

**SUPPLEMENT DATED 16TH DECEMBER, 2016 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 (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 update the third and the eighth paragraphs on page 15 of the Offering Circular under the risk factor "*Increasingly onerous capital requirements may have a material adverse effect on the Issuer's business, financial condition and results of operations*" to reflect the results of the most recent SREP carried out by the ECB in 2016. By virtue of this Supplement, the Offering Circular shall be deemed updated accordingly.

As a result of the most recent SREP carried out by the ECB in 2016, the Issuer has been informed by the ECB that, effective from 1st January, 2017, it is required to maintain (i) a CET1 phased-in capital ratio of 7.625 per cent. (on a consolidated basis) and 7.25 per cent. (on an individual basis); and (ii) a phased-in total capital ratio of 11.125 per cent. (on a consolidated basis) and 10.75 per cent. (on an individual basis).

This phased-in total capital ratio of 11.125 per cent. on a consolidated basis includes (i) the minimum CET1 capital ratio required under "Pillar 1" (4.5 per cent.); (ii) the "Pillar 1" Additional Tier 1 capital requirement (1.5 per cent.); (iii) the "Pillar 1" Tier 2 capital requirement (2 per cent.); (iv) the additional CET1 capital requirement under "Pillar 2" (1.5 per cent.); (v) the capital conservation buffer (1.25 per cent. CET1); and (vi) the D-SIBs buffer (0.375 per cent. CET1).

As of 30th September, 2016, BBVA's phased-in total capital ratio was 15.95 per cent. on a consolidated basis and 22.51 per cent. on an individual basis. As of 30th September, 2016, BBVA's CET1 phased-in capital ratio was 12.26 per cent. on a consolidated basis and 18.11 per cent. on an individual basis. Such ratios exceed the applicable regulatory requirements described above, but there can be no assurance that the total capital requirements imposed on the Issuer and/or the Group from time to time may not be higher than the levels of capital available at such point in time. There can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further "Pillar 2" additional own funds requirements on the Issuer and/or the Group.

To the extent that there is any inconsistency between (a) any statement in 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.