Banks" as a result of the impact of the Venezuelan exchange rate and lower balance in Spain.

Financial assets and liabilities held for trading

	Millions of Euros	
Financial Assets and Liabilities Held-for-Trading	**March 2015**	**December 2014**
Loans and advances to customers	184	128
Debt securities	36,024	33,883
Equity instruments	5,392	5,017
Trading derivatives	53,051	44,229
Total Assets	**94,651**	**83,258**
Trading derivatives	54,237	45,052
Short positions	12,828	11,747
Total Liabilities	**67,065**	**56,798**

	Millions of Euros	
Debt Securities Held-for-Trading Breakdown by issuer	**March 2015**	**December 2014**
Issued by Central Banks	494	193
Spanish government bonds	6,686	6,332
Foreign government bonds	23,405	21,688
Issued by Spanish financial institutions	872	879
Issued by foreign financial institutions	1,808	2,169
Other debt securities	2,760	2,623
Total	**36,024**	**33,883**

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

	Millions of Euros	
Other Financial Assets Designated at Fair Value through Profit or Loss.	**March 2015**	**December 2014**
Debt securities	819	737
Unit-linked products	146	157
Other securities	673	580
Equity instruments	2,279	2,024
Unit-linked products	2,157	1,930
Other securities	121	94
Total Assets	**3,098**	**2,761**
Unit-linked products	2,956	2,724
Total Liabilities	**2,956**	**2,724**

Available-for-sale financial assets and Held-to-maturity investment

	Millions of Euros	
Available-for-Sale Financial Assets	**March 2015**	**December 2014**
Debt securities	91,532	87,679
Impairment losses	(75)	(70)
Subtotal	91,458	87,608
Equity instruments	6,101	7,370
Impairment losses	(103)	(103)
Subtotal	5,998	7,267
Total	**97,456**	**94,875**

Changes in the heading "Debt securities" is primarily due to the purchase of portfolios in Mexico and Spain and the impact of the exchange rate effect.

The main change in the heading "Equity instruments" is due to the partial sale of CNCB (see Note 3).

	Millions of Euros	
Available-for-Sale Financial Assets. Debt securities	**March 2015**	**December 2014**
Debt securities		
Issue by Central Banks	2,294	1,540
Spanish government bonds	34,744	36,167
Foreign government bonds	29,576	26,057
Issue by credit institutions	6,945	7,377
Resident	3,183	3,717
Non-resident	3,761	3,660
Other debt securities	16,980	15,717
Resident	2,021	2,391
Non-resident	14,958	13,325
Total gross	**90,538**	**86,858**
Impairment losses	(75)	(70)
Accruals and adjustments for hedging derivatives	995	820
Total	**91,458**	**87,608**

Loans and receivables

	Millions of euros	
Loans and Advances to Customers	**March 2015**	**December 2014**
Loans and advances to credit institutions	**32,215**	**27,059**
Loans and advances to customers	**346,089**	**338,657**
Mortgage secured loans	126,240	124,097
Other loans secured with security interest	30,932	28,419
Unsecured loans	121,069	119,002
Credit lines	14,817	12,851
Commercial credit	9,678	10,015
Receivable on demand and other	8,268	7,021
Credit cards	10,424	11,756
Finance leases	7,417	7,095
Reverse repurchase agreements	6,024	6,990
Financial paper	817	873
Impaired assets	22,311	22,703
Total gross	**357,997**	**350,822**
Valuation adjustments	(11,909)	(12,166)
Impairment losses	(14,043)	(14,244)
Accrued interests and fees	761	863
Hedging derivatives and others	1,373	1,215
Debt securities	**4,506**	**6,659**
Total	**382,810**	**372,375**

The heading "Loans and receivables – Loans and advances to customers" in the accompanying consolidated balance sheets also includes certain secured loans that pursuant to the Mortgage Market Act, are linked to long-term mortgage-covered bonds. This heading also includes some loans that have been securitized. The balances recognized in the accompanying consolidated balance sheets as of March 31, 2015 and December 31, 2014 amounted to €26,413 million and €27,324 million, respectively.

