

BBVA

Annual
Report 2015

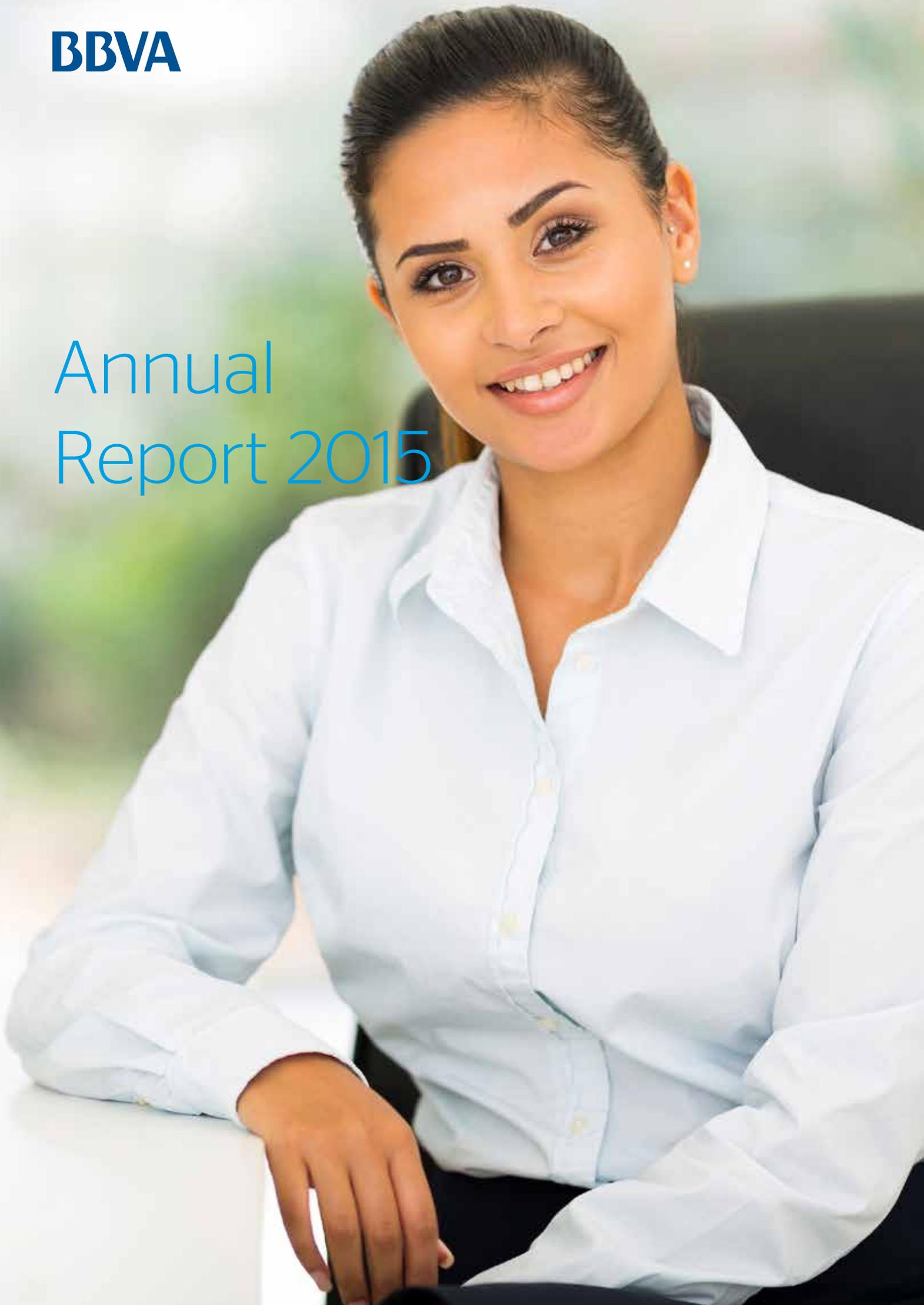


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Call for the Ordinary General Shareholders Meeting.

Shareholders are hereby called to the Ordinary General Shareholders Meeting to be held on April 27th, 2016 at 3 pm at our corporate headquarters at 25 de Mayo N° 401, Montevideo. The meeting's agenda shall be the following:

Agenda:

1. Appointment of Chairman and Secretary for the Meeting.
2. Consideration of General Balance Sheet (Balance Sheet and Income Statement), Proposal for Profit Distribution, Board of Directors Report and Audit Reports corresponding to the fiscal year ended on December 31st, 2015.
3. Appointment of members of the Board of Directors and their corresponding replacements.
4. Determination of the Board of Directors' remuneration
5. Appointment of Auditor.
6. Consideration of Audit Report.
7. Appointment of a shareholder to sign the Minutes of the Meeting.

Shareholders are hereby warned that they shall not be allowed to participate in the Meeting, unless they comply with provisions established in Art. 350 of Law No. 16.060.

Requests for the registration of shares must be carried out no later than three working days prior to the date of the Meeting, in the Corporate Headquarters (Art. 26 of Corporate By-Laws).

The Board of Directors

Management Bodies

Board of Directors

As of December 31st, 2015

Chairman	Mr. Antonio Alonso Granada
Director Secretary	Mr. Gerardo Cedrola
Director	Mr. Alejandro Vínetz
Directors	Mr. Gustavo Licandro
	Mr. Santiago Pérez del Castillo
	Mr. José Antonio Blanco Hierro

Auditing Committee

Permanent Syndic	CCA José Luis Rey
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Management Committee

As of December 31st, 2015

Chairman	Mr. Antonio Alonso Granada
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Business and Support Units

Commercial Management	Ms. María del Rosario Corral
Business Management and Digital Transformation	Mr. Juan Carlos Alonso
Global Risk Management Resources, Services and Legal Advice Management	Mr. Marcelo González
Financial Management	Mr. Gerardo Cedrola
Media Management	Mr. Alejandro Vínetz
Presidency Areas Management	Ms. Adriana Ocampo
	Mr. Mónica Znidaric

Staff

Internal Audit	Mr. José Antonio Díez
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Ceo's Letter to Shareholders.

Dear shareholder:

In a complex international macroeconomic context, BBVA has achieved good results, making important decisions to improve the Group's growth potential and significant progress in our digital transformation strategy to become the world's best digital bank.

This is the result of a good implementation of our business model, which is based on geographic diversity and a cautious client-focused management, adjusted to principles.

In 2015, we have once again shown our capacity to recurrently generate profit in any scenario. The Group made 2,642 million Euros in 2015, slightly exceeding profits of the previous year (+0.9%). The increase of attributable profit without taking into consideration the effect of exchange rates reached 4.4%. Excluding results of corporate operations closed in 2015, attributable profits amounted to 3,752 million Euros; 43.3% more than in 2014.

BBVA's performance in South America continued to show activity growth rates over 15%, both in credits and deposits. This has been a key region for the Group during recent years, where an ambitious growth plan is being implemented. Accumulated attributable profits amounted to 905 million Euros in 2015 (+8.7% compared to the 2014 closing). With Venezuela, results were the same, 905 million Euros.

Year 2015 was a year of great results for BBVA Uruguay. BBVA ended the year with a 20.92% market share in credit investment (with a growth of +24 bps) and 17.92% in customer resources (with a growth of +8 bps). The delinquency ratio ended in 0.55% (one of the best ratios in the system). The number of customers increased in 10.8%, which implied a quota growth of 17,000 clients. There are 34 branches throughout the national territory, with a strong presence outside the capital of the country.

Another proof of the excellent work carried out was achieving the first position in the Irene Quality Index ranking, in the second semester of 2015.

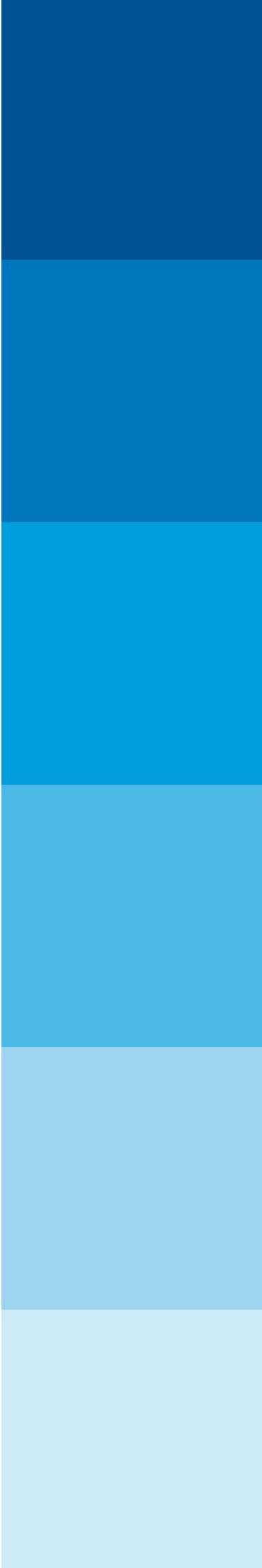
In terms of investments, we have continued to implement an ambitious plan focused on improving clients' experience in their relation with the Bank, and our objective is to be the best bank for our clients. With this purpose, we have comprehensively remodeled various branches and we continue to make progress in our digital client project; therefore, investments in technology have been significant during this fiscal year and will continue to be so during the upcoming years. During 2015, we have closely followed-up the birth and development of new digital businesses that will continue strongly during 2016.

Finally, I would like to acknowledge the effort of BBVA's collaborators, who made it possible for BBVA to stand in an excellent position, prepared to face any challenges that may arise in the future. Together, we will be able to stand out among our competitors and build the best bank in Uruguay.

Kind regards,

Antonio Alonso Granada
CEO
BBVA Uruguay





Annual Report of the
Fiscal Year Ended on
December 31st 2015.

Dear shareholders:

According to regulations in force, the Board of Directors of the Banco Bilbao Vizcaya Argentaria Uruguay S.A. hereby submits the Annual Report, the Financial Statements and the Auditor's and Auditing Committee's Reports corresponding to the fiscal year closed on December 31st, 2015, for consideration by the Shareholders' Meeting.

Economic-Financial Context.

During the 2015 fiscal year processes for the reconstitution of economic activities in developed countries continued; in contrast with certain weaknesses observed in developing countries.

The shy increase in the US Fed rates around the end of the fiscal year had an impact on the revaluation of the US currency, especially compared against those of developing countries. It is worth pointing out how the slowing down of the Chinese economy resulted, among other things, in a lower demand for commodities and primary products. This situation caused a dramatic fall in oil prices, which is a relief for economies depending on the import thereof, such as the Uruguayan economy, but which also results in a decrease in the prices of its main export products.

Main Financial Indicators

The level of activity is expected to close with a slight increase of over 1%, which, even if it still places the country in the path towards growth, is a lower growth figure than those shown in recent years. Within this context, a fall in activities has been recorded in the construction and power generation sectors, countered by an increase in the industry, transport and communications sectors.

In terms of foreign trade, in 2015, there was a 23% reduction in commercial deficit, as a result of a higher contraction of imports (-18%) than that of exports (-16%). In fact, the decrease in oil imports and intermediate products accounts for more than half of imports reductions. In addition, there was also a decrease in consumer and capital goods purchases, although to a lesser extent.

In the labor market, while there was a slight improvement towards the fourth term of the year, an upward trend in the unemployment rate was verified, resulting in a decline in terms of the previous year's levels. In this sense, the unemployment rate ended the year around 7.9%, which implies an increase over one percentage point compared with figures at the end of 2014.

The exchange rate closed year 2015 at \$29.9, which implies a 23% increase throughout the fiscal year. This increase took place within the framework of the contraction of monetary stimulus in the US economy, leading to the first increase of the FED rates towards the end of 2015, after almost a decade of monetary expansion. In order to mitigate the impact of exchange rate volatility resulting from investors' portfolio modifications, the Uruguayan Central Bank intervened actively in the foreign exchange market carrying out spot and forward sales together with the payment upon maturity in foreign currency of registered public securities in national currency, so as to avoid direct transactions in the foreign exchange market. As a result of this intervention in the foreign exchange market, there was a decrease in the Central Bank's unrestricted reserves amounting to USD 4,000 million. The compensation of said decrease, as mentioned above, was a decrease in the public sector debt, which does not have expansionary monetary effects due to the liquidity contraction resulting from the sale of Dollars.

As in recent years, during the 2015 fiscal year inflation was above the target range set by monetary authorities, closing the fiscal year at a 9.4% increase of the retail index (CPI).

Projections for 2016.

In the international context, while the FED is expected to continue tightening monetary stimulus, events at the beginning of 2016 seem to indicate a slow pace in that direction. As a consequence of poor indicators in the Chinese economy, year 2016 began with some turbulence in the main global markets, resulting in generalized falls in the indexes of the major financial markets.

As for the region, year 2016 will be especially challenging for the Argentinean economy. In fact, while changes introduced by the new administration of President Macri in terms of eliminating controls and regulations in the economic area generate optimistic expectations among economic agents, they also result in social tension.

When it comes to Brazil, year 2016 will continue with a poor performance at the activity level, preventing a new GDP contraction after the one in 2015. Such decrease in activity added to other factors, as the low risk rating and political turmoil, lead us to anticipate a 2016 without the Southern giant as the region's engine.

Within this context, control of inflation and fiscal deficit as well as the maintenance of activity levels, arise as the economic priorities of government authorities in our country. In view of such priorities, measures adopted towards the end of 2015 and beginnings of 2016 may be underlined, referring to the increase in tax collection (elimination of the adjustment on account of fiscal inflation in the calculation of the IRAE tax) and the adjustment of public fees. These changes seem to indicate that the government is prioritizing the recomposition of fiscal results, which recorded an imbalance of 3.7% of the GDP instead of the 3.3% anticipated in the budget.

Business Areas.

Commercial Management

During 2015, Commercial Management continued to work on the implementation of commercial distribution functions, focusing on the increase of productivity and the development of a quality plan, which was achieved working in close coordination with other areas of the Bank, in particular Business Development and Digital Transformation.

Thus, the three sections focused on the various types of businesses managed to keep up with the dynamism shown in previous years:

- a) the **Branches Unit**, with a network of 34 branches dedicated to the Individuals and SMEs segments, managed a business volume of 75,190 million pesos, showing a year-to-year growth in pesos of 31.87% and a retail non-performing-loans ratio of 2.38% (at the closing of year 2015).
- b) the **Corporate Unit**, specialized in big companies (companies with an annual turnover over USD 5 million) closed the fiscal year with a business volume of 55.173 million pesos, representing a year-to-year growth in pesos of 25.34% and a non-performing-loans ratio of 0.39% (indicator of the Wholesale Risk Portfolio at the closing of December 2015).
- c) the **Premium Unit**, dedicated to high-value customers, with a total business volume of 32,054 million pesos, showed a 33.46% increase in terms of the previous fiscal year.

In 2015, challenges were overcome in terms of placements growth, achieving a year-to-year growth of 26.1% in national currency. This growth took place within a context of higher profitability demands for placements, rigidity in the national currency market and a significant increase in competition.

Total growth reported a year-to-year growth of 11 basis points of market share, achieving a 20.92% among private banks, ranking second place.

Within this context, branches managed a 33% growth regarding the previous closing, in national currency. Said increase was based on production (new placements) in the following products: Mortgage Loans, Secured Loans and Consumer Loans.

Regarding deposits, growth over USD 80 million was achieved (the bank's total growth amounted to USD 118 million), reaching a 17.59% share and placing BBVA Uruguay third among private banks in the country.

Premium Banking achieved a significant growth in total resources (deposits plus securities) of over USD 54 million, of which USD 45 million corresponded to Securities.

This growth in business volumes was achieved together with **the digital transformation of the Bank**, reaching 40,875 digital customers (15% growth) and 12,285 mobile customers (53% growth) in 2015.

Business growth resulted in **important growth in earnings obtained: a 16.7 % increase in the net financial margin, and a 20.7% increase in net commissions charged**, both in current pesos.

The increase in **commissions charged** was achieved with the higher number of clients, the increase of business volume and an increase in transactionality.

Quality was another one of the pillars worked on by distribution networks. The aim of achieving a total NPS (Net Promote Score) of 70% was exceeded, closing the fiscal year at **72% of customers recommending our services at branch level**.

Productivity and Commercial Systematics Achievements in results and volumes were obtained as a consequence of the emphasis on productivity increase (more than 20%) and the application of the commercial systematics model, which was further consolidated, especially in Retail Banking, enabling the entire network to have the same management and follow-up methodology.

Business Development and Digital Transformation Management.

Individuals

The Bank advanced its position in Family loans, from 3rd to 2nd place in terms of private banking market share, as a result of growth in most credit lines, led by car, consumer and mortgage loans.

The Car Loan line consolidated its leading position exceeding 35% of the market share among private banks, as a result of a greater network of agreements with vehicle importers.

Mortgage loans showed record figures this year, with a 66% increase in placements regarding 2014, resulting from a successful communications campaign and the improvement of most processes involved, reflected in shorter response times and a greater customer care quality.

