BBVA Group

Condensed Interim Consolidated Financial Statements, Management Report and Auditors' Report Corresponding to the Nine Months Period ended September 30, 2015

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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 Group ("the Group"), which comprise the condensed interim consolidated balance sheet as at 30 September 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 nine-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 nine-month period ended 30 September 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.

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 "January – September 2015") for the nine-month period ended 30 September 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 nine-month period ended 30 September 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 Manuel Domínguez

November 5, 2015

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE ACCOMPANYING CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

BBVA Group

Condensed Interim Consolidated balance sheets as of September 30, 2015 and December 31, 2014.

	Millions of Euros	
ASSETS	**September 2015**	**December 2014 (*)**
CASH AND BALANCES WITH CENTRAL BANKS	36,128	31,430
FINANCIAL ASSETS HELD FOR TRADING	83,662	83,258
OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	4,968	2,761
AVAILABLE-FOR-SALE FINANCIAL ASSETS	117,567	94,875
LOANS AND RECEIVABLES	451,658	372,375
HELD-TO-MATURITY INVESTMENTS	-	-
HEDGES OF INTEREST RATE RISK	65	121
HEDGING DERIVATIVES	3,733	2,551
NON-CURRENT ASSETS HELD FOR SALE	3,187	3,793
EQUITY METHOD	779	4,509
INSURANCE CONTRACTS LINKED TO PENSIONS	-	-
REINSURANCE ASSETS	537	559
TANGIBLE ASSETS	9,349	7,820
INTANGIBLE ASSETS	9,797	7,371
TAX ASSETS	17,019	12,426
OTHER ASSETS	8,029	8,094
TOTAL ASSETS	**746,477**	**631,942**

	Millions of Euros	
LIABILITIES AND EQUITY	**September 2015**	**December 2014 (*)**
FINANCIAL LIABILITIES HELD FOR TRADING	58,352	56,798
OTHER FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	4,767	2,724
FINANCIAL LIABILITIES AT AMORTIZED COST	598,206	491,899
HEDGES OF INTEREST RATE RISK	397	-
HEDGING DERIVATIVES	2,822	2,331
SALE	-	-
LIABILITIES UNDER INSURANCE CONTRACTS	10,192	10,460
PROVISIONS	8,558	7,444
TAX LIABILITIES	4,311	4,157
OTHER LIABILITIES	5,271	4,519
TOTAL LIABILITIES	**692,876**	**580,333**
STOCKHOLDERS' FUNDS	49,832	49,446
Common Stock	3,090	3,024
Share premium	23,992	23,992
Reserves	22,552	20,936
Other equity instruments	31	67
Less: Treasury stock	(294)	(350)
Income attributed to the parent company	1,702	2,618
Less: Dividends and remuneration	(1,240)	(841)
VALUATION ADJUSTMENTS	(3,560)	(348)
NON-CONTROLLING INTEREST	7,329	2,511
TOTAL EQUITY	**53,601**	**51,609**
TOTAL LIABILITIES AND EQUITY	**746,477**	**631,942**

MEMORANDUM ITEM		
CONTINGENT RISKS	48,545	33,741
CONTINGENT COMMITMENTS	134,189	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 September 30, 2015.

BBVA Group

Condensed Interim Consolidated income statements for the nine months ended September 30, 2015 and 2014

Millions of Euros	September 2015	September 2014 (*)
INTEREST AND SIMILAR INCOME	17,724	16,712
INTEREST AND SIMILAR EXPENSES	(6,124)	(6,355)
NET INTEREST INCOME	**11,600**	**10,358**
DIVIDEND INCOME	288	412
SHARE OF PROFIT OR LOSS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	192	265
FEE AND COMMISSION INCOME	4,572	4,024
FEE AND COMMISSION EXPENSES	(1,225)	(968)
NET GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES	730	1,167
EXCHANGE DIFFERENCES (NET)	850	431
OTHER OPERATING INCOME	3,520	3,325
OTHER OPERATING EXPENSES	(3,316)	(3,872)
GROSS INCOME	**17,211**	**15,141**
ADMINISTRATION COSTS	(7,880)	(6,925)
DEPRECIATION AND AMORTIZATION	(932)	(834)
PROVISIONS (NET)	(574)	(638)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)	(3,214)	(3,218)
NET OPERATING INCOME	**4,610**	**3,526**
IMPAIRMENT LOSSES ON OTHER ASSETS (NET)	(206)	(152)
GAINS (LOSSES) ON DERECOGNIZED ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	(2,146)	14
NEGATIVE GOODWILL	22	-
GAINS (LOSSES) IN NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCONTINUED OPERATIONS	775	(365)
OPERATING PROFIT BEFORE TAX	**3,055**	**3,023**
INCOME TAX	(941)	(746)
PROFIT FROM CONTINUING OPERATIONS	**2,113**	**2,277**
PROFIT FROM DISCONTINUED OPERATIONS (NET)	-	-
PROFIT	**2,113**	**2,277**
Profit attributable to parent company	1,702	1,929
Profit attributable to non-controlling interests	411	348

	September 2015	September 2014 (*)
Basic earnings per share	0.25	0.30
Diluted earnings per share	0.25	0.30

(*) 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 nine months ended September 30, 2015.

Condensed Interim Consolidated statements of recognized income and expenses for the nine months ended September 30, 2015 and 2014

	Millions of Euros	
	September 2015	September 2014 (*)
PROFIT RECOGNIZED IN INCOME STATEMENT	**2,113**	**2,277**
OTHER RECOGNIZED INCOME (EXPENSES)	**(4,900)**	**3,485**
STATEMENT	**33**	**(19)**
Actuarial gains and losses from defined benefit pension plans	35	(28)
Non-current assets available for sale	-	-
Entities under the equity method of accounting	8	-
Income tax related to items not subject to reclassification to income statement	(10)	9
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMEN	**(4,933)**	**3,504**
Available-for-sale financial assets	**(3,230)**	**3,254**
Valuation gains/(losses)	(2,010)	3,486
Amounts reclassified to income statement	(1,320)	(232)
Reclassifications (other)	100	-
Cash flow hedging	**(24)**	**(98)**
Valuation gains/(losses)	(8)	(98)
Amounts reclassified to income statement	(2)	-
Amounts reclassified to the initial carrying amount of the hedged items	-	-
Reclassifications (other)	(14)	-
Hedging of net investment in foreign transactions	**172**	**(520)**
Valuation gains/(losses)	172	(520)
Amounts reclassified to income statement	-	-
Reclassifications (other)	-	-
Exchange differences	**(3,528)**	**667**
Valuation gains/(losses)	(3,797)	668
Amounts reclassified to income statement	269	(1)
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	**782**	**205**
Valuation gains/(losses)	(311)	204
Amounts reclassified to income statement	1,093	1
Reclassifications (other)	-	-
Rest of recognized income and expenses	**-**	**-**
Income tax	**895**	**(805)**
TOTAL RECOGNIZED INCOME/EXPENSES	**(2,787)**	**4,957**
Attributable to the parent company	(1,509)	4,882
Attributable to non-controlling interest	(1,278)	75

(*) 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 nine months ended September 30, 2015.

Condensed Interim Consolidated statements of changes in equity for the nine months ended September 30, 2015 and 2014

Millions of Euros

SEPTEMBER 2015	Total Equity Attributed to the Parent Company											Non-controlling Interests	Total Equity
	Stockholders' Funds									Valuation Adjustments	Total		
	Common Stock	Share Premium	Reserves		Other Equity Instruments	Less: Treasury Stock	Profit for the Year Attributed to Parent Company	Less: Dividends and Remunerations	Total Stockholders' Funds				
			Reserves (Accumulated Losses)	Reserves (Losses) from Entities Accounted for Using the Equity Method									
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	-	-	-	-	-	-	**1,702**	-	**1,702**	**(3,211)**	**(1,509)**	**(1,278)**	**(2,787)**
Other changes in equity	**66**	**-**	**2,359**	**(744)**	**(36)**	**56**	**(2,618)**	**(399)**	**(1,316)**	**(1)**	**(1,317)**	**6,096**	**4,779**
Common stock increase	66	-	(66)	-	-	-	-	-	-	-	-	-	-
Common stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase of other equity instruments	-	-	-	-	12	-	-	-	12	-	12	-	12
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	83	(83)	-	-	-	(1,163)	(1,163)	-	(1,163)	(150)	(1,313)
Transactions including treasury stock and other equity instruments (net)	-	-	3	-	-	56	-	-	59	-	59	-	59
Transfers between total equity entries	-	-	2,438	(661)	-	-	(2,618)	841	-	-	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	13	-	(48)	-	-	-	(35)	-	(35)	-	(35)
Rest of increases/reductions in total equity	-	-	(112)	-	-	-	-	(77)	(189)	(1)	(190)	6,246	6,056
Balances as of September 30, 2015	**3,090**	**23,992**	**22,663**	**(111)**	**31**	**(294)**	**1,702**	**(1,240)**	**49,832**	**(3,560)**	**46,272**	**7,329**	**53,601**
	-	-	-	-	-	-	-	-	-	-	-	-	-

Millions of Euros

SEPTEMBER 2014	Total Equity Attributed to the Parent Company											Non-controlling Interests	Total Equity (*)
	Stockholders' Funds									Valuation Adjustments	Total		
	Common Stock	Share Premium	Reserves		Other Equity Instruments	Less: Treasury Stock	Profit for the Year Attributed to Parent Company	Less: Dividends and Remunerations	Total Stockholders' Funds				
			Reserves (Accumulated Losses)	Reserves (Losses) from Entities Accounted for Using the Equity Method									
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	-	-	-	-	-	-	**1,929**	-	**1,929**	**2,953**	**4,882**	**75**	**4,957**
Other changes in equity	**50**	**-**	**1,018**	**195**	**(3)**	**(30)**	**(2,083)**	**(371)**	**(1,224)**	-	**(1,224)**	**(193)**	**(1,417)**
Common stock increase	50	-	(50)	-	-	-	-	-	-	-	-	-	-
Common stock reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase of other equity instruments	-	-	-	-	34	-	-	-	34	-	34	-	34
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	86	(86)	-	-	-	(1,031)	(1,031)	-	(1,031)	(235)	(1,266)
Transactions including treasury stock and other equity instruments (net)	-	-	9	-	-	(30)	-	-	(21)	-	(21)	-	(21)
Transfers between total equity entries	-	-	1,038	280	-	-	(2,083)	765	-	-	-	-	-
Increase/Reduction due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments with equity instruments	-	-	7	-	(37)	-	-	-	(30)	-	(30)	-	(30)
Rest of increases/reductions in total equity	-	-	(72)	1	-	-	-	(105)	(176)	-	(176)	42	(134)
Balances as of September 30, 2014	**2,885**	**22,111**	**20,335**	**645**	**56**	**(96)**	**1,930**	**(1,136)**	**46,730**	**(878)**	**45,852**	**2,253**	**48,105**

(*)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 nine months ended September 30, 2015.

BBVA Group

Condensed Interim Consolidated statements of cash flows for the nine months ended September 30, 2015 and 2014

	Millions of Euros	
	September 2015	September 2014 (*)
CASH FLOW FROM OPERATING ACTIVITIES (1)	**12,173**	**(12,333)**
Profit for the year	**2,113**	**2,277**
Adjustments to obtain the cash flow from operating activities:	**14,582**	**5,367**
Depreciation and amortization	932	834
Other adjustments	13,650	4,533
Net increase/decrease in operating assets	**(3,581)**	**(19,231)**
Financial assets held for trading	(130)	(1,844)
Other financial assets/liabilities designated at fair value through profit or loss	(110)	(12)
Available-for-sale financial assets	(2,452)	(13,247)
Loans and receivables / Financial liabilities at amortized cost	(79)	(4,983)
Other operating assets/liabilities	(810)	855
Collection/Payments for income tax	**(941)**	**(746)**
CASH FLOWS FROM INVESTING ACTIVITIES (2)	**(3,223)**	**(896)**
Tangible assets	(788)	(947)
Intangible assets	(404)	(249)
Investments	797	16
Subsidiaries and other business units	(3,159)	(98)
Non-current assets held for sale and associated liabilities	248	296
Held-to-maturity investments	-	-
Other settlements/collections related to investing activities	83	86
CASH FLOWS FROM FINANCING ACTIVITIES (3)	**997**	**1,709**
Dividends	(286)	(703)
Subordinated liabilities	1,364	2,591
Common stock amortization/increase	-	-
Treasury stock acquisition/disposal	57	36
Other items relating to financing activities	(138)	(215)
EFFECT OF EXCHANGE RATE CHANGES (4)	**(5,255)**	**(2,473)**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (1+2+3+4)	**4,692**	**(13,993)**
CASH OR CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**31,430**	**34,887**
CASH OR CASH EQUIVALENTS AT END OF THE YEAR	**36,122**	**20,894**

	Millions of Euros	
COMPONENTS OF CASH AND EQUIVALENT AT END OF THE YEAR	**September 2015**	**September 2014 (*)**
Cash	5,781	4,600
Balance of cash equivalent in central banks	30,341	16,294
Other financial assets	-	-
Less: Bank overdraft refundable on demand	-	-
TOTAL CASH OR CASH EQUIVALENTS AT END OF THE YEAR	**36,122**	**20,894**

(*)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 nine months ended September 30, 2015.

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BBVA Group

Notes to the condensed interim consolidated financial statements as of and for the period ended September 30, 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 October 29, 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 and the Interim consolidated financial statements corresponding to the six months ended June 30, 2015. The consolidated financial statements of the Group for the year ended December 31, 2014 and the Interim consolidated financial statements corresponding to the six months ended June 30, 2015 were presented in accordance with the International Financial Reporting Standards endorsed by the European Union (hereinafter, "EU-IFRS") applicable as of December 31, 2014 and as of June 30, 2015, 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 and the Interim consolidated financial statements corresponding to the six months ended June 30, 2015, taking into account the standards and interpretations issued during the nine months ended September30, 2015, so that they presented fairly the Group's consolidated equity and financial position of the Group as of September 30, 2015, together with the consolidated results of its operations and the consolidated cash flows generated in the Group during the nine months ended September 30, 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.

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 September 30, 2014 is presented exclusively for the purpose of comparison with the information for September 30, 2015.

In 2015, the BBVA Group business segments were 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 September 30, 2014 has been restated in order to make them comparable, as required by IFRS 8 "Operating 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 6, 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 and price allocation of business combinations.
- The fair value of certain unlisted financial assets and liabilities.
- The recoverability of deferred tax assets.

Although these estimates were made on the basis of the best information available as of September 30, 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 nine months ended September 30, 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

The most recent available information related to these transactions is presented in Note 52 of the Interim consolidated financial statements of the Group for the six months ended June 30, 2015.

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.

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 Interim consolidated financial statements of the Group for the six months ended June 30, 2015.

Recent IFRS pronouncements

Changes introduced in the first nine months of 2015

The following modifications to the IFRS standards or their interpretations (hereinafter "IFRIC") came into force after January 1, 2015. They have not had a material impact on the BBVA Group's interim consolidated financial statements corresponding to the period ended September 30, 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 September 30, 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 September 30, 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 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.

Amended IFRS 7 - "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, 2018, 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.

Amended IAS 27 – "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.

Amended IFRS 10 – "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, 2018, 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 Interim consolidated financial statements of the Group for the six months year ended June 30, 2015 show relevant information as of June 30 , 2015 related to the main subsidiaries and structured entities and joint ventures and associates accounted for using the equity method. Appendix III of the Interim consolidated financial statements of the Group for the six months year ended June 30, 2015 show the main changes and notification of investments and divestments in the BBVA Group in the six months year ended June 30, 2015. Appendix IV of the Interim consolidated financial statements of the Group for the six months year ended June 30, 2015, show fully consolidated subsidiaries with more than 10% owned by non-Group shareholders as of June 30, 2015. During the nine months ended September 30, 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).

Changes in the Group in 2015

Investments

Acquisition of an additional 14.9% of Garanti

On November 19, 2014, the Group signed a new agreement with Dogus Holding AS, Ferit Faik Sahenk, Dianne Sahenk and Defne Sahenk (hereinafter "Dogus") to, among other terms, the acquisition of 62,538,000,000 shares of Garanti (equivalent to 14.89% of the capital of this entity) for a maximum total consideration of 8.90 Turkish lira per batch (Garanti traded in batches of 100 shares each).

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

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

The total price effectively paid by BBVA amounts to 8.765 TL per batch (amounting to approximately TL 5,481 million and €1,854 million applying a 2,9571 TL/EUR exchange rate).

In accordance with the NIIF-UE accounting rules, and as a consequence of the agreements reached, the BBVA Group shall, at the date of effective control, measure at fair value its previously acquired stake of 25.01% in Garanti (classified as a joint venture accounted for using the equity method) and shall fully consolidate Garanti in the consolidated financial statements of the BBVA Group, beginning on the above-mentioned effective control date.

Measuring the above-mentioned stake in Garanti Bank at fair value will result in a negative impact in the Profit attributable to parent company of the BBVA Group in the nine months ended September 30, 2015 amounting to €1,840 million. Such accounting impact does not translate into any additional cash outflow from BBVA. Most of this impact is generated by the exchange rate differences due to the depreciation of the TL against Euro since the initial acquisition by BBVA of the 25.01% stake in Garanti Bank up to the date of effective control. As of June 30, 2015, these exchange rate differences are already registered as Other Comprehensive Income deducting the stock shareholder's equity of the BBVA Group.

As of September 30, 2015, Garanti Group has total assets of approximately €88,000 million, of which approximately €52,000 million are loans to customers, and a volume of customer deposits of approximately €73,000 million.

The amount that Garanti would have contributed to the profit attributable to parent company had that business combination been performed at the start of 2015 would be €355 million.

As of the date of preparation of these consolidated financial statements, the calculation for determining the final amount of the goodwill in accordance with IFRS 3 has not yet been completed. As of September 30, 2015, according to the acquisition method, the comparison between the fair values assigned to the assets acquired and the liabilities assumed from Garanti, and the cash payment made by the Group in consideration of the transaction generated a difference of €678 million, which is registered under the heading "Goodwill and other intangible assets" in the accompanying consolidated balance sheets.

Acquisition of Catalunya Banc

On July 21, 2014, the Management Commission of the Banking Restructuring Fund (known as "FROB") accepted BBVA´s bid in the competitive auction for the acquisition of Catalunya Banc, S.A. ("Catalunya Banc").

On April 24, 2015, once the necessary authorizations have been obtained and all the agreed conditions precedent have been fulfilled, BBVA announced that it acquired 1,947,166,809 shares of Catalunya Banc, S.A. (approximately 98.4% of its share capital) for a price of approximately €1,165 million.

As of September 30, 2015, Catalunya Banc has total assets of approximately €44,000 million, of which approximately €19,500 million are loans to customers, and a volume of customer deposits of approximately €38,000 million.

The amount that Catalunya Banc would have contributed to the consolidated Group had that business combination been performed at the start of 2015 is not material.

As of September 30, 2015, according to the purchase method, the comparison between the fair values assigned to the assets acquired and the liabilities assumed from Catalunya Banc, and the cash payment made to the FROB in consideration of the transaction generated a difference of €22 million, which is registered under the heading "Negative Goodwill in business combinations" in the accompanying consolidated income statement. As of the date of preparation of these consolidated financial statements, the calculation for determining the final amount of this negative consolidation difference in accordance with IFRS 3 has not yet been completed.

Divestitures

Partial sale of China CITIC Bank Corporation Limited (CNCB)

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

The selling price to UBS is HK$ 5.73 per share, amounting to a total of HK$ 13,136 million, equivalent to approximately €1,555 million.

In addition to the above mentioned 4.9%, during the six month ended June 30, 2015 various sales were made in the market to total a 6.434% participation sale. The impact of these sales on the consolidated financial statements of the BBVA Group was a gain net of taxes of approximately €705 million. This gain gross of taxes was recognized under "Gains (losses) in non-current assets available for sale" in the accompanying consolidated income statement for the nine months ended September 30, 2015 (see Note 9).

As of September 30, 2015, BBVA hold a 3.26% interest in CNCB, this participation is recognized under the heading "Available for sale financial assets".

Sale of Citic International Financial Holdings (CIFH)

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

On August 27, 2015 BBVA completed the sale of its participation. The impact on the consolidated financial statements of the BBVA Group is not significant.

4. Shareholder remuneration system

On March 25, 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 ordinary shares of BBVA (see Note 25). 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; said shareholders were paid in cash at a gross fixed price of €0.13 per right, registered in "Total Equity- Dividends and remuneration" of the consolidated balance sheet as of September 30, 2015

On September 30, 2015, the Executive Committee approved the execution of the second 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 €30,106,631.94 (61,442,106 shares at a €0.49 par value each). 89.65% of shareholders opted to receive their remuneration in the form of shares. The other 10.35% of the right owners opted to sell the rights assigned to them to BBVA, and as a result, BBVA acquired 652,564,118 rights for a total amount of €52,205,129.44, said shareholders were paid in cash at a gross fixed price of €0.08 per right.

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%, 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 39.9% stake in the Turkish bank Garanti as of September 30, 2015 and the 25.01% stake as of 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 September 30, 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 September 30, 2015 is that of SIMADI (see Notes 8 and 9).

The breakdown of the BBVA Group's total assets by operating segments as of September 30, 2015 and December 31, 2014, is as follows:

	Millions of Euros	
Total Assets by Operating Segments	**September 2015**	**December 2014 (*)**
Banking Activity in Spain	343,741	318,446
Real Estate Activity in Spain	17,260	17,365
Turkey (1)	87,365	22,342
Rest of Eurasia	20,312	22,325
Mexico	99,066	93,731
South America	69,863	84,364
United States	83,447	69,261
Subtotal Assets by Operating Segments	721,055	627,834
Corporate Center and other adjustments (2)	25,422	4,108
Total Assets BBVA Group	**746,477**	**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 until July 2015, since then, as a consequence of the acquisition of an additional 14.89% of Garanti, it is fully consolidated in the financial statements of the BBVA Group.

(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 until the effective date of the acquisition of the additional 14.89%, 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 September 30, 2015 (see Note 1).

The profit and main earning figures in the consolidated income statements for the nine months ended September 30, 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**	**Rest of Eurasia**	**Mexico**	**South America**	**United States**	**Corporate Center**	**Adjusments (2)**
September 2015										
Net interest income	11,600	3,000	26	1,320	130	4,033	2,483	1,342	(324)	(411)
Gross income	17,211	5,386	(22)	1,371	359	5,253	3,405	1,979	(198)	(323)
Net operating income (1)	8,399	3,010	(122)	685	107	3,302	1,889	645	(1,007)	(111)
Operating profit /(loss) before tax	3,055	1,565	(596)	460	101	2,004	1,375	556	(1,130)	(1,280)
Profit	**1,702**	**1,101**	**(407)**	**249**	**66**	**1,513**	**693**	**410**	**(1,924)**	**-**
September 2014 (*)										
Net interest income	10,358	2,834	(30)	510	145	3,587	3,264	1,054	(497)	(510)
Gross income	15,141	4,879	(154)	687	602	4,781	3,716	1,565	(484)	(451)
Net operating income (1)	7,382	2,741	(270)	399	349	3,009	2,083	471	(1,236)	(164)
Operating profit /(loss) before tax	3,023	1,182	(950)	297	291	1,777	1,473	397	(1,381)	(62)
Profit	**1,929**	**834**	**(636)**	**235**	**236**	**1,349**	**754**	**302**	**(1,144)**	**-**

(1) Gross Income less Administrative Cost and Amortization

(2) Includes adjustments due to Garanti Group accounted for using the equity method until the effective date of the acquisition of the additional 14.89%, instead of using management criteria as referenced earlier.

(*) The figures corresponding to September 30, 2014 have been restated under 2015 operating segment reporting structure for the purpose of comparison with the information for September 30, 2015 (see Note 1).

6. Risk management

The principles and risk management policies, as well as tools and procedures established and implemented in the Group as of September 30, 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 September 30, 2015 and as of December 31, 2014. Balances are presented gross and excluding impairment losses, detailed in Note 8. The variation is mainly as a result of the acquisition of Catalunya Banc (second quarter) and the full consolidation of Garanti since the date of effective control (third quarter):

	Millions of euros	
Maximum Credit Risk Exposure	**September 2015**	**December 2014**
Financial assets held for trading	**39,077**	**39,028**
Debt securities	34,540	33,883
Equity instruments	4,427	5,017
Customer lending	110	128
Other financial assets designated at fair value through profit or loss	**4,968**	**2,761**
Loans and advances to credit institutions	58	-
Debt securities	797	737
Equity instruments	4,113	2,024
Available-for-sale financial assets	**117,770**	**95,049**
Debt securities	112,638	87,679
Government	83,094	63,764
Credit institutions	8,287	7,377
Other sectors	21,256	16,538
Equity instruments	5,132	7,370
Loans and receivables	**470,553**	**386,653**
Loans and advances to credit institutions	33,089	27,089
Loans and advances to customers	426,295	352,900
Of which:		
Mortgage loans	144,314	124,097
Secured loans, except mortgage	55,626	28,419
Debt securities	11,169	6,664
Derivatives (trading and hedging)	**47,220**	**47,248**
Total Financial Assets Risk	**679,588**	**570,739**
Total Contingent Risks and Commitments	**182,734**	**139,993**
Total Maximum Credit Exposure	**862,322**	**710,732**

The table below shows the composition of the impaired financial assets and risks as of September 30, 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 September 2015	Millions of euros December 2014
Asset Instruments Impaired		
Available-for-sale financial assets	87	91
Debt securities	87	91
Loans and receivables	25,773	22,730
Loans and advances to credit institutions	22	23
Loans and advances to customers	25,747	22,703
Debt securities	4	4
Total Asset Instruments Impaired	**25,860**	**22,821**
Contingent Risks Impaired	**647**	**413**
Total impaired risks	**26,507**	**23,234**

Below is presented the change in the impaired financial assets in the period of nine months ended September 30, 2015 and the year ended December 31, 2014:

Changes in Impaired Financial Assets and Contingent Risks	Millions of Euros September 2015	Millions of Euros December 2014
Balance at the beginning	**23,234**	**25,978**
Additions	6,284	8,874
Decreases (1)	(4,917)	(7,172)
Net additions	**1,367**	**1,702**
Amounts written-off	(3,702)	(4,720)
Exchange differences and other (*)	5,608	274
Balance at the end	**26,507**	**23,234**

(1) Reflects the total amount of impaired loans derecognized from the balance sheet throughout the period as a result of mortgage foreclosures and real estate assets received in lieu of payment as well as monetary recoveries

(*) Includes the balance of the Catalunya Banc integration in April 2015 which amounted to €3,969 million and Garanti integration in July 2015 which amounted to €1,845 million.