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

	Millions of Euros	
Non-Current Assets Held-for-Sale and Liabilities Associated	**March 2015**	**December 2014**
Business sale - Assets (*)	924	924
Other assets from:		
Property, plants and equipment	339	315
Buildings for own use	302	272
Operating leases	37	43
Foreclosures and recoveries	3,447	3,330
Foreclosures	3,253	3,144
Recoveries from financial leases	194	186
Accrued amortization (**)	(58)	(74)
Impairment losses	(802)	(702)
Total Non-Current Assets Held-for-Sale	**3,849**	**3,793**

(*) As of March 31, 2015 and December 31, 2014, mainly included the investment in CIFH (see Note 3)

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

Investments in entities accounted for using the equity method

	Millions of Euros	
Investments in Entities Accounted for Using the Equity Method	**March 2015**	**December 2014**
Associates entities	417	417
Joint ventures	4,162	4,092
Total	**4,579**	**4,509**

The main change in this heading is due to the results generated by the Garanti Group and the effect of the appreciation of the Turkish lira against the euro.

Tangible assets

Tangible Assets. Breakdown by Type of Asset Cost Value, Amortizations and Depreciations	Millions of euros March 2015	 December 2014
Property, plants and equipment		
For own use		
Land and Buildings	3,895	4,169
Work in Progress	1,296	1,084
Furniture, Fixtures and Vehicles	5,636	5,903
Accrued depreciation	(4,574)	(5,008)
Impairment	(164)	(164)
Subtotal	6,088	5,985
Assets leased out under an operating lease		
Assets leased out under an operating lease	714	675
Accrued depreciation	(232)	(226)
Impairment	(6)	(6)
Subtotal	476	443
Subtotal	**6,564**	**6,428**
Investment properties		
Building rental	1,889	2,014
Rest	85	84
Accrued depreciation	(99)	(101)
Impairment	(575)	(605)
Subtotal	**1,300**	**1,392**
Total	**7,864**	**7,820**

Intangible assets

Intangible Assets.	Millions of Euros March 2015	 December 2014
Goodwill	6,379	5,697
Other intangible assets	1,639	1,673
Total	**8,017**	**7,371**

The change in the balance of this heading is due to the impact of the exchange rate effect, mainly in the most significant goodwill of the Group which corresponds to the CGU of the USA. As of March 31, 2015, there are no indications of impairment.

Tax assets and liabilities

Tax Assets and Liabilities	Millions of Euros March 2015	 December 2014
Tax assets-	**11,795**	**12,426**
Current	1,154	2,035
Deferred	10,641	10,391
Tax Liabilities-	**4,015**	**4,157**
Current	437	980
Deferred	3,578	3,177

Pursuant to current legislation, the BBVA Consolidated Tax Group includes the Bank (as the parent company) and its Spanish subsidiaries that meet the requirements provided for under Spanish legislation regulating the taxation regime for the consolidated profit of corporate groups.

The Group's non-Spanish other banks and subsidiaries file tax returns in accordance with the tax legislation in force in each country.

According to IAS 34, income tax expense is recognized in each interim period based on the Group's best estimate of the weighted average annual income tax rate expected for the full financial year.

The balance under the heading "Tax assets" in the accompanying consolidated balance sheets includes deferred tax assets. The balance under the "Tax liabilities" heading includes to the Group's various deferred tax liabilities.

Other assets and liabilities

Other Assets and Liabilities. Breakdown by Nature	Millions of Euros March 2015	 December 2014
Inventories	4,391	4,443
Real estate companies	4,367	4,389
Others	24	54
Transactions in transit	292	230
Accruals	820	706
Unaccrued prepaid expenses	610	491
Other prepayments and accrued income	210	215
Other items	3,412	2,715
Total Assets	**8,915**	**8,094**
Transactions in transit	78	77
Accruals	2,055	2,370
Unpaid accrued expenses	1,465	1,772
Other accrued expenses and deferred income	590	598
Other items	2,215	2,072
Total Liabilities	**4,348**	**4,519**

Financial liabilities at amortized cost

	Millions of Euros	
Financial Liabilities at Amortized Cost	**March 2015**	**December 2014**
Deposits from Central Banks	27,589	28,193
Deposits from Credit Institutions	60,610	65,168
Customer deposits	327,167	319,060
Debt certificates	56,953	58,096
Subordinated liabilities	15,700	14,095
Other financial liabilities	11,813	7,288
Total	**499,831**	**491,899**

Deposits from credit institutions

	Millions of euros	
Deposits from Credit Institutions	**March 2015**	**December 2014**
Reciprocal accounts	219	218
Deposits with agreed maturity	28,068	26,731
Demand deposits	4,579	5,082
Other accounts	40	51
Repurchase agreements	27,533	32,935
Subtotal	60,439	65,017
Accrued interest until expiration	170	151
Total	**60,610**	**65,168**