In terms of Personal loans, a new credit line was enabled for credit card holders. Clients may access the money at a collections agency and pay their installments with their credit card.

On the other hand, the 'Mundo Sueldo' program was launched, consisting of a benefit plan for Pay Rolls, with the purpose of growing with new clients, leveraging on the momentum of bankization resulting from the Law on Financial Inclusion.

In alliance with a mass press media, the '365 Observador' benefit program was launched, allowing bank customers to access discount benefits in more than 4,200 shops in Uruguay and Argentina.

SMEs

With regard to SMEs and Companies, we have developed a differential value offer by innovating in the market with a product for the funding of capital assets at rate 0 and generating transactional products with very advantageous conditions for SMEs.

In addition, during 2015 efforts were focused on speeding up the main Risk and Client Approval processes, in order to accelerate response times.

We developed a platform of commercial agreements with the main utility vehicles suppliers.

Finally, the 'Camino al Éxito' (Road to Success) program was developed, consisting of a support program for SMEs including the development of a web platform, online courses for the area and an on-site training program organized in coordination with the ORT University, which concluded with the presentation of investment projects by attendants, two of which were awarded prizes for the Innovation and Expansion categories.

Payment Methods

During 2015, we have recorded a 20% growth in customer turnover in credit cards. The volume of credit card purchases reached a 40% increase throughout the year, compared to the same period in the previous year, as a result of incentives by the Government within the framework of the Law on Financial Inclusion and internal promotional actions carried out by BBVA, including the launching of the 'Mundo Sueldos' program.

With the purpose of attracting **new clients**, during 2015 we signed commercial co-branding agreements with institutions in the following fields: sports clubs, restaurants, travel agencies and big stores, through which we expect to increase our portfolio in 2016.

During the first semester we worked on tools to foster loyalty among **our client portfolio**. In April 2015 we launched the #Futbolnonstop Program, a platform for the debit and credit client portfolio, through which they accumulate points to participate in quarterly raffles to enjoy exclusive experiences. In 2015, we sent 4 clients to Spain to attend the Barcelona-Real Madrid match and to Japan to attend the final match of the Clubs Worldcup, all expenses covered. Thirty additional clients won other prizes.

On the other hand, during the second semester we worked on defining a stable benefit platform. We defined the 'Bye Bye Rutina' (Bye Bye Routine) Program, its main premise being that with BBVA clients can enjoy a different discount every day, and we signed specific agreements with institutions in different fields (restaurants, clothing, beauty & spa, hotels, home and decoration, among others).

As a **Digital strategy**, we signed e-commerce agreements with 2 stores: voselegis.com.uy and nohaytipe.com.uy, generating a different proposal for our clients, not only in terms of prices but in terms of experience.

With the purpose of achieving a high standard of Quality, we worked throughout the year reviewing the two main operational procedures: delivery of plastics and account statements, and processing of operations. A call for bids was carried out for both processes and bids were awarded to new suppliers.

Insurances

In 2015, the Insurance business had a year-to-year growth in charged commissions amounting to 33.62%, meeting the estimated goals.

Five new products were launched throughout the year, among which the Payroll Assistant product for SMEs is worth pointing out, reaching more than 5,000 policyholders in its first year in force.

The sale of insurance to legal entities increased with an official launch in March and we started selling insurance through telemarketing to clients without credit cards.

As for Insurance Quality, new onboarding circuits were implemented with customers, significantly improving the IRENE regarding the previous year.

Customer Care Channel

- 1 - The bidding process for a supplier was completed and the quality requirements needed to substantially improve BBVA Uruguay's operations were included in the new contract.
- 2 - The NPS objective defined for 2015 was exceeded.
- 3 - A credit card loan sales process was implemented through telemarketing.
- 4 - Cells were created in the Call center for 'Mundo Sueldo' and 'Futbolnonstop'.
- 5 - Service levels were stabilized and maintained within targets established.

Channels:

- 1 - The installation process of Banred payment terminals was completed.
- 2 - We have begun the migration process of transactions from offices to digital channels.
- 3 - Start-up of the new platform of BBVA net Empresas (Companies).
- 4 - The process for the digital hiring of the following products was initiated:
 - Credit cards
 - Fixed-term deposit oneclick
 - 365 Card (El Observador)
 - Payroll account
- 5 - The possibility to confirm operations using their cell as a token was made available to our clients.
- 6 - The 'Vacaciones a un Click' (Holidays One Click Away) campaign was carried out with the aim of increasing the number of digital clients, BBVA net transactions and service commissions received.

Institutional Communication

The relation with and management of the media have allowed positioning BBVA as a reference bank in the local market.

Corporate Responsibility.

BBVA Uruguay is committed, through its Corporate Responsibility policies, with the social development of the country and, in this sense, implements initiatives focused on supporting education, sports, culture, the environment and voluntary work, in the belief that all of these allow for greater opportunities for our society and a better future for all of us.

Education.

BBVA Integration Scholarships Program

Within the framework of the “Integration Scholarships” program, in 2015 one hundred and twenty (140) teenagers and children received education grants, school supplies, uniforms and extracurricular activities.

The program reaches teenagers and children attending education institutions in disadvantaged and highly vulnerable areas, assisting them in the fulfillment of their tasks throughout the year, with the purpose of improving indicators related to retention rates.

We already have the results of six years of implementation of the program “Jóvenes con futuro adelante” (Young people with a future ahead), which has had a retention rate of over 80%.

Financial Education “adelante con tu futuro” (go ahead to your future)

Issues such as bankization and training on financial issues for Uruguayans are of great importance among BBVA Uruguay’s guidelines. That is why during 2015 and moving on with the financial education program, the ‘Adelante con tu futuro’ project allowed 1050 people of different ages to receive one of the three training workshops on issues such as saving, credits and credit health.

Solidarity Race, 7K BBVA

In 2015, the ninth edition of the 7K BBVA race was carried out. Already considered as the opening race of the running season, the 7K has more and more participants each year. It is worth pointing out that the race provides economic support to the Uruguayan Athletic Confederation, that this year was used for the National Athletics School Project, attended by more than 3000 children from all over the country.

Transformation

The Transformation area has participated in strategic projects in order to contribute with a global vision with the purpose of boosting, facilitating and mobilizing BBVA Uruguay’s transformation through cross-cutting and strategic changes.

1- The following are the main projects promoted by the Transformation sector in 2015:

The following processes were redesigned:

- Mortgage
- Leasing
- Corporate credit line approval
- SMEs credit line approval

Achieving significant reduction in end-to-end process times. Service levels were set for Wholesale Risk and Retail Risk, which were incorporated to the Quality control framework.

The Appointment Organizer was implemented in 10 branches. Apart from organizing the branch's operation, it allows obtaining relevant information for permanent improvement. During the second semester of the year, the Malvin branch was merged with World Trade Center.

2 - Additionally, the following initiatives were supported, contributing mainly with a process-based vision:

- Implementing changes required by the Law on Financial inclusion.
- Net and Web product hiring (one-click resuming the process in branches).
- Implementation of 'Mundo Sueldos'.
- Participation in the "Discovery" phase for the Credit Card Processors Unification.

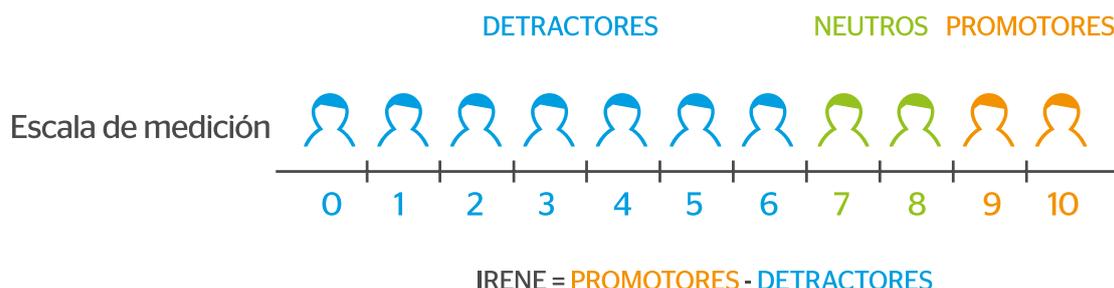
3 - Other activities carried out and to be continued in 2016:

- Implementation of Remote Manager.
- Authorization of new operations and improvement of current ones in Red Pagos and ABITAB correspondents.
- Redesign of Payroll Process.
- Implementation of the Collection Model.
- Implementation of first purchase without credit card in shops.

Quality

BBVA has defined Quality as the main pillar to build long-term relations with its customers. We want to be a benchmark bank in terms of customer experience, which translates into being the most recommended bank by customers in all geographic areas where it operates. The recommendation degree is an indicator of the level of satisfaction of customers with the Bank.

The tool used to know our customers' recommendation intention is known as IReNE (Net Recommendation Index) which is inspired in the world known methodology Net Promoter® Score (NPS).



Surveys are carried out by a supplier by telephone to our customers and are then audited by ALCO, a company hired for such purposes by the Head Office.

Year 2015 has been a positive year for Service Quality in BBVA Uruguay since, as a result of Action Plans defined, main indicators have shown improvements:

- The leading position in the Peer Group Quality Ranking Position, measured through the IRENE benchmark, was maintained.
- With regard to Channels, customer care quality indicators both in Branches as in the Call Center improved.
- Customer satisfaction improved in terms of Claims management after April 2015, when BBVA staff internalized this task through a restructuring of processes to improve response time and management quality.
- Regards Insurance, work was carried out on a specific Quality plan, which was reflected in the customer satisfaction indicator in terms of sales quality-
- This year we also worked on the Internal Quality of services provided by support areas to commercial areas, which have a strong impact on customer care. Internal Quality is managed through Service Level Agreements with the different areas, as well as working specifically with a critical sectors group, the performance of which is measured by commercial areas through the Internal IRENE evaluation. These indicators also had positive effects on Improvement Action Plans defined for 2015.

Global Risk Management.

Risks

The main aim of BBVA's risk management system is the overall control and management of risks associated with the various businesses and activities, based on a thorough understanding of each individual risk and of the way they relate with each other, taking into account customer-specific needs and preserving the Institution's solvency.

The bank works with a corporate risk management scheme, with separate functions and responsibilities, using a set of tools, circuits and procedures which define management schemes. The evolution of various types of risks identified in the Bank's activities in the country and improvements implemented in the risk management systems are presented periodically within the Risk Commission, appointed by the Board of Directors.

The Entity's risks may be classified as follows:

- Credit risks
- Market risks (liquidity, interest and foreign exchange)
- Operational risk

During 2015, further efforts were made to implement new admission tools related to the management of risks associated with individuals, focusing on this segment.

These tools cover the scoring of various products for individuals and the WEBPyME platform (Businesses and SMEs). A behavioral scoring system for individuals was implemented successfully, in order to continue providing fast solutions adjusted to customers' financial needs.

In addition, work was carried out to exploit the Bank's customer base, to increase the offer of credit products and cross selling, with a high credit quality.

On the other hand, the implementation of the collection model and its IT support was successfully completed.

In terms of wholesale investment, the bank has worked on supporting commercial management, on strengthening follow-up circuits and on the bank's global portfolio control.

BBVA Uruguay is currently the second private bank in the loan ranking, with a market share of 20.92% in private banking as of December 2015.

On the other hand, and as a result of plans mentioned above, delinquency remained in 0.56% at the close of the business year, the best indicator in private banking.

All of this was achieved within a context of good domestic economic conditions and a 19.6% growth of credit activity in private banking.

As for market risks, tools which contribute to the Institution's management have been maintained, such as the model to measure exchange risk based on the VaR, the model to measure structural change type, the model to measure the impact of reference rate movements on economic value and the model to measure corporate and medium-term liquidity risk with stress analysis and the model for the control of valuation and impact of public securities holding.

Finally, in terms of Operational Risk Management, the management model has been consolidated, with a view towards decentralizing the task and in the admission and follow-up stages of these risks.

Resources, Services and Legal Affairs Management.

Human Resources

During year 2014, the Human Resources department carried out the following actions:

- Review of rates and commissions of financial benefits and application of improvements.
- Incorporation of new commercial agreements.
- Extension of the Workplace Exercise program to the entire branch network of Montevideo and the metropolitan area.
- Specific support for branches outside the capital in training and preparation for the 7K race. Runners group; support for high-performance and distance races.
- New campaign for the competition "Valorados" (Valued).
- Sector meetings
- Participation in the GPTW survey with local criteria.
- Presentation of results of the GPTW survey, per area.
- Focus Group to improve Work Environment with heads, collaborators and union representatives.
- Meetings with the Mobile Team to improve internal IRENE results, which resulted in the implementation of improvement alternatives.
- Establishment of new criteria for granting of leave periods in the branch network.
- Re-launching of the HHRR site with new contents.
- Participation in the Internal Reputation survey.
- Application of the New Skill-Based Management Model
- Management Interviews, carried out in Montevideo branches by managers, to be completed in 2016.
- Analysis of the salary structure of positions to conduct an internal equity diagnosis.

Training

- Personalized training plan according to collectives.
- Support for post-graduate studies.
- 2nd Edition of 'Gladiadores del Saber' (Knowledge Gladiators) for the branch network.
- 2nd Edition of the Bank Management Program
- Leadership Workshops aimed at management, reports, and middle management positions, as a way to strengthen their role.

MAIN TRAINING INDICATORS AS OF DEC 31ST 2015			
	Nº Horas	% of Total Hours	Nº of participants
Training Hours	25.283,0	100%	7.397
On-Site Training	22.126	87,5%	5.402
E-learning Training	3.157	12,5%	1.995
Employees trained in 2015	505	Number of people who received training	
Training Hours per Employee	6.465,0		
On-Site Training	5.428,00		
E-learning Training	1.037,00		
ECONOMIC INDICATORS TRAINING			
Total Training Investment (local currency)	5.409.000		
Investment on training per employee (local currency)	9.390,63		
(local currency)			

Legal

During the 2015 fiscal year, BBVA Uruguay S.A. Legal Services carried out various actions, including among others:

1. Institutional Advice:
 - i. Providing support to the Bank's Management in terms of competence and powers of corporate bodies.
 - ii. Providing advice and management in Central Bank-related issues.
2. Business advice and support:
 - i. Development of contracts and bank forms.
 - ii. Carrying out proceedings related to court and administrative authorities' requirements.
 - iii. Legal implementation of new banking products:
 - a. One-click Fixed-Term Deposit: Fixed-term deposit that can be hired online, through BBVA Net, selecting client, amount and term deemed convenient.
 - b. Residual Value Leasing: Financial leasing that grants the buyer the possibility for the supplier to buy back the property after a certain time.

- iv. Legal and formal control of communications and advertisements of products of the Bank in various press media, within the framework of campaigns and commercial promotions.
 - v. Legal implementation of Law No. 19.210 on Financial Inclusion and payment methods.
 - vi. Legal implementation of Law No. 19.288 on the Elimination of Inactive Societies and Identification of Holders of Bearer Equity Shares in Corporations and Limited Partnerships.
 - vii. Legal implementation of bidding processes: valuables transportation services, contact center, credit card data processing, post services, among others.
 - viii. Training for Bank employees in issues related to Guarantees: Mortgages, pledges, security deposits, warrants, leasing, exchange guarantees, credit assignment, first demand guarantees, bank guarantees, standbys.
3. Legal advice and implementation of Strategic Projects:
- i. TCR: Transparent, Clear and Responsible communications project, according to which contracts and banking product specifications were changed with the purpose of making it easier for customers to understand them, by using a simpler language and structure.
 - ii. HUB - South America Regional Provisioning: Regional coordination and unification of non-banking hiring models.
 - iii. Facility Management: Feasibility Analysis for the hiring of a single supplier for the provision of facility management services for real estate properties used by the Bank, replacing current suppliers and terminating contracts in force.
4. Litigation Advice:
- Advice, representation and intervention in court litigations.
5. Institutional and commercial advice to Emprendimientos de Valor S.A. and BBVA Disitribuidora de Seguros S.R.L., collateral companies owned by the BBVA Group.

Media Management

Systems

During 2015, the Systems area worked on the following projects, which are grouped by topic:

- **Digital Bank**

- **CAS - Appointment Organizer**

- Implementation in 10 branches of appointment organizers that also allow obtaining information reports.

Reconciliation System:

Set-up of a tool to systematize reconciliations of the different monetary accounts (different currencies) that BBVA Uruguay has with the Uruguayan Central Bank, correspondents in the country and abroad, ATMs owned by the Institution (cash), accounts in transporters and internal accounts (for ex: internal checks).

Digitalization of PF Documents

Digitalization of PF documentation to be re-used by other sectors and/or processes and with the purpose of eliminating physical files from branches.

Digital Clearing of Local Clearing Houses

Checks submitted to local clearing houses may be exchanged electronically and credited on the same day.

• **Digital Customer**

Corporate Digital Client

During 2015, the new net for Companies was developed with the same characteristics as the net for individuals. It was launched in October 2015.

