LISTING PROSPECTUS DATED JANUARY 30, 2017

U.S.$10,000,000,000 U.S. COMMERCIAL PAPER PROGRAM of

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

THIS LISTING PROSPECTUS IS NOT AN OFFERING DOCUMENT. IT HAS BEEN PREPARED FOR LISTING PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO PURCHASE NOTES. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for U.S. commercial paper notes issued by Banco Bilbao Vizcaya Argentaria, S.A. (the "**Notes**"), during the twelve months after the date of this document under the U.S.$10,000,000,000 U.S. commercial paper program (the "**Program**") described in this document to be admitted to the official list of the Irish Stock Exchange (the "**Official List**") and to trading on its regulated market. Any Notes issued under the Program will be issued by Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**" or the "**Issuer**") and will not be guaranteed by any person.

There are certain risks related to any issue of Notes under the Program, which investors should ensure they fully understand (see "Risk Factors" starting on page 12 of this Listing Prospectus).

Potential purchasers should note the statements in "Taxation" starting on page 82 of this Listing Prospectus regarding the tax treatment in Spain of income obtained in respect of the Notes and the requirements imposed by Law 10/2014 of June 26, on organization, supervision and solvency of credit entities ("**Law 10/2014**") on BBVA relating to the Notes.

IMPORTANT NOTICES

This Listing Prospectus contains summary information provided by BBVA in connection with the Program under which BBVA may issue and have outstanding at any time Notes up to a maximum aggregate principal amount of U.S.$10,000,000,000.

BBVA accepts responsibility for the information contained in this Listing Prospectus. To the best of the knowledge of BBVA (who has taken all reasonable care to ensure that such is the case), the information contained in this Listing Prospectus, together with any supplementary listing prospectus and any documents incorporated by reference herein, is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each issuance by BBVA of Notes will be made pursuant to a Master Note (as defined herein and a form of which is included in this Listing Prospectus). The aggregate principal amount of each issuance of Notes, the issue price of each Note and any other terms and conditions not contained herein which are applicable to each Note (the "**Final Terms**") will be set out in the records of BBVA, as maintained by the Issuing and Paying Agent (the "**Underlying Records**"). Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office set out in this Listing Prospectus of the Issuing and Paying Agent and through the electronic note information systems operated by the Issuing and Paying Agent.

BBVA has confirmed that the information contained or incorporated by reference in this Listing Prospectus is true, accurate and complete in all material respects and is not misleading and there are no other facts in relation thereto the omission of which would in the context of the Program or the issue of the relevant Notes make any statement in this Listing Prospectus misleading in any material respect, and all reasonable enquiries have been made to verify the foregoing and the opinions and intentions expressed therein are honestly held.

BBVA accepts no responsibility, express or implied, for updating the Listing Prospectus. The Listing Prospectus is not an offering document. It has been prepared for listing purposes only and does not constitute an offer to purchase Notes. Neither the delivery of the Listing Prospectus nor any offer or sale made on the basis of the information in the Listing Prospectus shall under any circumstances create any implication that the Listing Prospectus is accurate at any time subsequent to the date thereof with respect to BBVA or that there has been no change in the business, financial condition or affairs of BBVA since the date thereof.

No Dealer (as defined below) accepts any liability in relation to the information contained or incorporated by reference in this Listing Prospectus or any other information provided by BBVA in connection with the Program.

This Listing Prospectus comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term Paper promulgated by the Irish Stock Exchange. This Listing Prospectus should be read and construed with any supplementary listing prospectus, any Final Terms and with any other document incorporated by reference.

Application has been made to the Irish Stock Exchange for Notes to be admitted to the Official List and to trading on the Irish Stock Exchange's regulated market. The Program provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between BBVA and the relevant Dealer. References in this Listing Prospectus to the Notes being "listed" shall be construed accordingly. No Notes may be issued pursuant to the Program on an unlisted basis.

BBVA has not authorized the making or provision of any representation or information regarding BBVA or the companies whose accounts are consolidated with those of BBVA (together, the "**Group**") or the Notes other than as contained or incorporated by reference in this Listing Prospectus or in any other document prepared in connection with the Program or in any Final Terms or as approved for such purpose by BBVA. Any such representation or information should not be relied upon as having been authorized by BBVA.

The information contained in the Listing Prospectus or any Final Terms is not and should not be construed as a recommendation by BBVA that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of BBVA and of the Program as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Listing Prospectus or any Final Terms.

This Listing Prospectus does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Listing Prospectus and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Listing Prospectus, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by BBVA to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Listing Prospectus and other information in relation to the Notes and BBVA set out herein.

Notwithstanding any other term of the Notes, the Amended and Restated Issuing and Paying Agency Agreement (as defined herein) or any other agreements, arrangements or understandings between BBVA and any holder of a Note, by its acquisition or acceptance of a Note, each holder of a

Note (which, for purposes of these "Important Notices", includes each holder of a beneficial interest in a Note) acknowledges, accepts, consents and agrees to be bound by: (i) the exercise and the effects of the exercise of the Spanish Bail-in Power (as defined below) by the Relevant Spanish Resolution Authority (as defined below), which exercise (without limitation) may be imposed with or without any prior notice with respect to the Notes, and which may include and result in any of the following, or some combination thereof: (1) the reduction or cancellation of all, or a portion, of the Amounts Due (as defined below) on any Note; (2) the conversion of all, or a portion, of the Amounts Due on any Note into shares, other securities or other obligations of BBVA or another person (and the issue to or conferral on such holder of any such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of any Note; (3) the cancellation of any Note; and (4) the amendment or alteration of the maturity of, or amendment of the amount of interest payable on, any Note, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and (ii) the variation of the terms of any Note, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

By its acquisition or acceptance of a Note, each holder acknowledges and agrees that neither (i) a reduction or cancellation, in part or in full, of the Amounts Due on any Note, or the conversion thereof into another security or obligation of BBVA or another person, in each case as a result of the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to BBVA, nor (ii) the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note, will give rise to default or Event of Default with respect to any Note under the Amended and Restated Issuing and Paying Agency Agreement.

By its acquisition or acceptance of a Note, each holder further acknowledges and agrees that no repayment or payment of Amounts Due on any Note will become due and payable or be paid after the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

By its acquisition or acceptance of a Note, each holder will waive any and all claims, in law and/or in equity, against the Issuing and Paying Agent for, agree not to initiate a suit against the Issuing and Paying Agent in respect of, and agree that the Issuing and Paying Agent will not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note. Additionally, by its acquisition or acceptance of a Note, each holder will acknowledge and agree that, upon the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note, the Amended and Restated Issuing and Paying Agency Agreement will not impose any duties upon the Issuing and Paying Agent whatsoever with respect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

By its acquisition or acceptance of a Note, each holder shall be deemed to have authorized, directed and requested The Depository Trust Company ("DTC") and any direct participant in DTC or other intermediary through which it holds such Note to take any and all necessary action, if required, to implement the exercise of the Spanish Bail-in Power with respect to any Note as it may be imposed, without any further action or direction on the part of such holder.

Upon the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note, BBVA or the Relevant Spanish Resolution Authority (as the case may be) will

provide a written notice to DTC as soon as practicable regarding such exercise of the Spanish Bail-in Power for purposes of notifying the holders of such securities. BBVA will also deliver a copy of such notice to the Issuing and Paying Agent for information purposes.

Each holder that acquires a Note in the secondary market or otherwise shall be deemed to acknowledge and agree to be bound by and consent to the above and to the provisions specified in the Amended and Restated Issuing and Paying Agency Agreement to the same extent as the holders that acquire Notes upon their initial issuance.

"Amounts Due" with respect to a Note means the principal amount of or outstanding amount (if applicable), together with any accrued but unpaid interest and any other amounts due on such Note (including Additional Amounts (as defined herein)). References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

"Law 11/2015" means Spanish Law 11/2015 of June 18, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), as amended, replaced or supplemented from time to time.

"Regulated Entity" means any entity to which Law 11/2015 applies as provided under Article 1.2 of Law 11/2015, which includes certain credit institutions, investment firms and certain of their parent or holding companies. BBVA is a Regulated Entity as of the date hereof.

"Relevant Spanish Resolution Authority" means the Spanish Fund for the Orderly Restructuring of Banks (*Fondo de Restructuración Ordenada Bancaria*) (the "FROB"), the European Single Resolution Mechanism, the Bank of Spain, the Spanish Securities Market Commission ("CNMV") or any other entity with the authority to exercise the resolution tools (such as the Spanish Bail-in Power) and powers contained in Law 11/2015 from time to time.

"RD 1012/2015" means Royal Decree 1012/2015 of November 6, by virtue of which Law 11/2015 is developed and Royal Decree 2606/1996, of December 20, on credit entities deposit guarantee fund is amended, as amended, replaced or supplemented from time to time.

"Spanish Bail-in Power" means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the Kingdom of Spain, relating to the transposition of Directive 2014/59/EU of the European Parliament and the Council of the European Union of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended from time to time (the "BRRD"), including, but not limited to (i) Law 11/2015, (ii) RD 1012/2015, (iii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended, replaced or supplemented from time to time, and (iv) any other instruments, rules or standards made or implemented in connection with either (i), (ii) or (iii), pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (which may result in the reduction of the relevant claim to zero), cancelled, modified, transferred or converted into shares, other securities or other obligations of such Regulated Entity or any other person (or suspended for a temporary period).

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACQUISITION OR ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO BBVA AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND EITHER (1) IS PURCHASING NOTES FOR ITS OWN ACCOUNT, (2) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (3) A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION OR OTHER SUCH INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACQUISITION OR ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A DEALER DESIGNATED BY SUCH ISSUER AS A DEALER FOR THE NOTES (EACH A "DEALER", AND COLLECTIVELY, THE "DEALERS"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A DEALER TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF U.S.$250,000.

THE NOTES MAY NOT, DIRECTLY OR INDIRECTLY, BE OFFERED, SOLD, RESOLD, RE-OFFERED OR DELIVERED EXCEPT IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

THE NOTES MUST NOT BE OFFERED, DISTRIBUTED OR SOLD IN SPAIN IN THE PRIMARY MARKET. NO PUBLICITY OF ANY KIND SHALL BE SPECIFICALLY TARGETED AT THE SPANISH MARKET IN CONNECTION WITH THE OFFER, DISTRIBUTION OR SALE OF THE NOTES.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS LISTING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

BY ITS PURCHASE OF A NOTE, THE PURCHASER REPRESENTS AND AGREES THAT (I) IT HAS KNOWLEDGE AND EXPERIENCE (OR IS A FIDUCIARY OR AGENT WITH SOLE INVESTMENT DISCRETION HAVING SUCH KNOWLEDGE AND EXPERIENCE) IN FINANCIAL AND BUSINESS MATTERS AND IT (OR SUCH FIDUCIARY OR AGENT) IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF INVESTING IN THE NOTES; (II) IT HAS HAD ACCESS TO SUCH INFORMATION AS THE PURCHASER DEEMS NECESSARY IN ORDER TO MAKE AN INFORMED INVESTMENT DECISION; (III) ALTHOUGH A DEALER MAY REPURCHASE NOTES, THE DEALER IS NOT OBLIGATED TO DO SO, AND ACCORDINGLY, THE PURCHASER SHOULD BE PREPARED TO HOLD SUCH NOTE UNTIL MATURITY; (IV) IT HAS HAD THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM BBVA; (V) IT ACKNOWLEDGES THAT THE DEALER HAS NOT VERIFIED ANY OF THE INFORMATION CONTAINED OR REFERRED TO IN THIS LISTING PROSPECTUS AND MAKES NO REPRESENTATION OF ANY KIND AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; AND (VI) IT UNDERSTANDS THAT EACH NOTE WILL BEAR A LEGEND SUBSTANTIALLY AS SET FORTH IN BOLD CAPITAL LETTERS ABOVE.

NOTICE REGARDING SPANISH TAX

Potential purchasers should note the statements starting on page 82 regarding the Spanish tax treatment of income in respect of the Notes and the disclosure requirements imposed by Law 10/2014 and Article 44 of Royal Decree 1065/2007 of July 27, as amended by Royal Decree 1145/2011 of July 29 ("**RD 1065/2007**").

As explained in "Taxation—Spanish Tax Considerations—Information About the Notes in Connection with Payments", BBVA is required to provide certain information regarding the Notes to the Spanish tax authorities (the "**Spanish Tax Authorities**"). BBVA will withhold Spanish withholding tax from any payment of income (as defined below) under the Notes as to which the required information has not been provided by the Issuing and Paying Agent in a timely manner.

BBVA and The Bank of New York Mellon, as issuing and paying agent (the "**Issuing and Paying Agent**") have entered into the Amended and Restated Issuing and Paying Agency Agreement in respect of the Notes, which, among other things, provides for the timely provision by the Issuing and Paying Agent to BBVA of a duly executed and completed statement (the "**Payment Statement**") in connection with each payment of income under the Notes, on the business day immediately preceding such payment. The Payment Statement must set forth information as of the close of business of that day. For these purposes, "income" means interest and the difference, if any, between the aggregate amount payable on the maturity of the Notes and the issue price of the Notes. In addition, the Issuing and Paying Agent has agreed in respect of the Notes (so long as any principal amount of the Notes remains outstanding and insofar as it is practicable) to maintain, implement or arrange for the implementation of procedures to facilitate the timely provision of a duly executed and completed Payment Statement in connection with each payment of income under the Notes or the collection of any other documentation concerning such Notes or the beneficial owners thereof that may be required under Spanish law for payments on such Notes not to be subject to Spanish withholding tax.

If the Issuing and Paying Agent fails to deliver a duly executed and completed Payment Statement on a timely basis in respect of a payment of income under the Notes, then the related payment will be subject to Spanish withholding tax, currently at the rate of 19%. In such an event, subject to certain exceptions, as set forth under "Key Features of the Program", BBVA will pay the relevant Noteholder (as defined below) such Additional Amounts (as defined herein) on the payment date as may be necessary in order that the net amount received by such Noteholder after such withholding equals the sum of the amount which would otherwise have been receivable in respect of the Notes in the absence of such withholding.

"**Noteholder**" refers to each holder of Notes and "**Noteholders**" refers to all holders of Notes.

General

The procedure described in this Listing Prospectus for the provision of information required by Spanish law and regulation is a summary only and is subject to further clarification from the Spanish Tax Authorities regarding such laws and regulations. None of BBVA or any of the Dealers assumes any responsibility therefor.

Interpretation

In the Listing Prospectus, references to "**U.S. Dollars**" and "**U.S.$**" are to United States dollars and references to "**euros**", "**EUR**" and "**€**" refer to the single currency of participating member states of the European Union.

Where the Listing Prospectus refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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FORWARD-LOOKING STATEMENTS

Some of the statements included in this Listing Prospectus are forward-looking statements within the meaning of Section 27A of the Act, Section 21E of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and similar laws. We also may make forward-looking statements in our other documents filed with, or furnished to, the Securities and Exchange Commission (the "**SEC**") that are incorporated by reference into this Listing Prospectus. Forward-looking statements can be identified by the use of forward-looking terminology such as "believe", "expect", "estimate", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "target", "goal", "objective", "future" or by the use of similar expressions or variations on such expressions, or by the discussion of strategy or objectives. Forward-looking statements are based on current plans, estimates and projections, are not guarantees of future performance and are subject to inherent risks, uncertainties and other factors that could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements.

In particular, this Listing Prospectus and certain documents incorporated by reference into this Listing Prospectus include forward-looking statements relating but not limited to management objectives, the implementation of our strategic initiatives, trends in results of operations, margins, costs, return on equity and risk management, including our potential exposure to various types of risk such as market risk, interest rate risk, currency risk and equity risk. For example, certain of the market risk disclosures are dependent on choices about key model characteristics, assumptions and estimates, and are subject to various limitations. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future.

We have identified some of the risks inherent in forward-looking statements in Risk Factors and Legal Proceedings below as well as in certain documents incorporated herein by reference, including the BBVA 2015 Form 20-F (as defined herein). Other factors could also adversely affect our results or the accuracy of forward-looking statements in this Listing Prospectus, and you should not consider the factors discussed herein or in the documents incorporated herein by reference to be a complete set of all potential risks or uncertainties. Other important factors that could cause actual results to differ materially from those in forward-looking statements include, among others:

- weak economic growth or recession in the countries where we operate;
- deflation, mainly in Europe, or significant inflation, such as the significant inflation recently experienced by Venezuela and Argentina;
- changes in foreign exchange rates, such as the recent local currency devaluations in Venezuela and Argentina, as they result in changes in the reported earnings of the Group's subsidiaries outside the Eurozone, and their assets, including their risk-weighted assets, and liabilities;
- a lower interest rate environment, including a prolonged period of negative interest rates in some areas where we operate, which could lead to decreased lending margins and lower returns on assets; or a higher interest rate environment, including as a result of an increase in interest rates by the Federal Reserve, which could affect consumer debt affordability and corporate profitability;
- any further tightening of monetary policies, including to address upward inflationary pressures in Latin America, which could endanger a still tepid and fragile economic recovery and make it more difficult for customers of the Group's mortgage and consumer loan products to service their debts;

- adverse developments in the real estate market, especially in Spain, Mexico, the United States and Turkey, given the Group's exposures to such markets;

- poor employment growth and structural challenges restricting employment growth, such as in Spain, where unemployment has remained relatively high, which may negatively affect household income levels of the Group's retail customers and may adversely affect the recoverability of the Group's retail loans, resulting in increased loan losses;

- lower oil prices, which could particularly affect producing areas, such as Venezuela, Mexico, Texas or Colombia, to which the Group is materially exposed;

- uncertainties arising from the results of election processes and political developments in the different geographies in which we operate, such as Spain and the Spanish region of Catalonia, which may ultimately result in changes in laws, regulations and policies;

- the exit by the United Kingdom (or any other EU Member State) from the European Monetary Union (EMU), which may materially adversely affect the European and global economy, result in changes in laws or regulation, affect the pace of policy change in Europe and substantially disrupt capital, interbank, banking and other markets, among other effects;

- an eventual government default on public debt, which could affect the Group primarily in two ways: directly, through portfolio losses, and indirectly, through instabilities that a default in public debt could cause to the banking system as a whole, particularly since commercial banks' exposure to government debt is generally high in several countries in which the Group operates;

- changes in applicable laws and regulations, including increased capital and provision requirements and taxation, and steps taken towards achieving an EU fiscal and banking union;

- adverse developments in emerging countries, in particular countries in Latin America where we operate and Turkey, including unfavorable political and economic developments, social instability and changes in governmental policies, including expropriation, nationalization, international ownership legislation, interest rate caps and tax policies;

- uncertainties arising from the July 2016 failed military coup in Turkey which could lead to changes in laws, higher risk perception of the country and a material adverse impact on its economy, including as a result of a loss of tourism;

- our ability to make payments on certain substantial unfunded amounts relating to commitments with personnel;

- the outcome of governmental, legal or arbitration proceedings; and

- weaknesses or failures in our Group's internal processes, systems (including information technology systems) and security.

Readers are cautioned not to place undue reliance on forward-looking statements. In addition, the forward-looking statements made in this Listing Prospectus speak only as of the date of this Listing Prospectus. We do not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this Listing Prospectus, including, without limitation, changes in our business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events, and we do not assume any responsibility to do so. You should, however, consult any further disclosures of a forward-looking nature we may make in the documents that are incorporated by reference into this Listing Prospectus.

RISK FACTORS

BBVA believes that the following factors may affect its ability to fulfill its obligations under Notes issued under the Program. Most of these factors are contingencies which may or may not occur, and BBVA is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program are also described below.

*BBVA believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Program, but the inability of BBVA to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by BBVA based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Listing Prospectus and the documents incorporated by reference into this Listing Prospectus, including, but not limited to, those risk factors in "Item 3. Key Information—Risk Factors" in BBVA's 2015 Annual Report on Form 20-F, which was filed with the SEC pursuant to the Exchange Act, on April 6, 2016 (the "**BBVA 2015 Form 20-F**") in deciding whether to invest in the Notes. Any of the risks described below or in the BBVA 2015 Form 20-F, if they actually occur, could materially and adversely affect BBVA's business, results of operations, prospects and financial condition and the value of your investments.*

References in this section to "BBVA" may refer to Banco Bilbao Vizcaya Argentaria, S.A. or Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated subsidiaries, as the context requires.

Macroeconomic Risks

Economic conditions in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition and results of operations.

Despite the growth of the global economy and its recovery after the 2008 and 2009 global financial crisis and Europe's debt crisis in 2011 and 2012, the economic environment remains characterized by considerable uncertainty. The deterioration of economic conditions in the countries where the Group operates could adversely affect the cost and availability of funding for the Group, the quality of the Group's loan and investment securities portfolios and levels of deposits and profitability, which may also require the Group to take impairments on its exposures to the sovereign debt of one or more countries or otherwise adversely affect the Group's business, financial condition and results of operations. In addition, the process the Group uses to estimate losses inherent in its credit exposure requires complex judgments, including forecasts of economic conditions and how these economic conditions might impair the ability of its borrowers to repay their loans. The degree of uncertainty concerning economic conditions may adversely affect the accuracy of the Group's estimates, which may, in turn, affect the reliability of the process and the sufficiency of the Group's loan loss provisions.