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 September 30, 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	**September 2015**	**December 2014**
Available-for-sale portfolio	**204**	**174**
Loans and receivables	**18,895**	**14,278**
Loans and advances to customers	18,841	14,244
Loans and advances to credit institutions	46	29
Debt securities	8	4
Impairment losses	**19,099**	**14,452**
Provisions to Contingent Risks and Commitments	**681**	**381**
Total	**19,780**	**14,833**
Of which:		
For impaired portfolio	(13,400)	(10,825)
For currently non-impaired portfolio	(6,380)	(4,008)

Below are the changes in the period of nine months ended September 30, 2015 and the year ended December 31, 2014, in the estimated impairment losses:

	Millions of Euros	
Changes in the Impaired financial assets	**September 2015**	**December 2014**
Balance at the beginning	**14,833**	**15,538**
Increase in impairment losses charged to income	4,632	11,688
Decrease in impairment losses charged to income	(1,068)	(6,891)
Transfer to written-off loans, exchange differences and other	1,383	(5,502)
Balance at the end	**19,780**	**14,833**

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 nine months ended September 30, 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. Group Balance sheet

During 2015, it has been registered: the acquisition of Catalunya Banc (second quarter), the full consolidation of Garanti since the date of effective control (third quarter) and the period-end exchange rate depreciation of the main currencies, except for U.S. dollars, against the euro. These effects impact on the period-on-period comparison of all the accounting lines of the Group balance sheet.

Cash and balances with central banks

Millions of Euros

Cash and Balances with Central Banks	September 2015	December 2014
Cash	5,781	6,247
Balances at the Central Banks (*)	30,010	24,974
Reverse repurchase agreements	338	209
Total Assets	**36,128**	**31,430**
Deposits from central banks (*)	24,961	19,419
Repurchase agreements	18,626	8,774
Total Liabilities	**43,587**	**28,193**

(*) Includes accrued interests

Financial assets and liabilities held for trading

Millions of Euros

Financial Assets and Liabilities Held-for-Trading	September 2015	December 2014
Loans and advances to customers	110	128
Debt securities	34,540	33,883
Equity instruments	4,427	5,017
Trading derivatives	44,585	44,229
Total Assets	**83,662**	**83,258**
Trading derivatives	44,854	45,052
Short positions	13,498	11,747
Total Liabilities	**58,352**	**56,798**

Millions of Euros

Debt Securities Held-for-Trading Breakdown by issuer	September 2015	December 2014
Issued by Central Banks	167	193
Spanish government bonds	6,678	6,332
Foreign government bonds	23,563	21,688
Issued by Spanish financial institutions	558	879
Issued by foreign financial institutions	1,282	2,169
Other debt securities	2,292	2,623
Total	**34,540**	**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.	**September 2015**	**December 2014**
Loans and advances to credit institutions	58	-
Debt securities	797	737
Unit-linked products	158	157
Other securities	640	580
Equity instruments	4,113	2,024
Unit-linked products	4,004	1,930
Other securities	109	94
Total Assets	**4,968**	**2,761**
Other financial liabilities	4,767	2,724
Unit-linked products	4,767	2,724
Total Liabilities	**4,767**	**2,724**

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

	Millions of Euros	
Available-for-Sale Financial Assets	**September 2015**	**December 2014**
Debt securities	112,638	87,679
Impairment losses	(73)	(70)
Subtotal	112,565	87,608
Equity instruments	5,132	7,370
Impairment losses	(130)	(103)
Subtotal	5,002	7,267
Total	**117,567**	**94,875**

	Millions of Euros	
Available-for-Sale Financial Assets. Debt securities	**September 2015**	**December 2014**
Debt securities		
Issue by Central Banks	2,677	1,540
Spanish government bonds	41,556	36,167
Foreign government bonds	38,862	26,057
Issue by credit institutions	8,287	7,377
Resident	3,124	3,717
Non-resident	5,163	3,660
Other debt securities	20,463	15,717
Resident	2,276	2,391
Non-resident	18,187	13,325
Total gross	**111,845**	**86,858**
Impairment losses	(73)	(70)
Accruals and adjustments for hedging derivatives	793	820
Total	**112,565**	**87,608**

Loans and receivables

Loans and receivables	Millions of euros September 2015	December 2014
Loans and advances to credit institutions	**33,042**	**27,059**
Loans and advances to customers	**407,454**	**338,657**
Mortgage secured loans	144,314	124,097
Other loans secured with security interest	55,626	28,419
Unsecured loans	133,019	119,002
Credit lines	14,077	12,851
Commercial credit	11,259	10,015
Receivable on demand and other	9,338	7,021
Credit cards	14,622	11,756
Finance leases	8,682	7,095
Reverse repurchase agreements	6,549	6,990
Financial paper	904	873
Impaired assets	25,747	22,703
Total gross	**424,137**	**350,822**
Valuation adjustments	(16,684)	(12,166)
Impairment losses	(18,841)	(14,244)
Accrued interests and fees	988	863
Hedging derivatives and others	1,169	1,215
Debt securities	**11,162**	**6,659**
Total	**451,658**	**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 September 30, 2015 and December 31, 2014 amounted to €31,697 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	**September 2015**	**December 2014**
Business sale - Assets (*)	40	924
Other assets from:		
Property, plants and equipment	295	315
Buildings for own use	260	272
Operating leases	35	43
Investment properties	167	-
Foreclosures and recoveries	3,976	3,330
Foreclosures	3,763	3,144
Recoveries from financial leases	213	186
Accrued amortization (**)	(66)	(74)
Impairment losses	(1,224)	(702)
Impairment losses	**3,187**	**3,793**

(*) As of 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	**September 2015**	**December 2014**
Associates entities	560	417
Joint ventures	219	4,092
Total	**779**	**4,509**

The main change in this heading is mainly as a result of the full consolidation of Garanti since the date of effective control (see Note 3).

Tangible assets

Tangible Assets. Breakdown by Type of Asset Cost Value, Amortizations and impairments	Millions of euros September 2015	 December 2014
Property, plants and equipment		
For own use		
Land and Buildings	4,820	4,168
Work in Progress	1,265	1,085
Furniture, Fixtures and Vehicles	7,226	5,904
Accumulated depreciation	(5,663)	(5,008)
Impairment	(345)	(164)
Subtotal	7,304	5,985
Assets leased out under an operating lease		
Assets leased out under an operating lease	689	674
Accumulated depreciation	(214)	(226)
Impairment	(6)	(6)
Subtotal	469	443
Subtotal	**7,773**	**6,428**
Investment properties		
Building rental	2,206	2,014
Other	429	167
Accumulated depreciation	(160)	(102)
Impairment	(898)	(687)
Subtotal	**1,576**	**1,392**
Total	**9,349**	**7,820**

Intangible assets

Intangible Assets.	Millions of Euros September 2015	 December 2014
Goodwill (*)	6,709	5,697
Other intangible assets	3,088	1,673
Total	**9,797**	**7,371**

The change in the balance of this heading is mainly due to Garanti Group (see Note 3).

Tax assets and liabilities

Tax assets and liabilities	Millions of Euros September 2015	December 2014
Tax assets-	**17,019**	**12,426**
Current	1,654	2,035
Deferred	15,365	10,391
Tax Liabilities-	**4,311**	**4,157**
Current	887	980
Deferred	3,424	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 September 2015	December 2014
Inventories	4,421	4,443
Real estate companies	4,279	4,389
Others	142	54
Transactions in progress	338	230
Accruals	1,049	706
Unaccrued prepaid expenses	705	491
Other prepayments and accrued income	345	215
Other items	2,221	2,715
Total Assets	**8,029**	**8,094**
Transactions in progress	238	77
Accruals	2,836	2,370
Unpaid accrued expenses	2,127	1,772
Other accrued expenses and deferred income	709	598
Other items	2,197	2,072
Total Liabilities	**5,271**	**4,519**

Financial liabilities at amortized cost

Millions of Euros

Financial Liabilities at Amortized Cost	September 2015	December 2014
Deposits from Central Banks	43,587	28,193
Deposits from Credit Institutions	71,567	65,168
Customer deposits	388,856	319,060
Debt certificates	65,860	58,096
Subordinated liabilities	16,140	14,095
Other financial liabilities	12,196	7,288
Total	**598,206**	**491,899**

Deposits from credit institutions

Millions of euros

Deposits from credit institutions	September 2015	December 2014
Reciprocal accounts	143	218
Deposits with agreed maturity	39,789	26,731
Demand deposits	5,114	5,082
Other accounts	156	51
Repurchase agreements	26,185	32,935
Subtotal	71,387	65,017
Accrued interest until expiration	180	151
Total	**71,567**	**65,168**

Customer deposits

Millions of euros

Customer deposits	September 2015	December 2014
Government and other government agencies	24,786	22,121
Of which:		
Repurchase agreements	7,434	3,022
Current accounts	104,986	96,414
Savings accounts	77,379	65,555
Fixed-term deposits	160,338	111,796
Repurchase agreements	19,658	21,595
Other accounts	783	677
Accrued interests	926	901
Total	**388,856**	**319,060**
Of which:		
In Euros	197,638	160,078
In foreign currency	191,218	158,983
Of which:		
Deposits from other creditors without valuation adjustment	388,134	318,387
Accrued interests	721	673

Debt certificates (including bonds)

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

	Millions of Euros	
Debt Certificates	**September 2015**	**December 2014**
Promissory notes and bills		
In euros	137	410
In other currencies	598	660
Subtotal	735	1,070
Bonds and debentures issued		
In euros -		
Non-convertible bonds and debentures	8,822	10,931
Mortgage Covered bonds	27,917	26,119
Hybrid financial instruments	324	234
Securitization bonds realized by the Group	5,845	4,741
Accrued interest and others (*)	1,332	1,865
In foreign currency -		
Non-convertible bonds and debentures	15,082	10,486
Mortgage Covered bonds	148	117
Hybrid financial instruments	2,394	1,945
Securitization bonds realized by the Group	2,996	474
Accrued interest and others (*)	265	114
Subtotal	65,125	57,026
Total	**65,860**	**58,096**

(*) Hedging transactions and issuance expenses

Subordinated liabilities

	Millions of euros	
Subordinated Liabilities	**September 2015**	**December 2014**
Convertible	4,376	2,735
Convertible perpetual securities	4,376	2,735
Convertible subordinated debt	-	-
Non-convertible	11,158	10,871
Preferred Stock	965	1,910
Other subordinated liabilities	10,193	8,961
Subtotal	15,534	13,606
Valuation adjustments and other concepts (*)	605	489
Total	**16,140**	**14,095**

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

Other subordinated liabilities

Other financial liabilities	Millions of Euros September 2015	December 2014
Creditors for other financial liabilities	3,356	1,692
Collection accounts	2,719	2,402
Creditors for other payment obligations	6,121	3,194
Total	**12,196**	**7,288**

Insurance and reinsurance contracts

Liabilities under Insurance Contracts Technical Reserve and Provisions	Millions of Euros September 2015	December 2014
Mathematical reserves	8,876	9,352
Provision for unpaid claims reported	690	578
Provisions for unexpired risks and other provisions	626	529
Total	**10,192**	**10,460**

Provisions

Provisions. Breakdown by concepts	Millions of Euros September 2015	December 2014
Provisions for pensions and similar obligations	5,934	5,970
Provisions for taxes and other legal contingencies	354	262
Provisions for contingent risks and commitments	681	381
Other provisions (*)	1,589	831
Total	**8,558**	**7,444**

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

Post-employment remuneration and others

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 nine months ended September 30, 2015 and 2014 are as follows:

	Millions of Euros	
Consolidated Income Statement Impact	**September 2015**	**September 2014**
Interest and similar expenses (*)	100	145
Personnel expenses	133	120
Defined contribution plan expense	68	71
Defined benefit plan expense	65	49
Provisions (net)	444	453
Total impact on Income Statement: Debit (Credit)	**677**	**718**

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

Common stock

As of September 30, 2015, BBVA's common stock amounted to €3,089,566,625.88 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. As a result of the increase carried out on October 19, 2015, due to the execution of the first of the capital increase described in Note 4, BBVA's share capital amounted to €3,119,673,257.82 divided into 6,366,680,118 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	
	September 2015	**December 2014 (*)**
Reserves	**22,552**	**20,936**
Accumulated reserves (losses)	22,663	20,304
Reserves (losses) of entities accounted for using the equity method	(111)	633

Valuation adjustments

Valuation Adjustments	Millions of Euros September 2015	December 2014
Available-for-sale financial assets	1,732	3,816
Cash flow hedging	(58)	(46)
Hedging of net investments in foreign transactions	(201)	(373)
Exchange differences	(4,266)	(2,173)
Non-current assets held for sale	-	-
Entities accounted for using the equity method	(9)	(796)
Other valuation adjustments (Remeasurements)	(757)	(776)
Total	**(3,560)**	**(348)**

In the three months ended March 31, 2015 under the heading "Valuation adjustments - Exchange differences" the first application of the SIMADI as Venezuelan bolivar fuerte (see Note 5) was recognized with an impact of approximately €1,630 million. The exchange rate of the SIMADI as of September 30, 2015 applied in the conversion of financial statements is 223.4 Venezuelan bolivar fuerte per euro.

Non-controlling interests

Non-Controlling Interest	Millions of euros September 2015	December 2014
BBVA Colombia Group	55	59
BBVA Chile Group	296	347
BBVA Banco Continental Group	885	839
BBVA Banco Provincial Group (*)	131	958
BBVA Banco Francés Group	273	230
Garanti Group	5,594	-
Other companies	95	79
Total	**7,329**	**2,511**

(*) Decrease due to the application of SIMADI.

Profit attributable to Non-Controlling Interests	Millions of Euros September 2015	September 2014
BBVA Colombia Group	8	8
BBVA Chile Group	33	51
BBVA Banco Continental Group	158	138
BBVA Banco Provincial Group (*)	3	99
BBVA Banco Francés Group	58	45
Garanti Group	125	-
Other companies	26	6
Total	**411**	**348**

(*) Decrease due to the application of SIMADI.

Contingent risks and commitments

	Millions of euros	
Contingent Risks and Commitments	**September 2015**	**December 2014**
Contingent Risks		
Collateral, bank guarantees and indemnities	41,843	28,297
Rediscounts, endorsements and acceptances	601	47
Letter of credit and others	6,100	5,397
Total Contingent Risks	**48,545**	**33,741**
Contingent Commitments		
Balances drawable by third parties:	119,284	96,714
Credit institutions	937	1,057
Government and other government agencies	2,094	1,359
Other resident sectors	28,167	21,785
Non-resident sector	88,086	72,514
Other contingent liabilities	14,905	9,537
Total Contingent Commitments	**134,189**	**106,252**
Total contingent risks and contingent commitments	**182,734**	**139,993**

Off-balance sheet customer funds

	Millions of Euros	
Off-Balance Sheet Customer Funds by Type	**September 2015**	**December 2014**
Investment companies and mutual funds	56,705	82,587
Pension funds	30,356	26,361
Customer portfolios managed on a discretionary basis	37,278	35,129
Total	**124,339**	**144,077**

9. Group Income statement

During 2015, it has been registered: the acquisition of Catalunya Banc (second quarter), the full consolidation of Garanti since the date of effective control (third quarter) and the average exchange rate depreciation of the main currencies, except for U.S. dollars, against the euro. These effects impact on all the accounting lines of the Group income statement.

Interest income and expense and similar items

Interest and similar income

Interest and Similar Income. Breakdown by Origin.	Millions of Euros September 2015	September 2014
Central Banks	107	97
Loans and advances to credit institutions	176	186
Loans and advances to customers	13,751	12,816
Government and other government agency	429	527
Resident sector	2,541	2,866
Non resident sector	10,782	9,423
Debt securities	2,709	2,594
Held for trading	758	874
Available-for-sale financial assets	1,951	1,720
Adjustments of income as a result of hedging transactions	(255)	(198)
Insurance activity	807	853
Other income	428	365
Total	**17,724**	**16,712**

Interest and similar expense

Interest and Similar Expenses. Breakdown by Origin	Millions of Euros September 2015	September 2014
Bank of Spain and other central banks	91	47
Deposits from credit institutions	803	764
Customers deposits	3,011	3,181
Debt certificates	1,508	1,581
Subordinated liabilities	378	361
Adjustments of expenses as a result of hedging transactions	(666)	(661)
Cost attributable to pension funds	100	145
Insurance activity	581	638
Other charges	317	299
Total	**6,124**	**6,355**

Income from equity instruments

	Millions of Euros	
Dividend Income	**September 2015**	**September 2014**
Dividends from:		
Financial assets held for trading	120	112
Available-for-sale financial assets	168	300
Total	**288**	**412**

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

"Investments in Entities Accounted for Using the Equity Method" amounted to €192 million for the nine months ended September 30, 2015 compared with the €265 million recorded for the nine months ended September 30, 2014 mainly as a result of the full consolidation of Garanti since the date of effective control (previously classified as a joint venture accounted for using the equity method) and the sale of CIFH (see Note 3).

Commissions

	Millions of Euros	
Fee and Commission Income	**September 2015**	**September 2014**
Commitment fees	128	143
Contingent risks	303	220
Letters of credit	36	30
Bank and other guarantees	267	190
Arising from exchange of foreign currencies and banknotes	5	13
Collection and payment services income	2,386	2,240
Bills receivables	62	57
Current accounts	327	234
Credit and debit cards	1,379	1,469
Checks	179	160
Transfers and others payment orders	377	240
Rest	62	80
Securities services income	974	876
Securities underwriting	49	62
Securities dealing	179	141
Custody securities	237	231
Investment and pension funds	419	347
Rest assets management	90	95
Counseling on and management of one-off transactions	34	10
Financial and similar counseling services	69	53
Factoring transactions	22	26
Non-banking financial products sales	190	85
Other fees and commissions	461	358
Total	**4,572**	**4,024**

	Millions of Euros	
Fee and Commission Expenses	**September 2015**	**September 2014**
Brokerage fees on lending and deposit transactions	1	1
Fees and commissions assigned to third parties	880	732
Credit and debit cards	708	623
Transfers and others payment orders	74	45
Securities dealing	4	3
Rest	95	60
Other fees and commissions	344	236
Total	**1,225**	**968**

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	**September 2015**	**September 2014**
Financial assets held for trading	(270)	240
Other financial assets designated at fair value through profit or loss	19	21
Other financial instruments not designated at fair value through profit or loss	980	906
Available-for-sale financial assets	751	914
Loans and receivables	67	19
Other	162	(26)
Total	**730**	**1,167**

	Millions of Euros	
Gains (Losses) on Financial Assets and Liabilities Breakdown by Nature of the Financial Instrument	**September 2015**	**September 2014**
Debt instruments	305	1,182
Equity instruments	(540)	391
Loans and advances to customers	74	21
Derivatives	712	(443)
Customer deposits	158	(3)
Rest	20	19
Total	**730**	**1,167**

Exchange differences (net)

The balance of the heading "Exchange differences (net)" stood at €850 million in the nine months ended September30, 2015, compared with €431 million in the nine months ended September 30, 2014 mainly due to long positions in U.S. dollars held in Group subsidiaries and exchange rate fluctuations, basically in Peru and Colombia.

Other operating income and expenses

Other Operating Income	Millions of Euros September 2015	September 2014
Income on insurance and reinsurance contracts	2,633	2,664
Financial income from non-financial services	591	444
Of Which: Real estate companies	428	305
Rest of other operating income	297	217
Of Which: from rented buildings	65	48
Total	**3,520**	**3,325**

Other Operating Expenses	Millions of Euros September 2015	September 2014
Expenses on insurance and reinsurance contracts	1,880	2,021
Change in inventories	440	348
Of Which: Real estate companies	386	302
Rest of other operating expenses	996	1,503
Total	**3,316**	**3,872**

Administration costs

Personnel expenses

Personnel Expenses	Millions of Euros September 2015	September 2014
Wages and salaries	3,443	3,027
Social security costs	597	511
Defined contribution plan expense	68	71
Defined benefit plan expense	65	49
Other personnel expenses	413	365
Total	**4,586**	**4,023**

General and administrative expenses

General and Administrative Expenses	Millions of Euros September 2015	September 2014
Technology and systems	494	418
Communications	229	202
Advertising	183	151
Property, fixtures and materials	830	665
Of which: Rent expenses (*)	483	343
Taxes other than income tax	325	296
Other expenses	1,233	1,170
Total	**3,294**	**2,902**

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

Depreciation and amortization

	Millions of Euros	
Depreciation and Amortization	**September 2015**	**September 2014**
Tangible assets	434	436
For own use	415	419
Investment properties	19	17
Other Intangible assets	498	398
Total	**932**	**834**

Provisions (net)

	Millions of Euros	
Provisions (Net)	**September 2015**	**September 2014**
Provisions for pensions and similar obligations	444	453
Provisions for contingent risks and commitments	12	4
Provisions for taxes and other legal contingencies	36	23
Other Provisions	82	158
Total	**574**	**638**

Impairment losses on financial assets (net)

	Millions of Euros	
Impairment Losses on Financial Assets (Net)	**September 2015**	**September 2014**
Available-for-sale financial assets	3	24
Debt securities	1	11
Other equity instruments	2	13
Loans and receivables	3,211	3,194
Of which: Recovery of written-off assets	338	273
Total	**3,214**	**3,218**

Impairment losses on other assets (net)

	Millions of Euros	
Impairment Losses on Other Assets (Net)	**September 2015**	**September 2014**
Goodwill and investment in entities	-	-
Other intangible assets	4	5
Tangible assets	54	41
For own use	24	11
Investment properties	30	30
Inventories	221	107
Rest	(73)	(2)
Total	**206**	**152**

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	**September 2015**	**September 2014**
Gains		
Disposal of investments in subsidiaries	13	17
Disposal of tangible assets and other	63	14
Losses:		
Disposal of investments in subsidiaries	(2,218)	-
Disposal of tangible assets and other	(4)	(16)
Total	**(2,146)**	**14**

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	**September 2015**	**September 2014**
Gains (losses) on sale of real estate	23	(17)
Impairment of non-current assets held for sale	(170)	(337)
Impairment and gains (losses) on sale of investments classified as assets held for sale	44	(11)
Gains (losses) on sale of equity instruments classified as assets held for sale (*)	878	-
Total	**775**	**(365)**

(*) The balance of this heading includes the gains from the sale of its 6.3% stake in CNCB and the complete sale of its stake in CIFH (See Note 3).

10. Subsequent events

From October 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.

Management Report Corresponding to the Nine Months ended September 30, 2015

BBVA

January-September 2015

We work for a better future for people

3Q15

BBVA

January-September 2015

Contents

BBVA Group highlights

BBVA Group highlights

(Consolidated figures)

	30-09-15	Δ%	30-09-14	31-12-14
Balance sheet (million euros)				
Total assets	746,477	17.1	637,699	651,511
Loans and advances to customers (gross)	426,295	18.1	361,084	366,536
Deposits from customers	388,856	18.0	329,610	330,686
Other customer funds	128,141	8.2	118,467	118,851
Total customer funds	516,996	15.4	448,077	449,537
Total equity	53,601	10.8	48,389	51,609
Income statement (million euros)				
Net interest income	12,011	10.5	10,868	15,116
Gross income	17,534	12.5	15,592	21,357
Operating income	8,510	12.8	7,546	10,406
Income before tax	4,335	40.5	3,085	4,063
Net attributable profit	1,702	(11.8)	1,929	2,618
Data per share and share performance ratios				
Share price (euros)	7.58	(20.6)	9.55	7.85
Market capitalization (million euros)	47,794	(15.0)	56,228	48,470
Net attributable profit per share (euros) (1)	0.25	(18.1)	0.30	0.41
Book value per share (euros)	7.90	(1.1)	7.99	8.01
P/BV (Price/book value; times)	1.0		1.2	1.0
Significant ratios (%)				
ROE (Net attributable profit/average equity)	5.4		5.6	5.6
ROTE (Net attributable profit/average tangible equity)	6.3		6.5	6.5
ROA (Net income/average total assets)	0.46		0.50	0.50
RORWA (Net income/average risk-weighted assets)	0.86		0.90	0.90
Efficiency ratio	51.5		51.6	51.3
Cost of risk	1.10		1.25	1.25
NPL ratio	5.6		6.1	5.8
NPL coverage ratio	74		63	64
Capital adequacy ratios (%) (2)				
CET1	11.7		11.7	11.9
Tier I	11.7		11.7	11.9
Total ratio	14.6		14.9	15.1
Other information				
Number of shares (millions)	6,305	7.1	5,887	6,171
Number of shareholders	931,757	(1.7)	947,901	960,397
Number of employees (3)	137,904	26.6	108,920	108,770
Number of branches (3)	9,250	25.6	7,362	7,371
Number of ATMs (3)	29,330	35.4	21,666	22,159

General note: Since the third quarter of 2015, the total stake in Garanti (39.90%) is consolidated by the full integration method. For previous years, the financial information provided in this document is presented integrated in the proportion corresponding to the percentage of the Group's stake at that time (25.01%).