One Click

Implementation of the sale of certain products in BBVA net: hiring of fixed-term deposits.

Banred Terminals

Implementation of 20 Banred terminals for the payment of services and credit cards. These are touch devices with bar-code reading, where customers can pay receipts.

• **Corporate**

Fast

Optimization of processes and support systems for the approval of credits, for the purpose of reducing response times.

Law on Financial Inclusion

Government project that promotes massive banking through a law passed in 2014. It translates into financial products focused on payroll plans and reduction of taxes through electronic payment methods. In order to comply with these provisions, a number of actions planned in phases are being carried out.

Reactive RBA

Set up reactive RBA developed by BBVA Holding and adapt it to the interfaces of the BBVA Uruguay systems.

Fircosoft Real Time 5.3

Implementation of version 5.3 of Fircosoft for the purpose of improving efficiency and using new functionalities.

Fatca

Defining and executing a local action plan (globally coordinated) to adapt our processes and systems to the FATCA regime on the dates required by the regulation.

Electronic Invoice

Implementing requirements established by the Law and DGI (national tax authority) with the purpose of changing towards an electronic billing system. Scope involves the acquisition of an electronic billing software, the setting up and adaptation of this software, modifications to the Bantotal core so that accounting and VAT are adequately discriminated, according to new regulations. In addition, extractors are included from the core to feed the electronic billing software and encryption devices to connect with DGI, as well as DGI reports and the website for bill queries.

Finrep

Corporate project consisting of the development of interfaces required to extract information from our information system.

Assist and Assist FE

Addition of the module on alert management to the Assist transaction monitoring tool for the prevention of asset laundering, for the purpose of automatizing the distribution and management of alerts, becoming more efficient.

RIC Implementation of Corporate Tool

Implementation of a corporate tool for the control and follow-up of security trading operations by bank employees.

SPI II

Chamber system for local transfers promoted by BCU through BEVSA (Uruguayan electronic stock exchange). Incorporation of SWIFT messaging and implementation of the corresponding changes in compliance tools.

Liquidity Reporting Spain Bank (LQ, AMM)

Currently, data withdrawal and Excel output are carried out in compliance with LQ guidelines. They will now be uploaded in Neocom (consolidation tool).

• **Customer Experience and Satisfaction**

Global Fidelity Plan (Everilion)

The implementation of a campaign and promotion system, supported by a strong base and customer behavior analysis, is an essential component of the strategy to improve customer experience and fidelity towards BBVA products.

• **Infrastructure**

Bantotal WEB

Completing the installation of the new web version of the accounts and individuals module. That is, complete migration of the current RPG version and addressing gaps of Bantotal web arising from an initial analysis, as well as the integration and modification of other applications that interact with Bantotal.

Payments Hub

Completing the installation of communications tools between BBVA Uruguay and BBVA Holding, so as to integrate BBVA Uruguay to the central payment hub for suppliers of the group.

Campaign Manager - Corporate Tool Implementation

Implementation of a corporate tool for campaign analysis, generation and evaluation.

SIGNPLUS - Automatic Signature Recognition

Installation and adjustment of the Signplus tool, for the purpose of automatizing the control of document signatures.

eManager (Operational CRM)

Implement modifications to eManager in order to improve information for management in the Call Center.

Operations

During 2015, all operational sectors focused their efforts on Service Quality. Together with efficiency and risk management, these were the main axis guiding our actions, aimed at having faster processes, increasing productivity and maximizing clients' experience, bringing us closer to the digital bank concept.

The following are the main milestones of the year:

- **Treasury:**
The bidding process for valuables transportation services was carried out. The bid was awarded to three suppliers and new agreements were signed. The main advantage of the process was the establishment of service levels and the obligation of the supplier to provide information about services provided, which allowed us to carry out quality and turnover controls, developing a specific way of relating to each one of the suppliers.
- **Drafts and Transfers/ Back Desk:**
Phase 2 of the SPI was implemented, with BEVSA as a formal clearing chamber for local transfers.
- **Clearing:**
Local check clearing houses outside the capital created by BROU were eliminated. For this reason, changes were made to processes and systems so that these documents could be presented at the Montevideo chamber and be credited to customers in due time and manner. In addition, the Signplus software was implemented, which, based on parameters defined, allows the automation of signature and power of attorney controls.
- **Credit cards:**
The project for the unification of processors was initiated, completing the initial stage consisting of the survey of tasks to be carried out and the definition of time-lines and resources required for implementation.
- **Management and Control of Files:**
Account opening control processes were reviewed, achieving a reduction of time taken to complete documentation required by regulations.

Operational Control and Reconciliations

In year 2015, since the Operational Control task depends hierarchically from the local Media Unit and functionally from the Holding Operations Control, the Operational Control and Reconciliations sector focused on complying with the objectives of the annual work plan agreed both at a local and corporate level. In terms of Holding, corporate events were attended in the city of Sevilla to establish general guidelines, addressing issues such as governance, organization, control and other matters related to the performance of this task.

Operational Control centralizes tasks relative to Outsourcing Management, Business Continuity, Operational Risk Management (Media and Business areas) and Audit follow-up and it takes part as Control expert in the Corporate Assurance model.

During 2015, work was carried out in line with the Outsourcing work plan, which involves renewing agreements with external suppliers within the framework of the internal regulation N 76-Outsourcing. The government model continued to be applied and controls carried out on the outsourcing flow, both at the level of BBVA Uruguay as of EVSA and Dise companies, keeping record of all proceedings in the GOS tool.

On Saturday, November 7th 2015, the annual Business Continuity tests were completed, achieving successful results, complying with aims set for the year and identifying aspects that need improvement.

Operational Risk Management activities (media and business areas) were focused on the implementation of the White Paper (corporate methodology for the analysis of processes, risks and controls) and the implementation of the annual critical control testing. There was intense work on risk assessment and quality adjustments of the STORM corporate tool.

Operational Control contributed to the follow-up of audits, collaborating in the management and follow-up of action plans, becoming a strategic partner of the Audits sector in this sense.

Main actions carried out by the Reconciliations sector during 2015 fall within the framework of the Plan for the Reconciliations System Implementation. Efforts were focused on the regularization of pending items allocated to those responsible within reconciliations, for the purpose of bringing them to a minimum. In addition, work was carried out on the centralization of allocated reconciliations.

Internal reports on the sector are carried out monthly and reports required by the Central Bank of Uruguay are issued quarterly. According to activities carried out during the fiscal year, it may be concluded that aims were achieved and the same line of work will be followed to comply with objectives set for 2016.

IT Risk, Fraud & Security.

During 2015, the following projects implemented by the IT Risk, Fraud & Security sector may be pointed out:

1 **SI, Seguro 2015**

Awareness-raising campaign about Information Security. The target audience being both internal bank employees as suppliers carrying out tasks within the institution.

2 **Panic button: Selective Credit Card Blockings**

Definition of emergency procedures per country, in order to regulate the preventive blocking service for affected credit and debit cards.

3 **Panic button: Closing of Risk Operations in Distance Banking**

Definition of an emergency procedure which allows the disabling of a user in online banking, disabling high-risk transactions, etc. in case the account is jeopardized and the usual roads for the deactivation of the referred operations cannot be followed.

4 **Use of Security Tools**

Use of specific security tools (Bitácora/ Intellinx) and generation of alerts relevant to the country, so as to detect unwanted behavior.

5 **Regulation- IT Risk, Fraud & Security Checklist**

Preparation of an IT Risk, Fraud & Security Checklist including the initial security requirements to be complied by any BBVA Uruguay project. This list will be used as a guideline for each project's PM.

6 **CPEP: Special Protection Programs Control**

Implementation of a circuit for the use of the Holding tool for the analysis of source code security of locally developed software pieces that need to be periodically analyzed, due to their critical nature, in order to prevent security failures.

7 **LUX**

Implementation of a technological solution to identity management problems:

- Provisioning, role management, operation automation, compliance, business processes implementation, reporting.
- Focused on security and operational improvement: centralizing, automatizing and auditing processes.

Purchases

In year 2015, work was carried out on the implementation of the "Procurement Hub" corporate project, which involved the creation of a provisioning center in Chile, for a certain type of procurement by South American countries. This regional HUB is aimed at optimizing costs and increasing internal efficiency. From March to June 2015, the implementation plan was executed and since then, Uruguay BBVA has been working in a coordinated manner with the "Procurement HUB".

During 2015, bidding processes were carried out for the bank's main expenses items, with the purpose of reducing costs and improving service quality levels (by incorporating service level metrics and billing controls in the new agreements). Such items include funds transportation, credit card processors, Call Center, cleaning, surveillance, electronic security, delivery of correspondence to clients, among others.

Requests of goods and services were managed in compliance with the budget and saving plans agreed. Work continued in the following areas:

- Update of the bank's inventory of physical and electronic agreements, reviewing their validity and setting up a provisioning plan for 2016, based on anticipated expirations.
- On the process for the approval of suppliers, to make sure they comply with quality standards required by BBVA, as well as to verify their actions in terms of ethics and corporate social responsibility.

Financial Management

Financial Management

This year there was a significant increase in the US Dollar exchange rate of nearly 23%; therefore, from the balance sheet management point of view, focus was placed on covering capital in hard currency, through the increase in the net position in this currency as well as through the optimization of assets weighted according to risk in compliance with Central Bank regulations. As a consequence of the rise in the foreign currency's position, results on account of foreign exchange differences increased more than 200% regarding 2014.

On the other hand, the Central Bank maintained its inflation control policy, based on extended monetary aggregates, with persistent strong volatility in the local currency market, with a trend towards high yields for bills of exchange in this currency and, in some months, high interest rates in the interbank market.

In addition, and in a conservative manner, the Bank was able to stabilize its funding with medium-term financial operations, without having to use the market, apart from very specific cases and for small amounts, and even taking part in many sessions through the granting of funding.

Finally, general price policies were affected by this context, suffering strong volatility in the local currency market, but with an upward trend.

Regarding the Dollar market, the high liquidity in the local market and low FED rates resulted in another year with very low deposit collection prices and stable/slightly negative in terms of credit placement prices. The first increase of the US Fed rates in the last month of the year seems to indicate the beginning of the end of an international cycle with near-zero rates, although the speed of future increases is still unknown.

As for Treasury, it has had a significant role this year in managing operations of clients of the Entity, focusing on organization in view of the Volcker Rule, and on maintaining a good level of FX trading, which increased 5% throughout the year.

Management Control and MIS

In year 2015, efforts were focused on the generation of value information, incorporating profitability analyses at the Executive and Retail Products level (mortgage, car, consumer and credit card), thus supporting the bank's decision-making process and incorporating concepts such as RORWA and expected loss per product to the analysis.

We also continued working on improving the quality of available information on metrics and productivity follow-up, working together with Operations, Systems and CPO.

Accounting

In addition to the area's main responsibility, related to accounting records and reporting, Accounting worked on the following new projects:

- ComPruEba Project: referring to the regulatory reporting to the controlling entity for the purpose of consolidation.
- NIIF Project: related to the change promoted by the Central Bank of Uruguay to the accounting framework of financial intermediation institutions.
- Electronic invoice: requirement by fiscal authorities to incorporate the bank to the CFE (Electronic Fiscal Receipts) system.
- Analysis of new Central Bank requirements: among which, the most important ones are the LCR (liquidity coverage ratio) project and the capital conservation buffer project. While they are not yet in force, they must be studied in depth, given their possible impact on the entity's business.

Control Area

During the fiscal year, efforts were directed towards Efficiency, keeping up and reinforcing actions initiated in 2014 to consolidate the comprehensive expenses and investment management model. Saving plans were developed in collaboration with managers of the expenses lines, which were reflected in an actual decrease in the entity's general expenses with regard to the budget.

The Internal Financial Control model was updated to incorporate new processes and risks and controls defined were followed-up accordingly, so as to ensure an adequate control environment in the financial area.

Regulatory Compliance

BBVA Uruguay has an Anti-Money Laundering and Terrorist Financing system (AMLTF) in line with corporate and local regulations.

With the purpose of strengthening AMLTF risk control and to fully comply with regulations in force, there is a global annual plan for permanent improvement.

In this sense, the main aspects of improvement implemented by the Unit in 2015 are explained below:

1. Policies and Procedures

- Update of the regulation for Clients who Manage Third-Party Funds, taking into account the most recent communication of the Uruguayan Central Bank.
- Review of the PEP regulation for customers who are legal entities.

2. Mitigation Process

- The importance of reviewing and assessing clients qualified as High Risk at the moment of establishing a relation with them continued to be strongly emphasized.
- The Unit remains focused on procedures related to the treatment of alerts, aiming at a deeper knowledge by the Bank about customers and their operations.
- Specific monitoring for clients that manage third-party funds.
- Work continued to be carried out on permanent adjustments and reviews of clients' Transactional Profiles.
- Processes towards the update of client's files were continued, completing the 2014 high risk and 2015 medium risk re-documentation plan. A new 2015 high risk plan was initiated. In terms of low risk clients, we continued working towards progress in this area and we are awaiting for an extension of the term agreed with the Uruguayan Central Bank.

3. Technological Infrastructure

- In terms of client monitoring, during the 2015 fiscal year we continued to consolidate the Assist,ck, tool, incorporating the profile breaking scenario in July 2015.
- We have completed the implementation of the RBA (Risk Based Approach) corporate tool, which allows qualifying clients according to their asset laundering risk (High, Medium, Low), through the analysis of a number of pre-determined parameters, with the purpose of carrying out a follow-up of clients, establishing a number of additional controls according to their risk.

4. Training.

During the fiscal year, several training sessions were carried out, aimed at commercial areas, central services as well as the Board of Directors and the Management Committee.

In terms of Business Integrity and Data Protection, we have continued work as in previous years, focusing on aspects associated with the implementation of Policies and Procedures and defining mitigation processes.

Internal Audit

Internal Auditing in the BBVA group is a continuous, independent and objective activity, which consists of the enquiry and evaluation of the institution's internal control systems and risk management systems, with the purpose of adding value, improving operations and supporting the Group in the achievement of its objectives. This is a global function and implies that the local Audit Director reports to the Group's Audit Director, notwithstanding compliance with reporting obligations to the Local Audit Commission.

In Uruguay, internal audits are in line with the BBVA Group standards which include, among others, the use of defined and standardized methodologies and procedures, supported by various documentation tools to record each job.

The Audit sector complied with the 2015 Activities Plan. The following reviews are worth pointing out:

- Activities in the Branch Network, both on site and by distance learning.
- Banking processes such as Follow-up and Recovery of Credit Risk.
- Management of incidents and problems in the Technology area.
- Admission, management and control of exchange, market and liquidity credit risks.
- Compliance with regulatory requirements such as the calculation of regulatory capital, reporting to COPAB about deposit insurance or the operational risk models requirement.

Detailed follow-up of all observations made by supervising bodies (Uruguayan Central Bank), external and internal audits.

In general terms, the internal control situation in BBVA Uruguay is adequate, and recommendation follow-up programs present high levels of participation from affected areas and Management.

Proposal for the Distribution of Earnings

The fiscal year closed on December 31st, 2015 showed profits amounting to **\$ 407,960,418.64**.

The Board of Directors suggests the following distribution of earnings:

Earnings for fiscal year 2015	407,960,418.64
To: To retained earnings	180,562,397.64
Cash dividends	207,000,000.00
Legal reserve corresponding to Art. 93 of Law No.16.060	20,398,021.00

In case the distribution of earnings proposed is approved, the constitution of equity as of December 31st, 2015 shall be the following:

Paid-in Capital	4.060.080.756,52
Adjustments to Equity	638,133,989.05
Voluntary reserves	143,214,659.00
Retained earnings	665,410,470.49
TOTAL EQUITY	5,506,839,875.06

Financial Statements

as of December 31st, 2015 and Independent Auditor's Report.

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Balance Sheet as of December 31st, 2015.