The Group faces, among others, the following economic risks:

- weak economic growth or recession in the countries where it operates;
- changes in the institutional environment in the countries where it operates could evolve into sudden and intense economic and/or regulatory downturns;
- deflation, mainly in Europe, or significant inflation, such as the significant inflation recently experienced by Venezuela and Argentina;

- changes in foreign exchange rates, such as the recent local currency devaluations in Venezuela and Argentina, as they result in changes in the reported earnings of the Group's subsidiaries outside the Eurozone, and their assets, including their risk-weighted assets, and liabilities;

- a lower interest rate environment, even a prolonged period of negative interest rates in some areas where BBVA operates, which could lead to decreased lending margins and lower returns on assets; or a higher interest rate environment, including as a result of an increase in interest rates by the Federal Reserve, which could affect consumer debt affordability and corporate profitability;

- any further tightening of monetary policies, including to address inflationary pressures and currency devaluations in Latin America, which could endanger a still tepid and fragile economic recovery and make it more difficult for customers of the Group's mortgage and consumer loan products to service their debts;

- adverse developments in the real estate market, especially in Spain, Mexico, the United States and Turkey, given the Group's exposures to such markets;

- poor employment growth and structural challenges restricting employment growth, such as in Spain, where unemployment has remained relatively high, which may negatively affect the household income levels of the Group's retail customers and may adversely affect the recoverability of the Group's retail loans, resulting in increased loan loss provisions;

- lower oil prices, which could particularly affect producing areas, such as Venezuela, Mexico, Texas or Colombia, to which the Group is materially exposed;

- changes in laws, regulations and policies as a result of election processes in the different geographies in which the Group operates, including Spain, the Spanish region of Catalonia and the United States, which may negatively affect the Group's business or customers in those geographies and other geographies in which the Group operates;

- the potential exit by an EU Member State from the European Monetary Union ("**EMU**"), which could materially adversely affect the European and global economy, cause a redenomination of financial instruments or other contractual obligations from the euro to a different currency and substantially disrupt capital, interbank, banking and other markets, among other effects;

- the possible political, economic and regulatory impacts in the United Kingdom and the European Union ("**EU**") derived from the outcome of the referendum held in the United Kingdom on 23 June 2016, which resulted in a vote in favor of the United Kingdom leaving the EU. The possible impact of the United Kingdom exiting the EU could include, among other things, political instability in the United Kingdom, the EU as a whole, or countries forming part of the EU; regulatory changes in the United Kingdom and/or in the EU; economic slowdown in the United Kingdom, in the EU and/or outside the EU; deterioration of the creditworthiness of borrowers based in or related to the United Kingdom; and volatility in financial markets which could limit or condition the Issuer's or any other issuer's access to capital markets, all of which may arise regardless of the uncertainty as to the timing and duration of the exit process; and

- an eventual government default on public debt, which could affect the Group primarily in two ways: directly, through portfolio losses, and indirectly, through instabilities that a default in public debt could cause to the banking system as a whole, particularly since commercial banks' exposure to government debt is generally high in several countries in which the Group operates.

For additional information relating to certain economic risks that the Group faces in Spain, see "—*Since the Group's loan portfolio is highly concentrated in Spain, adverse changes affecting the Spanish economy could have a material adverse effect on its financial condition*." For additional information relating to certain economic risks that the Group faces in emerging market economies such as Latin America and Turkey, see "—*The Group may be materially adversely affected by developments in the emerging markets where it operates*."

Any of the above risks could have a material adverse effect on the Group's business, financial condition and results of operations.

Since the Group's loan portfolio is highly concentrated in Spain, adverse changes affecting the Spanish economy could have a material adverse effect on its financial condition.

The Group has historically developed its lending business in Spain, which continues to be one of the main focuses of its business. The Group's loan portfolio in Spain has been adversely affected by the deterioration of the Spanish economy since 2009. After rapid economic growth until 2007, Spanish gross domestic product ("**GDP**") contracted in the period 2009-10 and 2012-13. The effects of the financial crisis were particularly pronounced in Spain given its heightened need for foreign financing as reflected by its high current account deficit, resulting from the gap between domestic investment and savings, and its public deficit. The current account imbalance has been corrected and the public deficit is in a downward trend, with GDP growth above 3% in 2015 and 2016 and unemployment falling below 20% for the third quarter of 2016. However, real or perceived difficulties in servicing public or private debt, triggered by foreign or domestic factors such as an increase in global financial risk or a decrease in the rate of domestic growth, could increase Spain's financing costs, hindering economic growth, employment and households' gross disposable income.

The Spanish economy is particularly sensitive to economic conditions in the Eurozone, the main market for Spanish goods and services exports. Accordingly, an interruption in the recovery in the Eurozone might have an adverse effect on Spanish economic growth. Given the relevance of the Group's loan portfolio in Spain, any adverse changes affecting the Spanish economy could have a material adverse effect on the Group's business, financial condition and results of operations.

Any decline in the Kingdom of Spain's sovereign credit ratings could adversely affect the Group's business, financial condition and results of operations.

Since BBVA is a Spanish company with substantial operations in Spain, its credit ratings may be adversely affected by the assessment by rating agencies of the creditworthiness of the Kingdom of Spain. As a result, any decline in the Kingdom of Spain's sovereign credit ratings could result in a decline in BBVA's credit ratings. In addition, the Group holds a substantial amount of securities issued by the Kingdom of Spain, autonomous communities within Spain and other Spanish issuers. Any decline in the Kingdom of Spain's credit ratings could adversely affect the value of the Kingdom of Spain's and other public or private Spanish issuers' respective securities held by the Group in its various portfolios or otherwise materially adversely affect the Group's business, financial condition and results of operations. Furthermore, the counterparties to many of the Group's loan agreements could be similarly affected by any decline in the Kingdom of Spain's credit ratings, which could limit their ability to raise additional capital or otherwise adversely affect their ability to repay their outstanding commitments to the Group and, in turn, materially and adversely affect the Group's business, financial condition and results of operations.

The Group may be materially adversely affected by developments in the emerging markets where it operates.

The economies of some of the emerging markets where the Group operates, mainly Latin America and Turkey, experienced significant volatility in recent decades, characterized, in some cases, by slow or declining growth, declining investment and hyperinflation.

Emerging markets are generally subject to greater risks than more developed markets. For example, there is typically a greater risk of loss from unfavorable political and economic developments, social and geopolitical instability, and changes in governmental policies, including expropriation, nationalization, international ownership legislation, interest-rate caps and tax policies, and political unrest, such as the attempted coup in Turkey on July 15, 2016 and state of emergency entitling the exercise of additional powers by the Turkish government first declared on July 20, 2016. In addition, these emerging markets are affected by conditions in other related markets and in global financial markets generally and some are particularly affected by commodities price fluctuations, which in turn may affect financial market conditions through exchange rate fluctuations, interest rate volatility and deposits volatility. As a global economic recovery remains fragile, there are risks of deterioration. If the global economic conditions deteriorate, the business, financial condition, operating results and cash flows of BBVA's subsidiaries in emerging economies, mainly in Latin America and Turkey, may be materially adversely affected.

Furthermore, financial turmoil in any particular emerging market could negatively affect other emerging markets or the global economy in general. Financial turmoil in emerging markets tends to adversely affect stock prices and debt securities prices of other emerging markets as investors move their money to more stable and developed markets, and may reduce liquidity to companies located in the affected markets. An increase in the perceived risks associated with investing in emerging economies in general, or the emerging market economies where the Group operates in particular, could dampen capital flows to such economies and adversely affect such economies.

In addition, any changes in laws, regulations and policies pursued by the incoming U.S. Government may adversely affect the emerging markets in which the Group operates, particularly Mexico due to the trade and other ties between Mexico and the United States.

If economic conditions in the emerging market economies where the Group operates deteriorate, the Group's business, financial condition and results of operations could be materially adversely affected.

The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.

Severe market events such as the past sovereign debt crisis, rising risk premiums and falls in share market prices, have resulted in the Group recording large write-downs on its credit market exposures in recent years. In particular, negative growth expectations and lack of confidence that policy changes would solve problems led to steep falls in asset values and a severe reduction in market liquidity in 2012 and 2013, followed by a moderated recovery in 2014 and the first half of 2015. In the second half of 2015 and the beginning of 2016, however, the uncertainty about China's growth expectations and its policymaking capability to address certain severe future challenges resulted in sudden and intense deterioration of the valuation of global assets and further increased volatility in the global financial markets. Moreover, current political processes such as the implementation of the "Brexit" referendum for the United Kingdom to leave the European Union or potential changes in U.S. economic policies implemented by the new administration, could increase global financial volatility and lead to the reallocation of assets. Additionally, in dislocated markets, hedging and other risk management strategies may not be as effective as they are in more normal market conditions due in part to the decreasing credit quality of hedge counterparties. Any deterioration in economic and financial market conditions could lead to further impairment charges and write-downs.

Exposure to the real estate market makes the Group vulnerable to developments in this market.

The Group has substantial exposure to the real estate market, mainly in Spain, Mexico and the United States. The Group is exposed to the real estate market due to the fact that real estate assets secure many of its outstanding loans and due to the significant amount of real estate assets held on its balance sheet. Any deterioration of real estate prices could materially and adversely affect the Group's business, financial condition and results of operations.

Legal, Regulatory and Compliance Risks

The Group is subject to substantial regulation and regulatory and governmental oversight. Changes in the regulatory framework could have a material adverse effect on its business, results of operations and financial condition.

The financial services industry is among the most highly regulated industries in the world. In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. Legislation has already been enacted and regulations issued in response to some of these proposals. The regulatory framework for financial institutions is likely to undergo further significant change. This creates significant uncertainty for the Group and the financial industry in general. The wide range of recent actions or current proposals includes, among other things, provisions for more stringent regulatory capital and liquidity standards, restrictions on compensation practices, special bank levies and financial transaction taxes, recovery and resolution powers to intervene in a crisis including "bail-in" of creditors, separation of certain businesses from deposit taking, stress testing and capital planning regimes, heightened reporting requirements and reforms of derivatives, other financial instruments, investment products and market infrastructures.

In addition, the new institutional structure in Europe for supervision, with the creation of the single supervisor, and for resolution, with the new single resolution mechanism, could lead to changes in the near future. The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still ongoing. In addition, since some of these laws and regulations have been recently adopted, the manner in which they are applied to the operations of financial institutions is still evolving. No assurance can be given that laws or regulations will be enforced or interpreted in a manner that will not have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. In addition, regulatory scrutiny under existing laws and regulations has become more intense.

Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been steadily increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis, and these may especially affect financial institutions such as BBVA that are deemed to be systemically important.

In addition, local regulations in certain jurisdictions where the Group operates differ in a number of material respects from equivalent regulations in Spain or the United States. Changes in regulations may have a material adverse effect on the Group's business, results of operations and financial condition, particularly in Mexico, the United States, Venezuela, Argentina and Turkey. Furthermore, regulatory fragmentation, with some countries implementing new and more stringent standards or regulation, could adversely affect the Group's ability to compete with financial institutions based in other jurisdictions which do not need to comply with such new standards or regulation. Moreover, to the extent recently adopted regulations are implemented inconsistently in the various jurisdictions in which the Group operates, the Group may face higher compliance costs.

Any required changes to the Group's business operations resulting from the legislation and regulations applicable to such business could result in significant loss of revenue, limit the Group's ability to pursue business opportunities in which the Group might otherwise consider engaging, affect the value of assets that the Group holds, require the Group to increase its prices and therefore reduce demand for its products, impose additional costs on the Group or otherwise adversely affect the Group's businesses. For example, the Group is subject to substantial regulation relating to liquidity. Future liquidity standards could require it to maintain a greater proportion of its assets in highly liquid but lower-yielding financial instruments, which would negatively affect its net interest margin. Moreover, the Group's regulators, as part of their supervisory function, periodically review the Group's allowance for loan losses. Such regulators may require the Group to increase its allowance for loan losses or to recognize further losses. Any such additional provisions for loan losses, as required by these regulatory agencies whose views may differ from those of the Group's management, could have an adverse effect on the Group's earnings and financial condition.

Adverse regulatory developments or changes in government policy relating to any of the foregoing or other matters could have a material adverse effect on the Group's business, results of operations and financial condition.

Increasingly onerous capital requirements may have a material adverse effect on BBVA's business, financial condition and results of operations.

As a Spanish credit institution, BBVA is subject to Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (the "**CRD IV Directive**"), through which the EU began implementing the Basel III capital reforms, with effect from January 1, 2014, with certain requirements in the process of being phased in until January 1, 2019. The core regulation regarding the solvency of credit entities is Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the "**CRR**" and, together with the CRD IV Directive and any measures implementing the CRD IV Directive or the CRR which may from time to time be introduced in Spain, "**CRD IV**"), which is complemented by several binding regulatory technical standards, all of which are directly applicable in all EU Member States, without the need for national implementation measures. The implementation of CRD IV Directive into Spanish law has taken place through Royal Decree-Law 14/2013 of November 29 ("**RD-L 14/2013**"), Law 10/2014, Royal Decree 84/2015, of February 13 ("**RD 84/2015**"), Bank of Spain Circular 2/2014, of January 31 and Bank of Spain Circular 2/2016 of February 2 (the "**Bank of Spain Circular 2/2016**"). On November 23, 2016, the European Commission published a package of proposals with further reforms to CRD IV, the BRRD and the SRM Regulation (the "**EU Banking Reforms**"), including measures to increase the resilience of EU institutions and enhance financial stability. The timing for the final implementation of these reforms as at the date of this Listing Prospectus is unclear.

CRD IV has, among other things, established minimum "Pillar 1" capital requirements and increased the level of capital required by means of a "combined buffer requirement" that entities must comply with from 2016 onwards. The "combined buffer requirement" has introduced five new capital buffers: (i) the capital conservation buffer, (ii) the global systemically important institutions buffer (the "**G-SIB buffer**"), (iii) the institution-specific countercyclical buffer, (iv) the other systemically important institutions buffer (the "**D-SIB buffer**") and (v) the systemic risk buffer. The "combined buffer requirement" applies in addition to the minimum "Pillar 1" capital requirements and is required to be satisfied with Common Equity Tier 1 ("**CET1**") capital.

The capital conservation buffer and the G-SIB buffer where applicable are mandatory for all credit institutions since they establish a greater capital requirement in all circumstances and will always result in an additional percentage capital requirement of higher than 0%.

The G-SIB buffer applies to those institutions included on the list of global systemically important banks ("**G-SIBs**"), which is updated annually by the Financial Stability Board (the "**FSB**"). BBVA has been excluded from this list with effect from January 1, 2017 and so, unless otherwise indicated by the FSB (or the Bank of Spain) in the future, it will not be required to maintain a G-SIB buffer any longer.

The Bank of Spain has greater discretion in relation to the institution-specific countercyclical buffer, the buffer for other systemically important institutions (those institutions deemed to be of local systemic importance, domestic systemically important banks or "**D-SIBs**") and the systemic risk buffer (a buffer to prevent systemic or macro prudential risks). With the entry into force of the Single Supervisory Mechanism (the "**SSM**") on November 4, 2014, the ECB also has the ability to provide certain recommendations in this respect.

The Bank of Spain agreed in December 2015 to set the countercyclical capital buffer applicable to credit exposures in Spain at 0% from January 1, 2016. The percentages will be revised each quarter and, accordingly, the Bank of Spain agreed in December 2016 to maintain the countercyclical capital buffer at 0% for the first quarter of 2017.

Moreover, Article 104 of the CRD IV Directive, as implemented by Article 68 of Law 10/2014, and similarly Article 16 of Council Regulation (EU) No. 1024/2013 of October 15 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the "**SSM Regulation**"), also contemplate that in addition to the minimum "Pillar 1" capital requirements, supervisory authorities may impose further "Pillar 2" capital requirements to cover other risks, including those not considered to be fully captured by the minimum "own funds" "Pillar 1" requirements under CRD IV or to address macro-prudential considerations. Under the EU Banking Reforms, it is proposed that further "Pillar 2" capital requirements should be used to address micro-prudential considerations only.

In accordance with the SSM Regulation, the ECB has fully assumed its new supervisory responsibilities of BBVA and the Group within the SSM. The ECB is required under the SSM Regulation to carry out a supervisory review and evaluation process (the "**SREP**") of BBVA and the Group at least on an annual basis.

In addition to the above, the European Banking Authority (the "**EBA**") published on December 19, 2014 its final guidelines for common procedures and methodologies in respect of the SREP (the "**EBA SREP Guidelines**"). Included in this were the EBA's proposed guidelines for a common approach to determining the amount and composition of additional "Pillar 2" own funds requirements to be implemented by January 1, 2016. Under these guidelines, national supervisors should set a composition requirement for the "Pillar 2" requirements to cover certain specified risks of at least 56% CET1 capital and at least 75% Tier 1 capital, as it has also been included in the EU Banking Reforms. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by the "combined buffer requirement" and/or additional macro-prudential requirements.

Accordingly, any additional "Pillar 2" own funds requirement that may be imposed on BBVA and/or the Group by the ECB pursuant to the SREP will require BBVA and/or the Group to hold capital levels above the minimum "Pillar 1" capital requirements.

The Bank of Spain announced on November 7, 2016 that BBVA will continue to be considered a D-SIB, and consequently it will be required to maintain during 2017 a D-SIB buffer of a CET1 capital ratio of 0.75% on a consolidated basis. The D-SIB buffer is being phased-in from January 1, 2016 to January 1, 2019, with the result that the D-SIB buffer applicable to BBVA for 2017 is a CET1 capital ratio of 0.375% on a consolidated basis.

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

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

As of September 30, 2016, BBVA's phased-in total capital ratio was 15.95% on a consolidated basis and 22.51% on an individual basis. As of September 30, 2016, BBVA's CET1 phased-in capital ratio was 12.26% on a consolidated basis and 18.11% 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 BBVA 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 BBVA and/or the Group.

Any failure by BBVA and/or the Group to maintain its "Pillar 1" minimum regulatory capital ratios, any "Pillar 2" additional own funds requirements and/or any "combined buffer requirement" could result in administrative actions or sanctions, which, in turn, may have a material adverse effect on the Group's results of operations. In particular, any failure to maintain any additional capital requirements pursuant to the "Pillar 2" framework or any other capital requirements to which BBVA and/or the Group is or becomes subject (including the "combined buffer requirement"), may result in the imposition of restrictions or prohibitions on "discretionary payments" by BBVA as discussed below.

According to Article 48 of Law 10/2014, Article 73 of RD 84/2015 and Rule 24 of Bank of Spain Circular 2/2016, any entity not meeting its "combined buffer requirement" is required to determine its Maximum Distributable Amount ("**MDA**") as described therein. Until the MDA has been calculated and communicated to the Bank of Spain, where applicable, the relevant entity will be subject to restrictions on (i) distributions relating to CET1 capital, (ii) payments in respect of variable remuneration or discretionary pension revenues and (iii) distributions relating to Additional Tier 1 instruments ("**discretionary payments**") and, thereafter, any such discretionary payments by that entity will be subject to such MDA. Furthermore, as set forth in Article 48 of Law 10/2014, the adoption by the Bank of Spain of the measures prescribed in Articles 68.2.h) and 68.2.i) of Law 10/2014, aimed at strengthening own funds or limiting or prohibiting the distribution of dividends respectively will also restrict discretionary payments to such MDA. Pursuant to the EU Banking Reforms, MDA could also be affected by a breach of MREL (see "*—Any failure by BBVA and/or the Group to comply with its minimum requirement for own funds and eligible liabilities (MREL) could have a material adverse effect on BBVA's business, financial condition and results of operations.*" below).

As set out in the "Opinion of the European Banking Authority on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions" published on December 16, 2015 (the "**December 2015 EBA Opinion**"), in the EBA's opinion competent authorities should ensure that the CET1 capital to be taken into account in determining the CET1 capital available to meet the "combined buffer requirement" for the purposes of the MDA calculation is limited to the amount not used to meet the "Pillar 1" and, if applicable, "Pillar 2" own funds requirements of the institution. In addition, the December 2015 EBA Opinion advises the European Commission (i) to review Article 141 of the CRD IV Directive with a view to avoiding differing interpretations of Article 141(6) and ensure greater consistency between the maximum distributable amount framework and the capital stacking order described in the opinion and in the EBA SREP Guidelines by which the "Pillar 1" and, if applicable, "Pillar 2" capital requirements represent the minimum capital to be preserved at all times by an institution and it is only the CET1 capital of that institution not used to meet its "Pillar 1" and, if applicable, "Pillar 2" requirements that is then available to meet the "combined buffer requirement" of the institution and (ii) to review the prohibition on distributions in all circumstances where an institution fails to meet the "combined buffer requirement" and no profits are made in any given year, notably insofar as it relates to Additional Tier 1 instruments. There can be no assurance as to how and when binding effect will be given to the December 2015 EBA Opinion in Spain, including as to the consequences for an institution of its capital levels falling below those necessary to meet these requirements. The EU Banking Reforms propose certain amendments in order to clarify, for the purposes of restrictions on distributions, the hierarchy between the "Pillar 2" additional own funds requirements, the minimum "own funds" "Pillar 1" requirements, the own funds and eligible liabilities requirement, MREL requirements and the "combined buffer requirements" (which is referred to as "stacking order").

