

**SUPPLEMENT DATED 1ST FEBRUARY, 2017 TO THE OFFERING CIRCULAR DATED 25TH
NOVEMBER, 2016**

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 25th November, 2016, as supplemented on 16th December, 2016 and 23rd December, 2016 (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 Unaudited Interim Financial Information (as defined below); (ii) incorporate by reference certain Provisional Capital Base Information (as defined below) from the Fourth Quarter Report (as defined below) (iii) amend Condition 3 of the Conditions set forth in the Offering Circular; (iv) update the Offering Circular to reflect certain recent developments; and (v) confirm that there has been no significant change in the financial position of the Issuer or the Group since 31st December, 2016.

Fourth Quarter Report

On 1st February, 2017, the Group published its Results 2016 – 4Q16 corresponding to the twelve month period ended 31st December, 2016 (the **Fourth Quarter Report**), which includes the Group’s unaudited consolidated interim balance sheet and income statement as at and for the twelve month period ended 31st December, 2016 and certain provisional information on capital base set out under the heading “Capital base” in the table on page 12 of the Fourth 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 4 and 5 of the Fourth Quarter Report headed “Consolidated income statement: quarterly evolution” and “Consolidated income statement”, respectively; and
- b) the table on page 10 of the Fourth Quarter Report headed “Consolidated balance sheet” (together, the **Unaudited Interim Financial Information**).

A copy of the Fourth 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 Fourth Quarter Report are either not relevant for an investor or are covered elsewhere in the Offering Circular.

Condition 3 of the Offering Circular

The following paragraphs shall be added as a new Condition 3(c) of the Offering Circular:

“(c) **Waived Set-Off Rights**

No holder of any Subordinated Note may at any time exercise or claim any Waived Set-Off Rights against any right, claim or liability of the Issuer or that the Issuer may have or acquire against such holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any kind, whether or not relating to such Subordinated Note) and each holder of any Subordinated Note shall be deemed to have waived all Waived-Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any amount payable by the Issuer in respect of, or arising under or in connection with, any Subordinated Note to any holder of such Subordinated Note is discharged by set-off, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and, accordingly, any such discharge shall be deemed not to have taken place.

Nothing in this Condition 3(c) is intended to provide, or shall be construed as acknowledging, any Waived Set-Off Rights or that any such Waived Set-Off Right is or would be available to any holder of any Subordinated Note but for this Condition 3(c).

In this Condition:

Waived Set-Off Rights means any and all rights or claims of any holder of a Subordinated Note for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Subordinated Note.”

Recent Developments

The following section shall be added as a new “Recent Developments” section on page 117 of the Offering Circular and by virtue of this Supplement, the Offering Circular shall be deemed updated accordingly:

“Recent Developments

In accordance with BBVA’s shareholder remuneration policy (which established the distribution of an annual pay-out of between 35 per cent. and 40 per cent. of profits obtained in each financial year and the progressive reduction of the remuneration via “Dividend Options”), it is expected to be proposed for consideration by the relevant competent governing bodies of BBVA the approval of a capital increase to be charged to reserves for the implementation of a “Dividend Option” in 2017 (which is expected to be executed in April, subject to receipt of authorisations from the relevant competent governing bodies of BBVA) in a gross amount of approximately €0.13 per share. The subsequent shareholders’ remuneration that could be approved would be payable in cash.

This in cash shareholders’ remuneration policy would, for each financial year, be made up of an interim distribution on account of the dividend for that year (which is expected to be paid in October of the relevant year) and a final dividend (which would be paid at the end of a financial year once the profit allocation has been approved, which is expected to be in April of the following financial year), subject to receipt of authorisations by the relevant competent governing bodies of BBVA).”

There has been no significant change in the financial position of the Issuer or the Group since 31st December, 2016.

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.

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.