(1) Adjusted by additional Tier I instrument remuneration.

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

(3) Includes Garanti since July 2015.

Information about the net attributable profit (excluding results from corporate operations) (1)	30-09-15	Δ%	30-09-14	31-12-14
Net attributable profit	2,815	45.9	1,929	2,618
Net attributable profit per share (euros)	0.42	40.7	0.30	0.41
ROE	7.6		5.6	5.6
ROTE	8.9		6.5	6.5
ROA	0.62		0.50	0.50
RORWA	1.16		0.90	0.90

(1) Results from corporate operations completed in 2015, whose results correspond to the capital gains from the various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB, the badwill from the CX operation, the effect of the valuation at fair value of the 25.01% initial stake held by BBVA in Garanti, and the impact of the sale of BBVA's 29.68% stake in CIFH.

Group information

Relevant events

Results (pages 4-9)

- Earnings influenced by the incorporation of Catalunya Banc (CX) on April 24, and the accounting in the third quarter of 2015 of all the impacts stemming from the purchase of an additional 14.89% of Turkiye Garanti Bankasi, A.S. (Garanti Bank), with the ensuing incorporation of this entity by the full consolidation method and valuation at fair value of the 25.01% already owned has had a non-recurring negative effect on the Group's consolidated net attributable profit of €1,840m.
- General depreciation of emerging-market exchange rates against the euro.
- The most notable aspects in the year as of September without considering the effects from the aforementioned Garanti Bank operation, i.e. taking Turkey on an like-for-like comparison (25.01% stake in Garanti and integration in the proportion corresponding to this percentage) are: recurring revenues increased, growth in operating expenses below the growth in gross income and the reduction in impairment of financial assets that has had a very positive effect on the Group's cost of risk.

Balance sheet and business activity (pages 10-11)

- Figures affected by changes in the scope of consolidation mentioned above, as well as the general depreciation of exchange rates against the euro.
- Taking Turkey on a like for like comparison and not including the currency effect, there has been growth in gross customer lending, with a positive performance in loan production and customer funds in practically all the geographical areas.
- The Group's non-performing loans continue the falling trend of the last few quarters.

Solvency (page 12)

- The fully-loaded leverage ratio was 5.7% as of 30-Sep-2015.
- Fully-loaded CET1 ratio of 9.8% as of 30-Sep-2015. The corporate transactions of the quarter (acquisition of 14.89% of Garanti and sale of CIFH) have had a joint negative impact of 44 basis points on this ratio.
- In the month of October, Standard & Poors (S&P) has upgraded BBVA's long-term rating to BBB+, with a stable outlook.

Risk management (pages 13-14)

- Good performance over the quarter in the main asset-quality indicators: lower NPL ratio, increased coverage ratio and reduced cost of risk.

The BBVA share (page 15)

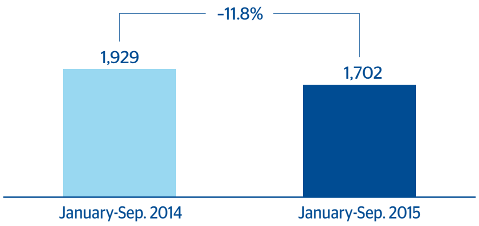
- Implementation of a new "dividend option" program, which has once more had an excellent uptake.

Other matters of interest

- BBVA continues to make progress in its **digital transformation**. As of 30-Sep-2015, including the figures for Garanti, it had 14.0 million digital customers who interact with the entity via the Internet or their cell phones. Of these, 7.6 million are mobile banking customers. In addition, the BBVA technological platforms handle up to 456 million transactions every day in real time, and by 2017 they will be prepared to handle 1 billion.
- **BBVA Wallet** is already available in Spain, Chile, Mexico and the United States, with more than 1.1 million downloads globally.

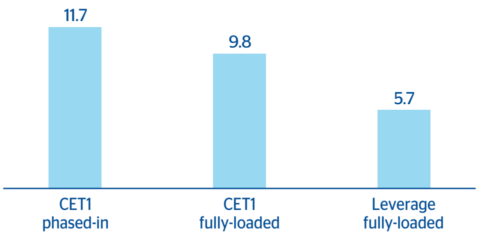
Net attributable profit

(Million euros)



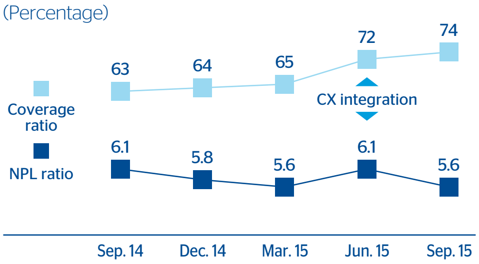
Capital and leverage ratios

(Percentage as of 30-09-2015)



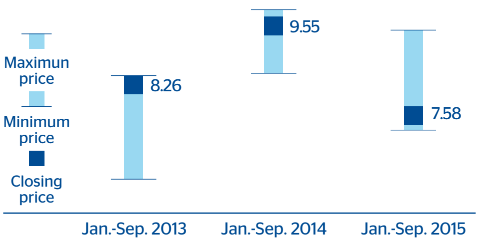
NPL and coverage ratios

(Percentage)



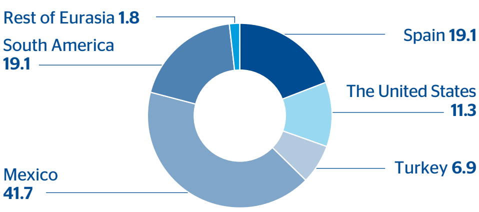
BBVA share

(Euros)



Net attributable profit breakdown [1]

(Percentage)



(1) Excludes the Corporate Center.

Results

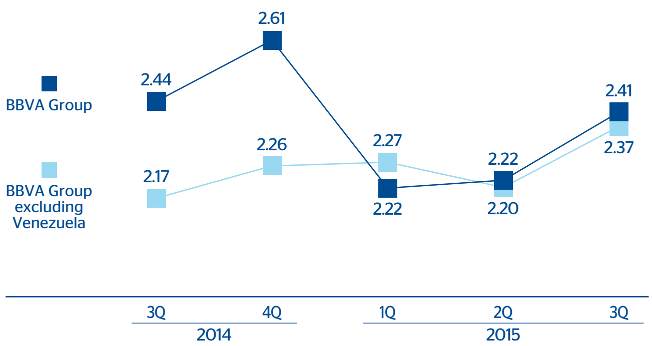
BBVA Group has generated a **net attributable profit** of €1,702m in the first nine months of 2015. As mentioned above, these earnings incorporate those generated by CX since 24 April, as well as the effects of the purchase of an additional 14.89% in Garanti Bank.

Gross income

Good performance of cumulative **net interest income** through September (up 10.5% year-on-year, 19.4% at constant exchange rates). Including the stake in Turkey on a like-for-like comparison (at 25.01% and integrated proportionally to this stake), this heading increases by 4.3% in the same period, despite the negative influence of exchange rates (up 12.7% excluding the effect of exchange rates).

Net interest income/ATA

(Percentage)



Consolidated income statement: quarterly evolution (1)

(Million euros)

	2015			2014			
	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Net interest income	**4,490**	**3,858**	**3,663**	**4,248**	**3,830**	**3,647**	**3,391**
Net fees and commissions	1,225	1,140	1,077	1,168	1,111	1,101	985
Net trading income	133	650	775	514	444	426	751
Dividend income	52	194	42	119	42	342	29
Income by the equity method	3	18	3	3	31	16	(14)
Other operating income and expenses	76	62	73	(287)	(234)	(215)	(90)
Gross income	**5,980**	**5,922**	**5,632**	**5,765**	**5,223**	**5,317**	**5,051**
Operating expenses	(3,307)	(2,942)	(2,776)	(2,905)	(2,770)	(2,662)	(2,613)
Personnel expenses	(1,695)	(1,538)	(1,460)	(1,438)	(1,438)	(1,359)	(1,375)
General and administrative expenses	(1,252)	(1,106)	(1,024)	(1,147)	(1,037)	(1,017)	(959)
Depreciation and amortization	(360)	(299)	(291)	(320)	(296)	(286)	(279)
Operating income	**2,673**	**2,980**	**2,857**	**2,860**	**2,453**	**2,655**	**2,438**
Impairment on financial assets (net)	(1,074)	(1,089)	(1,119)	(1,168)	(1,142)	(1,073)	(1,103)
Provisions (net)	(182)	(164)	(230)	(513)	(199)	(298)	(144)
Other gains (losses)	(127)	(123)	(66)	(201)	(136)	(191)	(173)
Income before tax	**1,289**	**1,604**	**1,442**	**978**	**976**	**1,092**	**1,017**
Income tax	(294)	(429)	(386)	(173)	(243)	(292)	(273)
Net income from ongoing operations	**995**	**1,175**	**1,056**	**805**	**733**	**800**	**744**
Results from corporate operations (2)	(1,840)	144	583	-	-	-	-
Net income	**(845)**	**1,319**	**1,639**	**805**	**733**	**800**	**744**
Non-controlling interests	(212)	(97)	(103)	(116)	(132)	(95)	(120)
Net attributable profit	**(1,057)**	**1,223**	**1,536**	**689**	**601**	**704**	**624**
Net attributable profit (excluding results from corporate operations)	**784**	**1,078**	**953**	**689**	**601**	**704**	**624**
Basic earnings per share (euros) (3)	**(0.18)**	**0.18**	**0.24**	**0.10**	**0.09**	**0.11**	**0.10**

(1) Since the third quarter of 2015, BBVA's total stake in Garanti is consolidated by the full integration method. For previous periods, Garanti's revenues and costs are integrated in the proportion corresponding to the percentage of the Group's stake (25.01%).
(2) 2015 includes the capital gains from the various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB, the badwill from the CX operation, the effect of the valuation at fair value of the 25.01% initial stake held by BBVA in Garanti, and the impact of the sale of BBVA's 29.68% stake in CIFH.
(3) Adjusted by additional Tier I instrument remuneration.

Consolidated income statement [(1)]

(Million euros)

	January-Sep. 15	Δ%	Δ% at constant exchange rates	January-Sep. 14
Net interest income	**12,011**	**10.5**	**19.4**	**10,868**
Net fees and commissions	3,442	7.6	9.1	3,198
Net trading income	1,558	(3.9)	(0.5)	1,621
Dividend income	288	(30.0)	(30.7)	412
Income by the equity method	24	(25.3)	(31.3)	32
Other operating income and expenses	211	n.m.	n.m.	(539)
Gross income	**17,534**	**12.5**	**14.8**	**15,592**
Operating expenses	(9,024)	12.2	12.8	(8,046)
Personnel expenses	(4,693)	12.5	11.4	(4,171)
General and administrative expenses	(3,382)	12.2	15.0	(3,014)
Depreciation and amortization	(950)	10.4	12.0	(860)
Operating income	**8,510**	**12.8**	**17.0**	**7,546**
Impairment on financial assets (net)	(3,283)	(1.1)	1.7	(3,318)
Provisions (net)	(576)	(10.3)	(3.3)	(642)
Other gains (losses)	(316)	(37.0)	(36.8)	(501)
Income before tax	**4,335**	**40.5**	**46.8**	**3,085**
Income tax	(1,109)	37.2	46.5	(808)
Net income from ongoing operations	**3,226**	**41.7**	**46.9**	**2,277**
Results from corporate operations [(2)]	(1,113)	-	-	-
Net income	**2,113**	**(7.2)**	**(3.7)**	**2,277**
Non-controlling interests	(411)	18.3	50.2	(348)
Net attributable profit	**1,702**	**(11.8)**	**(11.4)**	**1,929**
Net attributable profit (excluding results from corporate operations)	**2,815**	**45.9**	**46.5**	**1,929**
Basic earnings per share (euros) [(3)]	**0.25**			**0.30**

(1) Since the third quarter of 2015, BBVA's total stake in Garanti is consolidated by the full integration method. For previous periods, Garanti's revenues and costs are integrated in the proportion corresponding to the percentage of the Group's stake (25.01%).
(2) 2015 includes the capital gains from the various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB, the badwill from the CX operation, the effect of the valuation at fair value of the 25.01% initial stake held by BBVA in Garanti, and the impact of the sale of BBVA's 29.68% stake in CIFH.
(3) Adjusted by additional Tier I instrument remuneration.

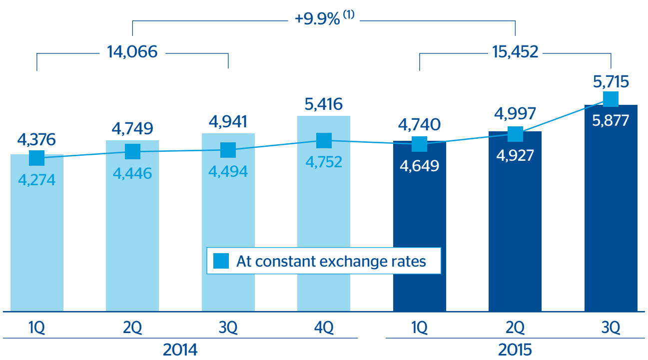
As in previous quarters, this growth is the result of increased activity in emerging countries and the United States, as well as the reduction in the cost of deposits in Spain. In Turkey, this heading has performed well, despite increased funding costs, thanks to Garanti's active management of the loan book and its prices.

Fees and commissions have also performed well. The effect of regulatory limits that came into effect recently in some countries are still being offset by an increasingly diversified revenue base, thanks to the improvement plans being carried out in a number of geographical areas, above all in Spain, and an increase in higher added-value operations being implemented in the Group's wholesale businesses.

As a result, **more recurring revenue** (net interest income plus fees and commissions) is still an extremely important element of the income statement. The cumulative figure through September 30 shows a year-on-year rise of 4.2% (with figures from Turkey presented on a like-for-like comparison), or 10.9% excluding the effect of exchange rates.

Net interest income plus fees and commissions

(Million euros)



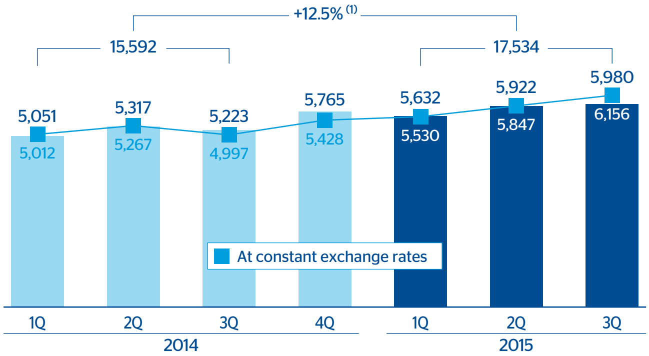
(1) At constant exchange rates: +16.9%.

NTI is below previous quarters, affected negatively by the increased volatility in the financial markets in recent months. As a result, this heading has declined by 3.9% year-on-year in the cumulative figure to September (down 0.5% at constant exchange rates).

Due to all these factors, the Group's **gross income** for the first nine months of the year grew by 12.5% in year-on-year terms (up 14.8% at constant exchange rates) to €17,534m. With figures from Turkey presented on a like-for-like comparison, there has been a year-on-year growth of 8.3% (up 10.6% excluding the foreign-currency effect).

Gross income

(Million euros)



(1) At constant exchange rates: +14.8%.

Operating income

Operating expenses are 12.2% above those for the same period in 2014. With figures from Turkey presented on a like-for-like comparison, the year-on-year increase is 7.8%, with a significant moderation in most of the geographical areas (Spain's banking activity includes CX since April 24 and the related costs of integration). In addition, the inflation rate in some countries is high. As has been usual in recent periods, the transformation

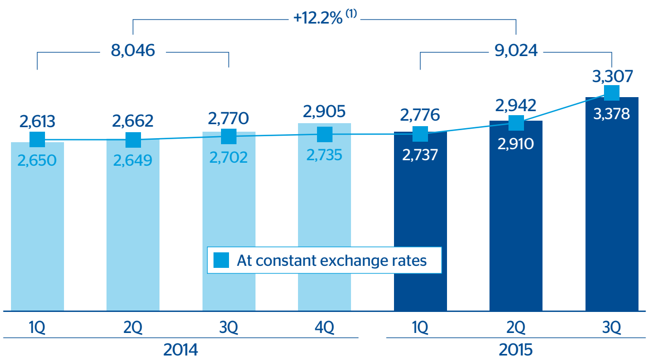
Breakdown of operating expenses and efficiency calculation

(Million euros)

	January-Sep. 15	Δ%	January-Sep. 14
Personnel expenses	**4,693**	**12.5**	**4,171**
Wages and salaries	3,623	15.2	3,144
Employee welfare expenses	684	5.0	651
Training expenses and other	386	2.6	376
General and administrative expenses	**3,382**	**12.2**	**3,014**
Premises	861	22.6	702
IT	692	16.3	595
Communications	237	10.8	214
Advertising and publicity	292	10.6	264
Corporate expenses	81	14.4	71
Other expenses	884	2.9	858
Levies and taxes	335	8.1	310
Administration expenses	**8,074**	**12.4**	**7,185**
Depreciation and amortization	**950**	**10.4**	**860**
Operating expenses	**9,024**	**12.2**	**8,046**
Gross income	**17,534**	**12.5**	**15,592**
Efficiency ratio (Operating expenses/gross income, in %)	**51.5**		**51.6**

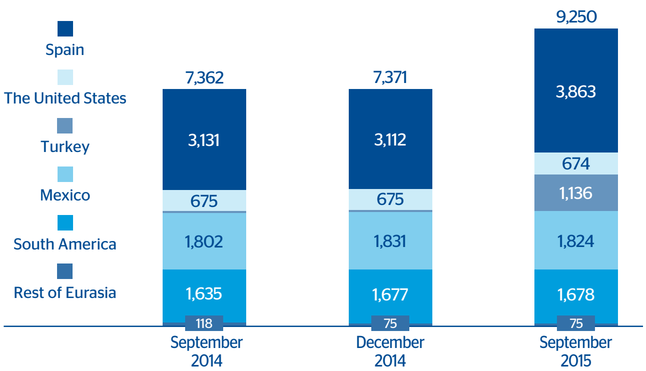
Operating expenses

(Million euros)



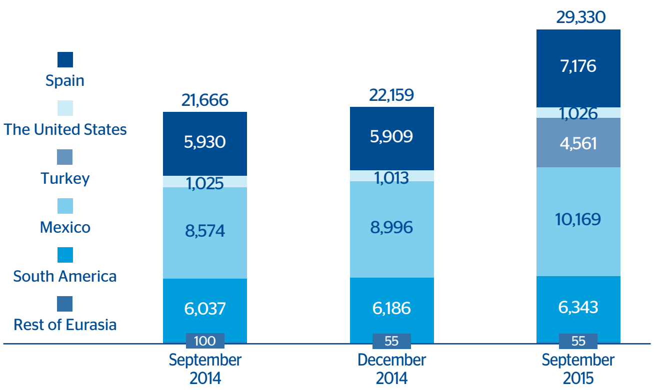
(1) At constant exchange rates: +12.8%.

Number of branches (1)



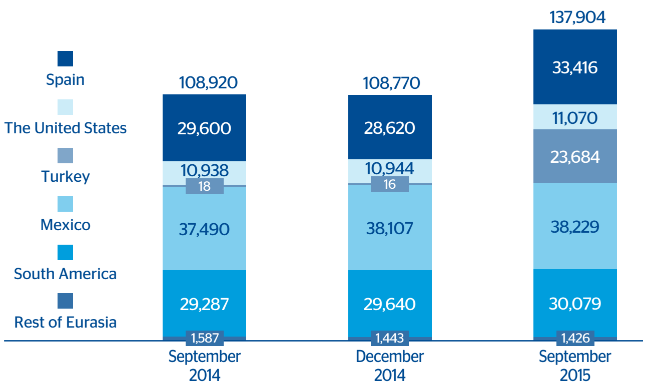
(1) Includes Garanti since July 2015.

Number of ATMs[1]



(1) Includes Garanti since July 2015.

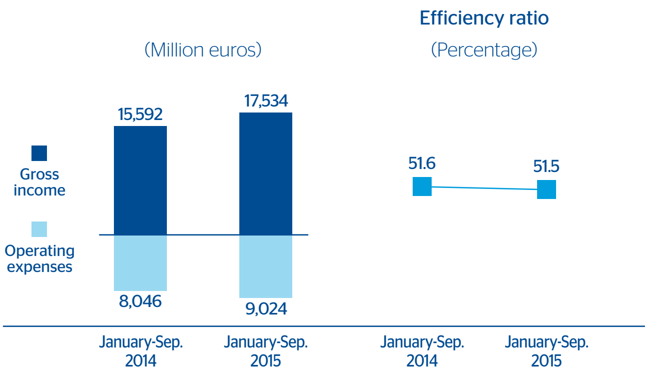
Number of employees[1]



(1) Includes Garanti since July 2015.

projects being developed in each of the Group's areas have a significant impact on this heading. Despite this, the growth in expenses is still lower than that of gross income. As a result, the **efficiency** ratio has improved slightly compared with the figure for the same period in 2014 (51.5% against 51.6%).

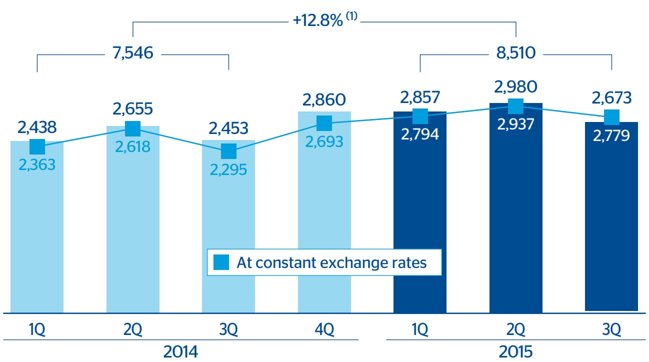
Efficiency



Operating income has also improved to €8,510m, up 12.8% on the same period in 2014 (up 17.0% at constant exchange rates, 8.8% with data from Turkey presented on an on-going basis and 12.9% with data from Turkey presented on a like-for-like comparison and with constant exchange rates).

Operating income

(Million euros)



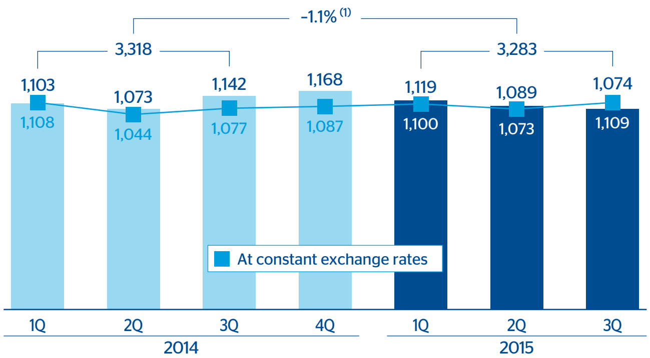
(1) At constant exchange rates: +17.0%.

Provisions and others

Impairment losses on financial assets are down 1.1% on the first nine months of the previous year (up 1.7% at constant exchange rates). By areas, there was a decline in the Eurozone and a limited increase in the rest of the geographical areas, very much in line with the rise in activity. This explains why the cumulative cost of risk through September 2015 is below the figure for the half-year and for the same period in 2014.

Impairment losses on financial assets

(Million euros)



(1) At constant exchange rates: +1.7%.

Allocation to **provisions**, which include the cost of the transformation plans, provisions for contingent liabilities and other commitments, as well as contributions to pension funds, amount to €576m in the first nine months of the year (down 10.3% year-on-year and 3.3% at constant exchange rates).

The heading of **other gains (losses)** performed well, largely due to lower impairment losses on real-estate activity in Spain from provisions on property and foreclosed or acquired assets, as observed in previous quarters.

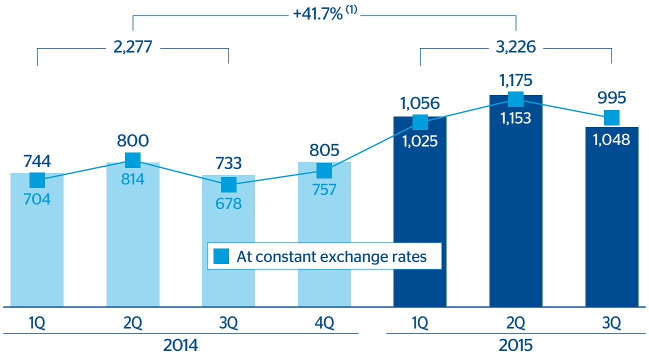
Profit

As a result of the above, **profit after tax from ongoing operations** in the first nine months of 2015 has grown year-on-year by 41.7% (up 46.9% excluding the effect of currencies).