On July 1, 2016, the EBA published additional information explaining how supervisors intend to use the results of an EU-wide stress test for SREP in 2016 (which results were published on July 29, 2016). The EBA stated, among other things, that the incorporation of the quantitative results of the EU-wide stress test into SREP assessments may include setting additional supervisory monitoring metrics in the form of capital guidance. Such guidance will not be included in MDA calculations but competent authorities would expect banks to meet that guidance except when explicitly agreed. Competent authorities have remedial tools if an institution refuses to follow such guidance. The EU Banking Reforms also propose that a distinction be made between "Pillar 2" capital requirements and guidance, with only the former being mandatory requirements.

The ECB has also set out in its recommendation of December 13, 2016 on dividend distribution policies that credit institutions should establish dividend policies using conservative and prudent assumptions in order, after any distribution, to satisfy the applicable capital requirements.

Any failure by BBVA and/or the Group to comply with its regulatory capital requirements could also result in the imposition of further "Pillar 2" requirements and the adoption of any early intervention or, ultimately, resolution measures by resolution authorities pursuant to Law 11/2015 of June 18 on the Recovery and Resolution of Credit Institutions and Investment Firms (*Ley 11/2015 de 18 de junio de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), as amended, replaced or supplemented from time to time ("**Law 11/2015**"), which, together with Royal Decree 1012/2015 of November 6 by virtue of which Law 11/2015 is developed and Royal Decree 2606/1996 of December 20 on credit entities' deposit guarantee fund is amended ("**RD 1012/2015**"), has implemented

Directive 2014/59/EU of May 15 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") into Spanish law. See "*—Bail-in and write-down powers under the BRRD may adversely affect our business and the value of any securities we may issue*" below.

At its meeting of January 12, 2014, the oversight body of the Basel Committee on Banking Supervision ("**BCBS**") endorsed the definition of the leverage ratio set forth in CRD IV, to promote consistent disclosure, which applied from January 1, 2015. There will be a mandatory minimum capital requirement on January 1, 2018, with an initial minimum leverage ratio of 3% that can be raised after calibration. The proposed revisions to the design and calibration of the leverage ratio were set out in the BCBS April 2016 consultation paper entitled "Revisions to the Basel III leverage ratio framework". The consultation period ended on July 6, 2016, and BCBS has agreed to finalize the calibration of the leverage ratio in 2016 to allow sufficient time for it to be implemented by January 1, 2018. The EU Banking Reforms propose a binding leverage ratio requirement of 3% of Tier 1 capital that is added to an institution's own funds requirements and that an institution must meet in addition to its risk based requirements.

Basel III implementation differs across jurisdictions in terms of timing and applicable rules. For example, the Mexican government introduced the Basel III capital standards in 2012 whereas Basel III became effective in the United States on January 1, 2015 for credit institutions with total consolidated assets of less than $250 billion. This lack of uniformity among implemented rules may lead to an uneven playing field and to competition distortions. Moreover, the lack of regulatory coordination, with some countries bringing forward the application of Basel III requirements or increasing such requirements, could adversely affect a bank with global operations such as BBVA and could undermine its profitability.

There can be no assurance that the implementation of the above capital requirements will not adversely affect BBVA's ability to pay "discretionary payments" or result in the cancellation of such payments (in whole or in part), or require BBVA to issue additional securities that qualify as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on BBVA's business, financial condition and results of operations. Furthermore, increased capital requirements may negatively affect BBVA's return on equity and other financial performance indicators.

The consolidation of Garanti in the consolidated financial statements of the Group may result in increased capital requirements.

On November 19, 2014, BBVA entered into agreements for the acquisition from Doğuş Holding A.Ş. and Ferit Faik Şahenk, Dianne Şahenk and Defne Şahenk, respectively, of 62,538,000,000 shares of Türkiye Garanti Bankası A.Ş. ("**Garanti**"). The acquisition was conditional on obtaining all necessary regulatory consents from the relevant Turkish, Spanish, EU and, if applicable, other jurisdictions' regulatory authorities and was completed in July 2015. Following completion of this acquisition, BBVA fully consolidated its shareholding of 39.9% of Garanti in the consolidated financial statements of the Group. The consolidation of Garanti may result in an increase in the capital requirements imposed on the Group by the ECB through the SSM in accordance with the regulations applicable to Garanti and the Group from time to time and the criteria of the SSM in relation to Turkey and/or Garanti.

Increased taxation and other burdens imposed on the financial sector may have a material adverse effect on BBVA's business, financial condition and results of operations.

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in securities issued by the Group or other issuers (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside the participating Member States. Generally, it would apply to certain dealings in securities where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation among the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Member States may decide not to participate.

Royal Decree-Law 8/2014, of July 4, introduced a 0.03% tax on bank deposits in Spain. This tax is payable annually by Spanish banks. There can be no assurance that additional national or transnational bank levies or financial transaction taxes will not be adopted by the authorities of the jurisdictions where BBVA operates.

Regulatory developments related to the EU fiscal and banking union may have a material adverse effect on BBVA's business, financial condition and results of operations.

The project of achieving a European banking union was launched in the summer of 2012. Its main goal is to resume progress towards the European single market for financial services by restoring confidence in the European banking sector and ensuring the proper functioning of monetary policy in the Eurozone.

Banking union is expected to be achieved through new harmonized banking rules (the single rulebook) and a new institutional framework with stronger systems for both banking supervision and resolution that will be managed at the European level. Its two main pillars are the SSM and the Single Resolution Mechanism ("**SRM**").

The SSM is intended to assist in making the banking sector more transparent, unified and safer. In accordance with the SSM Regulation, the ECB fully assumed its new supervisory responsibilities within the SSM, in particular the direct supervision of the largest European banks (including BBVA), on November 4, 2014.

The SSM represents a significant change in the approach to bank supervision at a European and global level, even if it is not expected to result in any radical change in bank supervisory practices in the short term. The SSM has resulted in the direct supervision by the ECB of the largest financial institutions, including BBVA, and indirect supervision of around 3,500 financial institutions. The new supervisor is one of the largest in the world in terms of assets under supervision. In the coming years, the SSM is expected to work to establish a new supervisory culture importing best practices from the 19 supervisory authorities that form part of the SSM. Several steps have already been taken in this regard, such as the publication of the Supervisory Guidelines and the creation of the SSM Framework Regulation. In addition, the SSM represents an extra cost for the financial institutions that fund it through payment of supervisory fees.

The other main pillar of the EU banking union is the SRM, the main purpose of which is to ensure a prompt and coherent resolution of failing banks in Europe at minimum cost. Regulation (EU) No.

806/2014 of the European Parliament and the Council of the EU (the "**SRM Regulation**"), which was passed on July 15, 2014 and took legal effect from January 1, 2015, establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund. The new Single Resolution Board started operating on January 1, 2015 and fully assumed its resolution powers on January 1, 2016. The Single Resolution Fund has also been in place since January 1, 2016, funded by contributions from European banks in accordance with the methodology approved by the Council of the European Union. The Single Resolution Fund is intended to reach a total amount of €55 billion by 2024 and to be used as a separate backstop only after an 8% bail-in of a bank's total liabilities including own funds has been applied to cover capital shortfalls (in line with the BRRD).

By allowing for the consistent application of EU banking rules through the SSM, the banking union is expected to help resume momentum toward economic and monetary union. In order to complete such union, a single deposit guarantee scheme is still needed, which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders to ensure further progress is made in European fiscal, economic and political integration.

Regulations adopted towards achieving a banking and/or fiscal union in the EU and decisions adopted by the ECB in its capacity as BBVA's main supervisory authority may have a material effect on BBVA's business, financial condition and results of operations. In particular, the BRRD and Directive 2014/49/EU of the European Parliament and the Council of April 16, 2014 on deposit guarantee schemes were published in the Official Journal of the EU on June 12, 2014. The BRRD was implemented into Spanish law through Law 11/2015 and RD 1012/2015. In addition, on January 29, 2014, the European Commission released its proposal on the structural reforms of the European banking sector, which will impose new constraints on the structure of European banks. The proposal is aimed at ensuring the harmonization between the divergent national initiatives in Europe. It includes a prohibition on proprietary trading similar to that contained in Section 619 of the Dodd-Frank Act (also known as the Volcker Rule) and a mechanism to potentially require the separation of trading activities (including market-making), such as in the Financial Services (Banking Reform) Act 2013, complex securitizations and risky derivatives.

There can be no assurance that regulatory developments related to the EU fiscal and banking union, and initiatives undertaken at the EU level, will not have a material adverse effect on BBVA's business, financial condition and results of operations.

The Group's anti-money laundering and anti-terrorism policies may be circumvented or otherwise not be sufficient to prevent all money laundering or terrorism financing.

Group companies are subject to rules and regulations regarding money laundering and the financing of terrorism. Monitoring compliance with anti-money laundering and anti-terrorism financing rules can put a significant financial burden on banks and other financial institutions and pose significant technical problems. Although the Group believes that its current policies and procedures are sufficient to comply with applicable rules and regulations, it cannot guarantee that its anti-money laundering and anti-terrorism financing policies and procedures will not be circumvented or otherwise not be sufficient to prevent all money laundering or terrorism financing. Any of such events may have severe consequences, including sanctions, fines and, notably, reputational consequences, which could have a material adverse effect on the Group's financial condition and results of operations.

The Group is exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanctions programs.

The Group is required to comply with the laws and regulations of various jurisdictions where it conducts operations. In particular, its operations are subject to various anti-corruption laws, including the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010, and economic sanction programs, including those administered by the United Nations, the EU and the United States, including the U.S. Treasury Department's Office of Foreign Assets Control. The anti-corruption laws generally prohibit providing anything of value to government officials for the purposes of obtaining or retaining business or securing any improper business advantage. As part of BBVA's business, BBVA may deal with entities the employees of which are considered government officials. In addition, economic sanctions programs restrict BBVA's business dealings with certain sanctioned countries, individuals and entities.

Although BBVA has internal policies and procedures designed to ensure compliance with applicable anti-corruption laws and sanctions regulations, there can be no assurance that such policies and procedures will be sufficient or that its employees, directors, officers, partners, agents and service providers will not take actions in violation of the Group's policies and procedures (or otherwise in violation of the relevant anti-corruption laws and sanctions regulations) for which it or they may be ultimately held responsible. Violations of anti-corruption laws and sanctions regulations could lead to financial penalties being imposed on BBVA, limits being placed on BBVA's activities, BBVA's authorizations and licenses being revoked, damage to BBVA's reputation and other consequences that could have a material adverse effect on BBVA's business, results of operations and financial condition. Further, litigation or investigations relating to alleged or suspected violations of anti-corruption laws and sanctions regulations could be costly.

Local regulation may have a material effect on BBVA's business, financial condition, results of operations and cash flows.

BBVA's operations are subject to regulatory risks, including the effects of changes in laws, regulations, policies and interpretations, in the various jurisdictions outside Spain where it operates. Regulations in certain jurisdictions where BBVA operates differ in a number of material respects from equivalent regulations in Spain. For example, local regulations may require BBVA's subsidiaries and affiliates to meet capital requirements that are different from those applicable to BBVA as a Spanish bank, they may prohibit certain activities permitted to be undertaken by BBVA in Spain or they may require certain approvals to be obtained in connection with such subsidiaries, and affiliates' activities. Changes in regulations may have a material effect on the Group's business and operations, particularly changes affecting Mexico, the United States, Venezuela, Argentina or Turkey, which are the Group's most significant jurisdictions by assets other than Spain.

Furthermore, the governments in certain regions where the Group operates have exercised, and continue to exercise, significant influence over the local economy. Governmental actions, including changes in laws or regulations or in the interpretation of existing laws or regulations, concerning the economy and state-owned enterprises, or otherwise affecting the Group's activity, could have a significant effect on the private sector entities in general and on BBVA's subsidiaries and affiliates in particular. In addition, the Group's activities in emerging economies, such as Venezuela, are subject to a heightened risk of changes in governmental policies, including expropriation, nationalization, international ownership legislation, interest-rate caps, exchange controls, government restrictions on dividends and tax policies. Any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

Liquidity and Financial Risks

BBVA has a continuous demand for liquidity to fund its business activities. BBVA may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong.

Liquidity and funding continue to remain a key area of focus for the Group and the industry as a whole. Like all major banks, the Group is dependent on confidence in the short- and long-term wholesale funding markets. Should the Group, due to exceptional circumstances or otherwise, be unable to continue to source sustainable funding, its ability to fund its financial obligations could be affected.

BBVA's profitability or solvency could be adversely affected if access to liquidity and funding is constrained or made more expensive for a prolonged period of time. Under extreme and unforeseen circumstances, such as the closure of financial markets and uncertainty as to the ability of a significant number of firms to ensure they can meet their liabilities as they fall due, the Group's ability to meet its financial obligations as they fall due or to fulfill its commitments to lend could be affected through limited access to liquidity (including government and central bank facilities). In such extreme circumstances, the Group may not be in a position to continue to operate without additional funding support, which it may be unable to access. These factors may have a material adverse effect on the Group's solvency, including its ability to meet its regulatory minimum liquidity requirements. These risks can be exacerbated by operational factors such as an over-reliance on a particular source of funding or changes in credit ratings, as well as market-wide phenomena such as market dislocation, regulatory change or major disasters.

In addition, corporate and institutional counterparties may seek to reduce aggregate credit exposures to BBVA (or to all banks), which could increase the Group's cost of funding and limit its access to liquidity. The funding structure employed by the Group may also prove to be inefficient, thus giving rise to a level of funding cost where the cumulative costs are not sustainable over the longer term. The funding needs of the Group may increase and such increases may be material to the Group's business, financial condition and results of operations.

Withdrawals of deposits or other sources of liquidity may make it more difficult or costly for the Group to fund its business on favorable terms or cause the Group to take other actions.

Historically, one of the Group's principal sources of funds has been savings and demand deposits. Large-denomination time deposits may, under some circumstances, such as during periods of significant interest-rate-based competition for these types of deposits, be a less stable source of deposits than savings and demand deposits. The level of wholesale and retail deposits may also fluctuate due to other factors outside the Group's control, such as a loss of confidence (including as a result of political initiatives, including bail-in and/or confiscation and/or taxation of creditors' funds) or competition from investment funds or other products. The recent introduction of a national tax on outstanding deposits could be negative for the Group's activities in Spain. Moreover, there can be no assurance that, in the event of a sudden or unexpected withdrawal of deposits or shortage of funds in the banking systems or money markets in which the Group operates, the Group will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets. In addition, if public sources of liquidity, such as the ECB extraordinary measures adopted in response to the financial crisis since 2008, are removed from the market, there can be no assurance that the Group will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets or taking additional deleverage measures.

Implementation of internationally accepted liquidity ratios might require changes in business practices that affect the profitability of BBVA's business activities.

The liquidity coverage ratio ("**LCR**") is a quantitative liquidity standard developed by the BCBS to ensure that those banking organizations to which this standard is to apply have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. The final standard was announced in January 2013 by the BCBS and, since January 2015, is being phased-in until 2019. Currently the banks to which this standard applies must comply with a minimum LCR requirement of 70% and gradually increase the ratio by 10 percentage points per year to reach 100% by January 2019.

The BCBS's net stable funding ratio ("**NSFR**") has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their on- and off-balance sheet activities that reduces the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that could increase the risk of its failure. The BCBS contemplates that the NSFR, including any revisions, will be implemented by member countries as a minimum standard by January 1, 2018, with no phase-in scheduled. The EU Banking Reforms propose the introduction of a harmonized binding requirement for the NSFR across the EU that will apply two years after the date of entry into force of the amending regulation at a level of 100%.

Various elements of the LCR and the NSFR, as they are implemented by national banking regulators and complied with by BBVA, may cause changes that affect the profitability of business activities and require changes to certain business practices, which could expose BBVA to additional costs (including increased compliance costs) or have a material adverse effect on BBVA's business, financial condition or results of operations. These changes may also cause BBVA to invest significant management attention and resources to make any necessary changes.

The Group's businesses are subject to inherent risks concerning borrower and counterparty credit quality which have affected and are expected to continue to affect the recoverability and value of assets on the Group's balance sheet.

The Group has exposures to many different products, counterparties and obligors, and the credit quality of its exposures can have a significant effect on the Group's earnings. Adverse changes in the credit quality of the Group's borrowers and counterparties or collateral, or in their behavior or businesses, may reduce the value of the Group's assets and materially increase the Group's write-downs and provisions for impairment losses. Credit risk can be affected by a range of factors, including an adverse economic environment, reduced consumer and/or government spending, global economic slowdown, changes in the rating of individual counterparties, the debt levels of individual contractual counterparties and the economic environment they operate in, increased unemployment, reduced asset values, increased personal or corporate insolvency levels, reduced corporate profits, changes (and the timing, quantum and pace of these changes) in interest rates, counterparty challenges to the interpretation or validity of contractual arrangements and any external factors of a legislative or regulatory nature. In recent years, the global economic crisis has driven cyclically high bad debt charges.

Non-performing or low-credit-quality loans have in the past negatively affected, and can continue to negatively affect BBVA's results of operations. BBVA cannot assure that it will be able to effectively control the level of the impaired loans in its total loan portfolio. At present, default rates are partly cushioned by low rates of interest which have improved customer affordability, but the risk remains of increased default rates as interest rates start to rise. The timing, quantum and pace of any rise is a key risk factor. All new lending is dependent on the Group's assessment of each customer's ability to pay, and there is an inherent risk that the Group has incorrectly assessed the credit quality or willingness of borrowers to pay, possibly as a result of incomplete or inaccurate disclosure by those borrowers or as a result of the inherent uncertainty that is involved in the exercise of constructing models to estimate the true risk of lending to counterparties. The Group estimates and establishes reserves for credit risks and potential credit losses inherent in its credit exposure. This process, which is critical to the Group's results and financial condition, requires difficult, subjective and complex judgments, including forecasts of how macroeconomic conditions might impair the ability of borrowers to repay their loans. As is the case with any such assessments, there is always a risk that the Group will fail to adequately identify the relevant factors or that it will fail to estimate accurately the effect of these identified factors, which could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group's business is particularly vulnerable to volatility in interest rates.

The Group's results of operations are substantially dependent upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. Interest rates are highly sensitive to many factors beyond the Group's control, including fiscal and monetary policies of governments and central banks, regulation of the financial sectors in the markets in which it operates, domestic and international economic and political conditions and other factors. Changes in market interest rates, including cases of negative reference rates, can affect the interest rates that the Group receives on its interest-earning assets differently to the rates that it pays for its interest-bearing liabilities. This may, in turn, result in a reduction of the net interest income that the Group receives, which could have a material adverse effect on its results of operations.

In addition, the high proportion of loans referenced to variable interest rates makes debt service on such loans more vulnerable to changes in interest rates. In addition, a rise in interest rates could reduce the demand for credit and the Group's ability to generate credit for its clients, as well as contribute to an increase in the credit default rate. As a result of these and the above factors, significant changes or volatility in interest rates could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group has a substantial amount of commitments with personnel considered wholly unfunded due to the absence of qualifying plan assets.

The Group faces liquidity risk in connection with its ability to make payments on its unfunded commitments with personnel, which it seeks to mitigate, with respect to post-employment benefits, by maintaining insurance contracts which were contracted with insurance companies owned by the Group. The insurance companies have recorded in their balance sheets specific assets (fixed interest deposit and bonds) assigned to the funding of these commitments. The insurance companies also manage derivatives (primarily swaps) to mitigate the interest rate risk in connection with the payments of these commitments. The Group seeks to mitigate liquidity risk with respect to early retirements and post-employment welfare benefits through oversight by the Assets and Liabilities Committee ("**ALCO**") of the Group. The Group's ALCO manages a specific asset portfolio to mitigate the liquidity risk resulting from the payments of these commitments. These assets are government and covered bonds which are issued at fixed interest rates with maturities matching the aforementioned commitments. The Group's ALCO also manages derivatives (primarily swaps) to mitigate the interest rate risk in connection with the payments of these commitments. Should BBVA fail to adequately manage liquidity risk and interest rate risk either as described above or otherwise, it could have a material adverse effect on the Group's business, financial condition, cash flows and results of operations.