(Figures in thousands of Uruguayan pesos)

	Activity in L/C	Activity in F/C	Total
ASSETS	23.078.546	78.236.612	101.315.158
I) Cash on hand	5.121.980	25.094.162	30.216.142
1.- Coins, bills and local correspondents	5.121.980	22.272.488	27.394.468
11.- Coins and bills	2.399.145	1.487.294	3.886.439
12.- Central Bank of Uruguay	1.787.465	20.269.297	22.056.762
13.- Other local financial institutions	292.973	117.296	410.269
14.- Documents for compensation	642.397	398.601	1.040.998
2.- Other foreign financial institutions	-	2.821.674	2.821.674
II) Investment securities	185.985	9.558.503	9.744.488
1.- Securities held for trading	-	4.484.119	4.484.119
11.- Local	-	-	-
12.- Foreign	-	4.484.119	4.484.119
2.- Securities available for sale	185.985	5.074.384	5.260.369
21.- Local	185.985	612.719	798.704
22.- Foreign	-	4.461.665	4.461.665
3.- Securities held-to-maturity	-	-	-
31.- Local	-	-	-
32.- Foreign	-	-	-
III) Loans (net of provisions)	16.735.173	43.581.846	60.317.019
1.- Outstanding from financial intermediation	14.980.258	40.572.403	55.552.661
11.- Financial sector	90.782	2.250.833	2.341.615
11.1.- Central Bank of Uruguay	40.759	597	41.356
11.2.- Other local financial institutions	50.023	10.764	60.787
11.3.- Other foreign financial institutions	-	2.216.285	2.216.285
11.4.- Headquarters, offices and related institutions	-	23.187	23.187
12.- Non-Financial sector	14.889.476	38.321.570	53.211.046
12.1.- Local public sector	748.911	1.084.509	1.833.420
12.2.- Foreign public sector	-	-	-
12.3.- Resident private sector	14.134.095	37.064.936	51.199.031
12.4.- Non-resident private sector	6.470	172.125	178.595

	Activity in L/C	Activity in F/C	Total
2-Operations to be liquidated	1182.954	2.681.289	3.864.243
2.1-Residents	1.167.164	5.078	1.172.242
2.2-Non- resident	15.790	2.676.211	2.692.001
3-Overdue	63.006	64.481	127.487
3.1- Financial sector	-	-	-
3.2- Non-Financial sector	63.006	64.481	127.487
3.2.1- Local public sector	-	-	-
3.2.2- Foreign public sector	-	-	-
3.2.3- Resident private sector	63.003	64.481	127.484
3.2.3.1- Overdue placements	32.121	38.975	71.096
3.2.3.2- Non-performing loans	6.238	14.443	20.681
3.2.3.3- Delinquent loans	24.644	11.063	35.707
3.2.4- Non-resident private sector	3	-	3
3.2.4.1- Overdue placements	3	-	3
3.2.4.2- Non-performing loans	-	-	-
3.2.4.3- Delinquent loans	-	-	-
4-Other assets	508.955	263.673	772.628
4.1-Resident	508.955	188.851	697.806
4.2-Non- resident	-	74.822	74.822
∩Investments	87.996	2.101	90.097
1- In the country	87.996	2.101	90.097
2- abroad	-	-	-
∩Fixed assets	657.797	-	657.797
∩Intangible assets	289.615	-	289.615
LIABILITIES	19.936.410	75.664.908	95.601.318
∩Liabilities	19.936.410	75.664.908	95.601.318
1-For financial intermediation	15.671.955	74.495.902	90.167.857
1.1- Financial sector	541	2.760.209	2.760.750
1.1.1-Central Bank of Uruguay	-	9.680	9.680
1.1.2-Other local financial institutions	541	2.694	3.235
1.1.3-Other foreign financial institutions	-	1.287.345	1.287.345
1.1.4-Headquarters, offices and related institutions	-	1.460.490	1.460.490
1.2- Non-Financial sector	15.671.414	71.735.693	87.407.107
1.2.1- Local public sector	20.847	1	20.848
1.2.2- Resident private sector	15.488.202	48.547.283	64.035.485
3-Non- resident	162.365	23.188.409	23.350.774

	Activity in L/C	Activity in F/C	Total
2- Operations to be liquidated	3.069.470	238.088	3.307.558
2.1-Residents	640.550	238.088	878.638
2.2-Non- resident	2.428.920	-	2.428.920
3- Other liabilities	629.001	64.793	693.794
4- Provisions	334.970	219.077	554.047
5- Allowances	231.014	647.048	878.062
EQUITY	5.713.840		5.713.840
1- Paid-in capital	4.060.081	-	4.060.081
2- Equity adjustments	638.134	-	638.134
3- Reserves	122.817	-	122.817
4- Retained earnings	484.848	-	484.848
5- Net income for the year	407.960	-	407.960
TOTAL LIABILITIES AND EQUITY	25.650.250	75.664.908	101.315.158
CONTINGENT ACCOUNTS RECEIVABLE	3.973.867	5.420.138	9.394.005
1-Agreed credit lines	3.145.281	442.000	3.587.281
1.1-Credit cards	2.462.707	-	2.462.707
1.2-Current accounts	682.574	442.000	1.124.574
1.3-Other	-	-	-
2-Guarantees granted	585.607	3.792.437	4.378.044
3- Overseas business	-	1.185.701	1.185.701
4-Options	-	-	-
5-Other contingent accounts receivable	242.979	-	242.979
MEMORANDUM ACCOUNTS RECEIVABLE	22.384.936	175.964.324	198.349.260
1- Guarantees received	7.894.765	148.831.564	156.726.329
2- Custody of goods and securities	9.895.955	21.293.650	31.189.605
3- Overseas business	-	1.983.626	1.983.626
4- Other memorandum accounts receivable	4.594.216	3.855.484	8.449.700

The accompanying notes 1 to 10 are an integral part of these financial statements.

Income Statement for the fiscal year ended on December 31st, 2015.

(Figures in thousands of Uruguayan pesos)

	Activity in L/C	Activity in F/C	Total
Financial gains before exchange differences and provisions	2.876.512	1.559.452	4.435.964
1) Outstanding loans from financial intermediation	2.567.732	1.494.607	4.062.339
11.- Financial sector	219.626	48.386	268.012
11.1.- Local financial institutions	219.626	22.158	241.784
11.2.- Foreign financial institutions	-	26.228	26.228
12.- Non-financial sector	2.348.106	1.446.221	3.794.327
12.1.- Local public sector	111.087	33.028	144.115
12.2.- Foreign public sector	-	-	-
12.3.- Resident private sector	2.236.447	1.399.777	3.636.224
12.4.- Non-resident private sector	572	13.416	13.988
2) Revenues, readjustments and quotation differences in investment securities	280.568	47.619	328.187
21.- Securities held for trading	273	1.578	1.851
21.1.- Local	273	88	361
21.2.- Foreign	-	1.490	1.490
22.- Securities available for sale	280.295	46.041	326.336
22.1.- Local	278.594	40.078	318.672
22.2.- Foreign	1.701	5.963	7.664
23.- Securities held-to-maturity	-	-	-
23.1.- Local	-	-	-
23.2.- Foreign	-	-	-
3) Liabilities readjustments	4.548	-	4.548
31.- Financial sector	-	-	-
32.- Non-financial sector	4.548	-	4.548
4) Forward contracts	9.446	5.094	14.540
41.- Financial sector	5.301	5.094	10.395
41.1.- In the country	5.301	-	5.301
41.2.- Abroad	-	5.094	5.094
42.- Non-financial sector	4.145	-	4.145
42.1.- Local public sector	-	-	-
42.2.- Resident private sector	4.145	-	4.145
42.3.- Non-Resident	-	-	-

	Activity in L/C	Activity in F/C	Total
5) Overdue Loans	14.218	12.132	26.350
5.1.- Financial sector			
5.2.- Non-financial sector	12.881	5.935	18.816
5.2.1.- Local public sector	-	-	-
5.2.2.- Foreign public sector	-	-	-
5.2.3.- Resident private sector	12.881	5.913	18.794
5.2.3.1.- Overdue placements	6.685	3.722	10.407
5.2.3.2.- Non-performing loans	990	491	1.481
5.2.3.3.- Delinquent loans	5.206	1.700	6.906
5.2.4.- Non-resident private sector	-	22	22
5.2.4.1.- Overdue placements	-	22	22
5.2.4.2.- Non-performing loans	-	-	-
5.2.4.3.- Delinquent loans	-	-	-
5.3.- Debtors to be refinanced according to law 16243	-	-	-
5.4.- Recovery of Non-performing loans	1.337	6.197	7.534
Financial expenses before exchange differences and provisions	965.733	158.823	1.124.556
1) Liabilities	415.005	157.382	572.387
1.1.- Financial sector	1.406	84.416	85.822
1.1.1.- Local financial institutions	1.406	117	1.523
1.1.2.- Financial institutions abroad	-	84.299	84.299
1.2.- Non-financial sector	413.599	72.966	486.565
1.2.1.- Local public sector	-	-	-
1.2.2.- Resident private sector	409.264	33.816	443.080
1.2.3.- Non-Resident	4.335	39.150	43.485
2) Readjustments and quotation differences in investment securities	207.525	1.441	208.966
2.1 Securities held for trading	513	1.441	1.954
2.1.1.- Local	513	351	864
2.1.2.- Foreign	-	1.090	1.090
2.2 Securities available for sale	207.012	-	207.012
2.2.1.- Local	205.354	-	205.354
2.2.2.- Foreign	1.658	-	1.658
2.3 Securities held-to-maturity	-	-	-
2.3.1.- Local	-	-	-
2.3.2.- Foreign	-	-	-
3) Loans Readjustments	41.996	-	41.996
3.1.- Outstanding	41.792	-	41.792
3.2.- Overdue	204	-	204

	Activity in L/C	Activity in F/C	Total
4) Operations to be liquidated	301.207	-	301.207
4.1.- Financial sector	300.889	-	300.889
4.1.1.- In the country	20.694	-	20.694
4.1.2.- Abroad	280.195	-	280.195
4.2.- Non-financial sector	318	-	318
4.2.1.- Local public sector	-	-	-
4.2.2.- Resident private sector	318	-	318
4.2.3.- Non-Resident	-	-	-
I) Financial Margin before Exchange Rate Differences and Provisions	1.910.779	1.400.629	3.311.408
Gain / (Loss) for exchange rate difference in the valuation of assets and liabilities for financial intermediation	338.939	-	338.939
1.- Revenues	47195.898	-	47195.898
2.- Expenses	46.856.959	-	46.856.959
II) Financial margin before provisions	2.249.718	1.400.629	3.650.347
PROVISIONS	(199.972)	(237.631)	(437.603)
Release in Provision for impairment losses and loan revaluation	713.115	1.151.682	1.864.797
1.- Release of provisions	433.384	1.151.682	1.585.066
1.1.- Resident	426.084	1.030.779	1.456.863
1.2.- Non-Resident	7.300	120.903	128.203
1.3.- General Provisions	-	-	-
2.- Loan revaluation	279.731	-	279.731
Provision for impairment losses charge and loan devaluation	913.087	1.389.313	2.302.400
1.- Allowances	635.693	1.389.313	2.025.006
1.1.- Resident	625.880	1.272.611	1.898.491
1.2.- Non-Resident	9.813	116.702	126.515
1.3.- General Provisions	-	-	-
2.- Loan devaluation	277.394	-	277.394
III) Financial Margin	2.049.746	1.162.998	3.212.744
REVENUES FOR SERVICES	527.189	622.943	1.150.132
1.- Resident	497.178	458.726	955.904
2.- Non-Resident	30.011	164.217	194.228
EXPENSES FOR SERVICES	432.337	71.310	503.647
1.- Resident	432.192	58.788	490.980
2.- Non-Resident	145	12.522	12.667

	Activity in L/C	Activity in F/C	Total
Margin from Services	94.852	551.633	646.485
INCOME FROM FOREIGN EXCHANGE OPERATIONS	247.214	51.266	298.480
1.- From foreign exchange and arbitrage operations	300.325	51.266	351.591
1.1.- Revenues	576.379	66.555	642.934
1.2.- Expenses	276.054	15.289	291.343
2.- From the valuation of other assets and liabilities in f/c	(53.111)	-	(53.111)
2.1.- Revenues	371.369	-	371.369
2.2.- Expenses	424.480	-	424.480
IV) Gross Profit	2.391.812	1.765.897	4.157.709
OPERATING GAINS	331.887	80.320	412.207
1.- Gains for sundry loans	120	6.632	6.752
1.1.- Resident	120	6.632	6.752
1.2.- Non-Resident	-	-	-
2.- Investments in local equity securities	41.345	-	41.345
3.- Offices abroad	-	-	-
4.- Revenues	-	-	-
5.- Other Gains	270.455	73.688	344.143
5.1.- Resident	270.120	70.420	340.540
5.2.- Non-Resident	335	3.268	3.603
6.- Gains from other accounting adjustments	-	-	-
7.- Gains from inflation adjustment	19.967	-	19.967
OPERATING EXPENSES	3.419.096	424.313	3.843.409
1.- Wages and social security contributions	1.696.223	184.472	1.880.695
2.- Insurances	61.587	3.752	65.339
3.- Amortizations	203.026	-	203.026
4.- Taxes, levies and contributions	502.698	-	502.698
5.- Other operating expenses	501.920	230.784	732.704
6.- Other expenses	12.439	5.305	17.744
7.- Investments in local equity securities	-	-	-
8.- Offices abroad	-	-	-
9.- Losses from other accounting adjustments	-	-	-
10.- Losses from inflation adjustment	441.203	-	441.203
11.- Other obligations	-	-	-
V) Operating Margin	(695.397)	1.421.904	726.507
EXTRAORDINARY INCOME	1.715	-27.170	(25.455)
1.- Revenues	3.162	3.313	6.475
2.- Expenses	1.447	30.483	31.930

	Activity in L/C	Activity in F/C	Total
ADJUSTMENT TO PRIOR YEARS NET INCOME	-	-	-
1- Revenues	-	-	-
2- Expenses	-	-	-
VI) Net income before Income Tax (I.R.A.E.)	(693.682)	1.394.734	701.052
Income Tax (I.R.A.E.)	293.092	-	293.092
VII) Net income after Tax (I.R.A.E.)	(986.774)	1.394.734	407.960

The accompanying notes 1 to 10 are an integral part of these financial statements.

Statement of Changes in Equity for the Fiscal Year ended on December 31st, 2015.

(Figures in thousands of Uruguayan pesos)

Movements	Paid-in Capital	Non-capitalized Contributions	Equity Adjustments	Reserves	Retained Earnings	Total Equity
Balance at December 31st, 2014	4.060.081	-	138.117	94.078	720.626	5.012.902
Capital Contributions	-	-	-	-	-	-
Distribution of Profits	-	-	-	28.739	(235.778)	(207.039)
Profits Advance	-	-	-	-	-	-
Other adjustments:	-	-	500.017	-	-	500.017
- Fixed assets revaluation	-	-	-	-	-	-
- Income adjustment for inflation	-	-	421.236	-	-	421.236
- Fair value variation of Securities available for sale	-	-	78.781	-	-	78.781
- Investments value variation on account of changes in equity in controlled companies and branches	-	-	-	-	-	-
Net income	-	-	-	-	407.960	407.960
Balance at December 31st, 2015	4.060.081	-	638.134	122.817	892.808	5.713.840

The accompanying notes 1 to 10 are an integral part of these financial statements.

Statement of Cash Flows for the Year Ended December 31st, 2015.

(Figures in thousands of Uruguayan pesos)

	Total
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (Loss)	407,960
Adjustments to reconcile net income to net cash generated by operating activities:	
Amortization of fixed assets	78,044
Amortization of intangible assets	124,982
Effect of inflation adjustment and valuation exchange rate differences	135,408
Quotation differences and readjustments of investment securities, held for trading and available for sale	46,625
Adjustment to cost of investment securities held-to- maturity	-
Impairment of investment securities	-
Uncollected revenues accrued from securities	32,458
Reserves	61,216
Uncollected accrued financial products	(139,297)
Impairment provisions for bad debts	717,333
Uncollected accrued income	(447)
Unpaid accrued financial charges	51,396
Income collected not accrued	-
Financial charges paid and not accrued	-
Gain from the sale of fixed assets	(5,951)
Gain from real estate valuation at market value	-
(INCREASE) DECREASE IN OPERATING ASSETS	
Investment Securities (held for trading and available for sale)	(6,466,288)
Credits for Interm. Financial - Financial sector (*)	3,257,390
Credits for Interm. Financial - Non-Financial sector (*)	(2,936,348)
Other assets	164,335
INCREASE (DECREASE) IN OPERATING LIABILITIES	
Liabilities for Interm. Financial - Financial sector (*)	(497,925)
Liabilities for Interm. Financial - Non- Financial sector (*)	6,242,074
Other liabilities	84,533
Net variation of operations to be liquidated	(507,149)
Net cash generated by (used in) operating activities	850,349

	Total
CASH FLOW FROM INVESTMENT ACTIVITIES	
Net flow of investment securities held-to-maturity	-
Net flow of fixed assets	(52.338)
Increase in intangible assets	(157.796)
Net flow of special investments	(390)
Net flow of other investments	(22.810)
Net cash generated by (used in) investment activities	(233.334)
CASH FLOW FROM FINANCING ACTIVITIES	
Contribution (redemption) of capital/ (Dividend distribution)	(207.039)
Net flow of subordinated obligations	349.020
Issue (redemption) of negotiable instruments	-
Other obligations originated by financing activities	-
Net cash generated by (used in) financing activities	141.981
Net increase (decrease) in cash and cash equivalents	758.996
Exchange rate difference generated by Cash	4.858.119
Cash and cash equivalents at the beginning of the year	24.599.027
Cash and cash equivalents at the end of the year	30.216.142

(*) Except for operations to be liquidated

(**) Except for subordinated and negotiable obligations and operations to be liquidated

The accompanying notes 1 to 10 are an integral part of these financial statements.