Lastly, **earnings from corporate operations** in the cumulative figure through September include capital gains of €705m net of tax originated by the various sale operations equivalent to 6.34% of BBVA Group's stake in China Citic Bank (CNCB) in the first and second quarters of 2015; the credit of €22m, also net of tax, for the badwill generated in the CX deal (second quarter); the effect (practically neutral) of the close of the sale of all BBVA's stake in CIFH (third quarter); and the impact of the valuation at fair value of the 25.01% stake held by BBVA in Garanti Bank at the time when the acquisition of an additional 14.89% was completed, amounting to a negative €1,840m (third quarter). The recognition of this accounting impact does not represent any additional cash outflow for BBVA. Most of this effect is made up of conversion differences due to the depreciation of the Turkish lira against the euro since the initial acquisition by BBVA of the 25.01% stake in Garanti until the date of the new acquisition.

Net income from ongoing operations

(Million euros)

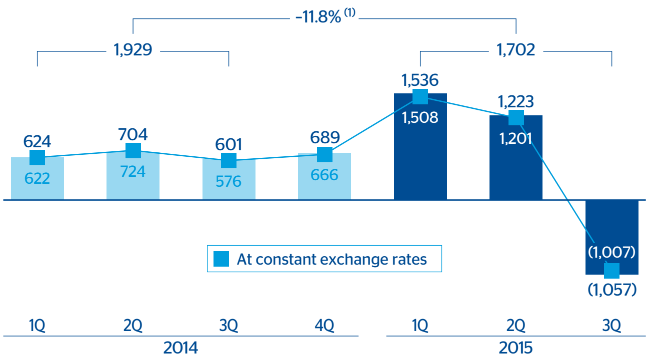


(1) At constant exchange rates: +46.9%.

By **business area**, banking activity in Spain has contributed €1,101m, real-estate activity in Spain generated a loss of €407m, the United States contributed €410m, Turkey €249m (€224m on a like-for-like comparison), Mexico €1,513m, South America €693m (€689m not including Venezuela), and the Rest of Eurasia €66m.

Net attributable profit

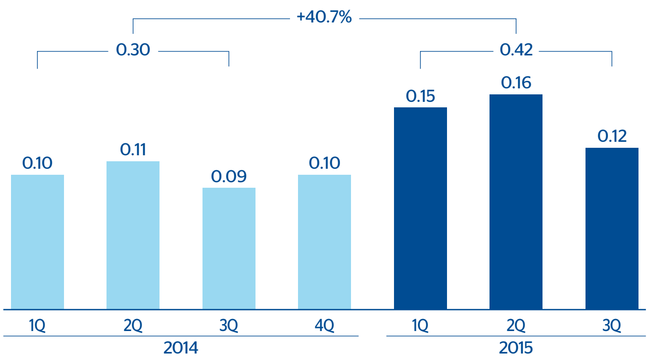
(Million euros)



(1) At constant exchange rates: -11.4%.

Earnings per share (1)

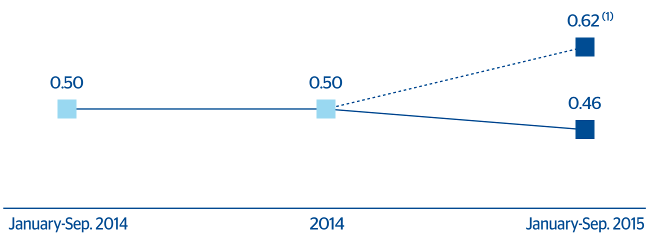
(Excluding results from corporate operations. Euros)



(1) Adjusted by additional Tier I instrument remuneration.

ROA

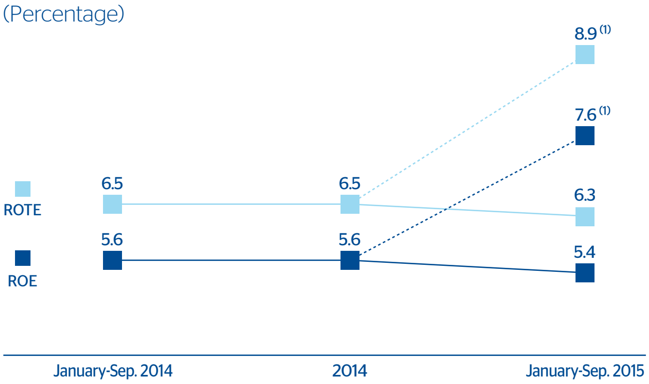
(Percentage)



(1) Excluding results from corporate operations.

ROE y ROTE

(Percentage)



(1) Excluding results from corporate operations.

BBVA Group excluding Venezuela and with Turkey presented on a like-for-like comparison

To ensure comparable figures, the Group's income statement not including Venezuela is shown below (due to the exchange-rate impact) with Turkey presented on a like-for-like basis (to isolate the effects of the purchase of an additional 14.89% in Garanti, as explained above).

Consolidated income statement of BBVA Group excluding Venezuela and with Turkey presented on a like-for-like comparison [(1)]

(Million euros)

	January-Sep. 15	Δ%	Δ% at constant exchange rates	January-Sep. 14
Net interest income	**11,162**	**16.0**	**11.9**	**9,619**
Net fees and commissions	3,289	9.3	4.6	3,010
Net trading income	1,603	5.5	2.8	1,520
Other income/expenses	648	22.7	20.6	528
Gross income	**16,703**	**13.8**	**9.8**	**14,678**
Operating expenses	(8,612)	12.5	8.0	(7,653)
Operating income	**8,090**	**15.2**	**11.7**	**7,025**
Impairment on financial assets (net)	(3,151)	(0.8)	(2.1)	(3,177)
Provisions (net) and other gains (losses)	(856)	(20.7)	(21.5)	(1,080)
Income before tax	**4,084**	**47.6**	**39.3**	**2,767**
Income tax	(1,015)	42.6	35.2	(712)
Net income from ongoing operations	**3,068**	**49.3**	**40.7**	**2,055**
Results from corporate operations [(2)]	(1,113)	-	-	-
Net income	**1,955**	**(4.9)**	**(10.4)**	**2,055**
Non-controlling interests	(283)	13.7	5.8	(249)
Net attributable profit	**1,672**	**(7.4)**	**(12.6)**	**1,807**
Net attributable profit (excluding results from corporate operations)	**2,786**	**54.2**	**45.6**	**1,807**

(1) Financial statements including Garanti's revenues and costs integrated in the proportion corresponding to the percentage of the Group's stake (25.01%) until the second quarter of 2015.
(2) 2015 includes the capital gains from the various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB, the badwill from the CX operation, the effect of the valuation at fair value of the 25.01% initial stake held by BBVA in Garanti, and the impact of the sale of BBVA's 29.68% stake in CIFH.

Balance sheet and business activity

BBVA Group's business activity and balance sheet as of **30-Sep-2015** are influenced by the incorporation of the balances from CX (since April 24, 2015) and by the integration of Garanti Bank by the full consolidation method (since the third quarter), after closing the purchase of an additional 14.89% of this Turkish bank. Not including these, the observed trends continue to be very similar to those seen in previous periods:

- General depreciation over the quarter of the **exchange rates** of emerging countries against the euro, with a negative effect on rates of exchange, both in year-on-year terms and YTD (see table in appendix: exchange rates).
- Taking **Turkey on a like-for-like comparison**, the following is worth noting:

– Good performance of **gross lending to customers** (not including repurchase agreements –repos–: up 5.6% since December 2014, but up 9.8% at constant exchange rates). This positive performance is due to the growth in loans in practically all geographical areas (the U.S., Mexico, Turkey and South America) and to the moderation of the rate of decline in the loan book in Spain, where the trend in the level of production of new loans continues to be very favorable, in both the retail (mortgages, small businesses

Consolidated balance sheet [1]

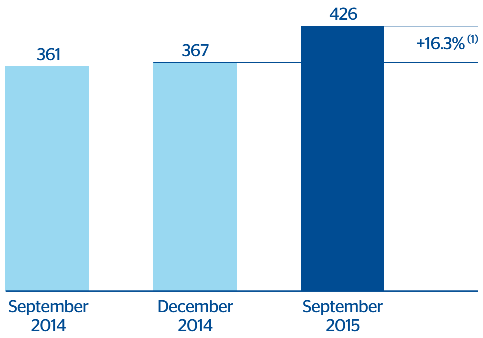
(Million euros)

	30-09-15	Δ%	30-09-14	30-06-15	31-12-14
Cash and balances with central banks	36,128	56.3	23,121	30,192	33,908
Financial assets held for trading	83,662	(5.0)	88,023	82,693	83,427
Other financial assets designated at fair value	4,968	54.0	3,227	3,499	3,236
Available-for-sale financial assets	117,567	19.6	98,322	107,136	98,734
Loans and receivables	451,658	18.9	379,715	415,020	386,839
Loans and advances to credit institutions	33,042	19.9	27,561	29,074	28,254
Loans and advances to customers	407,454	17.7	346,103	374,888	351,755
Debt securities	11,162	84.5	6,051	11,058	6,831
Held-to-maturity investments	-	-	-	-	-
Investments in entities accounted for using the equity method	779	(46.0)	1,443	1,013	661
Tangible assets	9,349	20.4	7,762	8,753	8,014
Intangible assets	9,797	13.6	8,621	9,212	8,840
Other assets	32,569	18.6	27,465	31,553	27,851
Total assets	**746,477**	**17.1**	**637,699**	**689,071**	**651,511**
Financial liabilities held for trading	58,352	(1.2)	59,084	56,977	56,990
Other financial liabilities designated at fair value	4,767	31.9	3,615	3,746	3,590
Financial liabilities at amortized cost	598,206	20.3	497,179	546,480	509,974
Deposits from central banks and credit institutions	115,154	36.8	84,199	94,763	97,735
Deposits from customers	388,856	18.0	329,610	363,373	330,686
Debt certificates	65,860	7.6	61,181	62,299	59,393
Subordinated liabilities	16,140	13.1	14,265	16,126	14,118
Other financial liabilities	12,196	53.9	7,923	9,919	8,042
Liabilities under insurance contracts	10,192	(4.1)	10,624	10,333	10,471
Other liabilities	21,360	13.6	18,808	20,538	18,877
Total liabilities	**692,876**	**17.6**	**589,310**	**638,074**	**599,902**
Non-controlling interests	7,329	n.m.	2,253	1,728	2,511
Valuation adjustments	(3,560)	n.m.	(879)	(2,909)	(348)
Shareholders' funds	49,832	6.0	47,015	52,177	49,446
Total equity	**53,601**	**10.8**	**48,389**	**50,997**	**51,609**
Total equity and liabilities	**746,477**	**17.1**	**637,699**	**689,071**	**651,511**
Memorandum item:					
Contingent liabilities	48,545	31.7	36,864	37,812	37,070

(1) Since the third quarter of 2015, BBVA's total stake in Garanti is consolidated by the full integration method. For previous periods, Garanti's assets and liabilities are integrated in the proportion corresponding to the percentage of the Group's stake (25.01%).

Loans and advances to customers (gross)

(Billion euros)



(1) At constant exchange rates: +21.0%.

and, mainly, consumer) and wholesale (SMEs and corporates) segments.

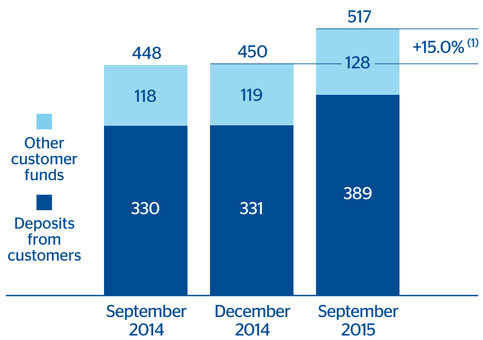
- Increase also in **customer deposits**, in line with previous quarters (excluding repurchase agreements –repos–: up 5.7% YTD, also at current exchange rates, and up 13.2% at constant rates).

- Reduction over the quarter in **non-performing loans**, thanks to lower additions to NPL and the good performance of recoveries. The increase in this figure compared with that registered nine months before is explained by the incorporation of the balances from CX, since April 24.

- **Off-balance sheet funds** (mutual and pension funds and other off-balance sheet funds) continue to perform very favorably, with a YTD rate of growth of 5.6% (up 7.2% at constant exchange rates).

Customer funds

(Billion euros)



(1) At constant exchange rates: +20.9%.

Loans and advances to customers

(Million euros)

	30-09-15	∆%	30-09-14	30-06-15	31-12-14
Domestic sector	**177,935**	**9.6**	**162,301**	**181,356**	**162,652**
Public sector	22,596	(3.0)	23,302	22,998	23,362
Other domestic sectors	155,340	11.8	138,999	158,358	139,290
Secured loans	99,240	11.7	88,880	100,443	87,371
Other loans	56,100	11.9	50,119	57,915	51,920
Non-domestic sector	**222,613**	**27.4**	**174,800**	**186,036**	**180,719**
Secured loans	102,408	44.1	71,063	78,147	72,836
Other loans	120,204	15.9	103,737	107,889	107,883
Non-performing loans	**25,747**	**7.4**	**23,983**	**25,766**	**23,164**
Domestic sector	20,181	4.9	19,243	21,142	18,563
Non-domestic sector	5,566	17.4	4,740	4,624	4,601
Loans and advances to customers (gross)	**426,295**	**18.1**	**361,084**	**393,158**	**366,536**
Loan-loss provisions	(18,841)	25.8	(14,980)	(18,271)	(14,781)
Loans and advances to customers	**407,454**	**17.7**	**346,103**	**374,888**	**351,755**

Customer funds

(Million euros)

	30-09-15	∆%	30-09-14	30-06-15	31-12-14
Deposits from customers	**388,856**	**18.0**	**329,610**	**363,373**	**330,686**
Domestic sector	**172,110**	**14.1**	**150,840**	**178,581**	**145,251**
Public sector	12,843	(20.9)	16,240	17,851	10,651
Other domestic sectors	159,267	18.3	134,600	160,729	134,600
Current and savings accounts	74,044	34.1	55,236	73,247	59,509
Time deposits	71,807	9.4	65,636	70,270	60,783
Assets sold under repurchase agreement and other	13,416	(2.3)	13,729	17,213	14,308
Non-domestic sector	**216,746**	**21.2**	**178,770**	**184,792**	**185,435**
Current and savings accounts	117,056	8.2	108,154	108,784	113,795
Time deposits	94,531	56.0	60,580	68,197	62,705
Assets sold under repurchase agreement and other	5,159	(48.6)	10,035	7,811	8,935
Other customer funds	**128,141**	**8.2**	**118,467**	**131,047**	**118,851**
Spain	**76,667**	**10.4**	**69,457**	**78,985**	**71,077**
Mutual funds	32,434	13.8	28,498	33,393	29,656
Pension funds	22,397	3.3	21,676	22,672	21,879
Other off-balance sheet funds	119	(43.3)	210	129	174
Customer portfolios	21,717	13.9	19,073	22,791	19,368
Rest of the world	**51,474**	**5.0**	**49,010**	**52,062**	**47,773**
Mutual funds and investment companies	24,271	(0.3)	24,348	24,942	23,126
Pension funds	7,959	56.7	5,079	6,283	5,484
Other off-balance sheet funds	3,683	1.5	3,627	3,711	3,403
Customer portfolios	15,561	(2.5)	15,956	17,126	15,761
Total customer funds	**516,996**	**15.4**	**448,077**	**494,420**	**449,537**

Solvency

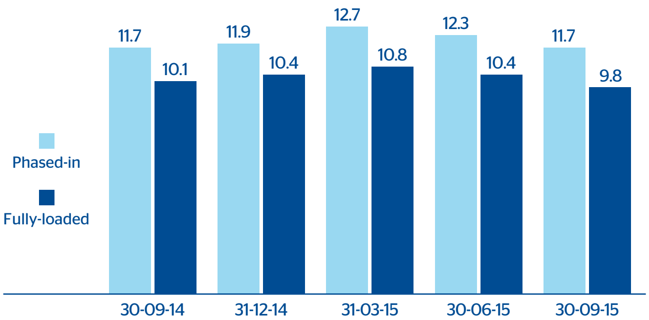
Capital base

BBVA ended **September 2015** with a CET1 fully-loaded capital ratio of 9.8%, and a leverage ratio that continues to compare very favorably with the rest of its peer group. The highlights in the period are summarized below:

- BBVA completed the acquisition of the 14.89% stake in **Garanti Bank** and the sale of **CIFH**, with a total negative impact on CET1 (fully-loaded) of 44 basis points.
- **Distribution** to shareholders on July 16 of €0.08 gross per share in cash, which involved an outlay of €504.4m, as mentioned in the half-yearly data.
- New "**dividend option**", which has once more had an excellent uptake: 89.65% of holders of free allocation rights chose to receive BBVA shares, which resulted in a capital increase of €30,106,631.94 through the issue of 61,442,106 new ordinary shares.

CET1 ratio evolution

(Percentage)



- Lastly, increase in **risk-weighted assets** –RWA– (up 12.8% in the quarter and 13.4% to date this year). Over the quarter, the impact from stronger lending activity outside Spain, together with the incorporation of Garanti Bank into the Group's financial statements by the global integration method, have been offset in part by the general depreciation of currencies, as well as by the aforementioned closing of the sale of CIFH.
- Because of these factors, along with the other impacts on **CET1**, the phased-in core capital ratio stands at 11.7% (9.8% fully-loaded).
- BBVA Group continues to maintain a high **leverage ratio,** 6.1% using the phased-in criterion.

Ratings

On October 6, 2015, Standard & Poors (S&P) upgraded BBVA's long-term rating from BBB to BBB+, maintaining a stable outlook, as a result of the upgrading of Spain's rating on October 2 to BBB+. As a result of this upgrading, S&P has also upgraded the long-term rating of its subsidiaries BBVA Compass (from BBB to BBB+) and BBVA Uruguay (from BBB– to BBB). The other agencies have not changed BBVA's rating since the last publication of earnings.

Ratings

	Long term	Short term	Outlook
DBRS	A	R-1 (low)	Stable
Fitch	A–	F-2	Stable
Moody's	Baa1	P-2	Stable
Scope Ratings	A	S-1	Stable
Standard & Poor's	BBB+	A-2	Stable

Capital base

(Million euros)

	CRD IV phased-in				
	30-09-15	30-06-15	31-03-15	31-12-14	30-09-14
Common equity Tier I	46,460	43,422	43,995	41,832	40,422
Capital (Tier I)	46,460	43,422	43,995	41,832	40,422
Other eligible capital (Tier II)	11,820	11,276	10,686	10,986	10,893
Capital base	58,280	54,698	54,681	52,818	51,316
Risk-weighted assets	397,936	352,782	347,096	350,803	345,381
Total ratio (%)	14.6	15.5	15.8	15.1	14.9
CET1 (%)	11.7	12.3	12.7	11.9	11.7
Tier I (%)	11.7	12.3	12.7	11.9	11.7
Tier II (%)	3.0	3.2	3.1	3.1	3.2

Risk management

Credit risk

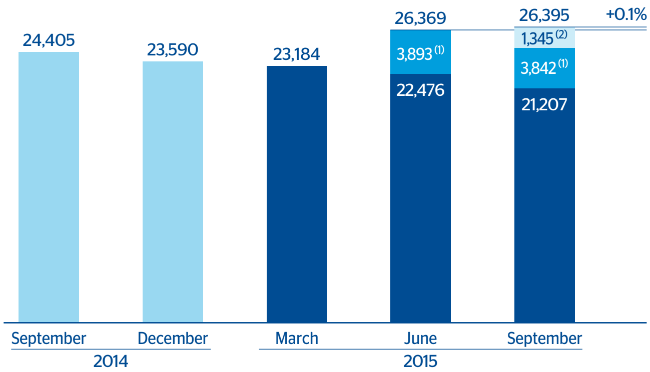
In the **third quarter of 2015** the main variables related to the Group's credit risk management have continued to be positive. Integration of Garanti Bank by the full consolidation method during the quarter has affected the risk indicators. The quarter has been characterized by:

- The Group's **credit risk** increased by 10.2% over the quarter and 17.6% since December 2014. The integration of Garanti Bank by the full consolidation method has increased this heading by €51,705m as of 30-Sep-2015.

- The balance of **non-performing loans** amounts to €26,395m. Excluding the Garanti effect, there has been a quarterly decline of 5.0%, with declines across all the geographical areas, although there was a notable reduction

Non-performing loans

(Million euros)



(1) Catalunya Banc.
(2) Effect of the integration of Garanti by the full consolidation method.

Credit risks [1]

(Million euros)

	30-09-15	30-06-15	31-03-15	31-12-14	30-09-14
Non-performing loans and contingent liabilities	26,395	26,369	23,184	23,590	24,405
Credit risks	474,693	430,870	413,687	403,633	397,952
Provisions	19,473	18,909	15,002	15,157	15,335
NPL ratio (%)	5.6	6.1	5.6	5.8	6.1
NPL coverage ratio (%)	74	72	65	64	63
NPL ratio (%) (excluding Cx)	5.0	5.5	-	-	-
NPL coverage ratio (%) (excluding Cx)	68	65	-	-	-

(1) Include gross customer lending plus contingent exposures.

Non-performing loans evolution

(Million euros)

	3Q15	2Q15	1Q15	4Q14	3Q14
Beginning balance	**26,369**	**23,184**	**23,590**	**24,405**	**24,980**
Entries	1,947	2,223	2,359	2,363	2,429
Recoveries	(1,549)	(1,643)	(1,751)	(1,935)	(1,840)
Net variation	**398**	**580**	**608**	**427**	**589**
Write-offs	(1,483)	(1,105)	(1,152)	(1,248)	(1,297)
Exchange rate differences and other [1]	1,111	3,709	138	5	133
Period-end balance	**26,395**	**26,369**	**23,184**	**23,590**	**24,405**
Memorandum item:					
Non-performing loans	25,747	25,766	22,787	23,164	23,983
Non-performing contingent liabilities	647	602	398	426	422

(1) The third quarter of 2015 includes the effects of the purchase of an additional 14.89% in Garanti.

in Spain in banking activity (–2.8%) and real-estate activity (–6.6%).

- **Loan-loss provisions** have increased by 3.0% since the close of June and 28.5% since the close of 2014.
- The **NPL ratio** has declined over the quarter to 5.6% and the **coverage ratio** has increased to 74%.
- Lastly, there has been an improvement in the **cost of risk**, both compared with the cumulative figure to June 2015 and that of December 2014.

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 among the Group's different areas and ensures that the cost of liquidity is correctly reflected in price formation.

In the third quarter of 2015 the liquidity conditions have remained comfortable across BBVA's global footprint:

- The fifth TLTRO (targeted longer-term refinancing operations) auction was held in September, at which BBVA borrowed €2,000m.
- The long-term wholesale funding markets have remained stable in Europe and in the other geographical areas where the Group operates.
- Short-term funding has also continued to perform extremely well, in a context marked by a high level of liquidity.
- In general, the financial soundness of the Group's banks is based on the funding of lending activity, basically through the use of 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 third quarter of the year was characterized by the volatility of the currencies of emerging economies, affected by weak global growth. 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 Group-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 the last 12 months has also been managed.

Interest rates

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

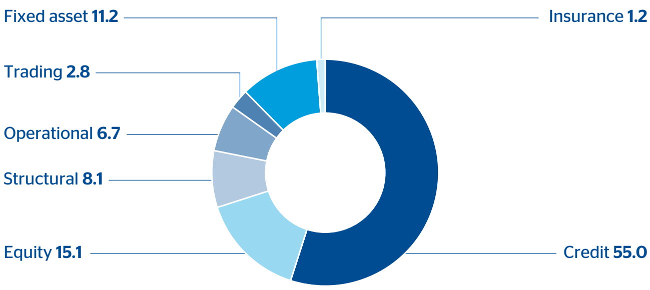
In the third quarter of 2015, the results of this management have been satisfactory, with limited risk strategies in all the Group's banks. The amount of NTI generated in Europe, the United States and Mexico is the result of prudent portfolio management strategies, particularly in terms of sovereign debt, in a context marked by low interest rates.

Economic capital

Attributable **economic risk capital** (ERC) consumption at the end of September stood at €30,474m, down 1.9% in the quarter. The most relevant event has been the incorporation of Garanti by the full consolidation method, which has been more than offset by the depreciation of the main emerging currencies against the euro.

Attributable economic risk capital breakdown

(Percentage as of September 2015)



The BBVA share

The slowdown in **global growth** was confirmed in the second quarter of 2015. The emerging economies (in particular, China and Latin America) explain this reduced strength, which has been offset only partially by the positive relative performance of the main developed economies (the recovery is consolidating in the U.S. and in Europe). Emerging economies now face a more uncertain landscape due to lower demand from China, the decline in commodity prices and the expected upcoming hike in interest rates by the Federal Reserve (Fed). All the above has brought as a consequence the depreciation of the emerging currencies against the euro during the quarter.