BBVA is dependent on its credit ratings, and any reduction of its credit ratings could materially and adversely affect the Group's business, financial condition and results of operations.

BBVA is rated by various credit rating agencies. BBVA's credit ratings are an assessment by rating agencies of its ability to pay its obligations when due. Any actual or anticipated decline in BBVA's credit ratings to below investment grade or otherwise may increase the cost of and decrease the Group's ability to finance itself in the capital markets, secured funding markets (by affecting its ability to replace downgraded assets with better-rated ones), or interbank markets, through wholesale deposits or otherwise, harm its reputation, require it to replace funding lost due to the downgrade, which may include the loss of customer deposits, and make third parties less willing to transact business with the Group or otherwise materially adversely affect its business, financial condition and results of operations. Furthermore, any decline in BBVA's credit ratings to below investment grade or otherwise could breach certain agreements or trigger additional obligations under such agreements, such as a requirement to post additional collateral, which could materially adversely affect the Group's business, financial condition and results of operations.

Highly-indebted households and corporations could endanger the Group's asset quality and future revenues.

In recent years, households and businesses have reached a high level of indebtedness, particularly in Spain, which has created increased risk in the Spanish banking system. In addition, the high proportion of loans referenced to variable interest rates makes debt service on such loans more vulnerable to upward movements in interest rates and the profitability of the loans more vulnerable to interest rate decreases. Highly indebted households and businesses are less likely to be able to service debt obligations as a result of adverse economic events, which could have an adverse effect on the Group's loan portfolio and, as a result, on its financial condition and results of operations. Moreover, the increase in households' and businesses' indebtedness also limits their ability to incur additional debt, reducing the number of new products that the Group may otherwise be able to sell to them and limiting the Group's ability to attract new customers who satisfy its credit standards, which could have an adverse effect on the Group's ability to achieve its growth plans.

The Group depends in part upon dividends and other funds from subsidiaries.

Some of the Group's operations are conducted through its financial services subsidiaries. As a result, BBVA's ability to pay dividends, to the extent BBVA decides to do so, depends in part on the ability of the Group's subsidiaries to generate earnings and to pay dividends to BBVA. Payment of dividends, distributions and advances by the Group's subsidiaries will be contingent upon their earnings and business considerations and is or may be limited by legal, regulatory and contractual restrictions. For instance, the repatriation of dividends from the Group's Venezuelan and Argentinean subsidiaries have been subject to certain restrictions and there is no assurance that further restrictions will not be imposed. Additionally, BBVA's right to receive any assets of any of the Group's subsidiaries as an equity holder of such subsidiaries upon their liquidation or reorganization will be effectively subordinated to the claims of subsidiaries' creditors, including trade creditors. The Group also has to comply with increased capital requirements, which could result in the imposition of restrictions or prohibitions on discretionary payments including the payment of dividends (see "*—Increasingly onerous capital requirements may have a material adverse effect on the Issuer's business, financial condition and results of operations*").

Business and Industry Risks

The Group faces increasing competition in its business lines.

The markets in which the Group operates are highly competitive and this trend will likely continue. In addition, the trend towards consolidation in the banking industry has created larger and stronger banks with which the Group must now compete.

The Group also faces competition from non–bank competitors, such as payment platforms, ecommerce businesses, department stores (for some credit products), automotive finance corporations, leasing companies, factoring companies, mutual funds, pension funds, insurance companies and public debt.

There can be no assurance that this competition will not adversely affect the Group's business, financial condition, cash flows and results of operations.

The Group faces risks related to its acquisitions and divestitures.

The Group's mergers and acquisitions activity involves divesting its interests in some businesses and strengthening other business areas through acquisitions. The Group may not complete these transactions in a timely manner, on a cost-effective basis or at all. Even though the Group reviews the companies it plans to acquire, it is generally not feasible for these reviews to be complete in all respects. As a result, the Group may assume unanticipated liabilities, or an acquisition may not perform as well as expected. In addition, transactions such as these are inherently risky because of the difficulties of integrating people, operations and technologies that may arise. There can be no assurance that any of the businesses that the Group acquires can be successfully integrated or that they will perform well once integrated. Acquisitions may also lead to potential write-downs due to unforeseen business developments that may adversely affect the Group's results of operations. The Group's results of operations could also be negatively affected by acquisition or divestiture-related charges, amortization of expenses related to intangibles and charges for impairment of long-term assets. The Group may be subject to litigation in connection with, or as a result of, acquisitions or divestitures, including claims from terminated employees, customers or third parties, and the Group may be liable for future or existing litigation and claims related to the acquired business or divestiture because either the Group is not indemnified for such claims or the indemnification is insufficient. These effects could cause the Group to incur significant expenses and could materially adversely affect its business, financial condition, cash flows and results of operations.

The Group is party to lawsuits, tax claims and other legal proceedings.

Due to the nature of the Group's business, BBVA and its subsidiaries are involved in litigation, arbitration and regulatory proceedings in jurisdictions around the world, the financial outcome of which is unpredictable, particularly where the claimants seek unspecified or undeterminable damages, or where the cases argue novel legal theories, involve a large number of parties or are at early stages of discovery. An adverse outcome or settlement in these proceedings could result in significant costs and may have a material adverse effect on the Group's business, financial condition, cash flows, results of operations and reputation. In addition, responding to the demands of litigation may divert management's time and attention and financial resources. While the Group has provisioned such risks based on the opinions and advice of its legal advisors and in accordance with applicable accounting rules, it is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to the Group, could exceed the amount of provisions made for such risks, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations. For more information regarding provisions with respect to proceedings on the potential retroactivity of compensation to customers regarding certain mortgages clauses, see "*Legal Proceedings.*"

The Group's ability to maintain its competitive position depends significantly on its international operations, which expose the Group to foreign exchange, political and other risks in the countries in which it operates, which could cause an adverse effect on its business, financial condition and results of operations.

The Group operates in various countries and its overall success as a global business depends upon its ability to succeed in differing economic, social and political conditions. The Group is particularly sensitive to developments in Mexico, the United States, Turkey and Argentina, which represented 13.26%, 11.53%, 11.87% and 1.03% of the Group's assets as of December 31, 2015, respectively.

The Group is confronted with different legal and regulatory requirements in many of the jurisdictions in which it operates. See "*—Legal, Regulatory and Compliance Risks—Local regulation may have a material effect on BBVA's business, financial condition, results of operations and cash flows*." These include, but are not limited to, different tax regimes and laws relating to the repatriation of funds or nationalization or expropriation of assets. The Group's international operations may also expose it to risks and challenges which its local competitors may not be required to face, such as exchange rate risk, difficulty in managing a local entity from abroad, political risk which may be particular to foreign investors and limitations on the distribution of dividends.

The Group's presence in locations such as the Latin American markets or Turkey requires it to respond to rapid changes in market conditions in these countries and exposes the Group to increased risks relating to emerging markets. See "*—Macroeconomic Risks—The Group may be materially adversely affected by developments in the emerging markets where it operates*." There can be no assurance that the Group will succeed in developing and implementing policies and strategies that are effective in each country in which it operates or that any of the foregoing factors will not have a material adverse effect on its business, financial condition and results of operations.

BBVA is party to a shareholders' agreement with Doğuş Holding A.Ş., among other shareholders, in connection with Garanti which may affect BBVA's ability to achieve the expected benefits from its interest in Garanti.

On November 1, 2010, BBVA entered into a shareholders' agreement with Doğuş Holding A.Ş., Doğuş Nakliyat ve Ticaret A.Ş. and Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. (the "**Doğuş Group**"), in connection with the acquisition of its initial interest in Garanti (the "**original SHA**"). On November 19, 2014, BBVA and the Doğuş Group entered into an agreement that amends and restates the original SHA and which came into force upon completion of BBVA's acquisition of an additional 14.89% interest in Garanti (the "**amended and restated SHA**"), bringing the Group's total shareholding in Garanti to 39.9%. The amended and restated SHA allows BBVA to appoint the Chairman of Garanti's board of directors, the majority of its members and Garanti's CEO, but provides that certain reserved matters must be implemented or approved (either at a meeting of the shareholders or of the board of directors) only with the consent of each party. For example, for so long as the Doğuş Group owns shares representing over 9.95% of the share capital of Garanti, the disposal or discontinuance of, or material changes to, any line of business or business entity within the Garanti group that has a value in excess of 25% of the Garanti group's total net assets in one financial year will require the Doğuş Group's consent. If BBVA and the Doğuş Group are unable to agree on such reserved matters, Garanti's business, financial condition and results of operations may be adversely affected and BBVA may fail to achieve the expected benefits from its interest in Garanti. In addition, due to BBVA's and Garanti's association with the Doğuş Group, which is one of the largest Turkish conglomerates with business interests in the financial services, construction, tourism and automotive sectors, any financial reversal, negative publicity or other adverse circumstance relating to the Doğuş Group could adversely affect Garanti or BBVA.

Weaknesses or failures in the Group's internal processes, systems and security could materially adversely affect its results of operations, financial condition or prospects, and could result in reputational damage.

Operational risks, through inadequate or failed internal processes, systems (including financial reporting and risk-monitoring processes) or security, or from people-related or external events, including the risk of fraud and other criminal acts carried out by Group employees or against Group companies, are present in the Group's businesses. These businesses are dependent on processing and reporting accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. Any weakness in these internal processes, systems or security could have an adverse effect on the Group's results, the reporting of such results and on the ability to deliver appropriate customer outcomes during the affected period. In addition, any breach in security of the Group's systems could disrupt its business, result in the disclosure of confidential information and create significant financial and legal exposure for the Group. Although the Group devotes significant resources to maintain and regularly update its processes and systems that are designed to protect the security of its systems, software, networks and other technology assets, there is no assurance that all of its security measures will provide absolute security. Any damage to the Group's reputation (including to customer confidence) arising from actual or perceived inadequacies, weaknesses or failures in its systems, processes or security could have a material adverse effect on its business, financial condition and results of operations.

The financial industry is increasingly dependent on information technology systems, which may fail, may not be adequate for the tasks at hand or may no longer be available.

Banks and their activities are increasingly dependent on highly sophisticated information technology ("**IT**") systems. IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, computer viruses, hacking and physical damage to vital IT centers. IT systems need regular upgrading and banks, including BBVA, may not be able to implement necessary upgrades on a timely basis or upgrades may fail to function as planned. Furthermore, failure to protect financial industry operations from cyberattacks could result in the loss or compromise of customer data or other sensitive information. These threats are increasingly sophisticated and there can be no assurance that banks will be able to prevent all breaches and other attacks on its IT systems. In addition to costs that may be incurred as a result of any failure of IT systems, banks, including BBVA, could face fines from bank regulators if they fail to comply with applicable banking or reporting regulations.

BBVA's financial statements and periodic disclosure under securities laws may not provide the same information as financial statements prepared under U.S. accounting rules and periodic disclosures provided by domestic U.S. issuers.

Publicly available information about public companies in Spain is generally less detailed and not as frequently updated as the information that is regularly published by or about listed companies in the United States. In addition, although BBVA is subject to the periodic reporting requirements of the Exchange Act, the periodic disclosure required of foreign private issuers such as BBVA under the Exchange Act is more limited than the periodic disclosure required of U.S. issuers. Finally, BBVA maintains its financial accounts and records and prepares its financial statements in accordance with EU-IFRS required to be applied under the Bank of Spain's Circular 4/2004 and in compliance with IFRS-IASB, which differs in certain respects from U.S. GAAP, the financial reporting standard to which many investors in the United States may be more accustomed.

BBVA's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of its operations and financial position.

The preparation of financial statements in accordance with IFRS-IASB requires the use of estimates. It also requires management to exercise judgment in applying relevant accounting policies. The key areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include credit impairment charges for amortized cost assets, impairment and valuation of available-for-sale investments, calculation of income and deferred tax, fair value of financial instruments, valuation of goodwill and intangible assets, valuation of provisions and accounting for pensions and post-retirement benefits. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the Group, beyond that anticipated or provided for, which could have an adverse effect on the Group's business, financial condition and results of operations.

Observable market prices are not available for many of the financial assets and liabilities that the Group holds at fair value, and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Group's financial statements.

The further development of standards and interpretations under IFRS-IASB could also significantly affect the results of operations, financial condition and prospects of the Group.

Risks Related to Early Intervention and Resolution

The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes.

The BRRD (which has been implemented in Spain through Law 11/2015 and RD 1012/2015) is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in unsound or failing credit institutions or investment firms (each, an "**institution**") so as to ensure the continuity of the institution's critical financial and economic functions, while minimizing the impact of an institution's failure on the economy and financial system. The BRRD further provides that any extraordinary public financial support through additional financial stabilization tools is only to be used by a Member State as a last resort, after having assessed and exploited the below resolution tools to the maximum extent possible while maintaining financial stability.

In accordance with Article 20 of Law 11/2015, an institution will be considered as failing or likely to fail in any of the following circumstances: (i) it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements necessary for maintaining its authorization; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). The determination that an institution is no longer viable may depend on a number of factors which may be outside of that institution's control.

As provided in the BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the Fund for Orderly Bank Restructuring (*Fondo de Restructuración Ordenada Bancaria*) (the "**FROB**"), the Single Resolution Mechanism ("**SRM**") or, as the case may be and according to Law 11/2015, the Bank of Spain or the Spanish Securities Market Commission or any other entity with the authority to exercise any such tools and powers from time to time (each, a "**Relevant**

Spanish Resolution Authority") as appropriate, considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest. The four resolution tools are (i) sale of business, which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution, which enables resolution authorities to transfer all or part of the business of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the institution to meet its repayment obligations; (iii) asset separation, which enables resolution authorities to transfer impaired or problem assets to one or more asset management vehicles to allow them to be managed with a view to maximizing their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in, by which the Relevant Spanish Resolution Authority may exercise the Spanish Bail-in Power.

The "**Spanish Bail-in Power**" is any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to the transposition of the BRRD, as amended from time to time, including but not limited to (i) Law 11/2015, as amended from time to time; (ii) RD 1012/2015, as amended from time to time; (iii) the SRM Regulation, as amended from time to time; and (iv) any other instruments, rules or standards made in connection with either (i), (ii) or (iii), pursuant to which any obligation of an institution can be reduced (which may result in the reduction of the relevant claim to zero), cancelled, modified, transferred or converted into shares, other securities, or other obligations of such institution or any other person (or suspended for a temporary period).

In accordance with Article 48 of Law 11/2015 (and subject to any exclusions that may be applied by the Relevant Spanish Resolution Authority under Article 43 of Law 11/2015), in the case of any application of the Spanish Bail-in Power, the sequence of any resulting write-down or conversion by the Relevant Spanish Resolution Authority shall be in the following order: (i) CET1 instruments; (ii) Additional Tier 1 instruments; (iii) Tier 2 instruments; (iv) other subordinated claims that do not qualify as Additional Tier 1 capital or Tier 2 capital; and (v) the eligible senior claims prescribed in Article 41 of Law 11/2015.

Any application of the Spanish Bail-in Power under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings (unless otherwise provided by the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to BBVA and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to BBVA and/or the Group)). Accordingly, the impact of such application on Noteholders will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors.

To the extent that any resulting treatment of Noteholders pursuant to the exercise of the Spanish Bail-in Power is less favorable than would have been the case under such hierarchy in normal insolvency proceedings based on an independent valuation of the institution, a Noteholder would have a right to compensation under the BRRD, as implemented through Law 11/2015, RD 1012/2015 or any other regulation applicable at any time in the Kingdom of Spain. Any such compensation is unlikely to compensate that Noteholder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes.

The powers set out in the BRRD as implemented through Law 11/2015 and RD 1012/2015 will impact how credit institutions and investment firms are managed, as well as, in certain circumstances, the rights of creditors. Pursuant to Law 11/2015, Noteholders may be subject to, among other things, a write-down and/or conversion into equity or other securities or obligations of such Notes on any application of the Spanish Bail-in Power. The exercise of any such powers (or any of the other resolution powers and tools) may result in such Noteholders losing some or all of their investment or otherwise having their rights under such Notes adversely affected. Such application could also involve modifications to, or the disapplication of, provisions in the terms and conditions of the Notes, including alteration of the principal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period. As a result, the exercise of the Spanish Bail-in Power with respect to the Notes or the taking by an authority of any other action, or any suggestion that the exercise or taking of any such action may happen, could materially adversely affect the rights of Noteholders, the market price or value or trading behavior of any Notes and/or the ability of BBVA to satisfy its obligations under any Notes.

By its acquisition or acceptance of a Note, each holder (including, for these purposes, each holder of a beneficial interest in a Note) will acknowledge, accept, consent and agree to be bound by (i) the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note, and (ii) the variation of the terms of any Note, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. See "*—Risks Related to the Notes Generally—Under the terms of the Notes, Noteholders have agreed to be bound by the exercise of any Spanish Bail-in Power by the Relevant Spanish Resolution Authority".* In addition, each holder (including, for these purposes, each holder of a beneficial interest in a Note) may have limited or circumscribed rights to challenge any decision of the Spanish Resolution Authority to exercise its Spanish Bail-in Power. See "*—Noteholders may not be able to exercise their rights in the event of the adoption of any early intervention or resolution measure under Law 11/2015."*

Furthermore, the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to the Notes is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of BBVA control. In addition, as the Relevant Spanish Resolution Authority will retain an element of discretion, holders of the Notes may not be able to refer to publicly available criteria in order to anticipate any potential exercise of any such Spanish Bail-in Power. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any Spanish Bail-in Power by the Relevant Spanish Resolution Authority may occur.

This uncertainty may adversely affect the value of the Notes. The price and trading behavior of the Notes may be affected by the threat of a possible exercise of any power under Law 11/2015 (including any early intervention measure before any resolution) or any suggestion of such exercise, even if the likelihood of such exercise is remote. Moreover, the Relevant Spanish Resolution Authority may exercise any such powers without providing any advance notice to the holders of the Notes.

In addition, the EBA's preparation of certain regulatory technical standards and implementing technical standards to be adopted by the European Commission and certain other guidelines is pending. These acts could be potentially relevant to determining when or how a Relevant Spanish Resolution Authority may exercise the Spanish Bail-in Power. The pending acts include guidelines on the treatment of shareholders in bail-in or the write-down and conversion of capital instruments, and on the rate of conversion of debt to equity or other securities or obligations in any bail-in. No assurance can be given that, once adopted, these standards will not be detrimental to the rights of a Noteholder under, and the value of a Noteholder's investment in, the Notes.

Noteholders may not be able to exercise their rights in the event of the adoption of any early intervention or resolution measure under Law 11/2015.

BBVA may be subject to a procedure of early intervention or resolution pursuant to the BRRD as implemented through Law 11/2015 and RD 1012/2015 if BBVA or its group of consolidated credit entities is in breach (or if due, among other things, to a rapidly deteriorating financial condition, it is likely in the near future to be in breach) of applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls or the conditions for resolution referred to above are met (see "—*The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes*").

Pursuant to Law 11/2015, the adoption of any early intervention or resolution procedure shall not itself constitute a default or entitle any counterparty of BBVA to exercise any rights it may otherwise have in respect thereof, and any provision providing for such rights shall further be deemed not to apply. However, this does not limit the ability of a counterparty to exercise its rights accordingly where a default arises either before or after the exercise of any such early intervention or resolution procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 11/2015.

Any enforcement by a Noteholder of its rights under the Notes following the adoption of any early intervention or resolution procedure will, therefore, be subject to the relevant provisions of the BRRD, Law 11/2015 and RD 1012/2015 in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to above (see "—*The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes*") and the suspension of payments proposed by the EU Banking Reforms. Any claims of a Noteholder will consequently be limited by the application of any measures pursuant to the provisions of Law 11/2015. There can be no assurance that the taking of any such action would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of BBVA to satisfy its obligations under the Notes, and the enforcement by a holder of any rights it may otherwise have may be limited in these circumstances.

Any failure by BBVA and/or the Group to comply with its minimum requirement for own funds and eligible liabilities (MREL) could have a material adverse effect on BBVA's business, financial condition and results of operations.

The BRRD prescribes that banks shall hold a minimum level of own funds and eligible liabilities in relation to total liabilities ("**MREL**"). According to Commission Delegated Regulation (EU) 2016/1450 of May 23, 2016 (the "**MREL Delegated Regulation**"), the level of own funds and eligible liabilities required under MREL will be set by the resolution authority for each bank (and/or group) based on, among other things, the criteria set forth in Article 45.6 of the BRRD, including the systemic importance of the institution. Eligible liabilities may be senior or subordinated, provided that, among other requirements, they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The MREL requirement came into force on January 1, 2016. However, the EBA has recognized the impact which this requirement may have on banks' funding structures and costs, and the MREL Delegated Regulation states that the resolution authorities shall determine an appropriate transitional period but that this shall be as short as possible. As part of the EU Banking Reforms, the European

Commission published on November 23, 2016 a Proposal for a Directive of the European Parliament and the Council on amendments to the BRRD as regards the ranking of unsecured debt instruments in the insolvency hierarchy (the "**MREL Proposal**"). The MREL Proposal proposes to harmonize national laws on recovery and resolution of credit institutions and investment firms, in particular as regards their loss-absorbency and recapitalization capacity in resolution, and proposes the creation of a new asset class of "non-preferred" senior debt that should only be bailed-in after other capital instruments but before other senior liabilities. The MREL Proposal anticipates that Member States will transpose the proposed amendments into the BRRD in their national laws by approximately June 2017 and that banks to which the amendments apply will have to comply with the amended rules by approximately July 2017.