Notes to Financial Statements for the Year Ended on December 31st, 2015.

(Figures in thousands)

Note 1 - Consideration by Shareholders Meeting

These Financial Statements have not yet been considered by the General Ordinary Shareholders' Meeting which shall be called within the terms set forth in Article 344 of Law N° 16.060 dated September 4th, 1989.

Note 2 - Information about the Financial Intermediation Company

2.1 Legal Nature

Banco Bilbao Vizcaya Argentaria Uruguay S.A. ("the Bank") is a corporation which works as a financial intermediation company in Uruguay, in accordance with law-decree N° 15.322 dated September 17th, 1982 and subsequent amendments thereof.

The Central Bank of Uruguay (BCU) supervises the authorized companies and enforces compulsory requirements related to bank reserves, holding of public securities, provision for credit risks and equity responsibility.

2.2 Basis for the Preparation of Financial Statements

These Financial Statements have been prepared according to accounting standards, valuation and risk classification criteria and requirements established by the BCU (Central Bank of Uruguay).

According to what is stated in BCU's Resolution 2010/021, the criteria through which financial statements are adjusted on account of inflation (accumulated inflation of the three previous calendar years is over 25%) were complied with in year 2015.

This way, equity accounts were valued at their historical costs, except for the account Adjustments to Equity - Result on account of Inflation, which represents a global monetary correction of equity as of December 31st 2015.

Consolidated financial statements are prepared according to what is stated in BCU's Resolution 98/5.

2.3 Capital and Stock Composition

As of December 31st, 2015, the total corporate capital amounts to \$ 5,000,000, of which \$ 4,060,081 has been paid in. In addition, the Bank does not have any subscriptions pending to be paid-in.

Integration of stock may be broken down by type of shares as follows:

Shareholder	Percentage of Stock	Number and Type of Shares	Nominal Value
Banco Bilbao Vizcaya Argentaria S.A. (Spain)	100%	406,008 ordinary registered shares and provisional certificates for \$ 0.7	4,060,081
			4.060.081

Information about the company's ownership structure is included as part of the Corporate Governance Annual Report (unaudited) required by article 477 of the Compilation of Regulation and Control Standards for the Financial System, available for consultation at www.bbva.com.uy before March 31st each year.

2.4 List of Directors and Senior Management

The following is the list of Directors and Senior Management, as per definition included in article 536 of the Compilation of Regulation and Control Standards for the Financial System:

Alonso García, Juan Carlos	Business Development Manager
Alonso Granada, Antonio	CEO
Blanco Hierro, José Antonio	Director
Cabrera Lapitz, Juan José	Substitute Auditor
Cedrola Spremolla, Gerardo Marcelo	Director-Secretary-Manager, Resources and Services Unit
Corral Pérez, María del Rosario	Commercial Direction Manager
Diez Franco, José Antonio	Internal Auditor - Member of the Auditing Committee
Espalter Masoller, Haroldo José	Auditing Committee Member
Gonzalez Sararols, Marcelo	Risk Manager
Jourdan Gilles, Daniel	General Accountant
Licandro Bosc, Gustavo	Director
O'Neill Buzzini, Eduardo Brian	Financial Management and Treasury
Ocampo Taboada, Adriana	Media Manager
Pérez del Castillo Algorta, Santiago Máximo	Director - Member of the Auditing Committee
Rey Villanueva, José Luis	Syndic
Trujillo Vela, Andrea Catalina	Claims Manager
Vinetz Tuchszer, Alejandro	Director - Financial Manager
Znidaric Rimolo, Mónica	Person in Charge of Information

The name of the compliance officer is not provided since this information is confidential.

Additional information about the company's management and control structure is included as part of the Corporate Governance Annual Report (unaudited) required by article 477 of the Compilation of Regulation and Control Standards for the Financial System, available for consultation at www.bbva.com.uy before March 31st each year.

Note 3 - Information Regarding Assets and Liabilities

3.1 Valuation of Foreign Currency

Assets and liabilities in foreign currency are translated into U.S. dollars using arbitrations and quotations provided by the BCU Foreign Exchange Desk, at the closing date of each fiscal year.

The resulting amounts in US dollars are then expressed in local currency using the average exchange rate at the end of the fiscal year (\$ 29,873 per US\$ 1).

3.2 Foreign Currency Position

Assets and liabilities corresponding to each currency are exposed, determining the individual net position and the position arbitrated to US dollars:

Currencies	Assets in F/C	Liabilities in F/C	Net Position in F/C		Equivalent position in US dollars
			Assets	Liabilities	
US Dollar	2,539,380	2,453,639	85,741	-	85,741
Arg. Peso	1,918	871	1,047	-	81
Real	591	83	508	-	128
Euro	71,059	71,696	-	637	(695)
Others	1,747	914	833	-	833
Total					86,088

3.3 Investment Securities

Investment Securities are classified according to the purpose for which they are kept in the various portfolios, as follows:

- Securities held for trading
- Securities available for sale
- Securities held to maturity

Investment Securities are valued according to General Regulation 2.2 of the Accounting Standards and Plan of Accounts for Financial Intermediation Companies (Normas Contables y Plan de Cuentas para las Empresas de Intermediación Financiera), as amended per update N° 181, according to which:

- Securities held for trading are valued according to their market value, including transaction costs and deducting accrued interest;
- Securities available for sale are calculated according to their reasonable value (market value of one or many securities with similar characteristics or according to market prices significant to the specific case), including transaction costs and deducting accrued interest;
- Securities held to maturity are valued at their purchase cost, including transaction costs and deducting accrued interest, adjusted by the difference between the purchase price and the nominal value accrued on a straight line basis over the remaining term until maturity.

As of December 31st, 2015 securities for investment are integrated by the following:

Investment Securities	Currency of Issue	Figures in thousands of Uruguayan pesos	
		Accounting Value	Market Value
• Securities Held for Trading		4.484.118	4.484.118
FOREIGN GOVERNMENT SECURITIES		4.483.882	4.483.882
- USA	US\$	4.483.882	4.483.882
RENTA DE VALORES PARA NEGOCIACION		236	236
- Foreign Government Securities Income	US\$	236	236
• Securities available for sale		5.260.370	5.260.370
LOCAL GOVERNMENT SECURITIES		779.646	779.646
- Treasury Bonds	US\$	286.164	286.164
- Treasury Bonds	€	313.135	313.135
- Treasury Notes	\$	178.687	178.687
- Treasury Notes	UI	1.660	1.660
FOREIGN GOVERNMENT SECURITIES		4.460.086	4.460.086
- USA	US\$	3.862.542	3.862.542
- Argentina	US\$	84	84
- Sweden	US\$	597.460	597.460
INCOME OF SECURITIES AVAILABLE FOR SALE		20.638	20.638
- Local Government Securities Income	\$	5.616	5.616
- Local Government Securities Income	US\$	4.091	4.091
- Local Government Securities Income	€	9.330	9.330
- Local Government Securities Income	UI	22	22
- Foreign Government Securities Income	US\$	1.579	1.579
• Securities held to maturity		-	-
Total Investment Securities		9.744.488	9.744.488
Investment Securities Issued by BCU (Central Bank of Uruguay) (1)			
• Securities held for trading	\$	11.724	11.724
• Securities available for sale	\$	26.567	26.567
• Securities available for sale	UI	788	788
• Securities for investment held-to-maturity		-	-
Total Investment Securities Issued by BCU		39.079	39.079

(1) Included as outstanding loans for financial intermediation - Financial sector.

3.4 Limitations to the Free Availability of Assets or Equity and Restrictions to Property Rights

According to Note 3.21 A), as of December 31st, 2015 there are US bonds encumbered as collateral with the BCU with a nominal value of US\$ 4.343 (equivalent to \$ 129,738).

Additionally, the following securities are encumbered as collateral:

- Deposit with the Central Bank of Uruguay in UI (Indexed-Based Units), encumbered as collateral (fiduciary), amounting to UI 2,640 (equivalent to \$ 8,560).
- Series 5 Treasury Notes in pesos amounting to a face value of \$89,000 as guarantee in the Uruguayan Central Bank (BCU) to increase the operational limit of ALADI agreements
- Series 5 Treasury Note for \$919,022 affected to repo operations with the Central Bank of Uruguay.
- Sight deposit with Foreign Banks encumbered as operational collateral for the Institution's credit cards, amounting to US\$ 6.034 (equivalent to \$ 180,254).
- Treasury bond of USD 200 (equivalent to \$5,975) as bank guarantee corresponding to court litigations.
- Fixed-term deposit with Uruguayan Central Bank (BCU) on account of forward operations (resolution 2009/153) amounting to US\$ 20 (equivalent to \$597).

3.5 Assets and Liabilities with Readjustment Clause

The following are assets and liabilities with a readjustment clause:

Readjustment Factor	Assets	Liabilities
Consumer Price Index	1,673	-
Index-Based Unit	10,345,207	2,766,182
Total	10,346,880	2,766,182

3.6 Credit Risks - Financial Sector and Non-financial Sector

The credit portfolio has been classified according to regulation 3.8 of the Accounting Standards and Plan of Accounts for Financial Intermediation Companies.

The Bank has set up the necessary provisions against eventual losses derived from bad debts, in accordance with regulation 3.12 of the Accounting Standards and Plan of Accounts for Financial Intermediation Companies. With the purpose of determining the amount to be provisioned, guarantees determined by regulations 3.16 and 3.17 of said Accounting Standards were deducted.

Non-financial Sector Risks

Risk Classification	Loans L/C	Loans F/C (equivalent in L/C)	Contingen- cies	Total Risk	Accountable Guarantees	Provisions (1)		Risks Net of Provisions
						Minimum %	Amount	
1A	94.365	2.537.518	561.814	3.193.697	3.187.554	0%	-	3.193.697
1C	11.444.921	20.762.686	4.581.390	36.788.997	9.518.637	0,5%< <1,5%	136.237	36.652.760
2A	1.985.271	5.811.389	1.059.497	8.856.157	1.666.523	1,5%< <3%	107.911	8.748.246
2B	1.144.811	9.377.569	300.025	10.822.405	3.430.730	3%< <17%	221.786	10.600.619
3	340.446	228.920	54.060	623.426	386.371	17%< <50%	40.096	583.330
4	46.983	87.222	1.795	136.000	32.436	50%< <100%	51.772	84.228
5	421.686	93.854	6.768	522.308	53.153	100%	469.108	53.200
Subtotal (2)	15.478.483	38.899.158	6.565.349	60.942.990	18.275.404		1.026.910	59.916.080
Other accounts	479.848	162.334	-	642.182	-		-	642.182
Minus: Minus: Credit risk equiva- lent of Forward Contracts and conting. rights purcha- se/sale options.	(3.814)	(51)	-	(3.865)	-		-	(3.865)
Plus: Forward Contracts and conting. rights of purchase/ sale options.	92.763	5.078	-	97.841	-		-	97.841
Other debtor contingencies	-	-	-	-	-		-	-
Total	16.047.280	39.066.519	6.565.349	61.679.148	18.275.404		1.026.910	60.652.238

(1) Provisions made for some operations are not in accordance with Regulation 312.

(2) Only items reported to the Risk Central are included, taking into consideration the credit risk equivalent of operations to be settled and options.

Composition of Non-financial Sector Risk

Risks classified in	Outstanding Loans	Provisions for Outstanding Loans	Overdue Loans	Provisions for Overdue Loans	Other Loans	Provisions for Other Loans	Contingencies	Provisions for conting.
1A	2.631.675	-	-	-	208	-	561.814	-
1C	32.169.080	115.185	-	-	38.527	28	4.581.390	21.024
2A	7.796.386	92.843	-	-	274	-	1.059.497	15.068
2B	10.495.729	214.390	-	-	26.651	-	300.025	7.396
3	508.910	26.185	59.832	6.911	624	42	54.060	6.958
4	75.437	25.814	58.392	24.892	376	178	1.795	888
5	336.680	324.572	178.569	137.504	291	264	6.768	6.768
Subtotal (1)	54.013.897	798.989	296.793	169.307	66.951	512	6.565.349	58.102
Other accounts	-	-	-	-	642.182	-	-	-
Minus: Minus: Credit risk equivalent of Forward Contracts and conting. rights purchase/sale options.	(3.865)	-	-	-	-	-	-	-
Plus: Forward Contracts and conting. rights of purchase/sale options.	97.841	-	-	-	-	-	-	-
Other debtor contingencies	-	-	-	-	-	-	-	-
Total	54.107.873	798.989	296.793	169.307	709.133	512	6.565.349	58.102

(1) Only items reported to the Risk Central are included, taking into consideration the credit risk equivalent of operations to be settled and options.

Financial Sector Risks

Risk Classification	Demand Deposits L/C	Demand Deposits F/C	Loans L/C	Loans F/C (equivalent in L/C)	Contingencies	Other Loans	Total Risk	Accountable Guarantees	Provisions (1)		Risks Net of Provisions
									Minimum %	Amount	
1A	2.080.439	23.173.422	55.779	2.164.624	2.097.487	15.550	29.587.301	-	0,0%	-	29.587.301
1B	-	34.845	-	69.735	466.564	-	571.144	-	0,2% < 0,5%	1.139	570.005
1C	-	-	-	86.047	78.585	-	164.632	-	0,5% < 1,5%	809	163.823
2A	-	-	-	11.662	184.026	-	195.688	-	1,5% < 3%	2.917	192.771
2B	-	-	-	9.075	1.995	-	11.070	-	3% < 17%	236	10.834
3	-	-	-	-	-	-	-	-	17% < 50%	-	-
4	-	-	-	-	-	-	-	-	50% < 100%	-	-
5	-	-	-	10.831	-	-	10.831	-	100%	-	10.831
Subtotal (2)	2.080.439	23.208.267	55.779	2.351.974	2.828.657	15.550	30.540.666	-		5.101	30.535.565
Other loans	-	-	-	-	-	48.456	48.456	-	-	-	48.456
Minus: Credit risk equivalent of Forward Contracts and conting. rights purchase/sale options.	-	-	(4.076)	(100.100)	-	-	(104.176)	-	-	-	(104.176)
Plus: Operations to be settled and conting. rights purchase-sale options	-	-	1.090.195	2.676.211	-	-	3.766.406	-	-	-	3.766.406
Other debtor contingencies	-	-	-	-	-	-	-	-	-	-	-
Total	2.080.439	23.208.267	1.141.898	4.928.085	2.828.657	64.006	34.251.352	-		5.101	34.246.251

(1) Provisions made for some operations are not in accordance with Regulation 312.

(2) Only items reported to the Risk Central are included, taking into consideration the credit risk equivalent of operations to be settled and options. Securities for investment issued by the Central Bank of Uruguay (BCU) mentioned in Note 3.3 are not included

Composition of Total Gross Risk with the Financial Sector

Risks classified in	Demand Deposits	Outstanding Loans	Overdue Loans	Conting.	Other Loans	Total Risk
1A	25.253.861	2.220.403	-	2.097.487	15.550	29.587.301
1B	34.845	69.735	-	466.564	-	571.144
1C	-	86.047	-	78.585	-	164.632
2A	-	11.662	-	184.026	-	195.688
2B	-	9.075	-	1.995	-	11.070
3	-	-	-	-	-	-
4	-	-	-	-	-	-
5	-	10.831	-	-	-	10.831
Subtotal (1)	25.288.706	2.407.753	-	2.828.657	15.550	30.540.666
Other accounts	-	-	-	-	48.456	48.456
Minus: Credit risk equivalent operations to be settled and conting. rights purchase-sale options	-	(104.176)	-	-	-	(104.176)
Forward Contracts and conting. rights of purchase/sale options.	-	3.766.406	-	-	-	3.766.406
Other debtor contingencies	-	-	-	-	-	-
Total	25.288.706	6.069.983	-	2.828.657	64.006	34.251.352

(1) Only items reported to the Risk Central are included, taking into consideration the credit risk equivalent of operations to be settled and options. Securities for investment issued by the Central Bank of Uruguay (BCU) mentioned in Note 3.3 are not included.

