

**Banco Bilbao Vizcaya Argentaria, S.A.**  
(Incorporated in Spain with limited liability)

**€40,000,000,000 Global Medium Term Note Programme**

This Supplement (the **Supplement**) to the Offering Circular dated 17th July, 2017, as supplemented on 31st July, 2017, 27th October, 2017, 28th December, 2017, 14th February, 2018 and 25th April, 2018 (as so supplemented, the **Offering Circular**), which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the Global Medium Term Note Programme (the **Programme**) of Banco Bilbao Vizcaya Argentaria, S.A. (the **Issuer**).

Terms defined in the Offering Circular have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to (i) incorporate by reference the Issuer's 2017 Form 20-F (as defined below), (ii) incorporate by reference the Unaudited Interim Financial Information (as defined below), (iii) incorporate by reference certain Provisional Capital Base Information (as defined below) from the First Quarter Report (as defined below), (iv) include legends relating to MiFID Product Governance Rules (as defined below), (v) include two additional risk factors in respect of LIBOR and the Benchmarks Regulation (as defined below) and (vi) confirm that there has been no significant change in the financial position of the Issuer or its consolidated subsidiaries (the **Group**) since 31st March, 2018.

**The 2017 Form 20-F**

The Form 20-F of the Issuer for the financial year ended 31st December, 2017 was filed with the U.S. Securities and Exchange Commission on 5th April, 2018 (the **2017 Form 20-F**).

A copy of the 2017 Form 20-F has been filed with the Financial Conduct Authority and, by virtue of this Supplement, the 2017 Form 20-F is incorporated by reference in, and forms part of, the Offering Circular.

**First Quarter Report**

On 27th April, 2018, the Group published its quarterly report for January to March 2018 (the **First Quarter Report**), which includes the Group's unaudited consolidated interim balance sheet and income statement as at and for the three month period ended 31st March, 2018 and certain provisional information on capital base set out under the heading "Capital base" in the table on page 14 of the First Quarter Report (the **Provisional Capital Base Information**).

The unaudited consolidated interim balance sheet and income statement can be found at:

- (a) the tables on pages 5 and 6 of the First Quarter Report headed "Consolidated income statement: quarterly evolution" and "Consolidated income statement", respectively; and
- (b) the table on page 12 of the First Quarter Report headed "Consolidated balance sheet" (together, the **Unaudited Interim Financial Information**).

A copy of the First Quarter Report has been filed with the Financial Conduct Authority and, by virtue of this Supplement, (i) the Unaudited Interim Financial Information and (ii) the Provisional Capital Base Information are incorporated by reference in, and form part of, the Offering Circular. The non-incorporated parts of the First Quarter Report are either not relevant for an investor or are covered elsewhere in the Offering Circular.

## Updates to the Offering Circular

### *Legends relating to MiFID II Product Governance Rules*

On page 6 of the Offering Circular, the following legend is added before the paragraph entitled “IMPORTANT – EEA RETAIL INVESTORS”:

“**MIFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, **MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.”

On page 53 of the Offering Circular, in the section entitled “*Applicable Final Terms*”, the following two legends and related footnotes are added immediately after the heading “APPLICABLE FINAL TERMS”:

“**[<sup>1</sup>MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*<sup>2</sup>] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**OR**

**[<sup>3</sup>MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); **EITHER**<sup>4</sup> [and (ii) all channels for

<sup>1</sup> Legend to be included on front of the Final Terms if following the ICMA 1 “all bonds to all professionals” target market approach.

<sup>2</sup> If a negative target market is deemed necessary, wording along the following lines could be included: “*The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].*”

<sup>3</sup> Legend to be included on front of the Final Terms if following the ICMA 2 approach.

<sup>4</sup> Include for bonds that are not ESMA complex.

distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR**<sup>5</sup>[(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market.*<sup>6</sup>] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]<sup>7</sup>.]]”

### *Updates to Risk Factors*

On page 32 of the Offering Circular, in the section entitled “*Risk Factors – Risks Related to the Structure of a Particular Issue of Notes*”, the following two risk factors are inserted (after the risk factor entitled “*The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the market value of Fixed Reset Notes*”):

#### **“Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes or Fixed Reset Notes which reference LIBOR**

On 27th July, 2017, the Chief Executive of the FCA, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. In the case of Fixed Reset Notes, the applicable Mid-Swap Rate may be based on a LIBOR rate and the fall-back provisions applicable to Fixed Reset Notes may similarly reference LIBOR.

Depending on the manner in which the LIBOR rate or applicable Mid-Swap Rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR rate or applicable Mid-Swap Rate based on a LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or Fixed Reset Notes which reference LIBOR or are based on a LIBOR rate.

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<sup>5</sup> Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute “complex” products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

<sup>6</sup> If a negative target market is deemed necessary, wording along the following lines could be included: “*The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].*”

<sup>7</sup> If the Notes constitute “complex” products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II. If there are advised sales, a determination of suitability will be necessary.

## **The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”**

In addition to the announcement made in relation to LIBOR (see “*–Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes or Fixed Reset Notes which reference LIBOR*” above), there have been other recent national and international regulatory guidance and proposals for reform of interest rates and indices which are deemed to be “benchmarks”, including LIBOR and EURIBOR. Some of these reforms are already effective whilst others are still to be implemented. These reforms could include, among other things, reforms to other “benchmarks” similar to those reforms announced in relation to LIBOR, and any such reforms may cause such “benchmarks” to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Notes, Fixed Reset Notes or any other Notes which are linked to or reference a “benchmark”.

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29th June, 2016 and applies from 1st January, 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international or national reforms (including those announced in relation to LIBOR and the application of any similar reforms to other “benchmarks”), or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark”; or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a “benchmark”.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

## **General**

There has been no significant change in the financial position of the Issuer or the Group since 31st March, 2018.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.

Copies of all documents incorporated by reference in the Offering Circular are available on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and can also be obtained from the Issuer and the Principal Paying Agent in London as described on page 41 of the Offering Circular.

If documents which are incorporated by reference or attached to this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference or attached to this Supplement.