On November 9, 2015, the FSB published its final Total Loss-Absorbing Capacity ("**TLAC**") Principles and Term Sheet (the "**TLAC Principles and Term Sheet**"), proposing that G-SIBs maintain significant minimum amounts of liabilities that are subordinated (by law, contract or structurally) to certain prior-ranking liabilities, such as guaranteed insured deposits, and forming a new standard for G-SIBs. The TLAC Principles and Term Sheet contain a set of principles on loss-absorbing and recapitalization capacity of G-SIBs in resolution and a term sheet for the implementation of these principles in the form of an internationally agreed standard. The FSB will undertake a review of the technical implementation of the TLAC Principles and Term Sheet by the end of 2019. The TLAC Principles and Term Sheet require a minimum TLAC requirement to be determined individually for each G-SIB at the greater of (a) 16% of risk-weighted assets as of January 1, 2019 and 18% as of January 1, 2022, and (b) 6% of the Basel III Tier 1 leverage ratio exposure measured as of January 1, 2019, and 6.75% as of January 1, 2022. BBVA will no longer be classified as a G-SIB by the FSB with effect from January 1, 2017. However, if BBVA were to be so classified in the future or if TLAC requirements as set out below are adopted and implemented in Spain and extended to non-G-SIBs through the imposition of similar MREL requirements, then this could create additional minimum capital requirements for BBVA.

In this regard, the EBA submitted on December 14, 2016 a final report on the implementation and design of the MREL framework (the "**EBA MREL Report**"), which contains a number of recommendations to amend the current MREL framework. Additionally, the EU Banking Reforms contain the legislative proposal of the European Commission for the amendment of the MREL framework and the implementation of the TLAC standards. The EU Banking Reforms propose the amendment of a number of aspects of the MREL framework to align it with the TLAC standards included in the TLAC Principles and Term Sheet. To maintain coherence between the MREL rules applicable to G-SIBs and those applicable to non-G-SIBs, the EU Banking Reforms also propose a number of changes to the MREL rules applicable to non-G-SIBs. While the EU Banking Reforms propose for a minimum harmonized or "Pillar 1" MREL requirement for G-SIBs, in the case of non-G-SIBs, it is proposed that MREL requirements will be imposed on a bank-specific basis. For G-SIBs, it is also proposed that a supplementary or "Pillar 2" MREL requirement may be further imposed on a bank-specific basis. The EU Banking Reforms further provide for the resolution authorities to give guidance to an institution to have own funds and eligible liabilities in excess of the requisite levels for certain purposes.

If the Relevant Spanish Resolution Authority finds that there could exist any obstacles to resolvability by BBVA and/or the Group, a higher MREL requirement could be imposed.

Neither the BRRD nor the MREL Delegated Regulation provides details on the implications of a failure by an institution to comply with its MREL requirement. However, the EU Banking Reforms propose that this be addressed by the relevant authorities on the basis of their powers to address or remove impediments to resolution, the exercise of their supervisory powers under the CRD IV Directive, early intervention measures, and administrative penalties and other administrative measures.

Furthermore, in accordance with the EBA MREL Report, the EBA recommends that resolution authorities and competent authorities should engage in active monitoring of compliance with their respective requirements and considers that (i) the powers of resolution authorities to respond to a breach of MREL should be enhanced (which would require resolution authorities to be given the power to require the preparation and execution of an MREL restoration plan, to use their powers to address impediments to resolvability, to request that distribution restrictions be imposed on an institution by a competent authority and to request a joint restoration plan in cases where an institution breaches both MREL and minimum capital requirements); (ii) competent authorities should also respond to breaches of minimum capital requirements and MREL; (iii) resolution authorities should assume a lead role in responding to a failure to issue or roll over MREL-eligible debt leading to a breach of MREL; (iv) if there are both losses and a failure to roll over or issue MREL-eligible debt, both the relevant resolution authority and relevant competent authority should attempt to agree on a joint restoration plan (provided that both authorities believe that the institution is not failing or likely to fail); and (v) resolution and competent authorities should closely cooperate and coordinate. The EU Banking Reforms also provide for resolution and competent authorities to consult each other in the exercise of their respective powers in relation to any breaches of MREL. In addition, under the EBA Guidelines on triggers for use of early intervention measures of May 8, 2015 a significant deterioration in the amount of eligible liabilities and own funds held by an institution for the purposes of meeting its MREL requirements may put an institution in a situation where conditions for early intervention are met, which may result in the application by the competent authority of early intervention measures.

Accordingly, any failure by BBVA and/or the Group to comply with its MREL requirement may have a material adverse effect on BBVA's business, financial conditions and results of operations and could result in the imposition of restrictions or prohibitions on discretionary payments by BBVA, including the payment of dividends. There can also be no assurance as to the relationship between the "Pillar 2" additional own funds requirements, the "combined buffer requirement", the MREL requirement once implemented in Spain and the restrictions or prohibitions on discretionary payments. Further, as outlined in the EBA MREL Report, the EBA's recommendation is that an institution will not be able to use the same CET 1 capital to meet both MREL and the combined buffer requirements. Further, the EU Banking Reforms provide that, in the case of the own funds and eligible liabilities of an institution that may otherwise contribute to the combined buffer requirement where there is any shortfall in MREL, this will be considered as a failure to meet the combined buffer requirement such that those own funds will automatically be used instead to meet that institution's MREL requirement and will no longer count towards its combined buffer requirement. Accordingly, this could trigger a limit on discretionary payments (see "*—Increasingly onerous capital requirements may have a material adverse effect on the Issuer's business, financial condition and results of operations*"). Additionally, if the Relevant Spanish Resolution Authority finds that there could exist any obstacles to resolvability by the Issuer and/or the Group, a higher MREL requirement could be imposed.

Contributions for assisting in the future recovery and resolution of the Spanish banking sector may have a material adverse effect on the Issuer's business, financial condition and results of operations.

In 2015, Law 11/2015 and RD 1012/2015 established a requirement for Spanish credit institutions, including BBVA, to make at least an annual ordinary contribution to the National Resolution Fund (*Fondo de Resolución Nacional*), payable on request of the FROB. The total amount of contributions to be made to the National Resolution Fund by all Spanish banking entities must equal at least 1% of the aggregate amount of all deposits guaranteed by the Deposit Guarantee Fund by December 31, 2024. The contribution will be adjusted to the risk profile of each institution in accordance with the criteria set out in RD 1012/2015. The FROB may, in addition, collect extraordinary contributions.

Furthermore, Law 11/2015 has also established in 2015 an additional charge (*tasa*) which shall be used to further fund the activities of the FROB, in its capacity as a resolution authority, which charge shall equal 2.5% of the above annual ordinary contribution to be made to the National Resolution Fund.

In addition, since 2016, BBVA has been required to make contributions directly to the EU Single Resolution Fund, once the National Resolution Fund has been integrated into it, and will have to pay supervisory fees to the SSM and the SRM. See "*—Regulatory developments related to the EU fiscal and banking union may have a material adverse effect on the Issuer's business, financial condition and results of operations*."

Any levies, taxes or funding requirements imposed on BBVA pursuant to the foregoing or otherwise in any of the jurisdictions where it operates could have a material adverse effect on BBVA's business, financial condition and results of operations.

RISKS RELATED TO THE NOTES GENERALLY

See also "*Risks Related to Early Intervention and Resolution—The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes*."

Under the terms of the Notes, Noteholders have agreed to be bound by the exercise of any Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

Pursuant to Article 46 of Law 11/2015, which implements Article 55 of the BRRD, subject to limited exceptions, unsecured liabilities of a financial institution governed by the laws of a third country (which include the Notes) must contain a contractual acknowledgment whereby the holders recognize that such liability may be subject to the Spanish Bail-in Power and agree to be bound by the exercise of those powers by the Relevant Spanish Resolution Authority.

Notwithstanding any other term of the Notes, the Amended and Restated Issuing and Paying Agency Agreement or any other agreements, arrangements, or understandings between BBVA and any holder of a Note, by its acquisition or acceptance of a Note, each holder of a Note (which, for these purposes, includes each holder of a beneficial interest in a Note) acknowledges, accepts, consents and agrees to be bound by (i) the exercise and the effects of the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority, which may be imposed with or without any prior notice with respect to the Notes, and which exercise (without limitation) may include and result in any of the following, or some combination thereof: (1) the reduction or cancellation of all, or a portion, of the Amounts Due on any Note; (2) the conversion of all, or a portion, of the Amounts Due on any Note into shares, other securities or other obligations of BBVA or another person (and the issue to or conferral on such holder of any such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of any Note; (3) the cancellation of any Note; and (4) the amendment or alteration of the maturity of, or amendment of the amount of interest payable on, any Note, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and (ii) the variation of the terms of any Note, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

In addition, no repayment or payment of Amounts Due on the Notes will become due and payable or be paid after the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Any Spanish Bail-in Power may be exercised in such a manner as to result in holders (including, for these purposes, each holder of a beneficial interest in a Note) losing the value of all or a part of your investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Relevant Spanish Resolution Authority may exercise its authority to implement the Spanish Bail-in Power without providing any advance notice to the holders of the Notes. For more information, see "*—Risks that Affect BBVA—Risks Related to Early Intervention and Resolution—The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes.*"

Claims of Noteholders under the Notes are effectively junior to those of certain other creditors.

The Notes are unsecured and unsubordinated obligations of BBVA. The Notes will rank equally with any of BBVA's other outstanding unsecured and unsubordinated obligations, present and future, but (a) subject to the exercise of any power pursuant to Law 11/2015, RD 1012/2015 or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Spain and (b) in the event of insolvency, only to the extent permitted by the Insolvency Law (as defined herein) or other applicable laws relating to or affecting the enforcement of creditors' rights in Spain.

Upon insolvency, the obligations of BBVA under the Notes will be effectively subordinated to all of BBVA's secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other obligations that rank senior under Spanish law (including, among other things, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015 and any claims against the insolvency estate). The Notes are also structurally subordinated to all indebtedness of subsidiaries of BBVA insofar as any right of BBVA to receive any assets of such companies upon their winding up will be effectively subordinated to the claims of the creditors of those companies in the winding-up.

Moreover, the BRRD and Law 11/2015 contemplate that Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. This may involve the variation of the terms of the Notes or a change in their form, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

There are restrictions on the ability to resell Notes.

The Notes have not been registered under the Act, any state securities laws or the laws of any other jurisdiction. Absent such registration, the Notes may be offered or sold only in transactions that are not subject to, or that are exempt from, the registration requirement of the Act and applicable state securities laws.

Noteholders may be unable to enforce judgments obtained in U.S. courts against BBVA.

Most of the Directors and executive officers of BBVA are not residents of the United States, and substantially all the assets of BBVA are located outside of the United States. As a consequence, holders (including, for these purposes, each holder of a beneficial interest in a Note) may not be able to effect service of process on these non-U.S. resident Directors and executive officers in the United States or to enforce judgments against them outside of the United States. Spanish counsel has advised that there is doubt as to whether a Spanish court would enforce a judgment of liability obtained in the United States against BBVA predicated solely upon the securities laws of the United States.

The Issuing and Paying Agent may withhold or deduct amounts from payment made to Noteholders in certain instances.

If the Issuing and Paying Agent is required under any applicable law to withhold or deduct from any payment it makes under the Notes any present or future taxes, duties or charges (including as a result of a failure by the relevant holder to satisfy any certification requirements), the Issuing and Paying Agent will be entitled to make the payment after such withholding or deduction has been made. Except as specifically described in "Key Features of the Program—Additional Amounts" with respect to Spanish taxes, no additional amounts will be paid with respect to any withholding or deduction from payments on the Notes.

Reliance on The Depository Trust Company procedures.

Notes will be represented on issue by Master Notes that will be deposited with a common depositary for DTC. Except in the circumstances described in the applicable Master Note, investors will not be entitled to receive Notes in definitive form. DTC and its respective direct and indirect participants will maintain records of the beneficial interests in each Master Note. While the Notes are represented by one or more Master Notes, investors will be able to trade their beneficial interests only through DTC and its respective participants.

While the Notes are represented by one or more Master Notes, BBVA will discharge its payment obligation under the Notes by making payments through the relevant clearing system. A holder of a beneficial interest in a Master Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. BBVA has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in a Master Note.

Holders of beneficial interests in a Master Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks Related to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and the market price of the Notes may be subject to factors outside of BBVA's control, all of which could adversely affect the value at which an investor could sell his Notes.

The Notes may have no established trading market when issued, and one may never develop. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If a market does develop, it may not be very liquid. The market price of the Notes could also be affected by market conditions more generally and other factors outside of BBVA's control and unrelated to the Group's business, financial condition and results of operations. Therefore, investors may not be able to sell their Notes at a particular time or may not be able to sell their Notes at a favorable price.

Although applications have been made for Notes issued under the Program to be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

The liquidity of any market for the Notes will depend on a number of factors including:

- the number of holders of the Notes;
- BBVA's ratings published by major credit rating agencies;
- BBVA's financial performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

No assurance can be given that an active market for the Notes will develop or, if developed, that it will continue.

If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

BBVA will pay principal and interest on the Notes in U.S. Dollars ("**Program Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Program Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Program Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Program Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of BBVA to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of fixed rate Notes may be adversely affected by movements in market interest rates.

Investment in fixed rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the fixed rate Notes, this will adversely affect the value of the fixed rate Notes.

Credit ratings assigned to BBVA or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Notes (including on an unsolicited basis). The ratings may not reflect the potential impact of all risks related to structure and market of the Notes and additional factors discussed above, and do not address the price, if any, at which the Notes may be resold prior to maturity (which may be substantially less than the original offering price of the Notes) and other factors that may affect the value of the Notes. However, real or anticipated changes in BBVA's credit ratings will generally affect the market values of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European-regulated investors are restricted under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out in this Listing Prospectus.

Documents Incorporated by Reference

BBVA is subject to the informational requirements of the Exchange Act, and in accordance therewith files reports and certain other public information ("**SEC Filings**") with the SEC. SEC Filings are available to read at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at +1-800-SEC-0330 for more information about the SEC's Public Reference Room. The SEC also maintains an Internet site at http://www.sec.gov that contains in electronic form the reports and other information that BBVA has electronically filed with, or furnished to, the SEC. In addition, BBVA has produced this Listing Prospectus that contains information regarding BBVA and the Notes, including a section entitled "Risk Factors" that contains a description of certain risks to Noteholders. This Listing Prospectus is available on the website maintained by the Irish Stock Exchange at http://www.ise.ie and on the website maintained by BBVA at www.bbva.com. The contents of the Irish Stock Exchange's and BBVA's respective websites do not form part of this Listing Prospectus.

Certain information that BBVA has filed with or furnished to the SEC is incorporated by reference in this Listing Prospectus. The information incorporated by reference is deemed to be part of this Listing Prospectus. The following documents shall be deemed incorporated by reference:

1. BBVA's report on Form 6-K furnished to the SEC on December 21, 2016 (SEC Accession No.: 0001193125-16-799993), regarding the judgment of the Court of Justice of the European Union with respect to "floor" clauses in mortgage loans;

2. BBVA's report on Form 6-K furnished to the SEC on December 19, 2016 (SEC Accession No.: 0001193125-16-796398), which includes BBVA's unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2016;

3. BBVA's report on Form 6-K furnished to the SEC on September 27, 2016 (SEC Accession No.: 0001193125-16-720634), which includes BBVA's unaudited interim consolidated financial statements for the six months ended June 30, 2016;

4. BBVA's annual report on Form 20-F for the year ended December 31, 2015, as filed with the SEC on April 6, 2016, which includes BBVA's recast consolidated financial statements for the three years ended December 31, 2015 (the "**Consolidated Financial Statements**"); and

5. BBVA's annual report on Form 20-F for the year ended December 31, 2014, as filed with the SEC on April 15, 2015.

All documents filed by BBVA with the SEC pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act subsequent to the date of this Listing Prospectus and prior to termination of the offering of the Notes shall be deemed to be incorporated by reference herein.

Copies of the documents specified above are available for inspection at the Irish Stock Exchange.

Copies of annual financial statements of BBVA will be provided without charge to each purchaser of Notes upon request. Requests should be directed to Banco Bilbao Vizcaya Argentaria, S.A., Calle Azul, 4, 28050 Madrid, Spain, Attention: Finance Department, or by phone at +34 91 537 7253 or +34 91 537 8195 or email to finance.department@bbva.com.

Other than as described above, no information is incorporated into this Listing Prospectus by reference.

BBVA is offering the opportunity to each prospective purchaser, prior to purchasing any Notes, to ask questions of, and receive answers from, BBVA and to obtain additional information to the extent that BBVA possesses the same or can acquire it without unreasonable effort or expense. To ask any such questions or request relevant additional information regarding the offering of the Notes or BBVA contact:

Banco Bilbao Vizcaya Argentaria, S.A.
Calle Azul, 4
28050 Madrid
Spain
Attn: Finance Department
E-mail address: finance.department@bbva.com
+34 91 537 7253 / +34 91 537 8195

Any statement contained in this Listing Prospectus or in a document incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Listing Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Listing Prospectus.

KEY FEATURES OF THE PROGRAM

Notes

Issuer:	Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**").
Place of Incorporation:	BBVA is an entity incorporated and domiciled in Spain and which operates under the Spanish Corporations Law as a limited liability company (a *sociedad anónima* or S.A.).
Securities:	Unsecured notes issued by BBVA from time to time (the "**Notes**").
Issuing and Paying Agent:	The Bank of New York Mellon is acting as Issuing and Paying Agent with respect to the Notes pursuant to an amended and restated issuing and paying agency agreement dated as of January 30, 2017 between BBVA and the Issuing and Paying Agent (the "**Amended and Restated Issuing and Paying Agency Agreement**").
Exemption:	The Notes are exempt from registration under the Securities Act of 1933, as amended (the "**Act**"), pursuant to Section 4(a)(2) thereof, and cannot be resold unless registered under the Act or an exemption from such registration is available, all as more fully described in the legend on pages 5–6 of this Listing Prospectus.
Program Amount:	The outstanding principal amount of the Notes issued by BBVA under the Program must not exceed U.S.$10,000,000,000 at any time. The maximum amount of the Program may be increased from time to time.
Offering Price:	Par less a discount representing an interest factor or, if interest bearing, at par.
Denominations:	Minimum of U.S.$250,000 and available in multiples of U.S.$1,000 thereafter.
Currency:	Notes will be issued in United States dollars.
Maturity:	The maturity of Notes shall not be less than one day nor more than 364 days from (and including) the date of issue, to (but excluding) the maturity date (without any unilateral rights to roll over or extend).
Redemption:	The Notes will not be redeemable prior to maturity or be subject to voluntary prepayment.
Form of the Notes:	Each Note will be evidenced by a master note registered in the name of the nominee of DTC. The master note will be in the form found on page 60 herein ("**Master Note**"). The Master Note representing Notes issued in book-entry form (the "**Book-Entry Notes**") will be deposited with the Issuing and Paying Agent as a subcustodian for DTC or its successors. DTC will record, by appropriate entries on its

book-entry registration and transfer system, the respective amounts payable in respect of Book-Entry Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as an agent in respect of Book-Entry Notes will be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of BBVA. Each of the Notes will be issued as separate and independent obligations of BBVA and will rank *pari passu* without any preference among themselves and with all other outstanding unsubordinated and unsecured obligations of BBVA, present and future, but (a) subject to the exercise of any power pursuant to Law 11/2015, RD 1012/2015 or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Spain and (b) in the event of insolvency, only to the extent permitted by Law 22/2003 of July 9 on Insolvency (*Ley Concursal*) as amended, replaced or supplemented from time to time (the "**Insolvency Law**") or other applicable laws relating to or affecting the enforcement of creditors' rights in Spain.

As of September 30, 2016, BBVA had an aggregate of €15,924 million of outstanding secured indebtedness (on an unconsolidated basis) and an aggregate of €20,680 million of outstanding unsecured indebtedness (on an unconsolidated basis).

In the event of insolvency (*concurso*) of BBVA under the Insolvency Law, claims relating to Notes (which are not subordinated pursuant to Article 92 of the Insolvency Law) for principal thereof will be ordinary claims (*créditos ordinarios*) as defined in the Insolvency Law. Ordinary claims rank junior to claims against the insolvency estate *(créditos contra la masa*) and privileged claims (*créditos privilegiados*) which shall include, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015, and which shall be paid in full before ordinary claims. The claims of all creditors against BBVA which are considered "ordinary claims" will be satisfied pro rata in insolvency. Ordinary claims rank senior to subordinated claims and the rights of shareholders.

