



Banco Bilbao Vizcaya Argentaria, S.A. (BBVA), in compliance with the Securities Market legislation, hereby communicates the following:

RELEVANT INFORMATION

The BBVA Group holds a stake in the share capital of Telefónica, S.A. greater than 5% recorded under Available for sale financial assets. As of June 30, 2017, the unrealized losses related to this stake amounted to €880 million and were recorded as a reduction of the Group's total equity. As a result of the evolution of Telefonica's stock price, as of December 31, 2017 these losses amounted to €1,123 million.

As of the closing of 2017, and in accordance with the IAS 39 accounting standard, as described in note 2 of the June 30, 2017 consolidated interim financial statements, it is considered that these unrealized losses must be recorded in the income statement. This negative impact of €1,123 million will be reflected in the consolidated attributable profit of the BBVA Group in the 2017 consolidated financial statements to be submitted to the Board of Directors.

The foregoing does not affect the total equity or the CET1 of the BBVA Group since these unrealized losses are already reflected therein. Furthermore, it does not generate any cash outflow or a change in the dividend payment amount that is expected to be proposed to the Board of Directors.

Madrid, January 9, 2018