3.7 Provisions

The following table shows movements in the asset offset account “Bad Debts Provision”, of other loans, of liabilities “ Provision for Contingency Accounts” and the “Credit Risk Statistical Provision Fund”:

Bad Debts Provision	Balance at the Beginning of the Year	Increase	Release	Write-offs	Other Net Movements	Balance as of 12/31/2015
Outstanding loans to the Financial sector (1)	514	9.984	10.525	-	1.066	1.039
Outstanding loans to the Non-financial sector	606.226	1.524.740	1.363.332	-	31.353	798.987
Other loans	53	1.363	910	-	6	512
Overdue loans to the Financial sector	-	-	-	-	-	-
Overdue loans to the Non-financial sector	12.048	51.192	29.213	-	(11.424)	22.603
Non-performing loans	13.228	72.800	13.593	-	(59.485)	12.950
Delinquent loans	83.360	28.105	49.973	29.229	101.491	133.754
Conting.	52.924	122.421	117.521	-	4.339	62.163
Statistical Provisions	500.490	214.401	-	-	92.250	807.141
General Provisions	-	-	-	-	-	-
Total	1.268.843	2.025.006	1.585.067	29.229	159.596	1.839.149

(1) Includes Demand Deposits

3.8 Restructured Troubled Credit Operations

The following table shows in detail restructured troubled loans, according to the regulations set forth by the Central Bank of Uruguay

Restructured Troubled Loans	Number of Operations Restructured during the current Year	Balances at the End of the Year
Outstanding Loans	-	381
Overdue Loans	-	321
Total Restructured Troubled Loans	-	702

3.9 Investments

Concept	Total in L/C
Participation in share capital authorized by BCU	87.996
Other Investments	2.101
Total	90.097

The following table shows interest in other corporations' equity as of December 31st, 2015:

Name of Corporation	Controlled/Related	Amount	Equity interest%	Currency
Redbanc S.A.	Related	1.817	25,00	\$
B.E.V.S.A.	Related	1.448	15,38	\$
Compañía Uruguaya de Medios de Procesamiento S.A.	Related	787	6,29	\$
Sistarbanc S.R.L.	Related	593	20,00	\$
BBVA Distribuidora de Seguros	Controlled	83.351	99,99	\$
Total		87.996		

3.10 Fixed Assets

Fixed assets are valued at their cost, deducting accumulated amortization, applying a straight line basis method of amortization and considering the useful life as determined by regulations in force. For assets acquired before January 2013, the cost is the accounting value as of December 31st 2012 (acquisition cost re-valued up to that date according to the Consumer Price Index (IPC) published by the National Institute of Statistics). The following table shows a detailed list of fixed assets:

Concept	Revaluated Cost Value	Annual Amortization Rate (in %)	Accumulated Amortization	Amortization for the Fiscal Year	Value Net	Market Value	Accounting Value
Company owned	968.863		322.517	78.044	646.346		646.346
Real Estate - Land	23.258				23.258	619.695	23.258
Real Estate - Buildings	593.401	2	160.187	18.107	433.214		433.214
Furniture, fixtures and facilities	79.574	10	32.401	7.763	47.173		47.173
IT equipment	133.762	20	75.825	29.021	57.937		57.937
Safety boxes and treasury	46.473	2	10.537	915	35.936		35.936
Transportation material	10.845	20	5.787	2.169	5.058		5.058
Improvements to leased buildings	81.550	10	37.780	20.069	43.770		43.770
In financial lease	-		-	-	-		-
Buildings under construction	11.451				11.451		11.451
Total	980.314		322.517	78.044	657.797		657.797

3.1 Intangible Assets

Concept	Initial Net Balance	Increases	Fiscal Year Amortizations	Final Net Balance
Application software	159.832	157.796	109.042	208.586
Goodwill (1)	96.969	-	15.940	81.029
Total	256.801	157.796	124.982	289.615

(1) The goodwill value is depreciated linearly in 120 monthly installments starting the month following its incorporation

3.12 Subordinated Liabilities

The Bank undertook subordinated liabilities, with previous authorization by the Central Bank of Uruguay. Such liabilities are taken into consideration to determine the net equity responsibility defined by BCU standards, since they comply with the conditions required by article 63 of the Compilation of Regulations and Control Standards for the Financial System, i.e. their original term is over 5 years, they may not be redeemed in advance without previous consent by the Central Bank of Uruguay and they are not affected as collateral.

It was expressly established that in the event of Bank liquidation, holders shall waive their rights to participate in the body of creditors and shall have preference exclusively with regards shareholders and equal conditions with regards other subordinated shareholders.

On January 13th 2011, in accordance with authorization NE/4/2012/2203 of December 31th 2010, the Bank undertook another obligation subordinated to the other liabilities for US\$ 22,000 with Banco Bilbao Vizcaya Argentaria S.A.

On the other hand, on December 20th 2012, in accordance with authorization NE/4/2012/2310 of December 17th, 2012, the Bank undertook a liability subordinated to the other liabilities for US\$ 26.000 thousands with Banco Bilbao Vizcaya Argentaria S.A.

In addition, on December 19th 2014, in accordance with authorization NE/4/2014/2944 of December 16th, 2014, the Bank undertook a liability subordinated to the other liabilities for US\$ 15,000 with the Inter-American Investment Corporation.

Subordinated liabilities (capital) as of December 31st, 2015 consist of the following:

Term to expiration	L/C	F/C (L/C Eq.)	Total
Less than 12 months	-	-	-
Between 12 and 24 months	-	-	-
Between 24 and 36 months	-	-	-
Between 36 and 48 months	-	-	-
More than 48 months	-	1.881.999	1.881.999
Total	-	1.881.999	1.881.999

3.13 Guarantees Granted on Liabilities.

There are no guarantees granted on liabilities.

3.14 Distribution of Loans and Liabilities for Financial Intermediation According to their Effective Maturity.

The following table shows outstanding loans and obligations from financial intermediation, classified according to the term remaining for their effective maturity:

Concept	Operations reaching maturity in:			Total
	Less than 1 year	Between 1 year and less than 3 years	More than 3 years	
Outstanding Loans Financial sector (1)	27592.283	-	-	27592.283
Outstanding Loans Non-financial sector (2)	36.365.825	9.525.707	8.118.500	54.010.032
Outstanding Loans from op. to be liquidated	2.370.598	-	1.493.650	3.864.248
Total Outstanding Loans	66.328.706	9.525.707	9.612.150	85.466.563
Liabilities Financial sector (2)	867.592	10.332	1.882.826	2.760.750
Liabilities Non-financial sector (2)	85.346.037	873.889	1.187.181	87.407.107
Liabilities from op. to be liquidated	2.049.178	-	1.258.380	3.307.558
Total Liabilities	88.262.807	884.221	4.328.387	93.475.415

(1) Demand deposits are included. Does not include Operations to be liquidated, other accounts and securities for investment issued by BCU.

(2) Does not include Operations to be liquidated or other accounts

3.15 Concentration of Credit Risk in the Non-Financial Sector

	Net Amount of Products in Suspense Before Provisions							
	Outstanding	%	Overdue	%	Contingencies	%	Total	%
10 highest risks	8.081.643	15	-	-	207.590	3	8.289.233	14
50 highest risks	21.258.816	39	-	-	1.716.920	26	22.975.736	38
100 highest risks	27.733.289	51	-	-	2.262.417	34	29.995.706	49
Total portfolio	54.107.871	100	296.794	100	6.565.349	100	60.970.014	100

For the purpose hereof, risk is understood as the risk presented by each individual or legal entity with the economic group it eventually integrates, in accordance with the definition of economic group established by Article 271 of the Compilation of Standards for the Regulation and Control of the Financial System.

3.16 Concentration of Credit Risk in the Non-financial Sector According to Credit Application

Credit Application	Amounts Before Provisions				Total
	Outstanding	Overdue	Other Loans	Contingencies	
Public Sector (1)	2,172,146	-	159	324,227	2,496,532
Agriculture	8,203,824	37,701	292	297,196	8,539,013
Manufacturing Industry	10,881,832	39,683	420	704,328	11,626,263
Construction	3,900,365	43,407	259	597,068	4,541,099
Trade	13,025,851	57,673	347	1,378,702	14,462,573
Hotels and Restaurants	575,919	826	3	28,391	605,139
Transport, Storage and Communications	2,832,209	35,315	200	497,316	3,365,040
Financial Services	499,595	76	28,299	104,086	632,056
Other Services	2,014,427	5,822	31,880	416,855	2,468,984
Families	9,726,459	76,094	2,995	1,990,702	11,796,250
Other	26	-	-	18	44
Subtotal Resident Loans	53,832,653	296,597	64,854	6,338,889	60,532,993
Non-Resident	181,244	196	2,097	226,460	409,997
Subtotal Loans to Non-fin. Sect. (2)	54,013,897	296,793	66,951	6,565,349	60,942,990
Other accounts	-	-	642,182	-	642,182
Minus: Credit risk equivalent of Forward Contracts and conting. rights purchase/sale options	(3,865)	-	-	-	(3,865)
Plus: Forward Contracts and conting. rights of purchase/sale options	97,841	-	-	-	97,841
Other debtor contingencies	-	-	-	-	-
Total Loans to Non-financial Sector	54,107,873	296,793	709,133	6,565,349	61,679,148

(1) Within the Public Sector, all loans with public companies, Central Administration and Local Governments are reported, regardless of their area of activity.
(2) All items reported to the Risk Central are included, taking into consideration the credit risk equivalent of operations to be settled and options

3.17 Concentration of Non-financial sector Deposits

Number of depositors	Total deposits in L/C and F/C (including financial charges)			
	Residents		Non-Resident	
	Amount	%	Amount	%
10 highest depositors	5,355,980	8	1,192,903	5
50 highest depositors	10,005,609	16	1,880,728	8
100 highest depositors	13,225,768	21	2,510,727	11
Total deposits	63,607,707	100	23,340,218	100

3.18 Classification by Type of Deposit of the Non-Financial Non-Public Sector

The following table shows outstanding deposits for the non-financial non-public sector, classified according to the type of deposit:

Type of Deposit	Residents				Non-Resident			Variation compared to the previous year	Total	
	L/C	F/C	Total	Variation compared to the previous year	L/C	F/C	Total		Amount	%
Current Accounts	6,039,053	18,046,279	24,085,332	19%	68,005	963,102	1,031,107	26%	25,116,439	28,9
Demand Deposits	85,531	126,580	212,111	(9)%	936	70,207	71,143	26%	283,254	0,3
Savings Accounts	3,280,285	22,533,271	25,813,556	36%	44,188	16,122,645	16,166,833	36%	41,980,389	48,3
Fixed term deposits	2,125,674	3,188,367	5,314,041	16%	30,908	5,227,004	5,257,912	25%	10,571,953	12,2
Other	3,561,540	4,500,335	8,061,875	67%	17,518	789,194	806,712	40%	8,868,587	10,2
Financial Charges	114,556	6,236	120,792	67%	811	5,700	6,511	23%	127,303	0,1
Total non-financial sector deposits	15,206,639	48,401,068	63,607,707	26%	162,366	23,177,852	23,340,218	33%	86,947,925	100

During the year, the institution has not used non-financial sector funding sources other than deposits.

3.19 Distribution of Loans and Liabilities from Financial Intermediation with Non-Residents By Country

Concept	Capital and Products Net of Interest in Suspense					Total
	Demand Deposits	Loans Financial sector (1)	Loans Non-financial sector (1)	Operations to be liquidated (2)	Other Loans	
Argentina	-	9,075	70,882	-	337	80,294
Brazil	-	86,047	14,531	-	32	100,610
US	2,346,423	1,954,288	4,028	-	16,967	4,321,706
United Kingdom	6,272	-	97	100,100	-	106,469
Panama	-	-	75,770	-	3	75,773
Others (4)	468,979	191,101	16,132	-	299	676,511
Subtotal (3)	2,821,674	2,240,511	181,440	100,100	17,638	5,361,363
Other accounts	-	-	-	-	57,192	57,192
Minus: Credit risk equivalent of Forward Contracts	-	-	-	(100,100)	-	(100,100)
Plus: Forward Contracts	-	-	-	2,692,001	-	2,692,001
Total	2,821,674	2,240,511	181,440	2,692,001	74,830	8,010,456

Concept	Capital and Financial Charges			Total
	Liabilities Financial sector	Liabilities Non-financial sector	Liabilities from op. to be liquidated	
Argentina	1,083	18,323,305	-	18,324,388
Brazil	35,800	1,059,086	-	1,094,886
US	1,066,181	207,722	-	1,273,903
Spain	1,441,746	295,991	-	1,737,737
United Kingdom	-	51,797	2,428,920	2,480,717
Others (4)	203,024	3,412,874	-	3,615,898
Total	2,747,834	23,350,775	2,428,920	28,527,529

(1) Does not include operations to be liquidated or other loans.

(2) The credit risk equivalent of operations to be liquidated of the outstanding credits chapter is informed.

(3) Includes only areas reported to the Risk Central (direct loans).

(4) Credits and liabilities with non-residents corresponding to countries with a participation below 10% of the total corresponding to each column are included, except for those that are required by regulations to be presented separately.

3.20 Transactions with Related Parties

Pursuant to the definition of economic group provided by section 1 of article 210 and articles 271 and 223 of the Compilation of Regulations and Control Standards for the Financial System, the nature and amount of transactions with related parties, as well as the results deriving from said transactions are as follows:

	Figures in thousands of Pesos (L/C and equivalent of F/C in L/C)			
	Placements (1)	Investment Securities	Liabilities	Profit (Loss)
Financial Sector	363,607	-	1,453,133	(57,246)
Companies in the country	-	-	-	-
Headquarters, branch offices and subsidiaries of the Headquarters abroad	-	-	-	-
Controlling entity, Branch offices and subsidiaries of the controlling entity abroad	340,574	-	1,448,840	(58,332)
Branch offices abroad	-	-	-	-
Subsidiaries abroad	-	-	-	-
Banks and other related foreign institutions	23,033	-	4,293	1,086
Non-financial sector	11,326	-	77,110	(68,444)
Credit Management Companies	-	-	21,290	(80,548)
Other Individuals	11,326	-	55,621	776
Other Legal Entities	-	-	199	11,328
Net profit with related parties:				(125,690)

(1) Demand deposits are included.

Most results with credit managing companies are related to portfolio purchase operations carried out during the fiscal year.

3.21 Other Relevant Notes

A) ALADI Operations

Banco Exterior de América, as well as other local financial institutions that carried out similar operations, deducted in previous years promissory notes from Argentinean banks amounting to approximately US\$ 14,500. These promissory notes come from foreign trade operations guaranteed by the central bank of the country member of the reciprocal payment agreement of the Latin American Integration Association (ALADI), which provides for the refund and guarantee of operations through member countries' central banks.

The Argentinean banks which issued said promissory notes were intervened by the Central Bank of the Argentinean Republic (BCRA) and the reimbursement of the abovementioned operations was questioned by said institution. Currently, these operations are being reviewed and they shall be subject to a process of arbitration between BCU and BCRA, in order to determine their validity.

As of December 31st, 2015 in compliance with a resolution by the Central Bank of Uruguay (BCU), the Bank holds US bonds encumbered as collateral amounting to US\$ 4,343 (equivalent to \$ 129,738).

Bank's Management, based on reports issued by the Bank's legal counselors, considers that this disagreement will end with satisfactory results for the Bank and therefore believes no further provisions must be established.

B) Staff Retirement Incentive Plans

The Bank keeps a \$ 14,710 reserve to meet contractual commitments undertaken with regards to the payment of contributions to the Banking Retirement Fund (Caja de Jubilaciones y Pensiones Bancarias) to early retired staff members.

Note 4 - Equity

4.1 Capital Adequacy

Central Bank regulations require maintaining a Net Equity Responsibility consisting of an Essential Net Equity (which includes common stock and additional capital, provided that the additional capital may not exceed one third of common stock) and a Complementary Net Equity, provided that the latter may not exceed one third of the Essential Net Equity. In accordance with Art. 158 of the Compilation of Regulations for the Control of the Financial System (RNRCFSF), the Net Equity Responsibility cannot be lower than the highest of the following three parameters:

- Basic Capital Requirement: consisting of the Basic Equity Responsibility as indicated in article 159 of the RNRCFSF,
- Assets and Contingencies Capital Requirement: Equivalent to 4% of total assets and contingencies, in accordance with article 158 of the RNRCFSF,
- Risk Capital Requirement: made up of the Credit Risk Capital Requirement (article 160 of the RNRCFSF), the Market Risk Capital Requirement (article 162 of the RNRCFSF), the Operational Risk Capital Requirement (article 172 of the RNRCFSF) and the Systemic Risk Capital Requirement (article 173 of the RNRCFSF).

The minimum net equity responsibility is shown below:

Concept	L/C
Net Essential Equity (N.E.E.)	5,214,361
· Common Stock	5,214,361
- Paid-in capital (+)	4,060,081
- Non-capitalized contributions (+)	-
- Adjustments to equity (+)	423,431
- Reserves (+)	122,817
- Retained earnings and net income for the year (net income without the external auditor's favorable opinion are computed for a 50%) (+)	899,748
- Intangible Assets (-)	289,615
- Special Investments (-)	2,101
· Additional Capital	-
Net Supplementary Equity (N.S.E.)	1,881,999
- Subordinated Liabilities (+)	1,881,999
- General provisions on loans from Financial intermediation (up to 125% of assets and contingencies weighed by risk) (+)	-
Net Equity Responsibility (N.E.R = N.E.E + N.S.E)	6,952,481
Minimum Net Equity Responsibility (greatest of 1, 2, 3)	6,321,446
· Risk Capital Requirement (1):	6,321,446
- Credit Risk (Art. 160 RNRCSF)	5,232,051
- Market Risk (Art. 162 RNRCSF)	190,167
- Operational Risk (Art. 172 RNRCSF)	572,225
- Systemic Risk (Art. 173 RNRCSF)	327,003
- 4% assets and contingencies (Art. 158 RNRCSF) (2)	4,288,109
- Basic Equity Responsibility (Art. 159 RNRCSF) (3)	421,538
N. E. R. / M. N. E. R.	1,10
N. E. R. / Assets weighed by credit risk + 12.5* (Market Risk + Operational Risk)	0,09

Note 5 - Information Regarding Earnings

5.1 Recognition of Gains and Losses

Income and expenses are recognized on an accrual basis.