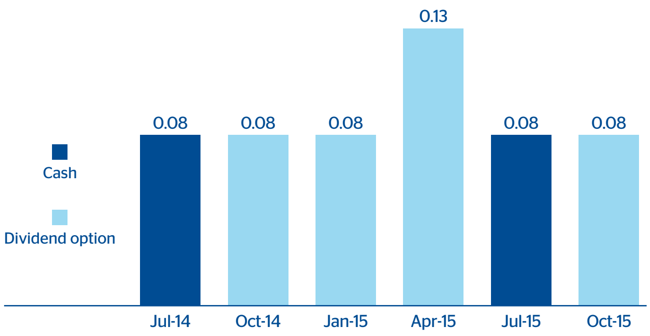
In this global economic context, the **stock market indices** registered across-the-board drops over the quarter. In Europe, the Euro Stoxx 50 lost 9.5%, accumulating a 1.5% decline since the end of 2014, the Ibex 35 decreased 11.2% (down 7.0% to date this year), and the U.S. S&P 500 lost 6.9% over the quarter (down 6.7% since the close of the previous year). In the banking sector, the Euro Stoxx Banks closed as of September 30 at 12.4% and 2.4% below the figures for the end of June and December, respectively, while the S&P Regional Banks registered a decline of 9.0% and 5.6% in the same periods.

The **BBVA share** has also registered falls over the quarter and YTD, although it evolved more favorably than the Ibex 35 and performed similarly to the Euro Stoxx Banks, despite having risen significantly more than both indices in the previous year. At the close of September, the share price stood at 7.58 euros per share and its weighting in the Ibex 35 and the Euro Stoxx 50 reached 10.21% and 2.37%, respectively.

In terms of **shareholder remuneration**, a gross €0.08 in cash was distributed on July 16 for each outstanding share.

Shareholder remuneration

(Euros -gross-/share)



Moreover, on September 30, the Board of Directors of BBVA agreed on the second capital increase against reserves approved by the AGM held on the 13th March 2015, for the implementation of the "dividend option" shareholder remuneration system. The result was a capital increase of €30,106,631.94 (61,442,106 shares of €0.49 of nominal value each) as 89.65% of holders of the free allocation rights opted to receive new BBVA ordinary shares. Holders of the remaining 10.35% free allocation rights opted for BBVA's commitment to buy the said rights. Thus, BBVA purchased 652,564,118 rights at a gross price of €0.08 per right for a total amount of €52,205,109.44. This confirms, once more, the excellent acceptance of this system of remuneration and the confidence felt by shareholders in the performance of the BBVA share.

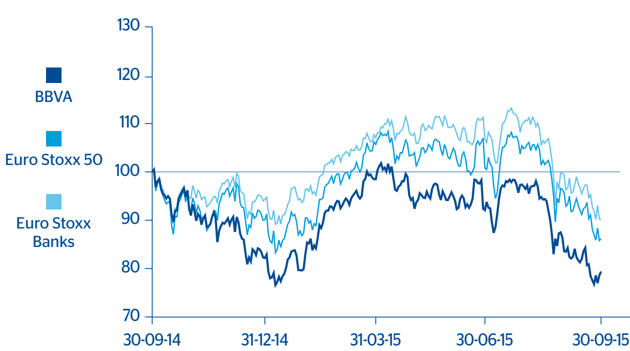
The BBVA share and share performance ratios

	30-09-15	30-06-15
Number of shareholders	931,757	940,619
Number of shares issued	6,305,238,012	6,305,238,012
Maximum price (euros)	9.46	9.77
Minimum price (euros)	7.26	8.51
Closing price (euros)	7.58	8.79
Book value per share (euros)	7.90	8.28
Market capitalization (million euros)	47,794	55,436
Price/book value (times)	1.0	1.1
PER (Price/earnings; times)	15.2	15.1
Yield (Dividend/price; %) (1)	4.9	4.2

(1) Calculated by dividing the shareholder remuneration of the latest twelve months by the BBVA share price at the end of each period.

BBVA share evolution compared with European indices

(Base indice 100=30-09-2014)



Responsible banking

The **highlights** since the end of June in terms of responsible banking were as follows:

- BBVA repeated its listing on three of the main **sustainability indices**: STOXX ESG Leaders, Ethibel Sustainability and Dow Jones Sustainability Index. This last one is one of the most prestigious worldwide. It includes economic, social, environmental and corporate governance aspects and BBVA obtained an overall score of 79 points, 18 above the sector. Garanti Bank has also been the only Turkish company listed on the Dow Jones Sustainability Emerging Markets Index.
- Awarding of an honorable mention in the 14th **2015 AECA Corporate Transparency Awards** in the category of companies listed on the Ibex 35. These awards recognize the quality, accessibility, usability, contents and presence of the information (mainly financial and on sustainability and good governance) disclosed on corporate websites.

Products with a high social impact

BBVA Group has signed a strategic agreement with **Alliance for Financial Inclusion** (AFI), an organization in which it will collaborate as a new partner. In this regard, it has driven financial inclusion at the Global Policy Forum 2015, the most relevant annual financial inclusion event worldwide, where it presented the Special Financial Inclusion Award BBVA Open Talent 2015 to Destacame.cl, a Chilean startup that enables customers to obtain loans by creating a credit risk profile based on payments of bills for basic supplies.

The **BBVA Microfinance Foundation** has published its "2014 Performance Report: Measuring What Really Matters", which reflects the organization's work toward sustainable and inclusive economic and social development for the most disadvantaged. In 2014 it served more than 1.5 million people through its eight entities in seven countries, an increase of 3.4% on the previous year. Moreover, 25% of its customers are able to increase their sales annually and 78% do so after three years.

Camino al Éxito (Road to Success) is offering its training program in seven prestigious universities in Argentina, Chile, Colombia, Paraguay, Peru, Uruguay and Venezuela. Training, along with funding and recognition, is one of its basic pillars. For this reason, BBVA will invest 10 million euros to train 7,000 companies until 2018, offering an average of 32 hours of practical training. 705 SMEs will be able to benefit in 2015.

Thanks to the **Ruta BBVA** program, which is committed to an entrepreneurship model based on values, innovation and people, the members of the expedition were able to develop an entrepreneurship project during the 2015 tour. The winning project belongs to the collaborative economy sector and involves developing a platform to boost agro-ecological cultivation and consumption of local products. The team promoting the project has had the opportunity to present it along with the rest of the initiatives of Momentum Project.

Lastly, **Yo Soy Empleo** (I am Employment) has achieved its goal to create 10,000 new jobs.

Society

Education for society

The **2015 Teacher Action** Prizes, organized by FAD, the Spanish Commission for Cooperation with UNESCO and BBVA, have already selected their 100 regional finalists from among more than 500 candidates throughout Spain. The panel of judges has given special consideration to projects that promote the imparting of social values, but has also taken into account the originality of the subjects, the activities carried out, the educational strategies, their goals and the methodologies used.

The environment

The BBVA Foundation has announced the winners of the 10th **Biodiversity Conservation Awards**, which recognize individuals and institutions that are making progress in the protection of biodiversity and are doing valuable work in communication to society.

Science and Culture

The BBVA Foundation has awarded its **Grants for Researchers and Cultural Creators** as part of the 2nd edition of a pioneering science and culture funding program in Spain. The institution has also awarded the 2015 **Grants for Video Art Creation**, which will enable the selected candidates to carry out ambitious projects with a high technology component in the area of visual and cultural narrative.

Business areas

This section presents and analyzes the most relevant aspects of the Group's different areas. Specifically, it shows a summary of the income statement and balance sheet, data on 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 Turkiye Garanti Bankasi, A.S. (Garanti Bank) to 39.9%, 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. And from April 24th brings together the activity, balance sheet and results of CX banking business.
- **Real-estate activity in Spain** basically covers lending to real-estate developers and foreclosed real-estate assets in the country (including those coming from Cx).
- The **United States** encompasses the business conducted by the Bank in that country through BBVA Compass, the office in New York and the US companies Simple and Spring Studio bought in February 2014 and April 2015 respectively as part of BBVA's strategy to lead the technological transformation of the financial industry.
- **Turkey** includes BBVA's stake in Garanti Bank (39.9% since the third quarter of 2015), entity included in the financial statements of the group by the full consolidation method.
- **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 employees; 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 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
January-Sep. 2015										
Net interest income	12,011	3,000	26	1,342	1,320	4,033	2,483	130	12,335	(324)
Gross income	17,534	5,386	(22)	1,979	1,371	5,253	3,405	359	17,732	(198)
Operating income	8,510	3,010	(122)	645	685	3,302	1,889	107	9,516	(1,007)
Income before tax	4,335	1,565	(596)	556	460	2,004	1,375	101	5,465	(1,130)
Net attributable profit	**1,702**	**1,101**	**(407)**	**410**	**249**	**1,513**	**693**	**66**	**3,626**	**(1,924)**
January-Sep. 2014										
Net interest income	10,868	2,834	(30)	1,054	510	3,587	3,264	145	11,365	(497)
Gross income	15,592	4,879	(154)	1,565	687	4,781	3,716	602	16,076	(484)
Operating income	7,546	2,741	(270)	471	399	3,009	2,083	349	8,782	(1,236)
Income before tax	3,085	1,182	(950)	397	297	1,777	1,473	291	4,466	(1,381)
Net attributable profit	**1,929**	**834**	**(636)**	**302**	**235**	**1,349**	**754**	**236**	**3,073**	**(1,144)**

(1) Since the third quarter of 2015, BBVA's total stake in Garanti is consolidated by the full integration method. For previous periods, Garanti's revenues and costs are integrated in the proportion corresponding to the percentage of the Group's stake (25.01%).

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

(January-September 2015. Percentage)

	Banking activity in Spain	Spain [2]	The United States	Turkey	Mexico	South America	Rest of Eurasia
Gross income	30.4	30.2	11.2	7.7	29.6	19.2	2.0
Operating income	31.6	30.3	6.8	7.2	34.7	19.9	1.1
Net attributable profit	**30.4**	**19.1**	**11.3**	**6.9**	**41.7**	**19.1**	**1.8**

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

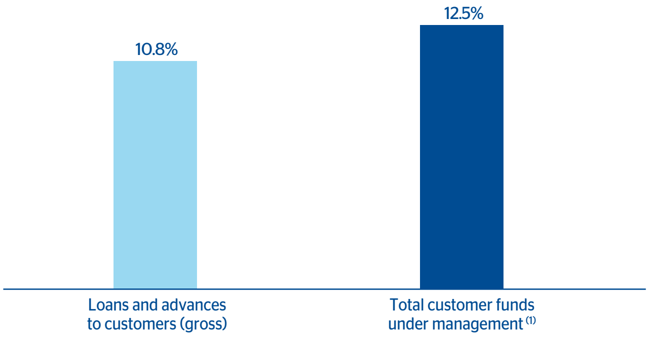
Banking activity in Spain

Highlights

- Economic recovery.
- Growth in origination of new loans.
- Favorable trend in all revenue items.
- Reduction in cost of risk.

Business activity

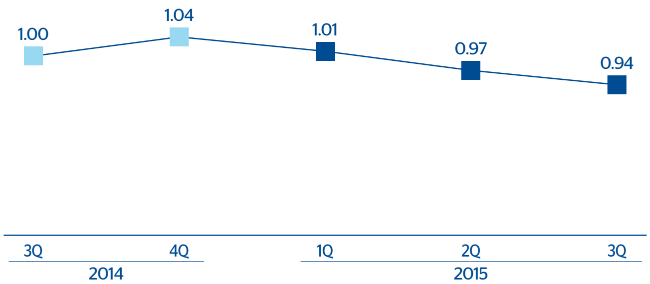
(Year-on-year change. Data as of 30-09-2015)



(1) Includes customers deposits under management and off-balance-sheet funds.

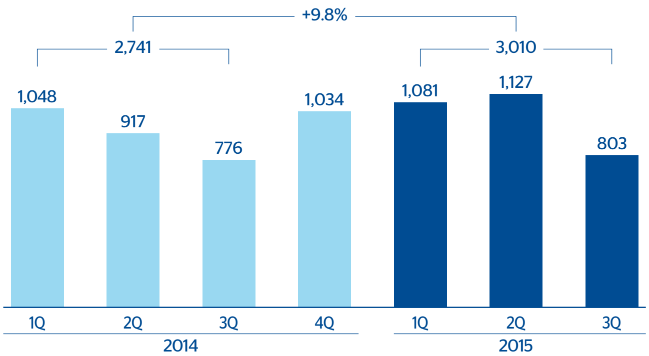
Net interest income/ATA

(Percentage)



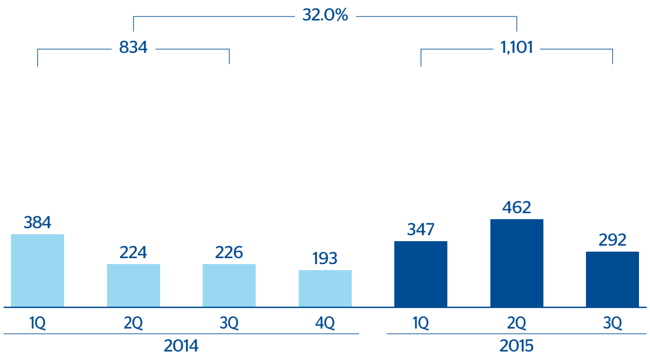
Operating income

(Million euros)

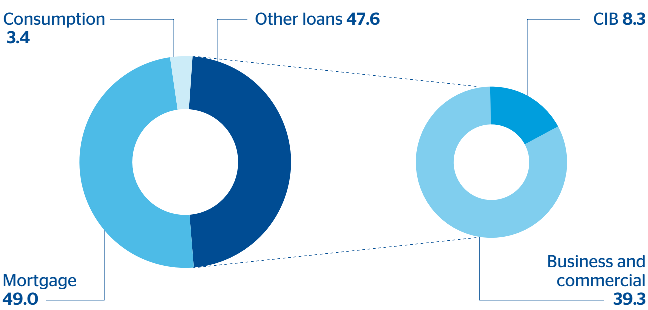


Net attributable profit

(Million euros)

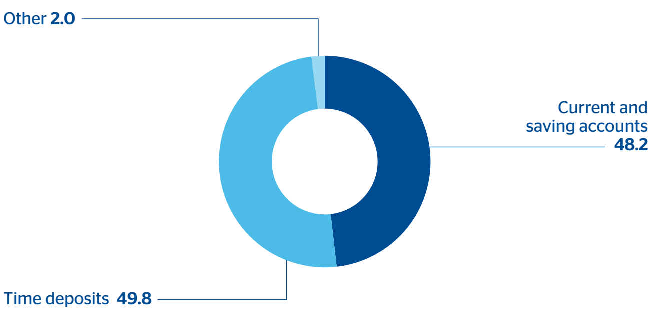


Breakdown of loans and advances to customers (gross) excluding repos (Percentage as of 30-09-2015)



Breakdown of customer deposits under management

(Percentage as of 30-09-2015)



Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	Jan.-Sep. 15	Δ%	Jan.-Sep. 14
Net interest income	**3,000**	**5.8**	**2,834**
Net fees and commissions	1,219	12.3	1,086
Net trading income	814	2.6	793
Other income/expenses	353	113.6	165
Gross income	**5,386**	**10.4**	**4,879**
Operating expenses	(2,375)	11.1	(2,138)
Personnel expenses	(1,370)	6.0	(1,293)
General and administrative expenses	(917)	19.8	(765)
Depreciation and amortization	(88)	11.9	(79)
Operating income	**3,010**	**9.8**	**2,741**
Impairment on financial assets (net)	(1,078)	(13.4)	(1,245)
Provisions (net) and other gains (losses)	(367)	17.0	(314)
Income before tax	**1,565**	**32.4**	**1,182**
Income tax	(460)	33.4	(345)
Net income	**1,105**	**32.0**	**837**
Non-controlling interests	(3)	13.3	(3)
Net attributable profit	**1,101**	**32.0**	**834**

Balance sheet	30-09-15	Δ%	30-09-14
Cash and balances with central banks	3,624	n.m.	830
Financial assets	124,655	2.5	121,612
Loans and receivables	212,069	11.2	190,642
Loans and advances to customers	184,035	9.0	168,774
Loans and advances to credit institutions and other	28,034	28.2	21,868
Inter-area positions	583	(87.3)	4,595
Tangible assets	719	(0.8)	725
Other assets	2,090	(5.7)	2,217
Total assets/liabilities and equity	**343,741**	**7.2**	**320,620**
Deposits from central banks and credit institutions	64,886	22.1	53,133
Deposits from customers	181,116	12.7	160,777
Debt certificates	41,667	(7.4)	44,981
Subordinated liabilities	2,131	(0.6)	2,144
Inter-area positions	-	-	-
Financial liabilities held for trading	41,347	(15.8)	49,106
Other liabilities	4,248	61.6	2,629
Economic capital allocated	8,347	6.3	7,850

Relevant business indicators	30-09-15	Δ%	30-09-14
Loans and advances to customers (gross) (1)	185,074	10.8	167,053
Customer deposits under management (1)	158,593	13.8	139,352
Off-balance sheet funds (2)	54,944	9.1	50,377
Efficiency ratio (%)	44.1		43.8
NPL ratio (%)	6.7		6.2
NPL coverage ratio (%)	60		44
Cost of risk (%)	0.77		0.93

(1) Excluding repos.
(2) Includes mutual funds, pension funds and other off-balance sheet funds.

Macro and industry trends

In the second quarter of 2015, the Spanish **economy** reached its highest growth rate in the recent cycle. Sound domestic public and private demand is proving decisive in the trend of recovery. Household spending and investment in capital goods are the most dynamic headings. Domestic spending is being shored up by the fall in oil prices and supportive monetary policy (stable interest rates at low levels) and the fiscal stance (increase in public consumption). Meanwhile, the healthy growth in exports continues, partly due to the euro's accumulated depreciation.

In the **financial sector**, the positive trend in total non-performing loans has continued. With the latest information available in August 2015, the NPL ratio for the sector stands at 10.95%. In lending, the deleveraging process continues as expected. According to Bank of Spain figures in August, the fall in the volume of loans amounts to 4.3% year-on-year, although the flow of new lending continues to improve (up 18.5% year-on-year in cumulative terms to August 2015). Lastly, Spanish banks have again made use of the European Central Bank's (ECB) targeted longer-term refinancing operations, so their use of Eurosystem liquidity has risen slightly in recent months to €138 billion in August.

Activity

Growth in **gross lending to customers**, both year-on-year and since December 2014, is influenced by the inclusion of CX since April 24, 2015. If we compare the volume at 30-Sep-2015 with the volume at the end of June, we see a decline of 2.0% in the stock, although this percentage decrease is increasingly smaller thanks to the strong performance of the wholesale portfolio balance and the flow of new loans granted to the retail segment. New mortgages excluding the CX balances have increased by 43% during the last twelve months, though this is still not enough to offset their maturities. There have also been significant rates of growth in new loans in other portfolios (small businesses, SMEs, corporates and, mainly, consumer), so slight positive rates of change are now apparent in each portfolio's balance.

In **asset quality**, the inclusion of CX led to an increase in non-performing loans at the end of the second half of the year. As a result, the NPL ratio rose but also the coverage ratio increased. Excluding this incorporation, there was a notable reduction in NPL flows over the quarter, thanks to the containment of gross additions and a good rate of recoveries. As a result, the NPL ratio improved over the quarter, with a practically stable coverage ratio compared with the data as of the close of June 2015.

In customer **deposits** under management, the same trend observed in previous periods has been apparent: growth of 14.8% YTD, partly due to the inclusion of CX, and a slight recoil during the quarter (down 0.7%), due once again to the decline in time deposits (down 1.6% over the quarter), some of which have been shifted to current and savings accounts and mutual funds. However, as was evident in 1H15, the rate of decline in time deposits has continued to slow this quarter.

Earnings

Positive trend in **more recurring revenue**:

- Year-on-year growth in net interest income (up 5.8% with CX figures and 0.9% on a comparable basis). The lower yield on loans, especially due to the drop in the Euribor, is being offset by cheaper deposits, both retail (reduction in the cost of deposits) and wholesale.
- Good performance of income from fees and commissions (up 12.3% year-on-year including CX and up 5.9% not including those from CX), despite the regulatory changes that took place at the end of the previous year. This positive performance springs from the excellent trend in fees and commissions from mutual funds, both in terms of the volume under management and their mix, from the plans underway to improve this revenue heading as well as from the increased number of higher value-added transactions in the Bank's wholesale businesses.

The contribution from **NTI** is 2.6% higher than it was in the same period of 2014. However, during the quarter this figure was lower than 2Q due to lower ALCO portfolio sales and a less favorable performance in the Global Markets business.

Growth of **operating expenses** (up 11.1% year-on-year) as a result of the inclusion of CX and the associated integration costs. Excluding these effects, the trend of slowing expenses seen in previous quarters has continued.

Impairment losses on financial assets continue the decline observed in previous quarters, falling 13.4% in year-on-year terms and 14.6% in the quarter, bringing the cumulative cost of risk in the first nine months of 2015 down to 0.77%.

Provisions (net) and other gains/ losses include the costs derived from the transformation process, as mentioned in previous quarterly reports.

As a result, the **net attributable profit** generated by banking activity in Spain in the first nine months of 2015 was €1,101m, a year-on-year increase of 32.0%.

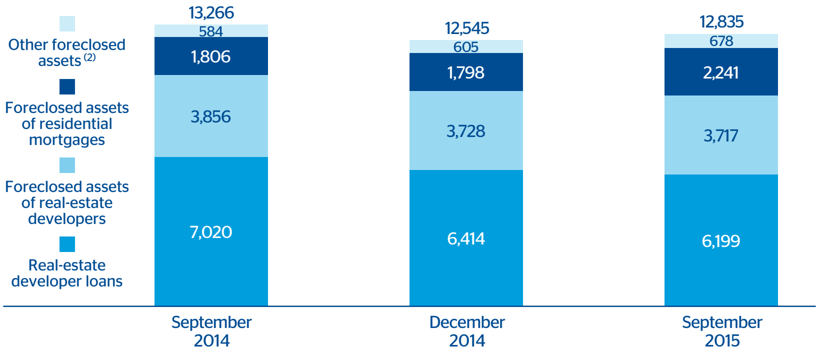
Real-estate activity in Spain

Highlights

- The growing trend in demand for housing continues.
- Five consecutive quarters of rising prices.
- Stronger activity in mortgage lending.
- Negative contribution of the area to earnings continues to decline.

Net exposure to real estate (1)

(Million euros)



(1) Transparency scope according to Bank of Spain Circular 5/2011 dated November 30.
(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 30-09-15)

	Risk amount	Provision	% Coverage over risk
NPL + Substandard	7,668	4,198	55
NPL	6,760	3,912	58
Substandard	908	286	31
Foreclosed real-estate and other assets	15,265	8,629	57
From real-estate developers	9,101	5,384	59
From dwellings	4,837	2,596	54
Other	1,327	649	49
Subtotal	**22,933**	**12,827**	**56**
Performing	2,729		
With collateral	2,369		
Finished properties	1,833		
Construction in progress	306		
Land	231		
Without collateral and other	360		
Real-estate exposure	**25,662**	**12,827**	**50**

Industry trends

The growing trend in **demand** for residential real estate, which began a few months ago, is continuing. A number of factors also suggest the trend will be positive in the medium term: specifically, the recovery in employment and improved consumer confidence.

The latest data published in the second quarter of 2015 by the National Institute for Statistics (INE) confirm that housing **prices** continue their positive trend, with prices growing for five consecutive quarters.

The upturn in demand, combined with a fall in the cost of funding, has led to increased activity in the **mortgage market**. Thus, the amount of mortgages granted for buying homes in the first seven months of the year is 21.2% higher than a year ago, according to the latest information from the INE.

Data on **construction activity** also point to a growing recovery in the residential segment.

The improved demand for residential assets is also being transferred to the market for urban **land**, where prices have begun to stabilize.

Exposure

BBVA continues with its strategy of reducing its net **exposure** to the real-estate sector in Spain. This includes both the developer segment (lending to real-estate developers plus foreclosed assets derived from those loans) and foreclosed real-estate assets from retail mortgage loans. The incorporation of CX in April has led to a level of exposure as of 30-Sep-2015 of €12,835m, a rise of 2.3% since December 2014, but a fall of 2.4% on the balance at the close of June 2015.

Non-performing loans have fallen again over the quarter, with new additions to NPL remaining in check over the period and recoveries progressing positively. Here it is worth noting that the purchases of foreclosed assets account for an increasingly smaller proportion of the total volume of recoveries. The coverage ratio for non-performing and substandard loans remains at 55%. In terms of total real-estate exposure, including outstanding loans to developers, foreclosed assets and other assets, the coverage ratio stands at 50%.

Sales of real-estate assets are negatively affected for seasonal factors in the third quarter, specially in August. Sales over the quarter totaled 2,177 units, or 4,086 if the sales of developer assets on the balance sheet are added to this sum. In cumulative terms, this figure amounts to 6,696 and 13,645 units, respectively (these figures do not include the contribution from CX). Progress continues in the shift in strategy, which begun in 2014 towards selective sales that prioritize profitability.