Pursuant to Article 59 of the Insolvency Law, the further accrual of interest shall be suspended from the date of declaration of the insolvency of BBVA. Claims in respect of interest on the Notes accrued but unpaid as of the commencement of any insolvency procedure in respect of BBVA shall constitute subordinated claims against BBVA ranking in accordance with the provisions of Article 92 of the Insolvency Law (including, without limitation, after claims on account of principal in respect of contractually subordinated obligations of BBVA, unless otherwise provided by the Insolvency

Law).

Spanish Tax Law Information Requirements: Under the regulations established by RD 1065/2007, income obtained in respect of the Notes will not be subject to withholding tax in Spain, provided certain requirements are met, including that the Issuing and Paying Agent provides BBVA, in a timely manner, with a duly executed and completed Payment Statement. See "*Spanish Tax Considerations—Compliance with certain requirements in connection with income payments*". For these purposes, "income" means interest and the difference, if any, between the aggregate amount payable on the maturity of the Notes and the issue price of the Notes.

BBVA considers that, according to RD 1065/2007, it is not obliged to withhold any tax amount provided that the information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Paying Agent, as described in "*Spanish Tax Considerations—Compliance with certain requirements in connection with income payments*".

If the Issuing and Paying Agent fails to deliver a duly executed and completed Payment Statement on a timely basis in respect of a payment of income under the Notes, then the related payment will be subject to Spanish withholding tax, currently at the rate of 19%. In such an event, subject to certain exceptions, BBVA will pay the relevant Noteholder Additional Amounts as described below.

Additional Amounts: Subject to the more detailed provision set out in the Notes, all payments under the Notes will be made free and clear of withholding or deduction for any taxes or duties of whatever nature unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision or taxing authority thereof having the power to tax, BBVA will be required to pay additional amounts ("**Additional Amounts**") such that the amount received by Noteholders will be the amount that would have been received in the absence of such withholding or deduction; except that no such Additional Amounts will be payable with respect to any Note:

(a) to, or to a third party on behalf of, a Noteholder who is liable for such taxes or duties by reason of such Noteholder (or the beneficial owner for whose benefit such Noteholder holds such Note) having some connection with Spain other than the mere holding of such Note (or such beneficial interest) or the mere crediting of the Note to such Noteholder's account; or

(b) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the Noteholder would have been entitled to

Additional Amounts on presenting the same for payment on such thirtieth day assuming that day to have been a business day in such place of presentment; or

(c) in respect of any tax, assessment or other governmental charge that would not have been imposed but for the failure by the Noteholder or beneficial owner of that Note to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the Noteholder or beneficial owner of that Note, if compliance is required by statute or by regulation of Spain or of any political subdivision or taxing authority thereof or therein as a precondition to relief or exemption from the tax, assessment or other governmental charge; or

(d) to, or to a third party on behalf of, individuals resident for tax purposes in the Kingdom of Spain, if the Spanish Tax Authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made; or

(e) to, or to a third party on behalf of, Spanish resident corporate entities subject to Spanish Corporate Income Tax, if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements, including those specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated July 27, 2004 and require a withholding to be made.

Additional Amounts will also not be paid with respect to any payment to a Noteholder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment, to the extent that payment would be required by the laws of Spain (or any political subdivision thereof) to be included in the income, for Spanish tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had it been the Noteholder.

No Additional Amounts will be paid by BBVA or any paying agent on account of any deduction or withholding from a payment on, or in respect of, the Notes where such deduction or withholding is imposed pursuant to Sections 1471-1474 of the U.S. Internal Revenue Code and the U.S. Treasury regulations thereunder ("**FATCA**") or any agreement with the U.S. Internal Revenue Service in connection with FATCA, any intergovernmental agreement between the United States and Spain or any other jurisdiction with respect to FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or relating to, FATCA or any intergovernmental agreement.

As used above, "**Relevant Date**" means the date on which any payment first becomes due and payable, except that if the full amount of the moneys payable has not been received by the Issuing and Paying Agent on or prior to such due date, it means the first date on which the full amount of such moneys having been so received and being available for payment to the Noteholders, notice to that effect is duly given to the Noteholders.

No comment is made or advice given by BBVA, the Issuing and Paying Agent or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

Governing Law: Save as provided below, the Notes will be governed by, and shall be construed in accordance with, New York law.

The status of the Notes will be governed by, and shall be construed in accordance with, Spanish law. The Notes will be issued in accordance with the formalities prescribed by Spanish law.

Listing and Trading: Application has been made to the Irish Stock Exchange for Notes issued under the Program during the period of twelve months after the date of this Listing Prospectus to be admitted to the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange. The Program provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between BBVA and the relevant Dealer. No Notes may be issued pursuant to the Program on an unlisted basis.

Settlement: Unless otherwise agreed to, same day basis, in immediately available funds.

Use of Proceeds: The net proceeds from the sale of Notes will be used for the Group's general corporate purposes.

Ratings: The Program has been rated by Fitch Ratings España, S.A.U. ("**Fitch**"), Moody's Investors Service España, S.A. ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**").

Ratings are not a recommendation to purchase, hold or sell Notes. Ratings are based on current information furnished to the rating agencies by BBVA and information obtained by the rating agencies from other sources. Because ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, a prospective purchaser should verify the current long-term and short-term ratings of BBVA before purchasing Notes.

Events of Default with respect to Interest-Bearing Notes:

The occurrence of any of the following shall constitute an "**Event of Default**" with respect to an interest-bearing Note: (i) default in any payment of principal of or interest on an interest-bearing Note at maturity, unless there shall have occurred a material disruption in securities settlement, payment or clearance services in Spain, the United Kingdom or the United States, in which case such payment shall be made within a period of three days after when such payment is due at maturity; (ii) BBVA makes any compromise arrangement with its creditors generally including the entering into any form of moratorium with its creditors generally; (iii) a court having jurisdiction shall have entered a decree or order for relief in respect of BBVA in an involuntary case under any applicable bankruptcy, insolvency or other similar law currently or hereafter in effect, or shall have appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of BBVA, and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or (iv) BBVA shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law currently or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of BBVA or make any general assignment for the benefit of creditors.

Upon the occurrence of an Event of Default with respect to an interest-bearing Note, the principal of each obligation evidenced by such interest-bearing Note (together with any interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.

Notwithstanding the above, any Resolution (as defined below) or Early Intervention (as defined below) with respect to BBVA will not, in and of itself and without regard to any other fact or circumstance, constitute an Event of Default under items (iii) or (iv) set forth above with respect to any interest-bearing Note. In addition, neither (i) a reduction or cancellation, in part or in full, of the Amounts Due on the Notes, or the conversion thereof into another security or obligation of BBVA or another person, in each case as a result of the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to BBVA, nor (ii) the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to the Notes, will constitute an Event of Default.

In addition, no repayment or payment of Amounts Due on the Notes will become due and payable or be paid after the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution

Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

"**Early Intervention**" means, with respect to any Regulated Entity, that any Relevant Spanish Resolution Authority or the European Central Bank shall have announced or determined that such Regulated Entity has or shall become the subject of an "early intervention" (*actuación temprana*) as such term is defined in Law 11/2015.

"**Resolution**" means, with respect to any Regulated Entity, that any Relevant Spanish Resolution Authority shall have announced or determined that such Regulated Entity has or shall become the subject of a "resolution" (*resolución*) as such term is defined in Law 11/2015.

Agreement with Respect to the Exercise of Spanish Bail-in Power:

Notwithstanding any other term of the Notes, the Amended and Restated Issuing and Paying Agency Agreement or any other agreements, arrangements, or understandings between BBVA and any holder of a Note, by its acquisition or acceptance of a Note, each holder of a Note (which, for these purposes, includes each holder of a beneficial interest in a Note) acknowledges, accepts, consents and agrees to be bound by: (i) the exercise and the effects of the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority, which may be imposed with or without any prior notice with respect to the Notes, and which exercise (without limitation) may include and result in any of the following, or some combination thereof: (1) the reduction or cancellation of all, or a portion, of the Amounts Due on any Note; (2) the conversion of all, or a portion, of the Amounts Due on any Note into shares, other securities or other obligations of BBVA or another person (and the issue to or conferral on such holder of any such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of any Note; (3) the cancellation of any Note; and (4) the amendment or alteration of the maturity of, or amendment of the amount of interest payable on, any Note, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and (ii) the variation of the terms of any Note, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

In addition, no repayment or payment of Amounts Due on the Notes will become due and payable or be paid after the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

BBVA's predecessor bank, Banco Bilbao Vizcaya, S.A. ("**BBV**"), was incorporated as a limited liability company (a *sociedad anónima* or S.A.) under the Spanish Corporations Law on October 1, 1988. BBVA was formed following the merger of Argentaria, Caja Postal y Banco Hipotecario, S.A. into BBV, which was approved by the shareholders of each entity on December 18, 1999 and registered on January 28, 2000. It conducts its business under the commercial name "BBVA". BBVA is registered with the Commercial Registry of Vizcaya (Spain) under volume 2,083, book 1,545, folio 1, section 3, sheet BI-17-A. It has its registered office at Plaza de San Nicolás 4, Bilbao, Spain, 48005, and operates out of Calle Azul, 4, 28050, Madrid, Spain telephone number +34 (91) 374 6201. BBVA's agent in the U.S. for U.S. federal securities law purposes is Banco Bilbao Vizcaya Argentaria, S.A., New York Branch (1345 Avenue of the Americas, New York, New York 10105 (Telephone: +1-212-728-1660)). BBVA is incorporated for an unlimited term.

The Group

BBVA is the parent company of the Group (comprising BBVA and its consolidated subsidiaries). As of September 30, 2016 the Group was made up of 373 fully consolidated companies and 89 companies consolidated using the equity method.

The Group is a highly diversified financial group, with strengths in the traditional banking businesses of retail banking, asset management, private banking and wholesale banking and maintains business activity in other sectors, such as the insurance, real estate and operational leasing sectors as well as other business activities. It also has a portfolio of investments in some of Spain's leading companies. BBVA is based in Spain and has substantial banking interests in Latin America, the United States, Europe and Asia. The Group had consolidated assets of €724,627 million at September 30, 2016 and net income attributed to parent company of €2,797 million for the nine months ended September 30, 2016.

Additional information about BBVA and its subsidiaries is included in the documents incorporated by reference in this Listing Prospectus.

Share Capital

As of the date of this Listing Prospectus, BBVA's share capital is €3,217,641,468.58 represented by a single class of 6,566,615,242 BBVA ordinary shares with a nominal value of €0.49 each, fully subscribed and paid up. BBVA's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Automated Quotation System (*Mercado Continuo*) (the "**Spanish Stock Exchanges**"). BBVA's shares are also currently listed on the London Stock Exchange, the Mexican Stock Exchange and, through American Depositary Shares ("**ADSs**"), the New York Stock Exchange and the Lima Stock Exchange (by virtue of an exchange agreement among such exchanges). Each ADS represents the right to receive one ordinary share.

The Board of Directors

The Board of Directors of BBVA is currently comprised of 15 members. The business address of the Directors of BBVA is Calle Azul, 4, 28050 Madrid.

BBVA may, from time to time, enter into transactions in the ordinary course of its business, and on an arm's-length basis, with the Directors.

BBVA's Board of Directors Regulations include rules which are designed to prevent situations where a potential conflict of interest may arise. These Regulations provide, among other matters, that Directors with a potential conflict of interest may not participate in meetings at which those situations are being considered. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the Directors and their duties to BBVA.

The following table sets forth the names of the members of the Board of Directors as of the date of this Listing Prospectus, their current positions and their present principal outside occupation and employment history.

Name	Current Position	Present Principal Outside Occupation and Employment History(*)
Francisco González Rodríguez(1)	Group Executive Chairman	Group Executive Chairman of BBVA, since January 2000; Director of Grupo Financiero BBVA Bancomer, S.A. de C.V. and BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.
Carlos Torres Vila(1)(6)	Chief Executive Officer	Chief Executive Officer of BBVA, since May 4, 2015. Chairman of the IT and Cybersecurity Committee. He started at BBVA in September 2008 holding senior management posts such as Head of Digital Banking from March 2014 to May 2015 and BBVA Strategy & Corporate Development Director from January 2009 to March 2014.
Tomás Alfaro Drake(2)(3)(6)	Independent Director	Chairman of the Appointments Committee of BBVA since May 25, 2010. Director of Internal Development and Professor in the Finance department of Universidad Francisco de Vitoria.
José Miguel Andrés Torrecillas(2)(3)(5)(7)	Independent Director	Chairman of the Audit and Compliance Committee of BBVA since May 4, 2015. Chairman of Ernst & Young Spain from 2004 to 2014, where he has been a partner since 1987 and has also held a series of senior offices, including Managing Partner of the Banking Group from 1989 to 2004 and Managing Director of the Audit and Advisory practices at Ernst & Young Italy and Portugal from 2008 to 2013.
José Antonio Fernández Rivero(1)(4)	External Director	Was appointed in 2001 as Group General Manager until January 2003. He has been the Director representing BBVA on the Boards of Telefónica, Iberdrola, and of Banco de Crédito Local, and Chairman of Adquira.
Belén Garijo López(2)(4)	Independent Director	President and CEO of Merck Serono, Member of the Executive Board and CEO of Merck Healthcare and Member of the Board of Directors of L'Oréal. Chair of the International Executive Committee of PhRMA, ISEC (Pharmaceutical Research and Manufacturers of America) since 2011.

Name	Current Position	Present Principal Outside Occupation and Employment History(*)
José Manuel González-Páramo Martínez-Murillo	Executive Director	Executive Director of BBVA since May 29, 2013. Member of the European Central Bank (ECB) Governing Council and Executive Committee from 2004 to 2012. Chairman of European DataWarehouse GmbH since 2013. Head of BBVA's Global Economics, Regulation and Public Affairs.
Sunir Kumar Kapoor[6]	Independent Director	President and CEO of UBmatrix Inc from 2005 to 2011. Executive Vice President and CMO of Cassatt Corporation from 2004 to 2005. Oracle Corporation, Vice President Collaboration Suite from 2002 to 2004. Founder and CEO of Tsola Inc from 1999 to 2001. President and CEO of E-Stamp Corporation from 1996 to 1999. Vice President of Strategy, Marketing and Planning of Oracle Corporation from 1994 to 1996. Currently, he is an independent consultant to various leading companies in the technology sector, such as cloud infrastructures or data analysis.
Carlos Loring Martínez de Irujo[1][5]	External Director	Was Partner of J&A Garrigues, from 1977 until 2004, where he has also held a series of senior positions, including Director of the M&A Department, Director of Banking and Capital Markets and member of its Management Committee.
Lourdes Máiz Carro[2][3]	Independent Director	Was Secretary of the Board of Directors and Director of the Legal Services at Iberia, Líneas Aéreas de España from 2001 until 2016. Joined the Spanish State Counsel Corps (Cuerpo de Abogados del Estado) and from 1992 until 1993 she was Deputy to the Director in the Ministry of Public Administration. From 1993 to 2001 she held various positions in the Public Administration.
José Maldonado Ramos[1][3]	External Director	Was appointed Director and General Secretary of BBVA in January 2000. Took early retirement as Bank executive in December 2009.
José Luis Palao García-Suelto[4][5]	Independent Director	Senior Partner of the Financial Division in Spain of Arthur Andersen, from 1979 until 2002. Independent consultant from 2002 to 2010.
Juan Pi Llorens[2][4][6]	Independent Director	Chairman of the Remuneration Committee since March 31, 2016. Had a professional career at IBM holding various senior posts at a national and international level, including Vice President for Sales at IBM Europe, Vice President of the Technology & Systems Group at IBM Europe and Vice President of the Financial Services Sector at GMU (Growth Markets Units) in China. He was executive President of IBM Spain.
Susana Rodríguez	External	Holds a Chair in Strategy at the Faculty of Economics and

Name	Current Position	Present Principal Outside Occupation and Employment History(*)
Vidarte[(1)(3)(5)]	Director	Business Sciences at Universidad de Deusto. Member of Instituto de Contabilidad y Auditoría de Cuentas (Spanish Accountants and Auditors Institute) and Doctor in Economics and Business Sciences from Universidad de Deusto.
James Andrew Stott[(4)(5)(6)]	Independent Director	Chairman of the Risk Committee since March 31, 2016. Chairman of the Innovation Board, Business Innovation Consulting Group from 2011 to 2015. Independent director and member of the Audit Committee of Catenon from 2011 to 2015. Independent director and Chairman of the Risks and Audit Committee of Barclays Bank España from 2011 to 2014. Partner and General Manager, and other senior posts at Oliver Wyman Financial Services from 1994 to 2010.

(*) Where no date is provided, the position is currently held.
(1) Member of the Executive Committee.
(2) Member of the Audit and Compliance Committee.
(3) Member of the Appointments Committee.
(4) Member of the Remuneration Committee.
(5) Member of the Risk Committee.
(6) Member of the IT and Cybersecurity Committee.
(7) Lead Director.

Major Shareholders

As of January 13, 2017, Blackrock, Inc. communicated that it held an indirect interest of 5.606% in BBVA's share capital. As at December 31, 2016 no other person, corporation or government beneficially owned, directly or indirectly, 5% or more of BBVA's share capital. BBVA's major shareholders do not have voting rights which are different from those held by the rest of its shareholders. To the extent known to BBVA, BBVA is not controlled, directly or indirectly, by any other corporation, government or any other natural or legal person.

As of December 31, 2016, there were 935,284 registered holders of BBVA's shares, with an aggregate of 6,566,615,242 shares, of which 571 shareholders with registered addresses in the United States held a total of 962,399,692 shares (including shares represented by ADSs). Since certain of such shares and ADSs are held by nominees, the foregoing figures are not representative of the number of beneficial holders.

Legal Proceedings

Several entities of the Group are party to legal actions in a number of jurisdictions (including, among others, Spain, Mexico and the United States) arising in the ordinary course of business. According to the procedural status of these ongoing proceedings and the criteria of legal counsel, BBVA considers that, except as described below with respect to mortgage "floor" clauses, none of such actions is material, individually or in the aggregate, and none of such actions is expected to result in a material adverse effect on the Group's financial position, results of operations or liquidity, either individually or in the aggregate.

The Group's management believes that adequate provisions have been made in respect of such legal proceedings, and considers that the possible contingencies that may arise from such ongoing lawsuits are not material.

On May 9, 2013, the Supreme Court of Spain issued a decision casting doubt on the legality of "floor" clauses in mortgage loans to consumers by various financial entities (including BBVA), which clauses set minimum interest rates on variable rate loans. As part of this decision, the Supreme Court of Spain confirmed that there was to be no retroactive application of the Supreme Court's decision prior to May 9, 2013.

BBVA has not applied "floor" clauses in mortgage loans with consumers since May 2013.

Following the decision of the Supreme Court of Spain, the Provincial Court of Alicante asked the Court of Justice of the European Union (the "**CJEU**") to determine whether the limitation on the retroactivity of the decision of the Supreme Court of Spain was compatible with Council Directive 93/13/EEC of April 5, 1993 on unfair terms in consumer contracts ("**Directive 93/13/EEC**"). BBVA estimated in July 2016 that the maximum amount subject to any potential claims, should the CJEU decide that the Supreme Court of Spain's decision was not compatible with Directive 93/13/EEC, would be approximately €1.2 billion, indicating that the actual impact would probably be lower, based on past experiences.

On December 21, 2016, the CJEU's decision was published. In its judgment, the CJEU stated that national case law setting time limits for the refund of amounts arising from the invalidity of an unfair term in a contract is contrary to Article 6(1) of Directive 93/13/EEC. The Spanish courts must now determine the application of the criteria established by the CJEU's decision to the judicial proceedings under their jurisdiction.

To cover the contingencies that may arise from future claims following this decision of the CJEU, BBVA will record a provision in its consolidated financial statements for the year ended December 31, 2016. The negative net impact that this provision is expected to have on the net attributable profit of the Group is preliminarily estimated to be approximately €404 million.

CERTAIN INFORMATION IN RESPECT OF THE NOTES

Key Information

The persons involved in the Program and the capacities in which they act are specified at the end of this Listing Prospectus.

The net proceeds from the sale of Notes will be used for the Group's general corporate purposes.

Information Concerning the Securities to be Admitted to Trading

Total Amount of Notes Admitted to Trading

The aggregate amount of each issue of Notes will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes which may be outstanding under the Program at any one time is U.S.$10,000,000,000. The maximum amount of the Program may be increased from time to time.

The international security identification number and the committee on uniform securities identification procedures number of each issue of Notes will be specified in the relevant Final Terms.