Customer deposits

Customer Deposits	March 2015	December 2014
	Millions of euros	
Government and other government agencies	27,383	22,120
Spanish	6,510	7,620
Foreign	14,231	11,457
Repurchase agreements	6,622	3,022
Accrued interests	20	21
Other resident sectors	137,369	134,600
Current accounts	37,205	35,476
Savings accounts	25,578	24,033
Fixed-term deposits	56,570	60,783
Repurchase agreements	17,087	13,306
Other accounts	493	496
Accrued interests	436	506
Non-resident sectors	162,416	162,341
Current accounts	56,036	60,938
Savings accounts	43,546	41,522
Fixed-term deposits	56,242	51,014
Repurchase agreements	5,900	8,289
Other accounts	237	182
Accrued interests	455	396
Total	**327,167**	**319,060**

Debt certificates (including bonds)

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

Debt Certificates	March 2015	December 2014
	Millions of Euros	
Promissory notes and bills		
In euros	351	410
In other currencies	1,438	660
Subtotal	1,789	1,070
Bonds and debentures issued		
In euros -		
Non-convertible bonds and debentures	10,875	10,931
Mortgage Covered bonds	23,375	26,119
Hybrid financial instruments	229	234
Securitization bonds realized by the Group	4,334	4,741
Accrued interest and others (*)	1,401	1,865
In foreign currency -		
Non-convertible bonds and debentures	12,100	10,486
Mortgage Covered bonds	121	117
Hybrid financial instruments	2,093	1,945
Securitization bonds realized by the Group	483	474
Accrued interest and others (*)	153	114
Subtotal	55,164	57,026
Total	**56,953**	**58,096**

(*) Hedging transactions and issuance expenses

During the first quarter of 2015, BBVA, S.A. amortized €4,172 million of mortgage bonds and issued in January 2015, €1,250 million of mortgage bonds. BBVA Bancomer issued in March 2015, €304 million of bonds.

Subordinated liabilities

	Millions of euros	
Subordinated Liabilities	**March 2015**	**December 2014**
Convertible	4,394	2,735
Convertible perpetual securities	4,394	2,735
Convertible subordinated debt	-	-
Non-convertible	10,687	10,880
Preferred Stock	1,033	1,918
Other subordinated liabilities	9,654	8,961
Subtotal	15,081	13,615
Valuation adjustments and other concepts (*)	619	480
Total	**15,700**	**14,095**

(*) Includes accrued interest payable and valuation adjustment of hedging derivatives.

During the first quarter of 2015 BBVA International Preferred amortized €972 million corresponding to preference shares "E Series" and "F Series".

Contingent convertible securities

On February 10, 2015, BBVA issued perpetual securities eventually convertible into ordinary shares of BBVA, (Additional level I capital instruments) without pre-emption rights, for a total amount of €1,500 million. This issuance is targeted only towards qualified foreign investors and in any case would not be made or subscribed in Spain or by Spanish-resident investors. These securities are listed in the Global Exchange Market of the Irish Stock Exchange. These convertible perpetual securities are convertible into common shares if the trigger event occurs, that is, if BBVA's Common Equity Tier 1 capital ratio falls below 5.125%.

Other subordinated liabilities

	Millions of Euros	
Other financial liabilities	**March 2015**	**December 2014**
Creditors for other financial liabilities	4,932	1,692
Collection accounts	2,534	2,402
Creditors for other payment obligations (*)	4,346	3,194
Total	**11,813**	**7,288**

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

The change in "Other financial liabilities" is mainly due to specific operations pending settlement in Mexico.

Insurance and reinsurance contracts

	Millions of Euros	
Liabilities under Insurance Contracts Technical Reserve and Provisions	**March 2015**	**December 2015**
Mathematical reserves	9,916	9,352
Provision for unpaid claims reported	620	578
Provisions for unexpired risks and other provisions	646	529
Total	**11,181**	**10,460**

Provisions

	Millions of Euros	
Provisions. Breakdown by concepts	**March 2015**	**December 2014**
Provisions for pensions and similar obligations	5,737	5,970
Provisions for taxes and other legal contingencies	281	262
Provisions for contingent risks and commitments	399	381
Other provisions (*)	863	831
Total	**7,280**	**7,444**

(*) Provisions or contingencies in different geographies, those, individually, are not significant.