Earnings

BBVA's real-estate business in Spain registered a **loss** of €107m in the third quarter of 2015, a figure that improves on the €171m loss in the same period in 2014, mainly due to the reduced need for loan-loss and real-estate provisions, as well as improved capital gains from sales. In cumulative terms, the area registered a loss of €407m (–€636m in the same period in 2014).

Financial statements

(Million euros)

Income statement	Jan.-Sep. 15	Δ%	Jan.-Sep. 14
Net interest income	**26**	**n.m.**	**(30)**
Net fees and commissions	2	(39.9)	4
Net trading income	4	98.7	2
Other income/expenses	(54)	(58.0)	(130)
Gross income	**(22)**	**(85.8)**	**(154)**
Operating expenses	(100)	(12.9)	(115)
Personnel expenses	(49)	(19.5)	(61)
General and administrative expenses	(32)	(11.2)	(37)
Depreciation and amortization	(19)	5.9	(18)
Operating income	**(122)**	**(54.6)**	**(270)**
Impairment on financial assets (net)	(179)	(18.0)	(218)
Provisions (net) and other gains (losses)	(294)	(36.2)	(462)
Income before tax	**(596)**	**(37.3)**	**(950)**
Income tax	189	(39.4)	313
Net income	**(407)**	**(36.2)**	**(637)**
Non-controlling interests	(1)	n.m.	1
Net attributable profit	**(407)**	**(36.0)**	**(636)**

Balance sheet	30-09-15	Δ%	30-09-14
Cash and balances with central banks	7	19.2	6
Financial assets	535	41.0	380
Loans and receivables	8,337	(11.0)	9,365
Loans and advances to customers	8,337	(11.0)	9,365
Loans and advances to credit institutions and other	-	-	-
Inter-area positions	-	-	-
Tangible assets	1,493	4.4	1,430
Other assets	6,889	(4.5)	7,210
Total assets/liabilities and equity	**17,260**	**(6.1)**	**18,389**
Deposits from central banks and credit institutions	-	-	-
Deposits from customers	182	71.9	106
Debt certificates	-	-	-
Subordinated liabilities	842	(6.5)	901
Inter-area positions	12,868	(6.6)	13,781
Financial liabilities held for trading	-	-	-
Other liabilities	-	-	-
Economic capital allocated	3,368	(6.5)	3,602

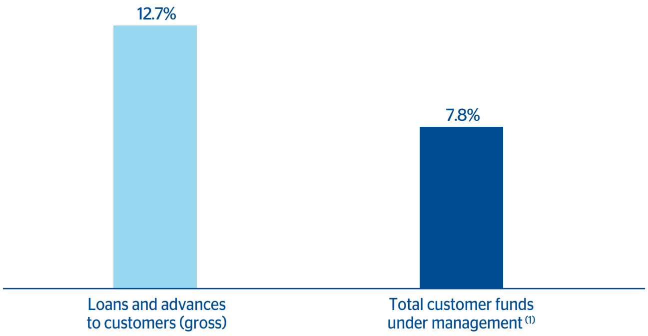
The United States

Highlights

- The positive trend in business activity seen in previous periods continues, focused on selective and profitable growth.
- Favorable trend in revenues, especially in net interest income.
- Risk indicators continue at low levels.

Business activity

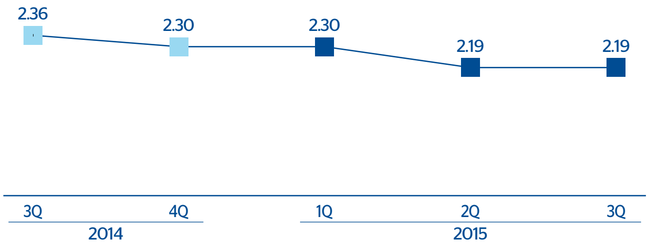
(Year-on-year change at constant exchange rate. Data as of 30-09-2015)



(1) Includes customers deposits under management and off-balance-sheet funds.

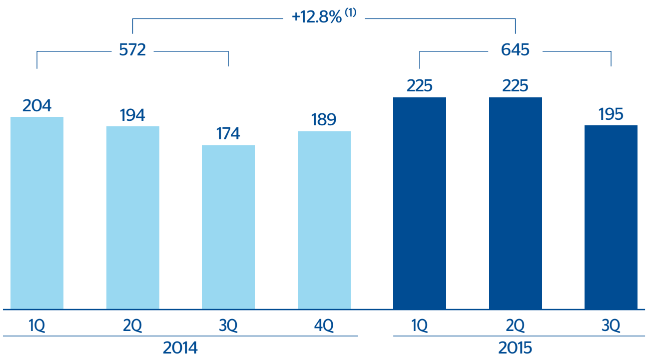
Net interest income/ATA

(Percentage. Constant exchange rate)



Operating income

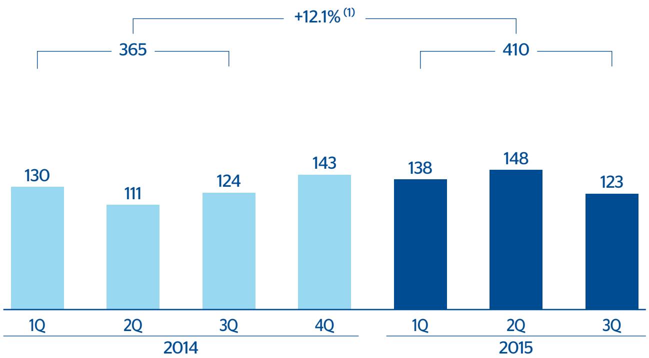
(Million euros at constant exchange rate)



(1) At current exchange rate: +36.9%.

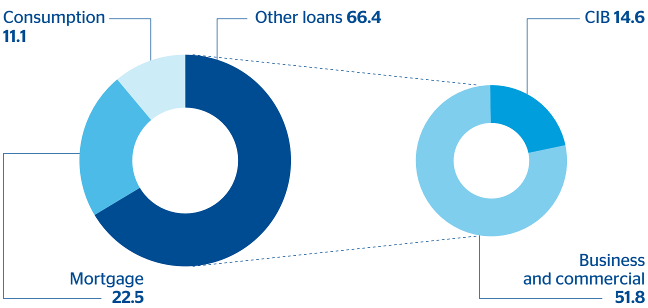
Net attributable profit

(Million euros at constant exchange rate)



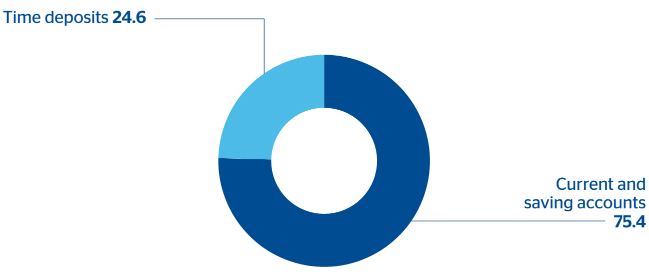
(1) At current exchange rate: +35.8%.

Breakdown of loans and advances to customers (gross) excluding repos (Percentage as of 30-09-2015)



Breakdown of customer deposits under management

(Percentage as of 30-09-2015)



Macro and industry trends

With the slowdown experienced at the beginning of the year behind it, the U.S. **economy** is now firmly back on track. The adverse impacts of the correction in oil prices on energy sector investment, and the dollar's appreciation on export volumes, have been comfortably offset by steady growth in private consumption, against a background of low inflation and sustained progress in employment.

The improvement in the domestic cycle is consistent with the incipient process towards normalizing **monetary policy**, initially planned to take place in the second half of 2015, but now likely to be delayed until the end of this year or early 2016 as a result of the lack of domestic inflationary pressures and changes in the international setting, particularly the reduced growth outlook in emerging markets.

In the **foreign exchange** market, the dollar's value has generally risen against other key currencies, particularly against the bulk of emerging markets' currencies. It has also appreciated against the euro, both over the last twelve months and in 2015, though the euro's margin for devaluation has been limited by the easing tensions associated with the Greek crisis and the fact that the market expects the Fed's first interest rate hike to be delayed.

In the **financial system**, the trend of a low NPL ratio for the sector (which stood at 2.4% at end of the first half of 2015) has continued. In terms of activity, strong growth in lending and deposits has continued (up 5% and 7%, respectively, based on August data from the Fed).

Activity

The **loan book** saw a moderate deceleration in the year-on-year growth rate (up 12.7% since September 2014 and up 7.9% since the end of last year), albeit above the sector average and focused on selective and profitable growth. Almost all portfolios showed an increase in their balance: commercial loans (up 12.1% YTD), loans to developers (or construction real estate: up 7.6% since the end of December, although this portfolio started from lower levels), consumer loans (including credit cards: up 3.9% over the last nine months) and residential mortgages (or residential real estate: up 3.0% since the end of 2014).

Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	Jan.-Sep. 15	Δ%	Δ%[1]	Jan.-Sep. 14
Net interest income	**1,342**	**27.3**	**4.8**	**1,054**
Net fees and commissions	470	16.2	(4.2)	404
Net trading income	158	47.1	22.6	107
Other income/expenses	9	n.m.	n.m.	(1)
Gross income	**1,979**	**26.4**	**4.2**	**1,565**
Operating expenses	(1,334)	21.9	0.5	(1,094)
Personnel expenses	(770)	22.2	0.7	(630)
General and administrative expenses	(412)	23.7	2.0	(333)
Depreciation and amortization	(153)	16.1	(4.5)	(131)
Operating income	**645**	**36.9**	**12.8**	**471**
Impairment on financial assets (net)	(87)	63.9	33.4	(53)
Provisions (net) and other gains (losses)	(2)	(92.0)	(93.4)	(21)
Income before tax	**556**	**40.2**	**15.7**	**397**
Income tax	(147)	54.1	26.8	(95)
Net incomes	**410**	**35.8**	**12.1**	**302**
Non-controlling interests	(0)	33.3	9.6	(0)
Net attributable profit	**410**	**35.8**	**12.1**	**302**

Balance sheet	30-09-15	Δ%	Δ%[1]	30-09-14
Cash and balances with central banks	6,813	61.0	43.3	4,233
Financial assets	14,533	63.2	45.3	8,907
Loans and receivables	59,514	26.9	13.0	46,908
Loans and advances to customers	57,304	26.8	12.9	45,184
Loans and advances to credit institutions and other	2,210	28.2	14.1	1,724
Inter-area positions	-	-	-	724
Tangible assets	757	7.3	(4.4)	705
Other assets	1,830	(28.1)	(35.9)	2,543
Total assets/liabilities and equity	**83,447**	**30.3**	**16.0**	**64,020**
Deposits from central banks and credit institutions	7,093	39.6	24.3	5,082
Deposits from customers	60,135	23.2	9.7	48,821
Debt certificates	889	12.5	0.2	790
Subordinated liabilities	1,453	104.2	81.8	712
Inter-area positions	1,220	-	-	-
Financial liabilities held for trading	3,937	n.m.	n.m.	367
Other liabilities	5,752	(0.6)	(11.5)	5,788
Economic capital allocated	2,967	20.6	7.4	2,460

Relevant business indicators	30-09-15	Δ%	Δ%[1]	30-09-14
Loans and advances to customers (gross)[2]	58,058	26.6	12.7	45,855
Customer deposits under management[2]	57,727	21.0	7.8	47,691
Off-balance sheet funds[3]	-	-	-	-
Efficiency ratio (%)	67.4			69.9
NPL ratio (%)	0.9			0.9
NPL coverage ratio (%)	153			164
Cost of risk (%)	0.21			0.17

(1) Figures at constant exchange rate.
(2) Excluding repos.
(3) Includes mutual funds, pension funds and other off-balance sheet funds.

Asset quality indicators continue at minimum levels for the cycle, with an NPL ratio of 0.9% and a coverage ratio of 153%. The Group's cumulative cost of risk in the first nine months of 2015 is slightly below the figure for 1H15 (0.21%).

On the liabilities side, customer **deposits** under management were up 7.8% in the last twelve months. The percentage increase compared with the volume as of 31-Dec-2014 is 6.3%. Checking and savings accounts are up year-on-year by 5.6% (up 3.3% since the close of 2014) and term deposits by 15.0% (up 16.8% compared with 31-Dec-2014).

Earnings

The area reported **net attributable profit** for the quarter of €123m, with a cumulative total of €410m which is 12.1% higher than the same period of 2014. The factors behind this increase are very similar to those occurring in previous periods:

- Positive quarterly and year-on-year growth in **net interest income** (up 3.7% and 4.8%, respectively) due to strong activity. Customer spread remains at the same levels as in previous quarters, with stability in both yield on loans and average cost of deposits.
- Accumulated **fees and commissions** performed much in line with previous quarters (down 4.2% year over year).
- Positive trend in **NTI**. This is the result of capital gains from the sale of ALCO portfolios and the positive performance of the Global Markets unit over the period.
- Very strong performance in **operating expenses**, which are barely up 0.5% in the cumulative total through September 2015, due to the reduction in depreciation and amortization.
- Finally, **impairment losses on financial assets** increased year-on-year by 33.4% for the nine months through September 2015, partly due to growth in activity, although the cost of risk is still at very low levels.

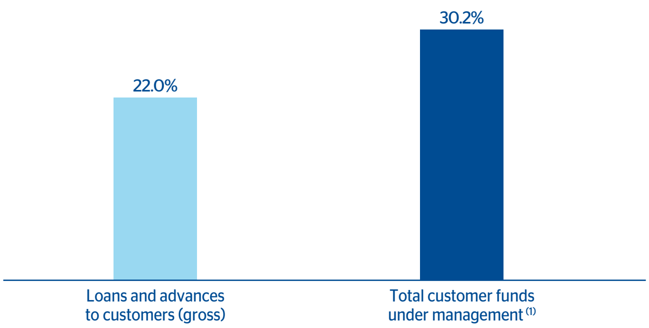
Turkey

Highlights

- Acquisition of an additional 14.89% stake in Garanti and consolidation by the full integration method.
- Significant depreciation of the Turkish lira in the quarter.
- Sound growth of lending activity continues.
- Excellent performance of net interest income.
- Good asset quality indicators.

Business activity. Turkey presented on an ongoing basis

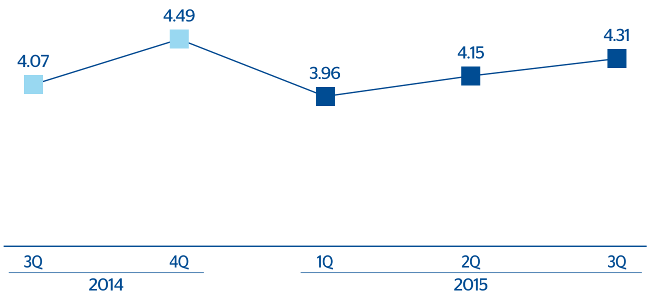
(Year-on-year change at constant exchange rate. Data as of 30-09-2015)



(1) Includes customers deposits under management and off-balance-sheet funds.

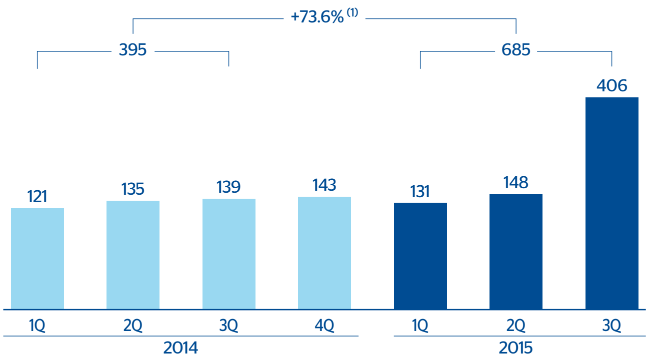
Net interest income/ATA

(Percentage. Constant exchange rate)



Operating income

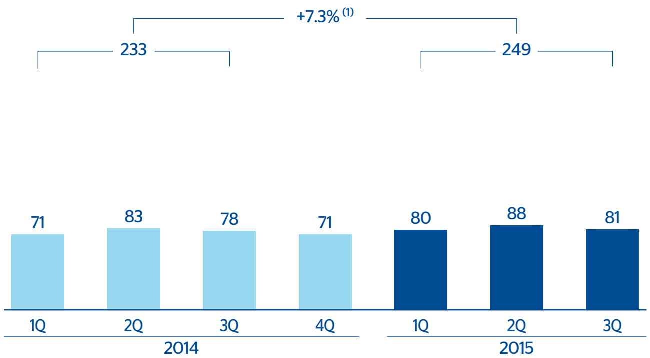
(Million euros at constant exchange rate)



(1) At current exchange rate: +71.4%.

Net attributable profit

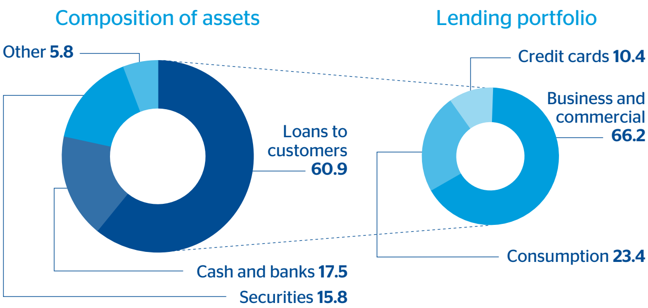
(Million euros at constant exchange rate)



(1) At current exchange rate: +6.0%.

Garanti. Composition of assets and lending portfolio (1)

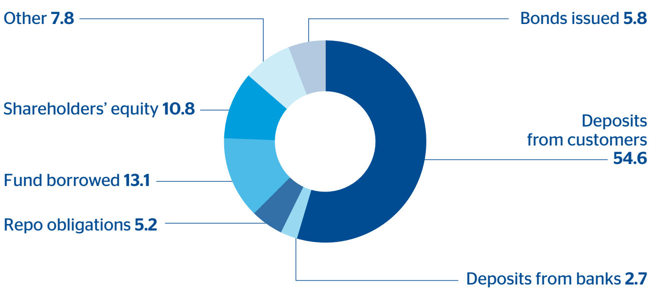
(Percentage as of 30-09-2015)



(1) Garanti Bank only.

Garanti. Composition of liabilities (1)

(Percentage as of 30-09-2015)



(1) Garanti Bank only.

Financial statements and relevant business indicators

(Million euros and percentage)

	Turkey [1]	Turkey presented on an ongoing basis [2]			
Income statement	Jan.-Sep. 15	Jan.-Sep. 15	Δ%	Δ% [3]	Jan.-Sep. 14
Net interest income	**1,320**	**649**	**27.2**	**28.8**	**510**
Net fees and commissions	267	140	(1.4)	(0.1)	142
Net trading income	(239)	(76)	n.m.	n.m.	23
Other income/expenses	22	12	5.5	6.8	12
Gross income	**1,371**	**726**	**5.5**	**6.9**	**687**
Operating expenses	(686)	(338)	17.2	18.7	(288)
Personnel expenses	(348)	(171)	13.7	15.1	(150)
General and administrative expenses	(257)	(133)	18.7	20.2	(112)
Depreciation and amortization	(81)	(34)	31.7	33.3	(26)
Operating income	**685**	**388**	**(2.9)**	**(1.7)**	**399**
Impairment on financial assets (net)	(224)	(109)	8.5	9.9	(101)
Provisions (net) and other gains (losses)	(1)	0	n.m.	n.m.	(2)
Income before tax	**460**	**279**	**(6.1)**	**(4.9)**	**297**
Income tax	(85)	(54)	(11.4)	(10.2)	(61)
Net income	**375**	**224**	**(4.7)**	**(3.5)**	**235**
Non-controlling interests	(125)	-	-	-	-
Net attributable profit	**249**	**224**	**(4.7)**	**(3.5)**	**235**

Balance sheet	30-09-15	30-09-15	Δ%	Δ% [3]	30-09-14
Cash and balances with central banks	10,435	2,609	17.2	38.1	2,226
Financial assets	15,810	3,953	(7.7)	8.7	4,282
Loans and receivables	57,719	14,430	3.1	21.4	13,998
Loans and advances to customers	52,231	13,058	3.4	21.8	12,633
Loans and advances to credit institutions and other	5,489	1,372	0.6	18.5	1,364
Tangible assets	851	213	17.3	38.2	181
Other assets	2,550	635	(5.1)	11.8	669
Total assets/liabilities and equity	**87,365**	**21,839**	**2.3**	**20.5**	**21,356**
Deposits from central banks and credit institutions	15,888	3,972	(14.0)	1.3	4,619
Deposits from customers	46,388	11,597	8.3	27.6	10,710
Debt certificates	7,830	1,958	51.6	78.6	1,291
Subordinated liabilities	51	13	(44.7)	(34.9)	23
Financial liabilities held for trading	1,105	276	64.7	94.0	168
Other liabilities	14,555	3,056	(17.1)	(2.3)	3,685
Economic capital allocated	1,547	967	12.3	32.3	861

Relevant business indicators	30-09-15	30-09-15	Δ%	Δ% [3]	30-09-14
Loans and advances to customers (gross) [4]	54,323	13,581	3.5	22.0	13,117
Customer deposits under management [4]	41,731	10,433	11.3	31.1	9,373
Off-balance sheet funds [5]	3,284	821	1.3	19.3	811
Efficiency ratio (%)	50.0	50.0			41.9
NPL ratio (%) [2]	2.6	2.6			2.6
NPL coverage ratio (%) [2]	119	119			115
Cost of risk (%) [2]	1.03	1.03			1.10

(1) Since the third quarter of 2015, BBVA's total stake in Garanti is consolidated by the full integration method.
(2) Garanti's financial statements integrated in the proportion corresponding to the percentage of the Group's stake (25.01%) until the second quarter of 2015.
(3) Figures at constant exchange rate.
(4) Excluding repos.
(5) Includes mutual funds, pension funds and other off-balance sheet funds.

Macro and industry trends

The country's **economic growth** provided an upward surprise in the first two quarters of 2015, boosted by strong domestic demand, although the indicators available for the third quarter suggest a certain slowdown as a result of political uncertainty and the volatility in financial markets. Inflation data for September confirmed its deterioration (7.95% versus 7.14% in August), due to a large extent to the fact that the Turkish lira depreciation has been transferred to consumer prices.

In a context of inflationary pressures, depreciation pressures on the **currency** and global financial instability, the Central Bank (CBRT) has changed the tone of its monetary policy, making it more dependable of the normalization processes of global monetary policies (including that of the US), and could decide to hike interest rates over the rest of the year.

As regards the **banking business**, lending moderated its growth in the third quarter, but continues to advance year-on-year at 15.0% according to the latest data released by the CBRT for September. The sector's NPL ratio remains stable, at around 3%, while the capitalization and profitability levels are also sound. Fund gathering in the private sector has also increased at high year-on-year rates, 24.0% (CBRT data for September), strongly supported by the increase in foreign-currency deposits. However, it appears that this trend is being reversed in favor of local-currency funds.

Activity

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

After completing the acquisition of the additional 14.89% in Garanti Bank's share capital on July 27, BBVA's total stake in this bank stands at 39.9%. According to applicable accounting rules and as a result of the agreements reached, BBVA Group has valued the initial stake at fair price (which amounted to 25.01%) and consolidated its entire current stake by the full consolidation method. In order to facilitate the comparison with the historical figures, the variation percentages mentioned below are presented on a like-for-like comparison, i.e. at 25.01% and integrated in the proportion corresponding to this percentage stake, unless expressly stated otherwise.

Gross lending to customers registered rates of growth of 22.0% year-on-year and of 19.2% YTD. This performance is basically supported by the favorable trend in mortgage loans (up 24.4% since 30-Sep-2014 and 20.3% since 31-Dec-2014), consumer loans and credit cards (up 12.5% year-on-year and 9.1% since December) and commercial lending (up 24.5% and 22.8%, respectively). Garanti is gaining market share, particularly in mortgages and auto lending (information based on system data released by the Turkish banking regulator, BRSA).

The trend in the main **asset quality** indicators continues to be favorable. The NPL ratio is down 7 basis points since June 30 and the coverage ratio remains stable, in both cases better than the average for the sector in Turkey.

Customer **deposits** under management continue to show high rates of growth (up 31.1% year-on-year and 24.8% since the end of the previous year). Unlike in previous quarters, Garanti has registered quarterly growth in Turkish lira-denominated customer funds and a decrease in foreign-currency deposits, in line with the sector as a whole.

Earnings

Over the first nine months of 2015 Turkey generated a **net attributable profit** of €249m (€224m using a like-for-like comparison), 7.3% more than in the same period in 2014. The most notable items in this area's income statement are:

- The pressure on financing costs over the last quarter has affected **net interest income** for the period. However, this impact has been partially offset by the repricing of asset products, which has enabled the cumulative net interest income through September to grow, using a like-for-like comparison, at a year-on-year rate of 28.8%.

- **Fees and commissions** are in line with previous quarters (with practically no variation in the cumulative figure compared with the same period in 2014) thanks to greater diversification in these revenues, despite the impact of the regulatory restrictions on collections related to consumer loans and credit cards.

- **NTI** continues to be negatively affected by the volatility in wholesale financial markets and, in addition, by the lower contribution from the portfolio of inflation-indexed bonds, especially in the last quarter.

- **Operating expenses** have been impacted by the effect of the depreciation of the Turkish lira on costs denominated in another currency and the continuing high level of inflation.