However, according to regulation 3.3 of the Accounts Plan, liquidating financial products as profits is not allowed - unless they are perceived in cash - when the holders fall in categories 3, 4 and 5. When, according to regulations in force, an operation needs to be re-classified in some of the abovementioned categories, financial products liquidated as profit during the year and not perceived, are returned with credit to regulating accounts of the asset "Pending Financial Products":

The non-financial sector credit portfolio which does not accrue interests as per the BCU regulations amounts to \$1,219,111 as of December 31st 2015.

5.2 Income from Services

	L/C	F/C
REVENUES FOR SERVICES	527,189	622,943
Guarantees Granted	6,263	33,658
Credit cards	166,654	65,125
Overseas business	-	60,259
Other gains from services	354,272	463,901
EXPENSES FOR SERVICES	432,337	71,310
Commissions paid to foreign correspondents	-	31
Brokerage	245	-
Rural Business	-	-
Other losses from services	432,092	71,279

Note 6 - Taxes

The following table shows the charge to earnings corresponding to the closed fiscal year for each tax affecting the Institution's activity:

Concept	Charges to Net Income
Corporate Income Tax	293,092
Property Tax	174,205
Added Value Tax	111,122
Tax for the regulation of the financial system -	70,477
Other	146,894
Total	795,790

Note 7 - Operations with Derivative Instruments

Derivatives operated by the Bank are mainly purchases, sales and currency arbitrage in future contracts. The aim of said operations is to comply with customer requests and cover risks in the Institution's balance sheet. The following table shows operations in force according to their aim:

Aim	Number of Operations	Assets	Liabilities
Customer requests	6	97,842	96,937
Own coverage	22	3,766,406	3,210,621
Total	28	3,864,248	3,307,558

Accounting policies comply with criteria established by the Accounting Standards and Chart of Accounts Plan for Financial Intermediation Companies, according to which unrealized profits and losses in future purchases, sales or arbitrage contracts, are calculated according to the arbitrage exchange rate differences agreed in the contract and those in cash. Unrealized results are deferred in the term of the corresponding contracts.

Note 8 - Integral Risk Management System

According to article 477 of the Compilation of Regulations and Control Standards for the Financial System, the Corporate Government Annual Report (unaudited), which includes a description of the comprehensive risk management system adopted, must be available at www.bbva.com.uy before March 31st each year.

Note 9 - Trusts

The Bank acts as:

- Trustee in the following trusts:
 - Financial Trust for the extension of Bvar. Batlle y Ordóñez. The Trust is aimed at the investment of debt instruments issued or to be issued by Grinor S.A. in favor of the Bank, as well as the assigned credits which guarantee the payment thereof (and promissory notes of the Municipal Government of Montevideo (IMM) documenting such), said credits having been assigned by Grinor to this Trust. For the purpose thereof, the trustee issues under a schedule of successive series of debt certificates, for a sum of up to US\$ 8.4 million (the "Issue Amount").

In this trust the Bank acts in its capacity as trustor and trustee. The value of the trust portfolio by December 31st, 2015 amounts to US\$ 1,110 (equivalent to about \$ 33,166), amount which corresponds to its current value as of said date, as defined in the Trust agreement.

As a result of the spin-off agreement between Grinor S.A. and Abarca S.A. executed on May 17th, 2010, and the subsequent approval by the IMM of the assignment of all rights and obligations, Abarca SA is currently the holder of all rights and obligations set forth under the Financial Trust for the Extension of Bvar. Batlle y Ordóñez which originally corresponded to Grinor S.A.

- Guaranty Trusts for amounts of money deposited and to be deposited in certain customer accounts as guaranty. As of December 31st, 2015 Trust equity amounts to US\$ 37,664 (equivalent to about \$ 1,125,149).
- Trustee in negotiable liabilities issued by ISUSA, which as of December 31st 2014 had a circulation of US\$ 12,000, corresponding to series 3.

Note 10 - Subsequent events

No events took place after the balance sheet date which may require an adjustment of financial statements or which should be included therein.



Sr. Antonio Alonso
Presidente

Independent Auditors' Report

To the Shareholders and Directors of
Banco Bilbao Vizcaya Argentaria Uruguay S.A.

We have audited the accompanying financial statements of Banco Bilbao Vizcaya Argentaria Uruguay S.A., which comprise the balance sheet as at December 31, 2015, and the income statement, cash flow statement, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles issued by the Supervisory Authority (Banco Central del Uruguay), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Banco Bilbao Vizcaya Argentaria Uruguay S.A. as of December 31, 2015, its financial performance and its cash flows for the year then ended in accordance with accounting principles issued by the Supervisory Authority (Banco Central del Uruguay).

Other matters

The aforementioned standards and criteria are the legal accounting standards in force in the Republic of Uruguay, applicable to the submittal of financial statements of companies in the business of financial intermediation governed by the Central Bank of Uruguay. There has been no determination, nor quantification, as to the differences that might possibly arise between these Financial Statements and those that could be prepared based on International Financial Reporting Standards.



Consolidated Financial Statements

as of December 31st, 2015 (Resolution 98/5 of the Central Bank of Uruguay) and Independent Audit Report.

Section II

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- Consolidated Financial Statements
- Notes to Consolidated Financial Statements
- Independent Audit Report on Consolidated Financial Statements

Consolidation of Financial Statements with Branches Abroad and Subsidiaries.

Financial Statements	Head Office Balance Sheet	Balance Sheet of Branches Abroad and Subsidiaries		Eliminations	Consolidated Balance Sheet	
	1	2	3	4	5	6
BALANCE SHEET						
ASSETS	101.315.158.258,30	88.296.459,28			(83.549.806,11)	101.319.904.911,48
AVAILABLE	30.216.141.738,87	199.070,34			(199.070,34)	30.216.141.738,87
Cash	3.886.438.366,47					3.886.438.366,47
Precious Metals	-					-
Gold	-					-
Other precious metals	-					-
Central Bank of Uruguay	22.056.761.646,13					22.056.761.646,13
Other Central Banks	-					-
Other financial institutions	3.231.943.588,60	199.070,34			(199.070,34)	3.231.943.588,60
Uruguayan public financial institutions	265.968.464,58					265.968.464,58
Private financial institutions in Uruguay	144.301.126,47	199.070,34			(199.070,34)	144.301.126,47
Banks outside Uruguay	2.481.232.437,15					2.481.232.437,15
Head Office and Branches	340.441.560,40					340.441.560,40
Other financial institutions outside Uruguay	-					-
Cheques and other documents to be cleared	1.040.998.137,67					1.040.998.137,67
NEGOTIABLE SECURITIES	9.744.487.813,07					9.744.487.813,07
Government Securities	9.744.487.813,07					9.744.487.813,07
Uruguayan Government Securities	-					-
Of central government and Central Bank	798.704.135,97					798.704.135,97
Of other public financial institutions	-					-
Of local governments and other public companies	-					-
Non-Uruguayan Government Securities	4.483.882.150,84					4.483.882.150,84
Of central government and Central Bank	4.461.901.526,26					4.461.901.526,26
Of other public financial institutions	-					-
Of local governments and other public companies	-					-
Private Securities	-					-
Securities of private financial institutions	-					-
Financial institutions in Uruguay	-					-
Financial institutions outside Uruguay	-					-
Private companies securities	-					-
Equity in investment funds	-					-
(Provision for devaluation)	-					-
(Provision on government securities)	-					-
(Provision on private securities)	-					-
OUTSTANDING LOANS FROM FINANCIAL INTERMEDIATION - FINANCIAL SECTOR	6.108.022.240,95	77.445.815,00			-	6.185.468.055,95
Central Bank of Uruguay	39.676.405,86	77.445.815,00				117.122.220,86
Other Central Banks	-					-
Other financial institutions - Placements	2.894.964.027,41					2.894.964.027,41
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	681.641.261,59					681.641.261,59
Banks outside Uruguay	2.190.157.604,32					2.190.157.604,32
Head Office and Branches	23.165.161,50					23.165.161,50
Other financial institutions outside Uruguay	-					-
Correspondents for documentary credits	26.506.143,65					26.506.143,65
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	-					-
Banks outside Uruguay	26.506.143,65					26.506.143,65
Head Office and Branches	-					-
Other financial institutions outside Uruguay	-					-

Financial Statements	Head Office Balance Sheet	Balance Sheet of Branches Abroad and Subsidiaries			Eliminations	Consolidated Balance Sheet
	1	2	3	4	5	6
Forward operations	3143.349.218,26					3143.349.218,26
Uruguayan public financial institutions	299.132.622,18					299.132.622,18
Private financial institutions in Uruguay	152.216.000,00					152.216.000,00
Banks outside Uruguay	2.692.000.596,08					2.692.000.596,08
Head Office and Branches	-					-
Other financial institutions outside Uruguay	-					-
Assets sale and repurchase agreements	-					-
Uruguayan Government Securities	-					-
Of central government and Central Bank	-					-
Of other public financial institutions	-					-
Of local governments and other public companies	-					-
Non-Uruguayan Government Securities	-					-
Of central government and Central Bank	-					-
Of other public financial institutions	-					-
Of local governments and other public companies	-					-
Securities of private financial institutions in Uruguay	-					-
Securities of private financial institutions outside Uruguay	-					-
Private companies securities	-					-
Accrued financial products	4.565.195,94					4.565.195,94
Accrued financial products	4.565.195,94					4.565.195,94
Income accrued from assets sale and repurchase agreements	-					-
(Provision)	(1.038.750,17)					(1.038.750,17)
(Provision for bad debts - placements)	(1.038.750,17)					(1.038.750,17)
(Provision for bad debts - forward operations)	-					-
OUTSTANDING LOANS FROM FINANCIAL INTERMEDIATION - NON-FINANCIAL SECTOR	53.308.883.051,73					53.308.883.051,73
Private sector loans	51.177.779.453,72					51.177.779.453,72
Fixed term loans	25.767.666.717,28					25.767.666.717,28
Amortized loans - Mortgage	5.436.661.149,73					5.436.661.149,73
Amortized loans - Others	19.973.451.586,71					19.973.451.586,71
Loans to public sector	2.154.715.990,56					2.154.715.990,56
Uruguayan	2.154.715.990,56					2.154.715.990,56
Non-Uruguayan	-					-
Debtors for documentary credits	302.106.408,43					302.106.408,43
Public Sector	-					-
Uruguayan	3.986.136,10					3.986.136,10
Non-Uruguayan	-					-
Private Sector	298.120.272,33					298.120.272,33
Forward operations	97.841.744,56					97.841.744,56
Public Sector	-					-
Uruguayan	-					-
Non-Uruguayan	-					-
Private Sector	97.841.744,56					97.841.744,56
Assets sale and repurchase agreements	-					-
Uruguayan Government Securities	-					-
Of central government and Central Bank	-					-
Of other public financial institutions	-					-
Of local governments and other public companies	-					-
Non-Uruguayan Government Securities	-					-
Of central government and Central Bank	-					-
Of other public financial institutions	-					-
Of local governments and other public companies	-					-
Securities of private financial institutions in Uruguay	-					-
Securities of private financial institutions outside Uruguay	-					-
Private companies securities	-					-
Accrued financial products	375.426.482,74					375.426.482,74

Financial Statements	Head Office Balance Sheet	Balance Sheet of Branches Abroad and Subsidiaries		Eliminations		Consolidated Balance Sheet
	1	2	3	4	5	6
Accrued financial products	375.426.482,74					375.426.482,74
Income accrued from assets sale and repurchase agreements	-					-
(Provision)	(798.987.028,28)					(798.987.028,28)
(Provision for bad debts - placements)	(798.982.198,21)					(798.982.198,21)
(Provision for bad debts - forward operations)	(4.830,07)					(4.830,07)
OTHER LOANS	772.627.619,73	9.925.308,69				782.552.928,42
Advance payments for Uruguayan taxes	546.823.209,06					546.823.209,06
Other loans	226.024.630,60	9.925.308,69				235.949.939,29
Debtors of accrued products	291.470,24					291.470,24
(Provision for other loans)	(511.690,17)					(511.690,17)
MATURED CREDITS FROM FINANCIAL INTERMEDIATION	127.486.396,21					127.486.396,21
Overdue loans - Non-financial private sector	296.421.064,13					296.421.064,13
Non-performing investment	93.685.146,71					93.685.146,71
Non-performing loans	33.568.393,01					33.568.393,01
Delinquent loans	169.167.524,41					169.167.524,41
Overdue Loans - Public sector	-					-
Uruguayan	-					-
Non-Uruguayan	-					-
Overdue Loans - Financial sector	-					-
Accrued financial products	373.157,03					373.157,03
(Provision)	(169.307.824,95)					(169.307.824,95)
INVESTMENTS	90.097.553,59			(83.350.735,77)		6.746.817,82
Assets acquired through credit recovery	-					-
Other assets	-					-
Equity in complementary companies	87.996.417,02			(83.350.735,77)		4.645.681,25
Special investments	2.101.136,57					2.101.136,57
Branches abroad	-					-
Investments in shares	-					-
Other investments	2.101.136,57					2.101.136,57
(Provision for investments)	-					-
FIXED ASSETS	657.796.858,91	0,00				657.796.858,91
Fixed Assets	657.796.858,91	0,00				657.796.858,91
Fixed assets taken in financial lease	-					-
DEFERRED CHARGES	289.614.985,24	726.265,25				290.341.250,49
Deferred charges	289.614.985,24	726.265,25				290.341.250,49
LIABILITIES	(95.601.318.383,24)	(4.945.723,51)			199.070,34	(95.606.065.036,41)
LIABILITIES FROM FINANCIAL INTERMEDIATION - FINANCIAL SECTOR	(5.971.370.418,51)	-				(5.971.370.418,51)
Deposits	(1.041.105.517,32)					(1.041.105.517,32)
Central Bank of Uruguay	(9.635.660,71)					(9.635.660,71)
Other Central Banks	-					-
Financial institutions in Uruguay	(427.394.665,10)					(427.394.665,10)
Head Office and Branches	-					-
Financial institutions outside Uruguay	(604.075.191,51)					(604.075.191,51)
Subordinated liabilities	-					-
Financial institutions outside Uruguay	(1.881.999.000,00)					(1.881.999.000,00)
Other negotiable obligations	-					-
Financial institutions in Uruguay	-					-
Financial institutions outside Uruguay	-					-
Correspondents accepting deferred documentary credits	(253.546.894,57)					(253.546.894,57)
Financial institutions in Uruguay	-					-
Head Office and Branches	(19.228.911,92)					(19.228.911,92)
Financial institutions outside Uruguay	(234.317.982,65)					(234.317.982,65)
Forward operations	(2.786.461.366,20)					(2.786.461.366,20)
Financial institutions in Uruguay	(357.541.145,95)					(357.541.145,95)
Head Office and Branches	-					-
Financial institutions outside Uruguay	(2.428.920.220,25)					(2.428.920.220,25)
Assets purchase and resale agreements	-					-
Accrued financial charges	(8.257.640,42)					(8.257.640,42)

