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BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Series 7 € 1,000,000,000 NON-STEP-UP NON-CUMULATIVE CONTINGENT CONVERTIBLE PERPETUAL PREFERRED TIER 1 SECURITIES

Issuer:	Banco Bilbao Vizcaya Argentaria, S.A. (the "Bank")
Instrument:	Non-Step-Up Non-Cumulative Contingent Convertible Perpetual Preferred Tier 1 Securities (the "Preferred Securities")
Issuer Senior Ratings:	A3(Stable), A-(Negative), A- (Stable) (Moody's/S&P/Fitch)
Exp. Instrument Rating:	Ba2, BB (Moody's/Fitch)
Status:	The Preferred Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Bank and, in the case of insolvency (concurso de acreedores) of the Bank, rank as set out in Condition 3.2 in accordance with Article 92.2 ^o of the Insolvency Law and Additional Provision 14.3 of Law 11/2015 but only to the extent permitted by the Insolvency Law or any other applicable laws relating to or affecting the enforcement of creditors' rights in Spain and subject to any other ranking that may apply as a result of any mandatory provision of law
Currency:	Euro ("€")
Issue Size:	1,000,000,000
Maturity:	Perpetual NC5
First Reset Date:	24 September 2023
Pricing Date:	18 September 2018
Issue Date:	24 September 2018 (T+4)
Distribution Payment Dates:	24 March, 24 June, 24 September and 24 December in each year, commencing on 24 December 2018
Distributions:	5.875 % per annum from the Issue Date to the First Reset Date and every 5 years thereafter at the relevant EUR 5 year mid Swaps + initial margin
Cancellation of Distributions:	The Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time and for any reason (or for no reason). Distributions will be cancelled in whole or in part (i) upon insufficient Distributable Items of the Bank, (ii) if required by the Regulator, (iii) if such payment would breach the Maximum Distributable Amount applicable to the Bank and/or the Group or would cause a breach of any other regulatory restriction or prohibition on payments on Additional Tier 1 instruments pursuant to Applicable Banking Regulations or (iv) upon a Trigger Event
Day Count Fraction:	ACT/ACT (ICMA), Unadjusted Following
Issue-Price / Reoffer Price:	100%
Mid-Swap Rate:	0.346%
Initial Margin:	566 bps
Re-offer yield:	6.006% per annum
Fees:	0.90%
Net Proceeds:	991,000,000
Optional Redemption:	Par and accrued and unpaid Distributions (if any), in whole and not in part, at the First Reset Date and at any time thereafter, subject to the prior consent of the Regulator and in accordance with Applicable Banking Regulations
Capital Event Call:	Par and accrued and unpaid Distributions (if any), in whole and not in part, upon all or part of the Preferred Securities ceasing to count towards the Tier 1 Capital of the Bank or the Group, subject to the prior consent of the