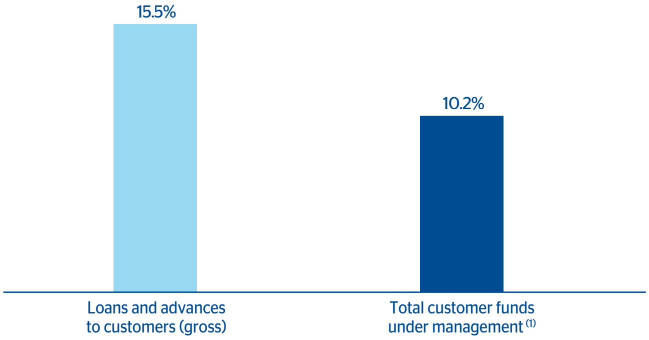
- Lastly, **impairment losses on financial assets** in the quarter are up as a result of greater generic provisions due to the depreciation of the Turkish lira, while specific provisions have performed very well owed mainly to the increase in recoveries. Year to date and using a like-for-like comparison, this heading is 9.9% above the figure for the first nine months of 2014.

Mexico

Highlights

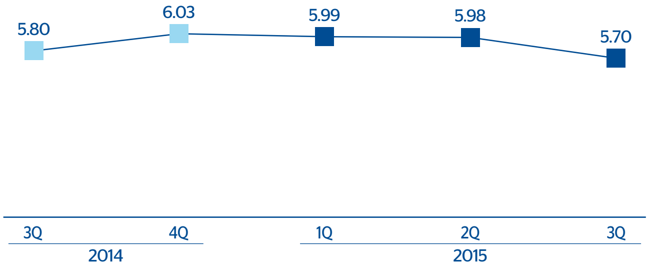
- Double-digit growth in lending continues, biased toward wholesale segments.
- Also double-digit growth in deposits.
- Resilience of the area's earnings, in a moderate economic environment.
- Good risk indicators that compare favorably with the banking system.

Business activity
(Year-on-year change at constant exchange rate. Data as of 30-09-2015)

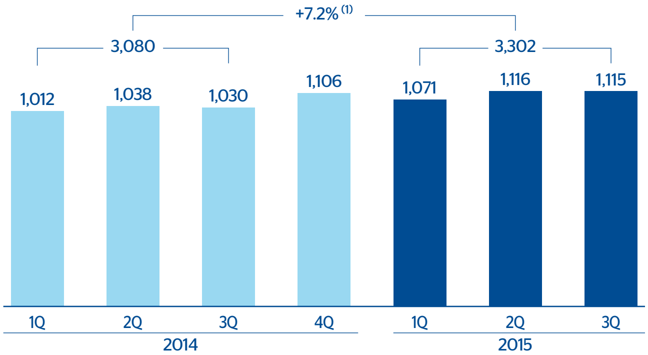


(1) Includes customers deposits under management and off-balance-sheet funds.

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

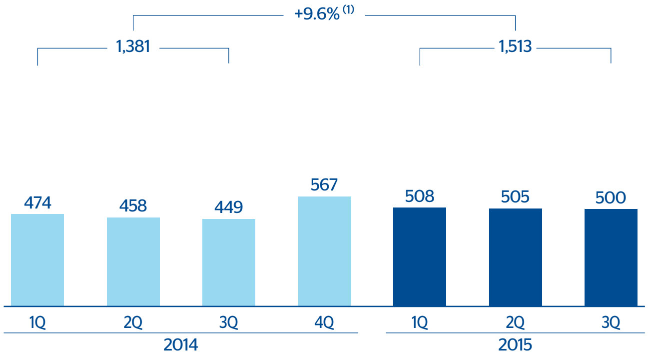


Operating income
(Million euros at constant exchange rate)



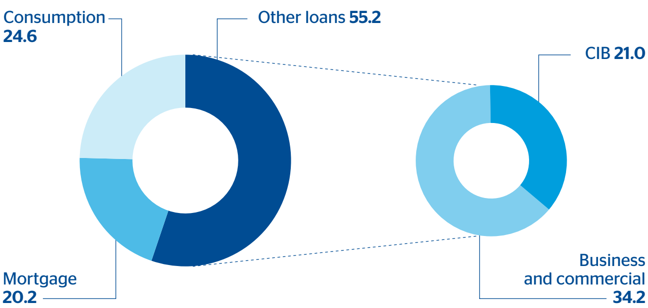
(1) At current exchange rate: +9.7%.

Net attributable profit
(Million euros at constant exchange rate)

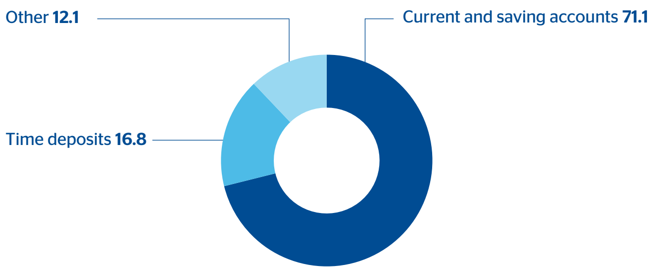


(1) At current exchange rate: +12.2%.

Breakdown of loans and advances to customers (gross) excluding repos (Percentage as of 30-09-2015)



Breakdown of customer deposits under management
(Percentage as of 30-09-2015)



Macro and industry trends

The Mexican **economy** once again reported moderate growth in the second quarter of 2015. In the coming quarters its growth rate is expected to pick up, driven mainly by higher foreign demand from the U.S. For the time being, growth is constrained by weak domestic demand, lower oil production income and cuts in public spending. The most recent data, however, point to a positive pattern in retail sales, real wages and employment. Taking into account the historically low inflation levels (core inflation was below 3% in July 2015) and the transfer -limited for the time being- of the peso's devaluation on to consumer prices- the Central Bank (Banxico) is expected to choose a gradual increase in official interest rates, in keeping with the U.S.'s economic and monetary cycle.

In the foreign **currency** market, the peso has depreciated against the dollar in recent months, in much the same way that other emerging markets' currencies have done. These currencies have dropped in value due to the fall in oil prices, mentioned above, coupled with increased global financial volatility.

Mexico's **financial system** maintains high solvency levels, with a total capitalization index of 15.5% at July 2015. Growth in private sector lending was up 14.5% year-on-year according to the most recent figures by the National Securities Banking Commission (Comisión Nacional Bancaria de Valores - CNBV) in August, thanks mainly to commercial lending, with a stable NPL ratio below 3%. Gathering of customer funds (demand + time) also shows healthy growth (up 9.8%), thanks to demand deposits. The system has adequate liquidity and profitability levels.

Activity

At the close of September, the **loan book** reported double-digit growth higher than in previous periods (up 15.5% year-on-year and 9.8% since December 2014), fueled largely by the **wholesale portfolio**, which is up 22.5% year-on-year and 10.8% over the year so far. Within this segment, commercial loans are the most buoyant, up 25.0% year-on-year (up 12.6% compared with the figure at the close of the previous year). A positive trend is beginning to show in funding to home developers, which closes on 30 September

Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	Jan.-Sep. 15	Δ%	Δ% (1)	Jan.-Sep. 14
Net interest income	**4,033**	**12.4**	**9.8**	**3,587**
Net fees and commissions	897	4.0	1.6	862
Net trading income	167	2.1	(0.3)	164
Other income/expenses	157	(6.5)	(8.7)	168
Gross income	**5,253**	**9.9**	**7.3**	**4,781**
Operating expenses	(1,952)	10.1	7.6	(1,772)
Personnel expenses	(853)	11.7	9.1	(764)
General and administrative expenses	(938)	7.5	5.0	(872)
Depreciation and amortization	(161)	18.6	15.8	(135)
Operating income	**3,302**	**9.7**	**7.2**	**3,009**
Impairment on financial assets (net)	(1,260)	9.9	7.3	(1,147)
Provisions (net) and other gains (losses)	(39)	(54.9)	(55.9)	(85)
Income before tax	**2,004**	**12.8**	**10.1**	**1,777**
Income tax	(490)	14.6	11.9	(428)
Net income	**1,513**	**12.2**	**9.6**	**1,349**
Non-controlling interests	(0)	12.6	9.9	(0)
Net attributable profit	**1,513**	**12.2**	**9.6**	**1,349**

Balance sheet	30-09-15	Δ%	Δ% (1)	30-09-14
Cash and balances with central banks	5,104	4.4	16.6	4,889
Financial assets	35,992	(5.0)	6.1	37,888
Loans and receivables	50,464	9.5	22.3	46,078
Loans and advances to customers	46,926	4.6	16.8	44,869
Loans and advances to credit institutions and other	3,538	192.6	226.6	1,209
Tangible assets	1,897	21.1	35.2	1,566
Other assets	5,609	65.4	84.6	3,392
Total assets/liabilities and equity	**99,066**	**5.6**	**17.9**	**93,814**
Deposits from central banks and credit institutions	14,737	29.1	44.2	11,412
Deposits from customers	46,771	(3.2)	8.0	48,334
Debt certificates	5,419	18.1	31.9	4,587
Subordinated liabilities	4,528	21.9	36.1	3,713
Financial liabilities held for trading	7,840	14.9	28.3	6,825
Other liabilities	14,892	6.2	18.5	14,029
Economic capital allocated	4,879	(0.7)	10.8	4,915

Relevant business indicators	30-09-15	Δ%	Δ% (1)	30-09-14
Loans and advances to customers (gross) (2)	48,209	3.5	15.5	46,582
Customer deposits under management (2)	41,096	2.4	14.3	40,145
Off-balance sheet funds (3)	21,902	(7.4)	3.4	23,654
Efficiency ratio (%)	37.1			37.1
NPL ratio (%)	2.6			3.2
NPL coverage ratio (%)	121			112
Cost of risk (%)	3.40			3.56

(1) Figures at constant exchange rate.
(2) Excluding repos.
(3) Includes mutual funds, pension funds and other off-balance sheet funds.

28.2% up on the balance for the same date in 2014. This has allowed BBVA in Mexico to reach a market share of 22.0% in wholesale segment loans (up 45 basis points YTD, according to CNBV official information at the close of August 2015).

The **retail portfolio** has reported growth of 9.0% year-on-year and of 7.2% since December 2014. The performance in lending to small businesses is particularly significant within this portfolio, having grown by 25.6% over the last 12 months at the close of September 2015 (and by 21.3% since December). In Mexico, BBVA continues to promote lending to this segment through a number of different initiatives. One of the latest initiatives has been "mPOS Flap", a mobile app that customers can use to receive payments from credit and debit cards, using a cell phone as a point-of-sale terminal. The strong performance in consumer loans has continued (up 20.3% year-on-year and 16.6% since 31-Dec-2014), still fueled strongly by previously approved loans for the customer base. Alliances with a number of different car manufacturers have also yielded positive results, as shown by the 10.3% growth in this portfolio year-on-year and 5.8% higher compared with the close of the previous year. The consumer market share (payroll, personal and auto loans) has increased 49 basis points over the year so far and 144 basis points over the last twelve months, to 27% at the close of September 2015. New production of retail mortgages has risen sharply (up 20.4% year-on-year in the accumulated balance to September), though this growth is not visible in the total balance, which is only up 3.2% year-on-year and 2.5% since 31-Dec-2014.

Asset quality indicators remain very sound in the quarter, and the NPL ratio has dropped to 2.6% at 30-Sep-2015. The coverage ratio stands at 121%. In local terms, the bank's performance vs. its peers remains positive (BBVA Bancomer's past-due portfolio ratio is 2.58%, compared with the sector's 3.06%, according to official CNBV information at the close of August 2015).

Customer **deposits** under management maintain their growth pace (up 14.3% year-on-year and 11.7% since 31-Dec-2014). This is thanks to the positive trend in current and savings accounts as well as time deposits. Assets managed by investment companies amounted to €18,219m, with a year-on-year growth of 1.6% (up 3.5% since the end of December 2014). *Global Finance* magazine named BBVA in Mexico as the "Best Asset Manager for Business and Corporate Clients".

Earnings

BBVA's earnings in Mexico remain highly resilient, despite the current economic context. **Net attributable profit** stands at a cumulative €1,513m for the first nine months of the year, up 9.6% year-on-year.

Cumulative **net interest income** has grown year-on-year (up 9.8%), despite growth in activity being more biased towards wholesale segments and the lower contribution from the Global Markets unit compared with the same period last year.

Fees and commissions have grown at rates similar to those seen in previous quarters (up 1.6% year-on-year).

Other income/expenses are down 8.7% over the last twelve months, due to the higher contribution to the local deposit guarantee fund (IPAB) compared with the same period in 2014, which detracts from the positive trend from the insurance business contribution.

Operating expenses are up 7.6% year-on-year, largely due to the investment plans being implemented in Mexico since 2013.

Lastly, with cumulative figures to September, **impairment losses on financial assets** have once again grown slightly below the pace of growth in the loan portfolio, so there has been a slight improvement in the cumulative cost of risk compared to that of 1H15.

As a consequence of all the aforementioned and owing to its good financial performance, Global Finance has named BBVA in Mexico as the Best Bank in Mexico.

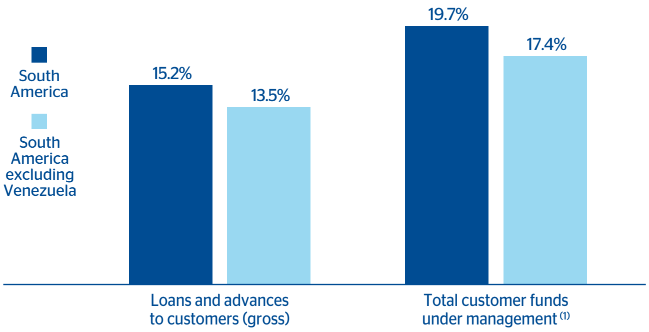
South America

Highlights

- Increased business activity, in line with previous periods.
- Favorable performance of more recurring revenue.
- Expenses conditioned by investment plans and high inflation in some countries.
- Risk indicators are stable.

Business activity

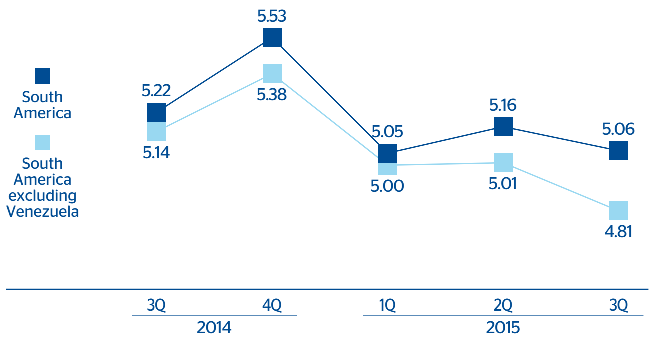
(Year-on-year change at constant exchange rates. Data as of 30-09-2015)



(1) Includes customers deposits under management and off-balance-sheet funds.

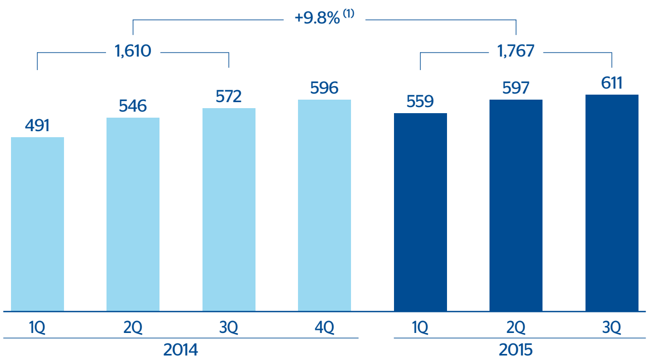
Net interest income/ATA

(Percentage. Constant exchange rates)



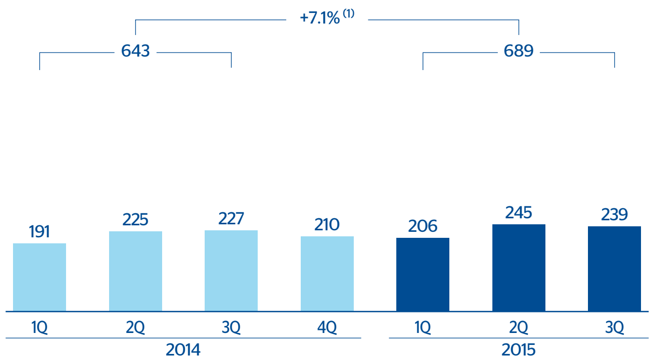
South America excluding Venezuela. Operating income

(Million euros at constant exchange rates)



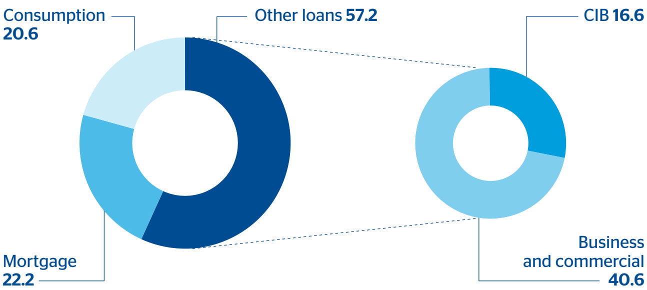
(1) At current exchange rates: +13.1%.

South America excluding Venezuela. Net attributable profit (Million euros at constant exchange rates)



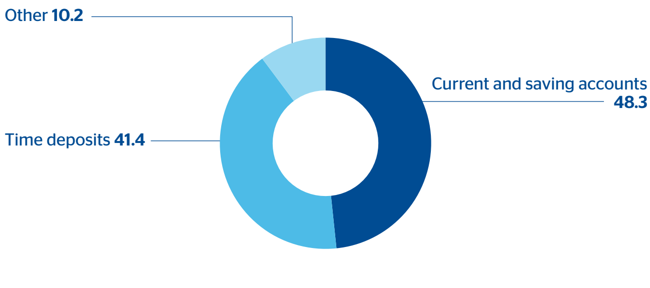
(1) At current exchange rates: +9.2%.

South America excluding Venezuela. Breakdown of loans and advances to customers (gross) excluding repos (Percentage as of 30-09-2015)



South America excluding Venezuela. Breakdown of customer deposits under management

(Percentage as of 30-09-2015)



Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	South America Jan.-Sep. 15	South America excluding Venezuela Jan.-Sep. 15	Δ%	Δ% (1)	Jan.-Sep. 14
Net interest income	**2,483**	**2,307**	**14.5**	**11.7**	**2,015**
Net fees and commissions	544	519	17.3	11.3	442
Net trading income	433	315	13.3	7.9	278
Other income/expenses	(56)	79	18.8	14.1	66
Gross income	**3,405**	**3,220**	**14.9**	**11.3**	**2,802**
Operating expenses	(1,516)	(1,453)	17.1	13.2	(1,241)
Personnel expenses	(781)	(758)	17.8	13.5	(643)
General and administrative expenses	(657)	(625)	17.9	14.3	(530)
Depreciation and amortization	(78)	(70)	3.6	1.8	(68)
Operating income	**1,889**	**1,767**	**13.1**	**9.8**	**1,562**
Impairment on financial assets (net)	(450)	(432)	18.7	16.7	(364)
Provisions (net) and other gains (losses)	(64)	(30)	(29.3)	(35.5)	(42)
Income before tax	**1,375**	**1,305**	**12.9**	**9.4**	**1,155**
Income tax	(423)	(361)	29.0	25.9	(280)
Net income	**952**	**944**	**7.8**	**4.1**	**876**
Non-controlling interests	(259)	(256)	4.3	(3.1)	(245)
Net attributable profit	**693**	**689**	**9.2**	**7.1**	**631**

Balance sheet	30-09-15	30-09-15	Δ%	Δ% (1)	30-09-14
Cash and balances with central banks	9,870	9,342	33.6	39.7	6,993
Financial assets	10,109	9,852	20.1	30.9	8,206
Loans and receivables	47,149	45,328	4.1	13.9	43,556
Loans and advances to customers	42,999	41,671	3.3	13.4	40,346
Loans and advances to credit institutions and other	4,149	3,657	13.9	19.3	3,210
Tangible assets	749	701	8.9	15.0	644
Other assets	1,986	1,911	11.8	19.7	1,709
Total assets/liabilities and equity	**69,863**	**67,134**	**9.9**	**19.4**	**61,108**
Deposits from central banks and credit institutions	7,127	7,116	42.8	47.4	4,984
Deposits from customers	41,169	38,987	4.1	15.0	37,451
Debt certificates	4,660	4,660	0.1	3.8	4,657
Subordinated liabilities	1,927	1,927	25.1	34.2	1,541
Financial liabilities held for trading	4,025	4,025	67.4	83.7	2,405
Other liabilities	8,569	8,152	5.3	10.8	7,743
Economic capital allocated	2,386	2,267	(2.6)	11.9	2,327

Relevant business indicators	30-09-15	30-09-15	Δ%	Δ% (1)	30-09-14
Loans and advances to customers (gross) (2)	44,256	42,891	3.3	13.5	41,520
Customer deposits under management (3)	41,362	39,194	4.3	15.4	37,580
Off-balance sheet funds (4)	10,405	10,405	29.9	25.4	8,011
Efficiency ratio (%)	44.5	45.1			44.3
NPL ratio (%)	2.2	2.3			2.2
NPL coverage ratio (%)	125	123			127
Cost of risk (%)	1.22	1.29			1.25

(1) Figures at constant exchange rates.
(2) Excluding repos.
(3) Excluding repos and including specific marketable debt securities.
(4) Includes mutual funds, pension funds and other off-balance sheet funds.

Macro and industry trends

Economic activity in South America has continued to slow, largely due to a less favorable external setting. Commodity prices have dropped further, mainly as a result of sluggish growth in China, while funding conditions are more complicated due to the appreciation of the dollar and the outflow of capital from the region. Private domestic demand in the area is also less vigorous, although this is being partly offset by higher public investment.

Against this backdrop, the monetary policies applied by most central banks in the footprint up to this point will have to cope with higher inflationary pressures prompted by falling **currencies** in the coming quarters.

South America's **financial system** remains sound, with good levels of capitalization, high profitability and NPL ratios in check. Lending activity continues strong, and has increased by 17% in Colombia (according to the Colombian Financial Regulator), 14% in Peru (Banking and Insurance Regulator of Peru) and 11% in Chile (Central Bank of Chile) in year-on-year terms, according to data available for July 2015. Growth in deposits has slowed slightly against the figure for the same period last year: up 10% in Colombia, 11% in Peru and 11% in Chile (also with July figures).

Activity

The rates of exchange indicated below refer to constant exchange rates, and do not include earnings and activity in Venezuela, unless expressly stated otherwise.

Gross lending to customers has performed positively, up 13.5% year-on-year and 9.9% since the end of 2014. All countries have reported increases, although Argentina, Colombia and Peru stand out in particular. All portfolio segments have performed strongly: individuals, fueled by the hefty rise in credit cards (up 36.9% year-on-year and 22.0% since 31-Dec-2014), consumer loans (up 12.2% year-on-year and +9.4% YTD) and mortgage loans (up 12.0% and 7.9%, respectively), as well as commercial lending (up 14.1% and 10.5%, respectively).

As regards **asset quality**, the NPL ratio has improved slightly over the quarter, while the coverage ratio has increased.

Total customer **deposits** under management have continued to grow (up 15.4% year-on-year and 10.5% YTD), with Argentina registering the highest increase. Broken down by product, the increase in transactional deposits is worth noting, further improving the profitability of the mix by increasing the weight of lower-cost deposits. Mutual funds have also posted significant growth (up 38.2% and 32.6%, respectively).

Earnings

As of September 2015, South America posted **net attributable profit** of €689m (€693m including Venezuela), a year-on-year increase of 7.1%. Without taking Venezuela into account, the most significant changes are summarized below:

- Excellent performance of **recurring revenue**, buoyed by strong activity and efforts made to maintain spreads. Net interest income has risen 11.7% over the last twelve months and fees and commissions are up 11.3% year-on-year.
- The devaluation in the quarter of the main currencies against the dollar has had a positive impact on **NTI** in the area. NTI has increased 7.9% year-on-year.
- **Operating expenses** have risen 13.2% over the last twelve months, shaped by investments made in recent years and by the high inflation rate in some countries.
- **Impairment losses on financial assets** in the quarter are lower than the previous quarter, although year-on-year the volume of impairments is higher as a consequence of the moderate macro environment in the region.

By country, **Argentina** has grown significantly in all its income lines thanks to strong activity and the maintenance of spreads, thus offsetting the higher level of expenses tied to the trend in inflation. In **Colombia** earnings continue to be driven by the good performance of net interest income and by cost control. In **Peru**, higher NTI has prompted growth in gross income, although net attributable profit has grown to a lesser extent due to higher loan-loss provisions. **Chile** has recorded a negative impact due to the rise in the tax rate in the first nine months of the year, under the reform that came into effect in January.