Pension and other post-employment commitments

Employees are covered by defined contribution plans in practically all of the countries in which the Group operates, with the plans in Spain and Mexico being the most significant. Most defined benefit plans are closed to new employees and with liabilities relating largely to inactive employees, the most significant being those in Spain, Mexico and the United States. In Mexico, the Group provides post-retirement medical benefits to a closed group of employees and their family members.

The amounts relating to post-employment benefits charged to the profit and loss account and other comprehensive income for the three months ended March 31, 2015 and 2014 are as follows:

	Millions of Euros	
Consolidated Income Statement Impact	**March 2015**	**March 2014**
Interest and similar expenses (*)	33	48
Personnel expenses	42	43
Defined contribution plan expense	22	24
Defined benefit plan expense	20	19
Provisions (net)	152	92
Total impact on Income Statement: Debit (Credit)	**227**	**183**

(*) Interest and similar charges includes interest charges/credits.

Common stock

As of March 31, 2015, BBVA's share capital amounted to €3,050,212,729.62 divided into 6,224,923,938 shares. As a result of the increase carried out on April 14, 2015, due to the execution of the first of the capital increase described in Note 4, BBVA's share capital amounted to €3,089,566,626 divided into 6,305,238,012 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. Each and every share is part of the Bank's common stock.

Reserves

	Millions of Euros	
	March 2015	December 2014
Reserves	**22,602**	**20,936**
Accumulated reserves (losses)	21,631	20,304
Reserves (losses) of entities accounted for using the equity method	971	633

Valuation adjustments

	Millions of Euros	
Valuation Adjustments	March 2015	December 2014
Available-for-sale financial assets	4,168	3,816
Equity instruments	691	851
Debt securities	3,477	2,965
Cash flow hedging	(166)	(46)
Hedging of net investments in foreign transactions	(772)	(373)
Exchange differences	(1,257)	(2,173)
Non-current assets held for sale	-	-
Entities accounted for using the equity method	(846)	(796)
Other valuation adjustments (Remeasurements)	(800)	(776)
Total	**327**	**(348)**

In the first quarter of 2015 under the heading "Valuation adjustments - Exchange differences" the first application of the SIMADI as Venezuelan bolivar fuerte (see Note 5) is recognized with an impact of approximately €1,630 million. The exchange rate of the SIMADI as of March 31, 2015 applied in the conversion of financial statements is 207.6 Venezuelan bolivar fuerte per euro.

Non-controlling interests

	Millions of euros	
Non-Controlling Interest	**March 2015**	**December 2014**
BBVA Colombia Group	57	59
BBVA Chile Group	323	347
BBVA Banco Continental Group	849	839
BBVA Banco Provincial Group	109	958
BBVA Banco Francés Group	272	230
Other companies	81	79
Total	**1,692**	**2,511**

The change in the balance of this heading is mainly due to the decrease of the impact of foreign exchange effect in Venezuela (BBVA Banco Provincial).

	Millions of Euros	
Profit attributable to Non-Controlling Interests	**March 2015**	**March 2014**
BBVA Colombia Group	3	3
BBVA Chile Group	11	14
BBVA Banco Continental Group	52	41
BBVA Banco Provincial Group	12	46
BBVA Banco Francés Group	18	13
Other companies	7	3
Total	**103**	**120**

Contingent risks and commitments

	Millions of euros	
Contingent Risks and Commitments	**March 2015**	**December 2014**
Contingent Risks		
Collateral, bank guarantees and indemnities	29,538	28,297
Rediscounts, endorsements and acceptances	73	47
Letter of credit and others	5,654	5,397
Total Contingent Risks	**35,264**	**33,741**
Contingent Liabilities		
Balances drawable by third parties:	103,817	96,714
Credit institutions	879	1,057
Government and other government agencies	1,270	1,359
Other resident sectors	22,143	21,785
Non-resident sector	79,526	72,514
Other contingent liabilities	12,017	9,537
Total Contingent liabilities	**115,835**	**106,252**
Total contingent risks and contingent liabilities	**151,099**	**139,993**

The change in the heading "Balances drawable by third parties" by non-resident sector is primarly due to the exchange rate effect.