Financial Statements	Head Office Balance Sheet	Balance Sheet of Branches Abroad and Subsidiaries			Eliminations	Consolidated Balance Sheet
		1	2	3		
LIABILITIES FROM FINANCIAL INTERMEDIATION - NON-FINANCIAL SECTOR	(87.504.045.830,96)				199.070,34	(87.503.846.760,62)
Private sector deposits	(86.820.624.336,87)				199.070,34	(86.820.425.266,53)
Sight deposits	(69.153.504.650,47)				199.070,34	(69.153.305.580,13)
Fixed term deposits	(13.493.492.140,40)					(13.493.492.140,40)
Transferable deposits certificates	(4.173.627.546,00)					(4.173.627.546,00)
Public sector deposits	(20.848.600,12)					(20.848.600,12)
Sight deposits	(20.848.600,12)					(20.848.600,12)
Fixed term deposits	-					-
Negotiable obligations	-					-
Subordinated liabilities	-					-
Other negotiable obligations	-					-
Creditors for deferred documentary credits	(50.111.708,77)					(50.111.708,77)
Other obligations from financial intermediation	(388.221.868,76)					(388.221.868,76)
Forward operations	(96.936.846,46)					(96.936.846,46)
Private Sector	(96.936.846,46)					(96.936.846,46)
Public Sector	-					-
Assets purchase and resale agreements	-					-
Accrued financial charges	(127.302.469,98)					(127.302.469,98)
OTHER OBLIGATIONS	(693.793.555,10)	(4.867.710,31)			-	(698.661.265,41)
Tax creditors	(527.143.660,48)	(2.274.582,08)				(529.418.242,56)
Corporate creditors	(65.159.108,09)					(65.159.108,09)
Payable dividends	-					-
Other obligations	(101.490.786,53)	(2.593.128,23)			-	(104.083.914,76)
Accrued financial charges	-					-
RESERVES	(554.046.532,32)	(78.013,20)				(554.124.545,52)
RESERVES	(554.046.532,32)	(78.013,20)				(554.124.545,52)
PROVISIONS	(878.062.046,35)					(878.062.046,35)
Provision	(878.062.046,35)					(878.062.046,35)
						-
MINORITY INTEREST						-
						-
EQUITY	(5.713.839.875,06)	(83.350.735,77)			83.350.735,77	(5.713.839.875,06)
Pain-in capital	(4.060.080.756,52)	(11.021.900,00)			11.021.900,00	(4.060.080.756,52)
Non-capitalized contributions	-	-			-	-
Share premiums	-					-
Irrevocable advance payments to capital payments account	-				-	-
Irrevocable advance payments to share premiums account	-					-
Equity adjustments	(638.133.989,05)	(42.005,24)			42.005,24	(638.133.989,05)
Adjustment from revaluation of fixed assets	-	(42.005,24)			42.005,24	-
Adjustments due to exchange rate profits	-					-
(Adjustments due to exchange rate loss)	-					-
Other adjustments	(638.133.989,05)					(638.133.989,05)
Reserves	(122.816.638,00)	(2.204.380,00)			2.204.380,00	(122.816.638,00)
Statutory reserves	-					-
Voluntary reserves	(122.816.638,00)					(122.816.638,00)
Legal reserves	-	(2.204.380,00)			2.204.380,00	-
Accumulated earnings	(892.808.491,49)	(70.082.450,53)			70.082.450,53	(892.808.491,49)
Accrued profit	(484.848.072,85)	(28.737.556,11)			28.737.556,11	(484.848.072,85)
(Accrued loss)	-				-	-
Financial year income	(407.960.418,64)	(41.344.894,42)			41.344.894,42	(407.960.418,64)
(Financial year loss)	-				-	-
(Profits Advance)	-					-
						-
CONTINGENCY ACCOUNTS	9.394.005.337,06					9.394.005.337,06
Deducted documents	-					-
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	-					-
Banks outside Uruguay	-					-
Head Office and Branches	-					-
Other financial institutions outside Uruguay	-					-
Non-financial sector	-					-

Financial Statements	Head Office Balance Sheet	Balance Sheet of Branches Abroad and Subsidiaries			Eliminations	Consolidated Balance Sheet
	1	2	3	4	5	6
Guarantees Granted	4.378.044.115,42					4.378.044.115,42
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	-					-
Banks outside Uruguay	1.227.249.051,81					1.227.249.051,81
Head Office and Branches	1.132.222.110,98					1.132.222.110,98
Other financial institutions outside Uruguay	25.093.320,00					25.093.320,00
Non-financial sector	1.993.479.632,63					1.993.479.632,63
Documentary credits	1.185.701.266,07					1.185.701.266,07
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	17.298.019,49					17.298.019,49
Banks outside Uruguay	147.446.079,42					147.446.079,42
Head Office and Branches	36.367.888,46					36.367.888,46
Other financial institutions outside Uruguay	-					-
Non-financial sector	984.589.278,70					984.589.278,70
Credit lines	3.587.280.279,75					3.587.280.279,75
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	-					-
Banks outside Uruguay	-					-
Head Office and Branches	-					-
Other financial institutions outside Uruguay	-					-
Non-financial sector	3.587.280.279,75					3.587.280.279,75
Financial options	-					-
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	-					-
Banks outside Uruguay	-					-
Head Office and Branches	-					-
Other financial institutions outside Uruguay	-					-
Non-financial sector	-					-
Other contingencies	242.979.675,82					242.979.675,82
Uruguayan public financial institutions	-					-
Private financial institutions in Uruguay	-					-
Banks outside Uruguay	242.979.675,82					242.979.675,82
Head Office and Branches	-					-
Other financial institutions outside Uruguay	-					-
Non-financial sector	-					-
MEMORANDUM ACCOUNTS	198.349.259.822,78					198.349.259.822,78
Received guarantees	156.726.328.842,65					156.726.328.842,65
Accountable guarantees - Deposit pledge	2.246.156.988,66					2.246.156.988,66
Other accountable guarantees	16.029.246.697,00					16.029.246.697,00
Non-accountable Guarantees	138.450.925.156,99					138.450.925.156,99
Custody of goods and securities	31.189.605.546,00					31.189.605.546,00
Other accounts	10.433.325.434,13					10.433.325.434,13
						-
Profit (Loss)						
						-
FINANCIAL REVENUES	(53.454.664.645,25)	(7.552.961,92)				(53.462.217.607,17)
Outstanding loans from financial intermediation - Financial sector	(281.105.601,10)	(7.552.961,92)				(288.658.563,02)
Products and readjustments due to placements	(266.566.910,45)	(7.552.961,92)				(274.119.872,37)
Revenues from forward operations	(14.538.690,65)					(14.538.690,65)
Income accrued from assets sale and repurchase agreements	-					-
Outstanding loans from financial intermediation - Non-Financial sector	(3.753.980.216,66)					(3.753.980.216,66)
Products and readjustments due to loans	(3.753.980.216,66)					(3.753.980.216,66)
Revenues from forward operations	-					-
Income accrued from assets sale and repurchase agreements	-					-
Revenues from overdue loans from financial intermediation	(18.613.172,38)					(18.613.172,38)
Revenues from valuation	(47.200.445.931,08)					(47.200.445.931,08)
Release of provisions	(1.592.600.567,18)					(1.592.600.567,18)
Income, readjustments, quotation difference and release of provisions for depreciation of negotiable securities	(607.919.156,85)					(607.919.156,85)

Financial Statements	Head Office Balance Sheet	Balance Sheet of Branches Abroad and Subsidiaries		Eliminations	Consolidated Balance Sheet	
	1	2	3	4	5	6
Income, readjustments and quotation differences of negotiable securities	(607.919.156,85)					(607.919.156,85)
Release of provisions for negotiable securities depreciation	-					-
FINANCIAL LOSS	50.241.920.254,93					50.241.920.254,93
Loss from outstanding loans from financial intermediation - Financial sector	386.712.542,62					386.712.542,62
Charges and readjustments from deposits	1.624.528,86					1.624.528,86
Charges and readjustments from issued obligations	84.197.710,01					84.197.710,01
Loss from forward operations	300.890.303,75					300.890.303,75
Loss from obligations from financial intermediation - Non-Financial sector	486.881.824,90					486.881.824,90
Charges and readjustments from deposits	486.563.366,18					486.563.366,18
Charges and readjustments from outstanding issued obligations	-					-
Loss from forward operations	318.458,72					318.458,72
Loss from valuation	46.856.958.894,91					46.856.958.894,91
Loss from bad debts and loan devaluation	2.025.005.692,20					2.025.005.692,20
Loss from establishment of provisions for bad debts	2.025.005.692,20					2.025.005.692,20
Readjustments, quotation differences and establishment of provisions for depreciation of negotiable securities	486.361.300,30					486.361.300,30
Income and quotation differences of negotiable securities	486.361.300,30					486.361.300,30
Loss from the establishment of provisions for negotiable securities depreciation	-					-
REVENUES FROM SERVICES	(1.150.131.703,37)	(73.578.497,34)			11.906.976,49	(1.211.803.224,22)
Revenues from services	(1.150.131.703,37)	(73.578.497,34)			11.906.976,49	(1.211.803.224,22)
Revenues from documentary credits and other imports and exports services	(60.223.207,56)					(60.223.207,56)
Other revenues from services	(1.089.908.495,81)	(73.578.497,34)			11.906.976,49	(1.151.580.016,66)
EXPENSES FROM SERVICES	503.647.112,59					503.647.112,59
Loss from the use of services	503.647.112,59					503.647.112,59
OTHER OPERATING REVENUES	(1.426.509.104,85)	(547.188,66)			41.344.894,42	(1.385.711.399,09)
Revenue from various credits	(6.751.493,21)					(6.751.493,21)
Revenue from other operations	(684.278.541,40)				41.344.894,42	(642.933.646,98)
Other revenues	(344.143.511,38)					(344.143.511,38)
Revenues from adjustments	(19.966.920,27)					(19.966.920,27)
Revenues from valuation	(371.368.638,59)	(547.188,66)				(371.915.827,25)
OTHER OPERATIONAL LOSS	4.852.323.010,73	40.333.753,50			(11.906.976,49)	4.880.749.787,74
Operating Expenses	3.695.297.767,25	40.269.538,52			(11.906.976,49)	3.723.660.329,28
Wages and social security contributions	1.880.694.524,90	2.436.935,39				1.883.131.460,29
Insurances	65.339.184,39					65.339.184,39
Depreciation of fixed assets	78.044.461,40	490.591,00				78.535.052,40
Depreciation of fixed assets taken in financial lease	-					-
Depreciation of deferred charges	15.940.071,60					15.940.071,60
Taxes, levies and contributions	795.790.083,40	14.061.534,00				809.851.617,40
Other operating expenses	841.745.432,76	23.280.478,13			(11.906.976,49)	853.118.934,40
Other loss	17.744.008,80					17.744.008,80
Loss from other operations	291.342.615,40				-	291.342.615,40
Loss from adjustments	441.202.996,08					441.202.996,08
Loss from valuation	424.479.632,00	64.214,98				424.543.846,98
Loss from various obligations	-					-
EXTRAORDINARY REVENUE	(6.474.540,74)					(6.474.540,74)
EXTRAORDINARY LOSS	31.929.197,32					31.929.197,32
ADJUSTMENT TO PRIOR YEARS NET INCOME - REVENUES	-					-
ADJUSTMENT TO PRIOR YEARS NET INCOME - LOSS	-					-
REVENUE ACCOUNTABLE TO MINORITY INTEREST	-					-
LOSS ACCOUNTABLE TO MINORITY INTEREST	-					-
FINANCIAL YEAR INCOME	(56.037.779.994,21)	(81.678.647,92)			53.251.870,91	(56.066.206.771,22)
FINANCIAL YEAR LOSS	55.629.819.575,57	40.333.753,50			(11.906.976,49)	55.658.246.352,58

DETAILED VALUATION ADJUSTMENTS

Company: BBVA Uruguay S.A.
 Subsidiary: BBVA.DI.SE. S.R.L.
 Information as of: December 2015

Item	Balance	Adjustment	Adjusted balance	Reason for adjustment
Fixed Assets	-	-	-	BCU regulations implied revaluation according to CPI
Fixed assets revaluation	-	42.005,24	42.005,24	Adjustment due to revaluations
Amortization	488.692	1.899,00	490.591,00	Adjustment due to revaluated amortizations

Detailed List of Eliminations Carried Out to Consolidated Financial Statements

Company: BBVA Uruguay S.A.
 Subsidiary: BBVA.DI.SE. S.R.L.
 Information as of: December 2014

Code	Amount	Reason
107001	-199.070,34	Subsidiary current account
128001	199.070,34	Subsidiary current account
17030	-83.350.735,77	Equity in subsidiary
030000	83.350.735,77	Subsidiary's assets
718001	11.906.976,49	Revenue from commissions charged to subsidiary
731001	-11.906.976,49	Revenue from commissions paid to subsidiary
63020	41.344.894,42	Net income from investment in subsidiary
73020	-	Net income from investment in subsidiary

Notes to Consolidated Financial Statements for the Year Ended on December 31st, 2015.

(Figures in thousands)

Note 1 - Financial Statements Preparation

These consolidated financial statements were prepared for the purpose of complying with requirements established by the Central Bank of Uruguay in Communication 98/05.

These notes to the financial statements are considered additional to those notes included in the individual financial statements of the Bank.

Note 2 - Basis for the Preparation of Consolidated Financial Statements

The entity with whom the consolidation was carried out is the following:

Name	Country of Residence	Fiscal Year Closing	Participation	Controlled or Related
BBVA Distribuidora de Seguros S.R.L	Uruguay	December 31st	99,99%	Controlled

Consolidated financial statements were prepared according to guidelines established in Communication 98/05, Article 513 of the Compilation of Financial System Regulation and Control Standards and related regulations issued by the Central Bank of Uruguay based on a "line by line" addition of the abovementioned entities' financial statements. Therefore, the following was deleted:

- a) BBVA Uruguay S.A.'s investment on its subsidiary.
- b) The balances and earnings of operations between the consolidated companies.
- c) Earnings arising from operations between companies included in the final assets balances
- d) Earnings recorded by BBVA S.A. corresponding to the investment in its subsidiary, with the net result of said subsidiary's individual statements.

Note 3 - Interest in other Non-Consolidated Companies

BBVA Uruguay S.A. has a minority interest in the following companies (which are not consolidated):

Name	Country of Residence	Fiscal Year Closing	Participation	Controlled or Related
Bolsa Electrónica de Valores S.A.	Uruguay	December 31st	15.38%	Related
Compañía Uruguaya de Medios de Procesamiento S.A.	Uruguay	December 31st	6.29%	Related
Sistarbanc	Uruguay	December 31st	20.00%	Related
Redbanc	Uruguay	October 31st	25.00%	Related

Note 4 - Limitations to Free Disposal of Assets and Equity and Restrictions to Ownership Rights.

As of December 31st, 2015 there are US bonds encumbered as collateral with the BCU with a nominal value of US\$ 4.343 (equivalent to \$ 129,738).

Additionally, the following securities are encumbered as collateral:

- Deposit with the Central Bank of Uruguay in UI (Indexed-Based Units), encumbered as collateral (fiduciary), amounting to UI 2,640 (equivalent to \$ 8,560).
- Series 5 Treasury Notes in pesos amounting to a face value of \$89,000 as guarantee in the Uruguayan Central Bank (BCU) to increase the operational limit of ALADI agreements Series 5 Treasury Note for \$101,227 affected to repo operations with the Central Bank of Uruguay.
- Sight deposit with Foreign Banks encumbered as operational collateral for the Institution's credit cards, amounting to US\$ 6.034 (equivalent to \$ 180,254).
- Treasury bond of USD 200 (equivalent to \$5,975) as bank guarantee corresponding to court litigations.
- Fixed-term deposit with Uruguayan Central Bank (BCU) on account of forward operations (resolution 2009/153) amounting to US\$ 20 (equivalent to \$597).

Note 5 - Accumulated Income of the Subsidiary.

There is no ruling by an External Auditor in terms of the accumulated income of BBVA Distribuidora de Seguros S.R.L.



Mr. Antonio Alonso
CEO

Independent Auditors' Report

To the Shareholders and Directors of
Banco Bilbao Vizcaya Argentaria Uruguay S.A.

We have audited the accompanying consolidated financial statements of Banco Bilbao Vizcaya Argentaria Uruguay S.A. and its subsidiary, which comprise the consolidated balance sheet as at December 31, 2015, the consolidated income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles issued by the Supervisory Authority (Banco Central del Uruguay), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Banco Bilbao Vizcaya Argentaria Uruguay S.A. and its subsidiary as of December 31, 2015 and its consolidated financial performance for the year then ended in accordance with accounting principles issued by the Supervisory Authority (Banco Central del Uruguay).

Other matters

The aforementioned standards and criteria are the legal accounting standards in force in the Republic of Uruguay, applicable to the submittal of financial statements of companies in the business of financial intermediation governed by the Central Bank of Uruguay. There has been no determination, nor quantification, as to the differences that might possibly arise between these Financial Statements and those that could be prepared based on International Financial Reporting Standards.



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José Luis Rey
Contador Público

Report by the Syndic

To the Shareholders of
Banco Bilbao Vizcaya Argentaria Uruguay S.A.

Upon receipt of the balance-sheet -as of December 31, 2015- corresponding to Banco Bilbao Vizcaya Argentaria Uruguay S.A., together with the related income statement for the fiscal year then ended, and the annual report by the Board of Directors (including a proposal for the distribution of profits) corresponding to the same fiscal year, I have proceeded, in compliance with the requirements set forth in second paragraph of Article 95 and subsection 3 of Article 402 of Law Nr. 16,060, to examine said documents.

The aforementioned financial statements have been prepared pursuant to Article 526.1 of the Compilation of Regulatory and Control Standards for the Financial System of the Central Bank of Uruguay, in the format set forth under Communication N° 2012/228. Those financial statements have been audited by the firm Deloitte S.C., whose independent Certified Public Accountants have issued an audit opinion on March 29, 2016. As a result of the task performed, I consider Deloitte S.C.'s audit opinion as sufficient grounds for submitting said financial statements for consideration by the Meeting of Shareholders.

From the analysis of said documents and upon the referred advisory opinion, together with the Annual Report issued by the Board of Directors, I have found no elements discordant with the knowledge that I myself have in regards to the Bank's present situation.

April 27, 2016

José Luis Rey
Syndic