South America. Relevant business indicators per country

(Million euros)

	Argentina		Chile		Colombia		Peru		Venezuela	
	30-09-15	30-09-14	30-09-15	30-09-14	30-09-15	30-09-14	30-09-15	30-09-14	30-09-15	30-09-14
Loans and advances to customers (gross) [1, 2]	4,821	3,855	12,055	11,197	10,062	8,640	13,089	11,769	1,365	620
Customer deposits under management [1, 3]	5,875	4,584	8,023	7,409	9,702	8,702	11,684	10,126	2,169	980
Off-balance sheet funds [1, 4]	1,046	512	1,928	1,223	587	548	1,258	1,204	1	1
Efficiency ratio (%)	51.3	48.2	47.4	46.1	39.4	41.1	36.1	36.1	34.2	42.9
NPL ratio (%)	0.7	0.9	2.3	2.4	2.3	2.1	2.7	2.6	0.7	1.7
NPL coverage ratio (%)	436	388	72	80	136	148	124	127	412	200
Cost of risk (%)	1.40	1.53	1.04	1.00	1.55	1.52	1.41	1.30	0.54	2.39

(1) Figures at constant exchange rates.
(2) Excluding repos.
(3) Excluding repos and including specific marketable debt securities.
(4) Includes mutual funds, pension funds and other off-balance sheet funds.

South America. Data per country

(Million euros)

	Operating income				Net attributable profit			
Country	Jan.-Sep. 15	∆%	∆% at constant exchange rates	Jan.-Sep. 14	Jan.-Sep. 15	∆%	∆% at constant exchange rates	Jan.-Sep. 14
Argentina	461	25.0	15.5	369	197	32.5	22.3	148
Chile	281	7.6	0.9	261	111	(12.5)	(17.9)	127
Colombia	419	0.7	12.5	416	205	3.0	15.2	199
Peru	534	15.2	5.9	463	133	9.6	0.8	121
Venezuela	122	(76.6)	256.1	521	4	(96.3)	(44.5)	123
Other countries [1]	73	37.7	29.5	53	43	22.2	16.0	35
Total	**1,889**	**(9.3)**	**14.9**	**2,083**	**693**	**(8.0)**	**6.5**	**754**

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

Rest of Eurasia

Highlights

- Lending activity conditioned by the maturity of wholesale operations.
- Significant increase in customer deposits.
- Year-on-year comparison affected by the payment in 2014 of the dividend from CNCB.

Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	Jan.-Sep. 15	Δ%	Jan.-Sep. 14
Net interest income	**130**	**(10.1)**	**145**
Net fees and commissions	123	(12.7)	141
Net trading income	105	(12.3)	120
Other income/expenses	0	(99.8)	196
Gross income	**359**	**(40.3)**	**602**
Operating expenses	(252)	(0.4)	(253)
Personnel expenses	(141)	1.5	(139)
General and administrative expenses	(100)	(5.1)	(106)
Depreciation and amortization	(10)	27.3	(8)
Operating income	**107**	**(69.2)**	**349**
Impairment on financial assets (net)	(6)	(88.8)	(57)
Provisions (net) and other gains (losses)	(0)	(95.6)	(2)
Income before tax	**101**	**(65.2)**	**291**
Income tax	(35)	(36.3)	(55)
Net income	**66**	**(71.9)**	**236**
Non-controlling interests	-	-	-
Net attributable profit	**66**	**(71.9)**	**236**

Balance sheet	30-09-15	Δ%	30-09-14
Cash and balances with central banks	263	28.7	204
Financial assets	2,281	(50.8)	4,641
Loans and receivables	16,276	(7.6)	17,618
Loans and advances to customers	15,493	(3.3)	16,019
Loans and advances to credit institutions and other	783	(51.1)	1,599
Inter-area positions	1,106	-	-
Tangible assets	49	(36.3)	77
Other assets	337	17.1	288
Total assets/liabilities and equity	**20,312**	**(11.0)**	**22,828**
Deposits from central banks and credit institutions	5,423	13.5	4,776
Deposits from customers	13,094	49.4	8,767
Debt certificates	0	(4.7)	0
Subordinated liabilities	307	(43.2)	540
Inter-area positions	-	-	5,921
Financial liabilities held for trading	98	(54.1)	212
Other liabilities	161	(64.1)	449
Economic capital allocated	1,229	(43.2)	2,163

Macro and industry trends

The **eurozone** continues to show a pattern of sustained recovery. Domestic demand and, in particular, private consumption, continue to support the improving economic activity in the major economies (France, Italy and Germany). The drop in oil prices and the gradual depreciation of the euro, linked largely to the quantitative easing program implemented by the ECB, have been some of the main factors supporting economic activity. The firmness with which the ECB began the purchases has had a very significant impact on financial markets: since the end of 2014, apart from the aforementioned depreciation, there has been a significant decline in interest rates and a gradual stabilization of the expectations of medium-term inflation, which remains below the ECB's target level.

In **China**, the risk of a greater than anticipated slowdown of the economy persists. The country's equity markets have sustained significant losses in the quarter, following the strong gains registered at the end of 2014. However, the authorities have taken measures to try to stabilize the stock-market indices and the Chinese Central Bank has allowed its currency to depreciate against the U.S. dollar. The risk of a more intense economic slowdown in China is having side effects in other emerging markets, in particular in Asia and Latin America.

Activity and earnings

In **Europe**, gross income is down year-on-year (–15.8%) as a result of the notable fall in spreads, the lower generation of fees and commissions, and the almost total lack of one-off transactions. However, there has been a very positive trend in fund gathering (up 47.9% in year-on-year terms and up 17.8% since December, in the balance of customer deposits under management excluding repos),

Financial statements and relevant business indicators

(Million euros and percentage)

Relevant business indicators	30-09-15	Δ%	30-09-14
Loans and advances to customers (gross) [(1)]	16,090	(4.0)	16,768
Customer deposits under management [(1)]	12,990	50.0	8,663
Off-balance sheet funds [(2)]	322	(31.9)	472
Efficiency ratio (%)	70.1		42.0
NPL ratio (%)	2.7		3.8
NPL coverage ratio (%)	94		81
Cost of risk (%)	0.05		0.42

(1) Excluding repos.
(2) Includes mutual funds, pension funds and other off-balance sheet funds.

driven by CIB's Global Transaction Banking unit. The Global Markets unit increased its revenues thanks to lower uncertainty with respect to the Greek crisis and the favorable effect of the aforementioned quantitative easing program implemented by the ECB.

Asia maintains its positive trend in net interest income, thanks to favorable fund gathering with corporate customers and the results of the marketing plan launched by Global Markets in June, which has reduced the negative impact due to the evolution of exchange rates over the period.

Thus, the area's cumulative **net attributable profit** stands at €66m.

Corporate Center

Financial statements

(Million euros)

Income statement	Jan.-Sep. 15	∆%	Jan.-Sep. 14
Net interest income	**(324)**	**(34.8)**	**(497)**
Net fees and commissions	(81)	13.9	(71)
Net trading income	115	258.2	32
Other income/expenses	92	77.9	52
Gross income	**(198)**	**(59.1)**	**(484)**
Operating expenses	(809)	7.5	(752)
Personnel expenses	(380)	11.1	(342)
General and administrative expenses	(68)	6.1	(64)
Depreciation and amortization	(361)	4.2	(346)
Operating income	**(1,007)**	**(18.6)**	**(1,236)**
Impairment on financial assets (net)	1	(84.2)	7
Provisions (net) and other gains (losses)	(124)	(18.0)	(151)
Income before tax	**(1,130)**	**(18.2)**	**(1,381)**
Income tax	342	43.2	239
Net income from ongoing operations	**(788)**	**(31.0)**	**(1,142)**
Results from corporate operations [1]	(1,113)	n.m.	-
Net income	**(1,901)**	**66.5**	**(1,142)**
Non-controlling interests	(23)	n.m.	(2)
Net attributable profit	**(1,924)**	**68.2**	**(1,144)**
Net attributable profit (excluding results from corporate operations)	**(811)**	**(29.1)**	**(1,144)**

(1) 2015 includes the capital gains from the various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB, the badwill from the CX operation, the effect of the valuation at fair value of the 25.01% initial stake held by BBVA in Garanti, and the impact of the sale of BBVA's 29.68% stake in CIFH.

Balance sheet	30-09-15	∆%	30-09-14
Cash and balances with central banks	13	(17.9)	16
Financial assets	3,060	(10.0)	3,401
Loans and receivables	130	233.4	39
Loans and advances to customers	130	233.4	39
Loans and advances to credit institutions and other	-	-	-
Inter-area positions	-	-	-
Tangible assets	2,834	31.2	2,160
Other assets	21,075	18.7	17,755
Total assets/liabilities and equity	**27,112**	**16.0**	**23,370**
Deposits from central banks and credit institutions	-	-	-
Deposits from customers	-	-	-
Debt certificates	5,395	10.7	4,875
Subordinated liabilities	4,901	4.5	4,691
Inter-area positions	(12,399)	(13.8)	(14,383)
Financial liabilities held for trading	-	-	-
Other liabilities	4,599	(34.9)	7,067
Shareholders' funds	49,340	6.9	46,165
Economic capital allocated	(24,724)	(1.3)	(25,044)

Results for the Corporate Center in the first nine months of the year stood at a negative €1,924m. As pointed out previously, this quarter includes the impact from the valuation at fair value of the 25.01% that BBVA owned in Garanti Bank, once it completed the acquisition of an additional 14.89% in this Turkish bank. The following is also worth noting:

- Better performance in **net interest income**, due basically to lower costs of wholesale finance, in line with previous quarters.

- Negative contribution of **NTI** over the quarter. However, the cumulative NTI figure to September is clearly higher than in the same period in 2014, basically as a result of capital gains from the Holdings in Industrial and Financial Companies unit.

- **Results from corporate operations**, a negative €1,113m, basically include €705m in capital gains, net of tax, for the various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB (€583m in the first quarter for the sale of 5.6% and €122m in the second quarter for the sale of 0.8%), €22m for the badwill generated in the CX deal (second quarter) and a negative €1,840m for the valuation at fair value of the 25.01% stake in Garanti Bank mentioned previously (third quarter).

Annex

Interest rates

(Quarterly averages)

	2015			2014			
	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Official ECB rate	0.05	0.05	0.05	0.05	0.12	0.22	0.25
Euribor 3 months	(0.03)	(0.01)	0.05	0.08	0.16	0.30	0.30
Euribor 1 year	0.16	0.17	0.25	0.33	0.44	0.57	0.56
USA Federal rates	0.25	0.25	0.25	0.25	0.25	0.25	0.25
TIIE (Mexico)	3.32	3.30	3.30	3.29	3.29	3.67	3.79
CBRT (Turkey)	8.27	8.26	7.99	8.40	8.40	9.79	9.22

Exchange rates

(Expressed in currency/euro)

	Year-end exchange rates				Average exchange rates	
	30-09-15	Δ% on 30-09-14	Δ% on 30-06-15	Δ% on 31-12-14	Jan.-Sep. 15	Δ% on Jan.-Sep. 14
Mexican peso	18.98	(10.4)	(7.6)	(5.8)	17.36	2.4
U.S. dollar	1.12	12.3	(0.1)	8.4	1.11	21.6
Argentinean peso	10.55	0.9	(3.7)	(1.6)	9.99	8.3
Chilean peso	789.27	(4.1)	(10.0)	(6.6)	712.76	6.6
Colombian peso	3,496.50	(27.0)	(17.3)	(16.9)	2,941.18	(10.5)
Peruvian new sol	3.60	1.0	(1.4)	0.3	3.50	8.8
Venezuelan bolivar fuerte	223.41	(93.2)	(1.2)	(93.5)	223.41	(93.4)
Turkish lira	3.39	(15.1)	(11.7)	(64.2)	2.97	(1.2)

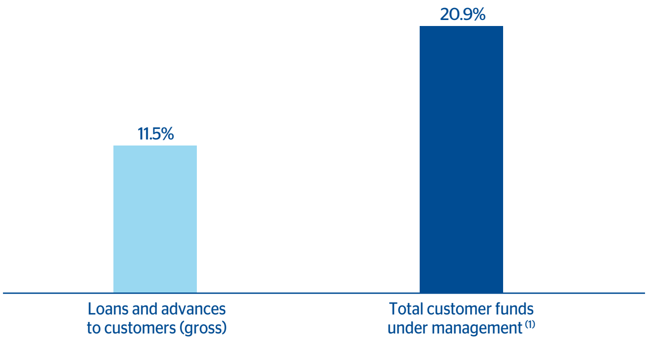
Other information: Corporate & Investment Banking

Highlights

- Growth of the loan book, mainly in Spain and Mexico.
- Good performance of deposit gathering, especially in Europe.
- Favorable performance of gross income.
- Expenses influenced by investments in technology.
- Good risk indicators.

Business activity

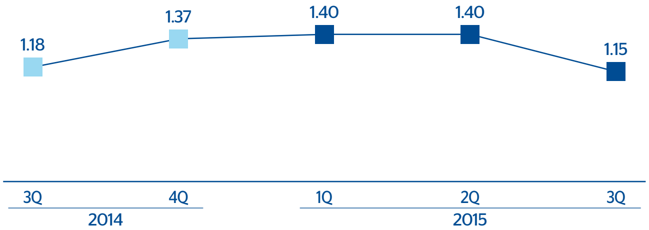
(Year-on-year change at constant exchange rates. Data as of 30-09-2015)



(1) Includes customers deposits under management and off-balance-sheet funds.

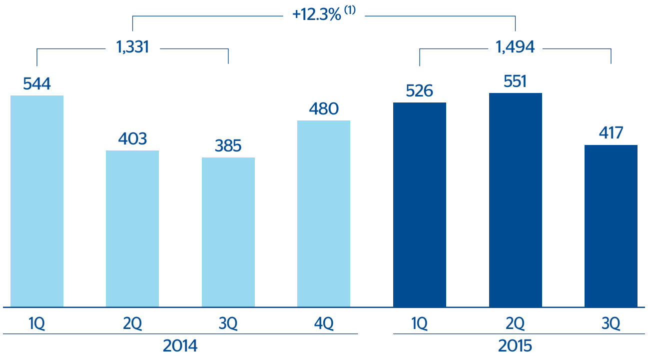
Gross income/ATA

(Percentage. Constant exchange rates)



Operating income

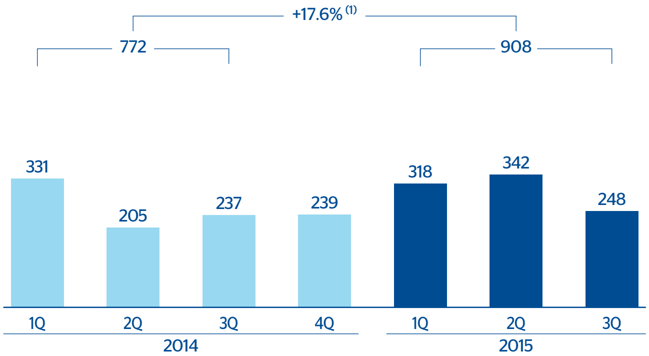
(Million euros at constant exchange rates)



(1) At current exchange rates: +5.9%.

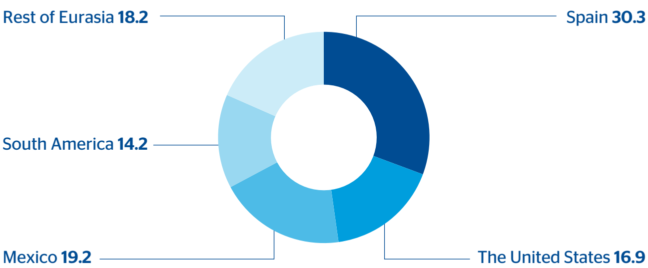
Net attributable profit

(Million euros at constant exchange rates)



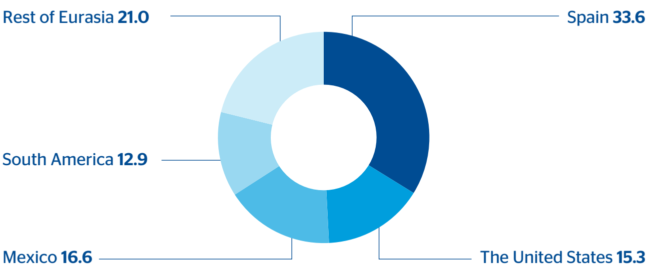
(1) At current exchange rates: +13.6%.

Breakdown of loans and advances to customers (gross) excluding repos (Percentage as of 30-09-2015)



Breakdown of customer deposits under management

(Percentage as of 30-09-2015)



Macro and industry trends

The most relevant macroeconomic and industry aspects affecting the Group's wholesale business in the **first nine months of 2015** and, particularly in the last quarter, have been:

- A difficult environment in the financial markets, characterized by a sudden decline in the price of many assets, especially in equities.
- A significant increase in volatility due to various shocks, mainly the events in China (collapse of equity markets, despite the government's efforts to prop up prices, and devaluation of the currency and worsening of the country's economic prospects), which have had side effects in other emerging markets, above all in Asia and Latin America.

Lastly, as a result of the macro environment described throughout this report, characterized by the growing difference among regions and the prospects of change in the relative tone of monetary policies, with low oil prices and increased financial volatility, capital flows are generally going to developed, rather than emerging markets.

Activity

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

Good performance of the **loan book**, which is up 11.5% year-on-year and 11.0% since the end of 2014. By geographical area, the increases registered in Spain (up 7.6% year-on-year and 11.1% since December 2014) and Mexico are worth mentioning. In this regard, BBVA's Corporate Lending unit has signed in Spain over fifteen deals during the third quarter. BBVA was also the leader in the syndicated loan market by volume in Latin America, leading several deals in the region.

This increase in the loan book has had no negative effect on **asset quality**, as can be seen in the table of relevant business indicators.

Good performance also in **deposit** gathering, whose balance registered year-on-year rates of growth of 21.7% (up 19.2% in the first nine months of 2015), due mainly to the positive performance in Rest of Eurasia (up 115.6% and 30.2%, respectively). The GTB

Financial statements and relevant business indicators

(Million euros and percentage)

Income statement	Jan.-Sep. 15	Δ%	Δ% [1]	Jan.-Sep. 14
Net interest income	**1,099**	**(3.0)**	**6.4**	**1,133**
Net fees and commissions	523	(4.0)	(6.0)	545
Net trading income	523	41.3	47.5	370
Other income/expenses	86	81.6	8.6	48
Gross income	**2,232**	**6.5**	**10.3**	**2,096**
Operating expenses	(737)	7.7	6.5	(685)
Personnel expenses	(375)	5.2	2.0	(357)
General and administrative expenses	(345)	9.8	11.2	(314)
Depreciation and amortization	(17)	22.3	16.8	(14)
Operating income	**1,494**	**5.9**	**12.3**	**1,411**
Impairment on financial assets (net)	(74)	(50.6)	(49.0)	(150)
Provisions (net) and other gains (losses)	0	n.m.	(92.0)	(4)
Income before tax	**1,420**	**13.0**	**19.5**	**1,257**
Income tax	(410)	17.4	19.8	(349)
Net income	**1,011**	**11.3**	**19.4**	**908**
Non-controlling interests	(103)	(5.4)	38.6	(109)
Net attributable profit	**908**	**13.6**	**17.6**	**799**

Balance sheet	30-09-15	Δ%	Δ% [1]	30-09-14
Cash and balances with central banks	4,325	1.7	23.2	4,253
Financial assets	94,522	(3.3)	(1.0)	97,761
Loans and receivables	82,710	12.2	13.2	73,707
Loans and advances to customers	56,019	10.1	11.7	50,889
Loans and advances to credit institutions and other	26,691	17.0	16.7	22,818
Inter-area positions	-	-	-	-
Tangible assets	46	87.5	84.9	24
Other assets	3,647	(24.9)	(24.4)	4,860
Total assets/liabilities and equity	**185,250**	**2.6**	**4.7**	**180,605**
Deposits from central banks and credit institutions	58,818	21.8	25.2	48,304
Deposits from customers	52,693	6.0	15.7	49,724
Debt certificates	1,609	n.m.	n.m.	18
Subordinated liabilities	1,913	50.2	58.3	1,274
Inter-area positions	4,296	(66.4)	(71.7)	12,776
Financial liabilities held for trading	57,504	(2.9)	(2.4)	59,215
Other liabilities	4,412	(16.6)	(15.0)	5,290
Economic capital allocated	4,005	0.0	3.6	4,004

Relevant business indicators	30-09-15	Δ%	Δ% [1]	30-09-14
Loans and advances to customers (gross) [2]	51,081	9.8	11.5	46,536
Customer deposits under management [2]	37,630	7.4	21.7	35,035
Off-balance sheet funds [3]	1,348	(3.0)	2.7	1,389
Efficiency ratio (%)	33.0			32.7
NPL ratio (%)	0.8			0.9
NPL coverage ratio (%)	148			149
Cost of risk (%)	0.17			0.40

(1) Figures at constant exchange rates.
(2) Excluding repos.
(3) Includes mutual funds, pension funds and other off-balance sheet funds.

unit has continued to develop solutions to meet the transactional needs of BBVA's customers, incorporating new functionalities and improvements in online banking. It has also taken part in several deals, including the issuance of two guarantees for the construction of two roads and maritime services in Australia and the issuance of completion guarantees to a major construction company that has been awarded the Champlain Bridge project for building and maintaining a new bridge in Quebec.

Earnings

The highlights of CIB's income statement for the **first nine months of 2015** are summarized below:

- Good performance of **gross income** (up 10.3% year-on-year to €2,232m), influenced by the positive performance of the Corporate Lending (larger volumes of lending, although at prices that remain at very low levels), GTB (good performance of fund gathering, especially in Latin America, and lower-cost deposits, such as current and savings accounts), Corporate Finance and Global Markets units. The Mergers & Acquisitions Corporate Finance unit continues to be the Spanish leader in financial advice for M&A operations, with a total of 94 deals advised since 2009, according to Thomson Reuters. Relevant deals were completed in the third quarter of 2015 that generated high fees, above all in Spain and Mexico. Lastly, Global Markets closed a quarter strongly influenced by the high level of uncertainty in the markets. Worth mentioning by geographical area is the good year-on-year performance of the customer franchise in the exchange rates product (FX) both in Europe (up 51.0%) and in México (up 54.0%); the favorable performance of the activity with customers in currency products in South America, above all in Peru; while the contribution of this unit in the United States continues to grow, supported by the debt capital markets activity and BBVA's network customer distribution franchise.

- Cumulative **operating expenses** to September are up 6.5% year-on-year, affected by the investments in technology being undertaken, and also by the depreciation against the euro of Latin American currencies and the high inflation in some countries in the area. However, the cumulative efficiency ratio to September remains at levels very similar to the same period in 2014.

- Lastly, very good performance of **impairment losses on financial assets** over the first nine months of 2015 (down 49.0% year-on-year); thus, the cumulative cost of risk to September 2015 stands below the figure for both the same period the previous year and for the first half of this year.

Conciliation of the BBVA Group's financial statements

These headings present the conciliation of the Group's income statements with Garanti using the equity method versus consolidation in proportion to the percentage of BBVA Group's stake in the Turkish bank up to the second quarter of 2015 (25.01%). From the third quarter of this year, BBVA's stake in Garanti (currently 39.9%) is consolidated by the full integration method. Therefore, the differences are due to periods prior to the third quarter of this year.

The corporate operations heading in 2015 includes the capital gains from various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB, the badwill generated in the CX deal, and the impact of the valuation at fair value of the 25.01% that BBVA owned in Garanti Bank at the time of completing the acquisition of an additional 14.89%.

Consolidated income statement BBVA Group

(Million euros)

	Garanti integrated proportionally until the second quarter of 2015 and with the corporate operations heading		Garanti by the equity method until the second quarter of 2015	
	January-Sep. 15	January-Sep. 14	January-Sep. 15	January-Sep. 14
Net interest income	**12,011**	**10,868**	**11,600**	**10,358**
Net fees and commissions	3,442	3,198	3,347	3,056
Net trading income [(1)]	1,558	1,621	1,580	1,598
Dividend income	288	412	288	412
Income by the equity method	24	32	192	265
Other operating income and expenses	211	(539)	204	(547)
Gross income	**17,534**	**15,592**	**17,211**	**15,141**
Operating expenses	(9,024)	(8,046)	(8,812)	(7,759)
Personnel expenses	(4,693)	(4,171)	(4,586)	(4,023)
General and administrative expenses	(3,382)	(3,014)	(3,294)	(2,903)
Depreciation and amortization	(950)	(860)	(932)	(834)
Operating income	**8,510**	**7,546**	**8,399**	**7,382**
Impairment on financial assets (net)	(3,283)	(3,318)	(3,214)	(3,218)
Provisions (net)	(576)	(642)	(574)	(638)
Other gains (losses) [(2)]	(316)	(501)	(1,555)	(503)
Income before tax	**4,335**	**3,085**	**3,055**	**3,023**
Income tax	(1,109)	(808)	(941)	(746)
Net income from ongoing operations	**3,226**	**2,277**	**2,113**	**2,277**
Net income from discontinued operations	-	-	-	-
Results from corporate operations [(3)]	(1,113)	-	-	-
Net income	**2,113**	**2,277**	**2,113**	**2,277**
Non-controlling interests	(411)	(348)	(411)	(348)
Net attributable profit	**1,702**	**1,929**	**1,702**	**1,929**

(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".
(3) 2015 includes the capital gains from the various sale operations equivalent to 6.34% of BBVA Group's stake in CNCB, the badwill from the CX operation, the effect of the valuation at fair value of the 25.01% initial stake held by BBVA in Garanti, and the impact of the sale of BBVA's 29.68% stake in CIFH.

Main risks and uncertainties

See Note 7 of the Interim Consolidated Financial Statements corresponding to the six months period ended June 30, 2015 for information on risk management and risk exposure faced by BBVA Group.

Subsequent events

From October 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.