Governing Law

The Notes (other than the status thereof) will be governed by, and construed in accordance with, New York law.

The status of the Notes will be governed by, and construed in accordance with, Spanish law. The Notes will be issued in accordance with the formalities prescribed by Spanish law.

Form of the Notes

Each Note will be evidenced by a Master Note registered in the name of the nominee of DTC. The Master Note will be in the form found on page 60 of this Listing Prospectus. Each Master Note representing Notes issued in book-entry form will be deposited with the Issuing and Paying Agent as a subcustodian for DTC or its successors. DTC will record, by appropriate entries on its book-entry registration and transfer system, the respective amounts payable in respect of Book-Entry Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as an agent in respect of Book-Entry Notes will be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.

Status of the Notes

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of BBVA. The Notes will be issued as separate and independent obligations of BBVA. Each of the Notes will be issued as separate and independent obligations of the Issuer and will rank *pari passu* without any preference or priority among themselves and with all other outstanding unsubordinated and unsecured obligations of BBVA, present and future, but (a) subject to the exercise of any power pursuant to Law 11/2015, RD 1012/2015 or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Spain and (b) in the event of insolvency, only to the extent permitted by the Insolvency Law or other applicable laws relating to or affecting the enforcement of creditors' rights in Spain.

In the event of insolvency (*concurso*) of BBVA, under the Insolvency Law, claims relating to the Notes (which are not subordinated pursuant to Article 92 of the Insolvency Law) for principal thereof will be ordinary claims (*créditos ordinarios*) as defined in the Insolvency Law. Ordinary claims rank junior to claims against the insolvency estate (*créditos contra la masa*) and privileged claims (*créditos privilegiados*) which shall include, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015, and which shall be paid in full before ordinary claims. The claims of all creditors against BBVA considered "ordinary claims" will be satisfied pro rata in insolvency. Ordinary claims rank senior to subordinated claims and the rights of shareholders.

Pursuant to Article 59 of the Insolvency Law, the further accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims in respect of interest on the Notes accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of Article 92 of the Insolvency Law (including, without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Issuer, unless otherwise provided by the Insolvency Law).

Maturity

The Maturity Date applicable to each issue of Notes will be specified in the relevant Final Terms. The Maturity Date of an issue of Notes may not be less than one day or more than 364 days from (and including) the date of issue to (but excluding) the maturity date, but with no unilateral right to roll over or extend.

Yield Basis

Notes may be issued on the basis that they will be interest bearing or they may be issued at a discount (in which case they will not bear interest). The yield basis in respect of Notes bearing interest at a fixed rate will be set out in the relevant Final Terms.

Authorizations and Approvals

BBVA has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes.

Listing and Trading

Application has been made to the Irish Stock Exchange for Notes issued under the Program during the period of twelve months after the date of this Listing Prospectus to be admitted to the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange. The Program provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between BBVA and the relevant Dealer. No Notes may be issued on an unlisted basis. The Bank of New York Mellon, with address at One Canada Square, London E14 5AL and Merck House Seldown, Poole Dorset BH15 1PX, United Kingdom, is the Issuing and Paying Agent in respect of the Notes.

<u>Expense of the Admission to Trading</u>

An estimate of the expenses in relation to the admission to trading of each issue of Notes will be specified in the relevant Final Terms.

Additional Information

The legal advisers and capacity in which they act are specified at the end of this Listing Prospectus.

The credit ratings assigned to the Notes to be issued under the Program will be set out in the relevant Final Terms.

A rating, which is based on current information furnished to the rating agencies by BBVA, is not a recommendation to buy, sell or hold securities and may be subject to suspension, charge or withdrawal at any time by the assigning rating agency as a result of changes in, or unavailability of, such information. Prospective purchasers should verify the current long-term and short-term ratings of BBVA before purchasing Notes.

FORM OF NOTES

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

CORPORATE COMMERCIAL PAPER – MASTER NOTE

____
(Date of Issuance)

Banco Bilbao Vizcaya Argentaria, S.A. (the "**Issuer**"), for value received, hereby promises to pay to Cede & Co., as nominee of The Depository Trust Company, or to registered assigns: (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the "**Underlying Records**") as being evidenced by this Master Note, which Underlying Records are maintained by The Bank of New York Mellon (the "**Issuing and Paying Agent**"); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. Payments shall be made by wire transfer to the registered owner from Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF AND IN SCHEDULES A AND B HERETO WHICH ARE HEREBY INCORPORATED TO THIS MASTER NOTE AND MADE FULLY A PART HEREOF.

This Master Note is a valid and binding obligation of Issuer.

Not Valid Unless Countersigned for Authentication by Issuing and Paying Agent.

The Bank of New York Mellon	Banco Bilbao Vizcaya Argentaria, S.A.
(Issuing and Paying Agent)	(Issuer)
By: ____________________________	By: ____________________________
(Authorized Countersignature)	(Authorized Signature)

(Reverse Side of Note)

At the request of the registered owner, Issuer shall promptly issue and deliver one or more separate note certificates in registered form evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

____

(Name, Address, and Taxpayer Identification Number of Assignee)

the Master Note and all rights thereunder, hereby irrevocably constituting and appointing ______________________________ attorney to transfer said Master Note on the books of Issuer with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed:

____

(Signature)

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("**DTC**"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

SCHEDULE A

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO BANCO BILBAO VIZCAYA ARGENTARIA, S.A. ("**BBVA**" OR THE "**ISSUER**") AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "**INSTITUTIONAL ACCREDITED INVESTOR**") AND EITHER IS PURCHASING NOTES FOR ITS OWN ACCOUNT, A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION OR OTHER SUCH INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER ("**QIB**") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A DEALER DESIGNATED BY THE ISSUER AS A DEALER FOR THE NOTES (EACH A "**DEALER**", AND COLLECTIVELY, THE "**DEALERS**"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A DEALER TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF $250,000.

THE NOTES MAY NOT, DIRECTLY OR INDIRECTLY, BE OFFERED, SOLD, RESOLD, RE-OFFERED OR DELIVERED EXCEPT IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

THE NOTES MUST NOT BE OFFERED, DISTRIBUTED OR SOLD IN SPAIN IN THE PRIMARY MARKET. NO PUBLICITY OF ANY KIND SHALL BE SPECIFICALLY TARGETED AT THE SPANISH MARKET IN CONNECTION WITH THE OFFER, DISTRIBUTION OR SALE OF THE NOTES.

BY ITS ACQUISITION OR ACCEPTANCE OF ANY NOTE, EACH HOLDER (including EACH HOLDER OF A BENEFICIAL INTEREST IN A NOTE) WILL BE DEEMED TO ACKNOWLEDGE, AGREE TO BE BOUND BY, AND CONSENT TO THE TERMS OF THE NOTES RELATED TO THE EXERCISE AND THE EFFECTS OF THE EXERCISE OF THE SPANISH BAIL-IN POWER (AS DEFINED HEREIN).

SCHEDULE B

Statement of Terms for Commercial Paper Notes of Banco Bilbao Vizcaya Argentaria, S.A.

THE PROVISIONS SET FORTH BELOW ARE QUALIFIED TO THE EXTENT APPLICABLE BY THE TRANSACTION SPECIFIC [PRICING] [PRIVATE PLACEMENT MEMORANDUM] SUPPLEMENT (THE "SUPPLEMENT") (IF ANY) SENT TO EACH PURCHASER AT THE TIME OF THE TRANSACTION.

1. General.

   (a) The obligations of the Issuer to which these terms apply (each a "**Note**") are represented by one or more Master Notes (each, a "**Master Note**") issued in the name of (or of a nominee for) The Depository Trust Company ("**DTC**"), which Master Note includes the terms and provisions for the Issuer's Notes that are set forth in this Statement of Terms, since this Statement of Terms constitutes an integral part of the Underlying Records as defined and referred to in the Master Note.

   (b) "**Business Day**" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City and, with respect to LIBOR Notes (as defined below) is also a London Business Day. "**London Business Day**" means any day, other than a Saturday or Sunday, on which dealings in deposits in U.S. Dollars are transacted in the London interbank market.

2. Status of the Notes. The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. Each of the Notes will be issued as separate and independent obligations of the Issuer and will rank *pari passu* without any preference or priority among themselves and with all other outstanding unsubordinated and unsecured obligations of the Issuer, present and future, but (a) subject to the exercise of any power pursuant to Law 11/2015 (as defined herein), RD 1012/2015 (as defined herein) or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Spain and (b) in the event of insolvency, only to the extent permitted by Law 22/2003 of July 9 on Insolvency (*Ley Concursal*) as amended, replaced, or supplemented from time to time (the "**Insolvency Law**") or other applicable laws relating to or affecting the enforcement of creditors' rights in Spain.

   In the event of insolvency (concurso) of the Issuer under the Insolvency Law, claims relating to Notes (which are not subordinated pursuant to Article 92 of the Insolvency Law) for principal thereof will be ordinary claims (créditos ordinarios) as defined in the Insolvency Law. Ordinary claims rank junior to claims against the insolvency estate (créditos contra la masa) and privileged claims (créditos privilegiados) which shall include, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015, and which shall be paid in full before ordinary claims. The claims of all creditors against the Issuer considered "ordinary claims" will be satisfied pro rata in insolvency. Ordinary claims rank senior to subordinated claims and the rights of shareholders.

   Pursuant to Article 59 of the Insolvency Law, the further accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims in respect of interest on the Notes accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the *provisions of Article 92 of the Insolvency Law (including, without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Issuer, unless otherwise provided by the Insolvency Law).*

3. Additional Amounts. All payments under the Notes will be made free and clear of withholding or deduction for any taxes or duties of whatever nature unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision or taxing authority thereof having the power to tax, the Issuer will be required to pay additional amounts ("**Additional Amounts**") such that the amount received by Noteholders will be the amount that would have been received in the absence of such withholding or deduction; except that no such Additional Amounts will be payable with respect to any Note:

   (a) to, or to a third party on behalf of, a Noteholder who is liable for such taxes or duties by reason of such Noteholder (or the beneficial owner for whose benefit such Noteholder holds such Note) having some connection with Spain other than the mere holding of such Note (or such beneficial interest) or the mere crediting of the Note to such Noteholder's account; or

   (b) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the Noteholder would have been entitled to Additional Amounts on presenting the same for payment on such thirtieth day assuming that day to have been a business day in such place of presentment; or

   (c) in respect of any tax, assessment or other governmental charge that would not have been imposed but for the failure by the Noteholder or beneficial owner of that Note to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the Noteholder or beneficial owner of that Note, if compliance is required by statute or by regulation of Spain or of any political subdivision or taxing authority thereof or therein as a precondition to relief or exemption from the tax, assessment or other governmental charge; or

   (d) to, or to a third party on behalf of, individuals resident for tax purposes in the Kingdom of Spain, if the Spanish Tax Authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made; or

   (e) to, or to a third party on behalf of, Spanish resident corporate entities subject to Spanish Corporate Income Tax, if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements, including those specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated July 27, 2004 and require a withholding to be made.

   Additional Amounts will also not be paid with respect to any payment to a Noteholder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment, to the extent that payment would be required by the laws of Spain (or any political subdivision thereof) to be included in the income, for Spanish tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had it been the Noteholder.

No Additional Amounts will be paid by the Issuer or any paying agent on account of any deduction or withholding from a payment on, or in respect of, the Notes where such deduction or withholding is imposed pursuant to Sections 1471-1474 of the U.S. Internal Revenue Code and the U.S. Treasury regulations thereunder ("**FATCA**") or any agreement with the U.S. Internal Revenue Service in connection with FATCA, any intergovernmental agreement between the United States and Spain or any other jurisdiction with respect to FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or relating to, FATCA or any intergovernmental agreement.

As used above, "**Relevant Date**" means the date on which any payment first becomes due and payable, except that if the full amount of the moneys payable has not been received by the Issuing and Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to the Noteholders, notice to that effect is duly given to the Noteholders.

4. Interest. In the case of interest-bearing Notes:

(a) Each Note will bear interest at a fixed rate (a "**Fixed Rate Note**") or at a floating rate (a "**Floating Rate Note**").

(b) The Supplement sent to each Noteholder of such Note will describe the following terms: (i) whether such Note is a Fixed Rate Note or a Floating Rate Note and whether such Note is an Original Issue Discount Note (as defined below); (ii) the date on which such Note will be issued (the "**Issue Date**"); (iii) the Stated Maturity Date (as defined below); (iv) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and the Interest Payment Dates; (v) if such Note is a Floating Rate Note, the Base Rate, the Index Maturity, the Interest Reset Dates, the Interest Payment Dates and the Spread and/or Spread Multiplier, if any (all as defined below), and any other terms relating to the particular method of calculating the interest rate for such Note; and (vi) any other terms applicable specifically to such Note. "**Original Issue Discount Note**" means a Note which has a stated redemption price at the Stated Maturity Date that exceeds its Issue Price, which the Supplement indicates will be an "Original Issue Discount Note".

(c) Each Fixed Rate Note will bear interest from its Issue Date at the rate per annum specified in the Supplement until the principal amount thereof is paid or made available for payment. Interest on each Fixed Rate Note will be payable on the dates specified in the Supplement (each, an "**Interest Payment Date**" for a Fixed Rate Note) and on the Maturity Date (as defined below). Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be payable on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

(d) The interest rate on each Floating Rate Note for each Interest Reset Period (as defined below) will be determined by reference to an interest rate basis (a "**Base Rate**") plus or minus a number of basis points (one basis point equals one-hundredth of a percentage point) (the "**Spread**"), if any, and/or multiplied by a certain percentage (the "**Spread Multiplier**"), if any, until the principal thereof is paid or made available for payment.

The Supplement will designate which of the following Base Rates is applicable to the related Floating Rate Note: (i) the CD Rate (a "**CD Rate Note**"), (ii) the Commercial Paper Rate (a "**Commercial Paper Rate Note**"), (iii) the Federal Funds Rate (a "**Federal Funds Rate Note**"), (iv) LIBOR (a "**LIBOR Note**"), (v) the Prime Rate (a "**Prime Rate Note**"), (vi) the Treasury Rate (a "**Treasury Rate Note**") or (vii) such other Base Rate as may be specified in such Supplement.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly or semiannually (the "**Interest Reset Period**"). The date or dates on which interest will be reset (each, an "**Interest Reset Date**") will be, unless otherwise specified in the Supplement, in the case of Floating Rate Notes which reset daily, each Business Day; in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, the Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, the Tuesday of each week; in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes that reset semiannually, the third Wednesday of the two months specified in the Supplement. If any Interest Reset Date for any Floating Rate Note is not a Business Day, such Interest Reset Date will be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Interest on each Floating Rate Note will be payable monthly, quarterly or semiannually (the "**Interest Payment Period**") and on the Maturity Date. Unless otherwise specified in the Supplement, and except as provided below, the date or dates on which interest will be payable (each, an "**Interest Payment Date**" for a Floating Rate Note) will be, in the case of Floating Rate Notes with a monthly Interest Payment Period, on the third Wednesday of each month; in the case of Floating Rate Notes with a quarterly Interest Payment Period, on the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes with a semiannual Interest Payment Period, on the third Wednesday of the two months specified in the Supplement. In addition, the Maturity Date will also be an Interest Payment Date.

If any Interest Payment Date for any Floating Rate Note (other than an Interest Payment Date occurring on the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day (unless the date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day), and no interest on such payment shall accrue for the period from and after such maturity.

Interest payments on each Interest Payment Date for Floating Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, such Interest Payment Date. On the Maturity Date, the interest payable on a Floating Rate Note will include interest accrued to, but excluding, the Maturity Date. Accrued interest will be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day will be computed by dividing the interest rate applicable to such day by 360, in the cases where the Base Rate is the CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR or Prime Rate, or by the actual number of days in the year, in the case where the Base Rate is the Treasury Rate. The interest rate in effect on each day will be (i) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, or (ii) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any adjustment by a Spread and/or a Spread Multiplier.

The "**Interest Determination Date**" where the Base Rate is the CD Rate or the Commercial Paper Rate will be the second Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Federal Funds Rate or the Prime Rate will be the Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is LIBOR will be the second London Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Treasury Rate will be the day of the week in which such Interest Reset Date falls when Treasury Bills are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is held on the following Tuesday or the preceding Friday. If an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week.

The "**Index Maturity**" is the period to maturity of the instrument or obligation from which the applicable Base Rate is calculated.

The "**Calculation Date**", where applicable, shall be the earlier of (i) the 10th calendar day following the applicable Interest Determination Date or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date.

All times referred to herein reflect New York City time, unless otherwise specified.

The Issuer shall specify in writing to the Issuing and Paying Agent which party will be the calculation agent (the "**Calculation Agent**") with respect to the Floating Rate Notes. The Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note to the Issuing and Paying Agent as soon as the interest rate with respect to such Floating Rate Note has been determined and as soon as practicable after any change in such interest rate.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655). All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded, in the case of U.S. Dollars, to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upwards).

CD Rate Notes

"**CD Rate**" means the rate on any Interest Determination Date for negotiable certificates of deposit having the Index Maturity as published by the Board of Governors of the Federal Reserve System (the "**FRB**") in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication of the FRB ("**H.15(519)**") under the heading "CDs (Secondary Market)".

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, the CD Rate will be the rate on such Interest Determination Date set forth in the daily update of H.15(519), available through the world wide website of the FRB at http://www.federalreserve.gov/releases/h15/Update, or any successor site or publication or other recognized electronic source used for the purpose of displaying the applicable rate ("**H.15 Daily Update**") under the caption "CDs (Secondary Market)".

If such rate is not published in either H.15(519) or H.15 Daily Update by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the CD Rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m. on such Interest Determination Date of three leading nonbank dealers[1] in negotiable U.S. Dollar certificates of deposit in New York City selected by the Calculation Agent for negotiable U.S. Dollar certificates of deposit of major United States money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity in the denomination of $5,000,000.

If the dealers selected by the Calculation Agent are not quoting as set forth above, the CD Rate will remain the CD Rate then in effect on such Interest Determination Date.

Commercial Paper Rate Notes

"**Commercial Paper Rate**" means the Money Market Yield (calculated as described below) of the rate on any Interest Determination Date for commercial paper having the Index Maturity, as published in H.15(519) under the heading "Commercial Paper–Nonfinancial".

If the above rate is not published in H.15(519) by 3:00 p.m. on the Calculation Date, then the Commercial Paper Rate will be the Money Market Yield of the rate on such Interest Determination Date for commercial paper of the Index Maturity as published in H.15 Daily Update under the heading "Commercial Paper–Nonfinancial".

If by 3:00 p.m. on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 a.m. on such Interest Determination Date of three leading dealers of U.S. Dollar commercial paper in New York City selected by the Calculation Agent for commercial paper of the Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, from a nationally recognized statistical rating organization.

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1 Such nonbank dealers referred to in this Statement of Terms may include affiliates of the Dealer.

If the dealers selected by the Calculation Agent are not quoting as mentioned above, the Commercial Paper Rate with respect to such Interest Determination Date will remain the Commercial Paper Rate then in effect on such Interest Determination Date.

"**Money Market Yield**" will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "**D**" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "**M**" refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rate Notes

"**Federal Funds Rate**" means the rate on any Interest Determination Date for Federal Funds as published in Reuters (or any successor service) on page FEDFUNDS1 under the heading "EFFECT" (or any other page as may replace the specified page on that service) ("**Reuters Page FEDFUNDS1**").

If the above rate does not appear on Reuters Page FEDFUNDS1 or is not so published by 3:00 p.m. on the Calculation Date, the Federal Funds Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update under the heading "Federal Funds/(Effective)".

If such rate is not published as described above by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by each of three leading brokers of Federal Funds transactions in New York City selected by the Calculation Agent prior to 9:00 a.m. on such Interest Determination Date.

If the brokers selected by the Calculation Agent are not quoting as mentioned above, the Federal Funds Rate will remain the Federal Funds Rate then in effect on such Interest Determination Date.

LIBOR Notes

The London Interbank offered rate ("**LIBOR**") means, with respect to any Interest Determination Date, the rate for deposits in U.S. Dollars having the Index Maturity that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on such Interest Determination Date.

If no rate appears, LIBOR will be determined on the basis of the rates at approximately 11:00 a.m., London time, on such Interest Determination Date at which deposits in U.S. Dollars are offered to prime banks in the London interbank market by four major banks in such market selected by the Calculation Agent for a term equal to the Index Maturity and in principal amount equal to an amount that in the Calculation Agent's judgment is representative for a single transaction in U.S. Dollars in such market at such time (a "**Representative Amount**"). The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR for such interest period will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in New York City, on such Interest Determination Date by three major banks in New York City, selected by the Calculation Agent, for loans in U.S. Dollars to leading European banks, for a term equal to the Index Maturity and in a Representative Amount; provided, however, that if fewer than three banks so selected by the Calculation Agent are providing such quotations, the then-existing LIBOR rate will remain in effect for such Interest Payment Period.