Off-Balance Sheet Customer Funds by Type	Millions of Euros March 2015	 December 2014
Investment companies and mutual funds	57,541	52,782
Pension funds	28,944	27,364
Customer portfolios managed on a discretionary basis	40,879	35,129
Total	**127,364**	**115,275**

9. Income statement

Interest income and expense and similar items

Interest and similar income

Interest and Similar Income. Breakdown by Origin.	Millions of Euros March 2015	 March 2014
Central Banks	31	49
Loans and advances to credit institutions	54	67
Loans and advances to customers	4,036	4,066
Government and other government agency	149	177
Resident sector	820	977
Non resident sector	3,067	2,912
Debt securities	745	792
Held for trading	235	284
Available-for-sale financial assets and held-to-maturity investments (*)	509	508
Rectification of income as a result of hedging transactions	(74)	(53)
Insurance activity	270	326
Other income	136	127
Total	**5,197**	**5,374**

"Interest and similar income" for the three months ended March 31, 2015 decreases by -3.3% compared with the three months ended March 31, 2014, mainly as a result of lower interest income in Spain in the prevailing low interest rates environment and the Venezuelan exchange rate effect, partially offset by the impact of the average exchange rate apreciation of most currencies against the euro.

Interest and similar expense

	Millions of Euros	
Interest and Similar Expenses. Breakdown by Origin	**March 2015**	**March 2014**
Bank of Spain and other central banks	20	18
Deposits from credit institutions	214	248
Customers deposits	847	1,051
Debt certificates	442	554
Subordinated liabilities	120	111
Rectification of expenses as a result of hedging transactions	(224)	(235)
Cost attributable to pension funds	33	48
Insurance activity	202	243
Other charges	90	92
Total	**1,744**	**2,130**

"Interest and similar expenses" for the three months ended March 31, 2015 decrease by -18.1% compared with the three months ended March 31, 2014, mainly as a result of lower interest expenses in Spain in the prevailing low interest rates environment. It is worth highlight, "Customers deposits" particularly time deposits and "Debt certificates".

Income from equity instruments

	Millions of Euros	
Dividend Income	**March 2015**	**March 2014**
Dividends from:		
Financial assets held for trading	27	14
Available-for-sale financial assets	14	14
Total	**42**	**29**

Share of profit or loss of entities accounted for using the equity method

"Investments in Entities Accounted for Using the Equity Method" amounted to €88 million for the three months ended March 31, 2015 compared with the €55 million recorded for the three months ended March 31, 2014 mainly as a result of the increase in the contribution from Garanti Group.

Commissions

	Millions of Euros	
Fee and Commission Income	**March 2015**	**March 2014**
Commitment fees	44	47
Contingent risks	78	74
Letters of credit	10	11
Bank and other guarantees	68	63
Arising from exchange of foreign currencies and banknotes	1	3
Collection and payment services income	719	671
Bills receivables	18	15
Current accounts	85	82
Credit and debit cards	449	426
Checks	57	48
Transfers and others payment orders	90	75
Rest	20	25
Securities services income	311	279
Securities underwriting	22	20
Securities dealing	48	42
Custody securities	78	75
Investment and pension funds	128	110
Rest assets management	35	32
Counseling on and management of one-off transactions	4	3
Financial and similar counseling services	29	19
Factoring transactions	7	9
Non-banking financial products sales	33	25
Other fees and commissions	133	119
Total	**1,359**	**1,249**

	Millions of Euros	
Fee and Commission Expenses	**March 2015**	**March 2014**
Fees and commissions assigned to third parties	248	229
Credit and debit cards	202	194
Transfers and others payment orders	19	14
Securities dealing	1	1
Rest	26	20
Other fees and commissions	84	77
Total	**332**	**306**

Net gains (losses) on financial assets and liabilities (net)

	Millions of Euros	
Gains (Losses) on Financial Assets and Liabilities Breakdown by Heading of the Balance Sheet	**March 2015**	**March 2014**
Financial assets held for trading	88	220
Other financial assets designated at fair value through profit or loss	10	7
Other financial instruments not designated at fair value through profit or loss	343	339
Available-for-sale financial assets	335	368
Loans and receivables	12	4
Other	(3)	(32)
Total	**443**	**567**

	Millions of Euros	
Gains (Losses) on Financial Assets and Liabilities Breakdown by Nature of the Financial Instrument	**March 2015**	**March 2014**
Debt instruments	203	457
Equity instruments	514	219
Loans and advances to customers	16	4
Derivatives	(296)	(118)
Customer deposits	(2)	(1)
Rest	9	5
Total	**443**	**567**

Exchange differences (net)

The balance of the heading "Exchange differences (net)" stood at €347 million in the first quarter of 2015, compared with €166 million in the first quarter of 2014 mainly due to long positions in U.S. dollars and Mexican pesos held in Group subsidiaries.