	Regulator and in accordance with Applicable Banking Regulations then in force
Tax Event Call:	Par and accrued and unpaid Distributions, in whole and not in part, upon loss of deductibility of Distributions, or if the Bank is required to pay additional amounts pursuant to the tax gross-up, or if the applicable tax treatment of the Preferred Securities would be materially affected, subject to the prior consent of the Regulator and in accordance with Applicable Banking Regulations then in force
Trigger Event:	If, at any time, the CET1 ratio with respect to the Bank or the Group, is less than 5.125 per cent. as determined by the Bank
Conversion:	In the event of a Trigger Event or a Capital Reduction, each Preferred Security will be converted by dividing the outstanding Liquidation Preference by the Conversion Price
Conversion Price:	If the Common Shares are (a) then admitted to trading on a Relevant Stock Exchange, the Conversion Price will be the higher of: (i) the Reference Market Price of a Common Share, (ii) the Floor Price and (iii) the nominal value of a Common Share (being €0.49 on the Issue Date) or (b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above. The Floor Price is subject to certain anti-dilution adjustments
Floor Price:	€3.75 per Ordinary Share, subject to adjustment in accordance with Condition 6.4
Substitution and Variation:	If a Capital Event or a Tax Event, as applicable, occurs and is continuing, the Bank may substitute or modify the terms of the Preferred Securities so that the Preferred Securities once again become or remain Qualifying Preferred Securities
Risk Factors:	Investors should read the Risk Factors included in the Preliminary Prospectus dated 18 September 2018, the Prospectus and, when approved by the CNMV, the Approved Prospectus. Risk Factors include possible application of Spanish Bail-in Power to the Bank
Form:	Reg S Dematerialised Book-Entry Form
Business Day Convention:	TARGET 2
Governing Law:	Spanish Law
Documentation:	Stand-alone. Preliminary Prospectus dated 18 September 2018 and the Prospectus, which is expected to be approved by the CNMV and, when approved, the Approved Prospectus will be available on the Bank corporate website and on the website of the CNMV
Liquidation Preference:	Euro 200,000 + Euro 200,000
Listing:	Application will be made for the Preferred Securities to be admitted to trading on AIAF Fixed Income Securities Market
Registration, clearing and settlement:	The Preferred Securities have been registered with Iberclear as managing settlement entity of the Spanish Central Registry Holders of a beneficial interest in the Preferred Securities who do not have a participating account with Iberclear may participate in the Preferred Securities through bridge accounts maintained by each of Euroclear Bank SA/NV and Clearstream Banking, S.A. with Iberclear
Stabilisation:	FCA/ICMA stabilisation
Joint Bookrunners:	BofA Merrill Lynch, Barclays, BBVA, BNP Paribas, Citi, Credit Suisse
Co-Managers:	Bankia, Bankinter
Target market:	Eligible counterparties and professional clients only (each as defined in MiFID II). No PRIIPs key information document (KID) has been prepared as the securities will not be available to retail investors in the EEA
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Preferred Securities in the United States, the United Kingdom, Spain, Singapore, Hong Kong, Switzerland, Canada, Italy and Belgium. Regulation S, category 2 restrictions under the Securities Act apply. No sales to retail clients in the EEA, as defined under MiFID II. The Preferred Securities are not and will not be eligible for sale in the United States under Rule 144A of the Securities Act.

Sales into Spain: Permitted (professional investors only), subject to Selling Restrictions
ISIN: ES0813211002
Common Code: 081321100

The distribution of this Termsheet and the offering of the securities to which this announcement relates (the "Preferred Securities") may be restricted by law in certain jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of any such jurisdiction.

The Preferred Securities are complex financial instruments and are not a suitable or appropriate investment for all investors.

The Preferred Securities are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Directive 2014/65/EU (as amended) ("MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Preferred Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Preferred Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Preferred Securities has led to the conclusion that: (i) the target market for the Preferred Securities is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Preferred Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Preferred Securities (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Furthermore, the Preferred Securities are not intended to be sold and should not be sold to retail clients in the EEA pursuant to the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time.

The Preferred Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or exemption from registration under the U.S. Securities Act. Neither this document nor the information contained herein constitutes or forms part of an offer to sell or the solicitation of an offer to buy any securities in the United States.

This announcement is not being distributed to, and must not be passed on to, the general public in the United Kingdom and is not intended to be an invitation or inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This announcement is directed only at: (i) persons who are outside the United Kingdom; (ii) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Order"); (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order or (iv) any other persons to whom this announcement for the purposes of Section 21 of the FSMA can otherwise lawfully be distributed (all such persons together being referred to as "relevant persons"), and must not be acted on or relied upon by persons other than relevant persons. Any investment or investment activity to which this announcement relates is available only to and will be engaged in only with relevant persons.

This announcement is not an offer of securities or investments for sale nor a solicitation of an offer to buy securities or investments in any jurisdiction where such offer or solicitation would be unlawful. No action has been taken that would permit an offering of the Preferred Securities or possession or distribution of this announcement in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.