Other operating income and expenses

	Millions of Euros	
Other Operating Income	**March 2015**	**March 2014**
Income on insurance and reinsurance contracts	951	973
Financial income from non-financial services	156	117
Of Which: Real estate companies	109	73
Rest of other operating income	80	60
Of Which: from rented buildings	16	17
Total	**1,188**	**1,150**

	Millions of Euros	
Other Operating Expenses	**March 2015**	**March 2014**
Expenses on insurance and reinsurance contracts	700	769
Change in inventories	119	91
Of Which: Real estate companies	104	76
Rest of other operating expenses	299	382
Total	**1,119**	**1,242**

Administration costs

Personnel expenses

	Millions of Euros	
Personnel Expenses	**March 2015**	**March 2014**
Wages and salaries	1,072	1,003
Social security costs	172	172
Defined contribution plan expense	22	24
Defined benefit plan expense	20	19
Other personnel expenses	118	111
Total	**1,405**	**1,329**

General and administrative expenses

	Millions of Euros	
General and Administrative Expenses	**March 2015**	**March 2014**
Technology and systems	139	168
Communications	60	64
Advertising	46	66
Property, fixtures and materials	226	218
Of which: Rent expenses (*)	121	113
Taxes other than income tax	106	92
Other expenses	403	315
Total	**980**	**923**

(*) The consolidated companies do not expect to terminate the lease contracts early.

Depreciation and amortization

	Millions of Euros	
Depreciation and Amortization	**March 2015**	**March 2014**
Tangible assets	142	139
For own use	137	134
Investment properties	5	5
Assets leased out under financial lease	-	-
Other Intangible assets	141	132
Total	**282**	**271**

Provisions (net)

Provisions (Net)	March 2015	March 2014
	Millions of Euros	
Provisions for pensions and similar obligations	152	92
Provisions for contingent risks and commitments	3	6
Provisions for taxes and other legal contingencies	10	5
Other Provisions	64	37
Total	**228**	**140**

The balance of the heading “Provisions (net)” increases mainly as a result of higher provisions for the costs related to the transformation process undertaken by the Group.

Impairment losses on financial assets (net)

Impairment Losses on Financial Assets (Net)	March 2015	March 2014
	Millions of Euros	
Available-for-sale financial assets	-	15
Debt securities	-	8
Other equity instruments	-	7
Loans and receivables	1,086	1,063
Of which:		
Recovery of written-off assets	108	76
Total	**1,086**	**1,078**

Impairment losses on other assets (net)

Impairment Losses on Other Assets (Net)	March 2015	March 2014
	Millions of Euros	
Goodwill and investment in entities	-	-
Other intangible assets	3	-
Tangible assets	7	22
For own use	7	6
Investment properties	-	16
Inventories	40	28
Rest	2	(3)
Total	**52**	**48**

Gains (losses) on derecognized assets not classified as non-current assets held for sale

	Millions of Euros	
Gains and Losses on Derecognized Assets Not Classified as Non-current Assets Held for Sale	**March 2015**	**March 2014**
Gains		
Disposal of investments in subsidiaries	-	16
Disposal of tangible assets and other	40	8
Losses:		
Disposal of investments in subsidiaries	(2)	-
Disposal of tangible assets and other	(7)	(9)
Total	**30**	**15**

The balance of this heading includes the gains of €31 million from the sale of premises in Mexico.

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Gains (losses) on non-current assets held for sale

	Millions of Euros	
Gains (Losses) in Non-current Assets Held for Sale not classified as discontinued operations	**March 2015**	**March 2014**
Gains (losses) on sale of real estate	59	(8)
Impairment of non-current assets held for sale	(103)	(128)
Impairment and gains (losses) on sale of investments classified as assets held for sale	-	(4)
Gains (losses) on sale of equity instruments classified as assets held for sale	738	-
Gains (losses) on sale of equity instruments classified as assets held for sale	**693**	**(140)**

The balance of this heading includes the gains from the sale of its 5.6% stake in CNCB (See Note 3).

10. Subsequent events

From April 1, 2015 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 significantly affect the Group's earnings or its equity position.