"**Designated LIBOR Page**" means Reuters Screen LIBOR01 Page or any replacement page or pages on which London interbank rates of major banks for the Index Currency are displayed.

Prime Rate Notes

"**Prime Rate**" means the rate on any Interest Determination Date as published in H.15(519) under the heading "Bank Prime Loan".

If the above rate is not published in H.15(519) prior to 3:00 p.m. on the Calculation Date, then the Prime Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update opposite the caption "Bank Prime Loan".

If the rate is not published prior to 3:00 p.m. on the Calculation Date in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME1 Page (as defined below) as such bank's prime rate or base lending rate as of 11:00 a.m. on that Interest Determination Date.

If fewer than four such rates referred to above are so published by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by three major banks in New York City selected by the Calculation Agent.

If the banks selected are not quoting as mentioned above, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

"**Reuters Screen US Prime1 Page**" means the display designated as page "**USPrime1**" of the Reuters Service, or any successor service, or any replacement page or pages on that service, for the purpose of displaying prime rates or base lending rates of major U.S. banks.

Treasury Rate Notes

"**Treasury Rate**" means:

(1) the rate from the auction held on the Interest Determination Date (the "**Auction**") of direct obligations of the United States ("**Treasury Bills**") having the Index Maturity specified in the applicable pricing supplement above under the caption "**INVESTMENT**

RATE”, as that rate appears on Reuters Screen USAUCTION10 or USAUCTION11 Page under the heading “Investment Rate” (or any other page as may replace the specified page on that service or a successor service); or

(2) if the rate referred to in clause (1) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update, under the caption “U.S. Government Securities/Treasury Bills/Auction High”; or

(3) if the rate referred to in clause (2) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury; or

(4) if the rate referred to in clause (3) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15(519) under the caption “U.S. Government Securities/Treasury Bills/Secondary Market”; or

(5) if the rate referred to in clause (4) is not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, under the caption “U.S. Government Securities/Treasury Bills/Secondary Market”; or

(6) if the rate referred to in clause (5) is not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m. on that Interest Determination Date, of three primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the Supplement; or

(7) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (6), the Treasury Rate in effect on the particular Interest Determination Date.

“**Bond Equivalent Yield**” means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where “**D**” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, “**N**” refers to 365 or 366, as the case may be, and “**M**” refers to the actual number of days in the applicable Interest Reset Period.

5. Events of Default with Respect to Interest-Bearing Notes. The occurrence of any of the following shall constitute an “**Event of Default**” with respect to an interest-bearing Note: (i) default in any payment of principal of or interest on an interest-bearing Note at maturity, unless there shall have occurred a material disruption in securities settlement, payment or clearance services in Spain, the United Kingdom or the United States, in which case such payment shall be made within a period

of three days after when such payment is due at maturity; (ii) the Issuer makes any compromise arrangement with its creditors generally, including the entering into any form of moratorium with its creditors generally; (iii) a court having jurisdiction shall have entered a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law currently or hereafter in effect, or shall have appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of the Issuer and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or (iv) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law currently or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of the Issuer or make any general assignment for the benefit of creditors.

Upon the occurrence of an Event of Default with respect to an interest-bearing Note, the principal of each obligation evidenced by such interest-bearing Note (together with any interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.[2]

Notwithstanding the above, any Resolution (as defined below) or Early Intervention (as defined below) with respect to the Issuer will not, in and of itself and without regard to any other fact or circumstance, constitute an Event of Default under items (iii) and (iv) set forth above with respect to any interest-bearing Note. In addition, neither (i) a reduction or cancellation, in part or in full, of the Amounts Due (as defined herein) on a Note, or the conversion thereof into another security or obligation of the Issuer or another person, in each case as a result of the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to the Issuer, nor (ii) the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to a Note, will constitute an Event of Default. In addition, no repayment or payment of Amounts Due on a Note will become due and payable or be paid after the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

"**Early Intervention**" means, with respect to any Regulated Entity, that any Relevant Spanish Resolution Authority or the European Central Bank shall have announced or determined that such Regulated Entity has or shall become the subject of an "early intervention" (*actuación temprana*) as such term is defined in Law 11/2015.

"**Resolution**" means, with respect to any Regulated Entity, that any Relevant Spanish Resolution Authority shall have announced or determined that such Regulated Entity has or shall become the subject of a "resolution" (*resolución*) as such term is defined in Law 11/2015.

6. Final Maturity. The stated maturity date (the "**Stated Maturity Date**") for any Note will be the date so specified in the Supplement, which shall be no later than 364 days from the date of issuance with no unilateral rights to roll over or extend. On its Stated Maturity Date, or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a "**Maturity Date**", the principal

[2] Unlike single payment notes, where a default arises only at the stated maturity, interest-bearing notes with multiple payment dates should contain a default provision permitting acceleration of the maturity if the Issuer defaults on an interest payment.

amount of each Note, together with accrued and unpaid interest thereon, if any, will be immediately due and payable.

7. Agreement with Respect to the Exercise of Spanish Bail-in Power. Notwithstanding any other term of the Notes, the Amended and Restated Issuing and Paying Agency Agreement (as defined herein) or any other agreements, arrangements, or understandings between the Issuer and any holder of a Note, by its acquisition or acceptance of a Note, each holder of a Note (which, for these purposes, includes each holder of a beneficial interest in a Note) acknowledges, accepts, consents and agrees to be bound by (i) the exercise and the effects of the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority, which may be imposed with or without any prior notice with respect to the Notes, and which exercise (without limitation) may include and result in any of the following, or some combination thereof: (1) the reduction or cancellation of all, or a portion, of the Amounts Due on any Note; (2) the conversion of all, or a portion, of the Amounts Due on any Note into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on such holder of any such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of any Note; (3) the cancellation of any Note; and (4) the amendment or alteration of the maturity of, or amendment of the amount of interest payable on, any Note, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and (ii) the variation of the terms of any Note, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

By its acquisition or acceptance of a Note, each holder acknowledges and agrees that neither a reduction or cancellation, in part or in full, of the Amounts Due on any Note or the conversion thereof into another security or obligation of the Issuer or another person, in each case as a result of the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to the Issuer, nor the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note, will give rise to a default or Event of Default with respect to any Note or under the Amended and Restated Issuing and Paying Agency Agreement. By its acquisition or acceptance of any Note, each holder further acknowledges and agrees that no repayment or payment of Amounts Due on any Note will become due and payable or be paid after the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority, if and to the extent that such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

By its acquisition or acceptance of a Note, each holder will waive any and all claims, in law and/or in equity, against the Issuing and Paying Agent for, agree not to initiate a suit against the Issuing and Paying Agent in respect of, and agree that the Issuing and Paying Agent will not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note. Additionally, by its acquisition or acceptance of any Note, each holder will acknowledge and agree that, upon the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note, the Amended and Restated Issuing and Paying Agency Agreement will not impose any duties upon the Issuing and Paying Agent whatsoever with respect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

By its acquisition or acceptance of a Note, each holder shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds such securities to take any and all necessary action, if required, to implement the exercise of the Spanish Bail-in Power with respect to such Note as it may be imposed, without any further action or direction on the part of such holder.

Each holder that acquires a Note in the secondary market or otherwise shall be deemed to acknowledge and agree to be bound by and consent to the above and to the provisions specified in the Amended and Restated Issuing and Paying Agency Agreement to the same extent as the holders that acquire Notes upon their initial issuance.

Upon the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to any Note, the Issuer or the Relevant Spanish Resolution Authority (as the case may be) will provide a written notice to DTC, as soon as practicable, regarding such exercise of the Spanish Bail-in Power for purposes of notifying the holders of such securities. The Issuer will also deliver a copy of such notice to the Issuing and Paying Agent for information purposes.

"**Amounts Due**" with respect to any Note means the principal amount of or outstanding amount (if applicable), together with any accrued but unpaid interest and any other amounts due on such Note (including Additional Amounts). References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

"**Law 11/2015**" means Spanish Law 11/2015 of June 18, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), as amended, replaced or supplemented from time to time.

"**RD 1012/2015**" means Royal Decree 1012/2015 of November 6, by virtue of which Law 11/2015 is developed and Royal Decree 2606/1996, of December 20, on credit entities deposit guarantee fund is amended, as amended, replaced or supplemented from time to time.

"**Regulated Entity**" means any entity to which Law 11/2015 applies, as provided under Article 1.2 of Law 11/2015. *The Issuer is a Regulated Entity as of the date hereof.*

"**Relevant Spanish Resolution Authority**" means the Spanish Fund for the Orderly Restructuring of Banks (*Fondo de Restructuración Ordenada Bancaria*), the European Single Resolution Mechanism, the Bank of Spain, the Spanish Securities Market Commission (CNMV) or any other entity with the authority to exercise the resolution tools (such as the Spanish Bail-in Power) and powers contained in Law 11/2015 from time to time.

"**Spanish Bail-in Power**" means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Spain, relating to the transposition of Directive 2014/59/EU of the European Parliament and the Council of the European Union of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended from time to time, including, but not limited to, (i) Law 11/2015; (ii) RD 1012/2015; (iii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended, replaced or supplemented from time to time; and (iv) any other instruments, rules or standards made or implemented in connection with either (i), (ii) or (iii), pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (which may result in the reduction of the relevant claim to zero), cancelled, modified, transferred or converted into shares, other securities or other obligations of such Regulated Entity or any other person (or suspended for a temporary period).

8. Obligation Absolute. Except for Section 20 (*Agreement with Respect to the Taking of Regulatory Bail-in Actions*) of the Amended and Restated Issuing and Paying Agency Agreement dated as of January 30, 2017 between the Issuer and the Issuing and Paying Agent under which the Notes are issued (the "**Amended and Restated Issuing and Paying Agency Agreement**"), no provision of such agreement shall alter or impair the obligation of the Issuer, which, except as provided in Section 20 of such agreement and Section 7 hereof, is absolute and unconditional, to pay the principal of and accrued and unpaid interest, if any, on each Note at the times, place and rate, and in the coin or currency, herein prescribed.

9. Governing Law. The Notes (other than paragraph 2 under "Status of the Notes") will be governed by, and shall be construed in accordance with, New York law. The status of the Notes will be governed by, and shall be construed in accordance with, Spanish law. The Notes will be issued in accordance with the formalities prescribed by Spanish law.

10. Supplement. Any term contained in the Supplement shall supersede any conflicting term contained herein.

FORM OF LISTING TERM SHEET FOR NOTES

The document below is the form of the Listing Term Sheet for purposes of summarizing the terms and conditions, including the Final Terms, in respect of each issue of Notes issued under the Program and which will be completed by BBVA with respect to each such issue and submitted to the Irish Stock Exchange plc for the purpose of listing.

NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (the "Issuer" or "BBVA")

U.S.$10,000,000,000 U.S. Commercial Paper Program (the "Program")

Issue of [Aggregate Principal Amount of Notes] [Title of Notes]

PART A – CONTRACTUAL TERMS

This document constitutes the Listing Term Sheet in relation to the Notes referred to above (the "**Notes**"), including summarizing the Final Terms required to list and have admitted to trading the issue of the Notes described herein, pursuant to the U.S.$10,000,000,000 U.S. Commercial Paper Program of Banco Bilbao Vizcaya Argentaria, S.A. The Final Terms in relation to the issue of the Notes are set out in the records of BBVA (the "**Underlying Records**"), as maintained by The Bank of New York Mellon as issuing and paying agent (the "**Issuing and Paying Agent**"). Terms defined in the Listing Prospectus dated January 30, 2017 (as amended, updated or supplemented from time to time, the "**Listing Prospectus**"), unless indicated to the contrary, have the same meanings where used in this Term Sheet. Reference is made to the Listing Prospectus for a description of BBVA, the Program and certain other matters.

For full information on BBVA and the offer of the Notes described herein, this Listing Term Sheet must be read in conjunction with the Final Terms set out in the Underlying Records and the Listing Prospectus, including as supplemented. The Listing Prospectus, and any supplemental Listing Prospectus, are available for viewing during normal business hours at the executive offices of BBVA at Calle Azul, 4, 28050 Madrid, Spain, and at the offices of the Issuing and Paying Agent at 101 Barclay Street, New York, New York 10286, USA. Copies of the Final Terms are available from the specified office of the Issuing and Paying Agent set out above and through the electronic Note information systems operated by the Issuing and Paying Agent.

The particulars to be specified in relation to the issue of the Notes are as follows:

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.*]

1.	Issuer:	Banco Bilbao Vizcaya Argentaria, S.A.
2.	Type of Note:	Commercial Paper
3.	Dealer(s):	[ ]
4.	Aggregate Principal Amount:	U.S.$[ ]

5.	Issue Date:	[ ]
6.	Maturity Date:	[ ] [*May not be less than one day nor more than 364 days with no rights to unilaterally roll over or extend*]
7.	Issue Price (for interest-bearing Notes) or discount rate (for discount Notes):	U.S.$[ ]
8.	Denominations:	Minimum of $250,000 and available in multiples of $1,000 thereafter.
9.	Event of Default Redemption Amount:	Not applicable to discount notes. For interest-bearing notes, at par plus accrued and unpaid interest.
10.	Delivery:	Against payment.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] [*If not applicable, delete the remaining subparagraphs of this paragraph*]
	(i) Rate[(s)] of Interest:	[ ] [percent, per annum]
	(ii) Interest Payment Date(s):	[ ] [*Not applicable if all interest is paid on the Maturity Date*]
	(iii) Computation Period (if other than 360-day year of twelve 30-day months):	[Not Applicable/give details]
12.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] [*If not applicable, delete the remaining subparagraphs of this paragraph*]
	(i) Interest Rate Basis and Index Maturity:	[ ] months [LIBOR/CD/COMMERCIAL PAPER/FEDERAL FUNDS/PRIME/TREASURY]
	(ii) Interest Reset Date(s):	[ ]
	(iii) Interest Determination	[ ]

Date(s):	
(iv) Spread (plus or minus) (if any):	[+/–][ ] basis points per annum
(v) Spread multiplier (if any):	[ ]
(vi) Interest Payment Period:	[ ]
(vii) Interest Payment Month(s) (if any):	[ ]
(viii) Interest Payment Date(s) (if any):	[ ]
(ix) Interest Reset Period:	[ ]
(x) Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent):	[ ]
(xi) Calculation Date:	[ ]
(xii) Regular Record Date:	[ ]
(xiii) Business Day Convention:	[ ]
(xiv) Any other terms relating to the method of calculating interest on floating rate Notes, if different from those set out in the terms and conditions of the	[Not Applicable/give details]

Notes:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

13.	Listing and Admission to Trading:	Dublin (the Irish Stock Exchange plc). Application has been/is expected to be made by BBVA (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from the Issue Date.
14.	Ratings:	BBVA has not applied for ratings to be assigned to the Notes. However, ratings allocated to the Program are as follows: [Standard & Poor's Credit Market Services Europe Limited: [ ]] [Fitch Ratings España, S.A.U.: [ ]] [Moody's Investors Service España, S.A.: [ ]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]
15.	Clearing System:	The Depository Trust Company
16.	Issuing and Paying Agent:	The Bank of New York Mellon
17.	CUSIP No.:	[ ]
18.	Common Code/ISIN Code:	[ ] [*consists of a two-letter country code, the CUSIP No. and a single check digit*]

LISTING AND ADMISSION TO TRADING APPLICATION

This document constitutes the Listing Term Sheet in relation to the Notes, including summarizing the Final Terms required to list and have admitted to trading the issue of the Notes described herein, pursuant to the U.S.$10,000,000,000 U.S. Commercial Paper Program of Banco Bilbao Vizcaya Argentaria, S.A.

RESPONSIBILITY

BBVA accepts responsibility for the information contained in this Listing Term Sheet.

This document is not an offer of securities for sale in the United States. The securities to which this document relates have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Act"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration or an exemption from registration under the Act. There will be no public offering of the securities in the United States.

Signed on behalf of **BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

By: ....
(duly authorized)

Dated:

PART B – OTHER INFORMATION

1. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

Other than any fees payable to the Dealers, so far as BBVA is aware, no person involved in the offer of the Notes has an interest material to the offer.

2. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

Estimated total expenses: [ ]

3. [*Fixed Rate Notes and Discount Notes only* **- YIELD**[3]

Indication of yield: [ ]]

[3] To be marked "not applicable" in the case of Discount Notes for which a discount rate is applicable.

TAXATION

<u>Spanish Tax Considerations</u>

The following is a general description of certain Spanish tax considerations relating to the Notes. The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of Notes. The summary set out below is based upon Spanish law as in effect on the date of this Listing Prospectus and is subject to any change in such law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes. The statements regarding Spanish law and practice set forth below assume that the Notes will be issued, and transfers thereof will be made, in accordance with the Spanish law.

Prospective investors should consult their own tax advisers who can provide them with personalized advice based on their particular circumstances. Investors should also evaluate legislative changes such as those represented by the regulations which could be adopted in the future.

Acquisition of the Notes

The issue of, subscription for, transfer and acquisition of the Notes is exempt from Transfer and Stamp Tax (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) and Value Added Tax (*Impuesto sobre el Valor Añadido*) under Spanish law.

Taxation on the income and transfer of the Notes

The tax treatment of the acquisition, holding and subsequent transfer of the Notes is summarized below and is based on the tax regime applicable to the Notes pursuant to Royal Legislative Decree 5/2004 of March 5, 2004, approving the consolidated text of the Non-Resident Income Tax Law (*Impuesto sobre la Renta de los no Residentes)*, as amended by Law 26/2014 of November 27 ("**NRIT Law**"), Law 27/2014, of November 27, concerning Corporate Income Tax (*Impuesto sobre Sociedades*) ("**CIT Law**"), Law 35/2006 of November 28, 2006 concerning Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*) as amended by Law 26/2014 of November 27 ("**PIT Law**"), Law 19/1991 of June 6, 1991 approving the Wealth Tax Law (*Impuesto sobre el Patrimonio*) and Law 29/1987 of December 18, 1987, approving the Inheritance and Gift Tax Law (*Impuesto sobre Sucesiones y Donaciones*).

The summary below also considers the rules for the implementation of such regulations (Royal Decree 1776/2004 of July 30, 2004, approving the Non-Resident Income Tax Regulations as amended by Royal Decree 633/2015 of July 10, Royal Decree 439/2007 of March 30, 2007, approving the Individual Income Tax Regulations as amended by Royal Decree 633/2015 of July 10, and Royal Decree 634/2015 of July 10, approving the Corporate Income Tax Regulations).

Additionally, the summary below considers Spanish legislation relating to the issuance of preferred securities and debt securities issued by Spanish financial and non-financial entities, either directly or through a subsidiary (Law 10/2014) and Royal Decree 1065/2007, of July 27, approving the General Regulations relating to tax inspection and management procedures and developing a common set of procedures for tax application ("**RD 1065/2007**").

Income obtained by non-resident Noteholders in respect of the Notes

Income obtained by Noteholders who are not tax resident in Spain, both in respect of interest and in connection with the transfer or repayment at maturity of the Notes, whether or not through a permanent establishment, is considered Spanish source income and is therefore potentially subject to taxation in Spain under NRIT Law, subject to the provisions contained in any applicable tax treaty for the avoidance of double taxation ("**DTT**").

Income obtained by Noteholders who are not tax resident in Spain acting for these purposes without a permanent establishment within Spain is exempt from Non-Resident Income Tax, provided that the conditions described in "—Compliance with certain requirements in connection with income payments" are met. For these purposes, "income" means interest and the difference, if any, between the aggregate amount payable on the maturity of the Notes and the issue price of the Notes.

Income obtained through a permanent establishment in Spain in respect of the Notes and Corporate Income Tax taxpayers

The holding of Notes by investors who are not resident for tax purposes in Spain will not in itself create a permanent establishment in Spain.

Income obtained by non-Spanish resident Noteholders acting through a permanent establishment in Spain in respect of the Notes will be taxed under the rules provided by Chapter III of the NRIT Law. These Noteholders will be subject to taxation substantially in the same manner as Spanish Corporate Income Tax taxpayers in accordance with the general rules set out in the CIT Law and will therefore be taxed at the applicable general tax rate (currently 25%). However, the general tax rate is not applicable to all Corporate Income Tax taxpayers and, for example, it will not apply to banking institutions (which are currently subject to a 30% tax rate).

Income derived from the transfer or repayment at maturity of the Notes shall not be subject to withholding tax as provided by Section 61(s) of the Corporate Income Tax Regulations, to the extent that the Notes satisfy the requirements laid down by the reply to the Directorate General for Taxation's (*Dirección General de Tributos*) consultation, on July 27, 2004, indicating that in the case of issuances made by entities with tax residency in Spain (as in the case of BBVA), application of the exemption requires that the Notes be placed outside Spain in another OECD country and traded on organized markets in OECD countries. Notes issued hereunder are expected to satisfy these requirements.

For withholding on income derived from payment of interest of the Notes, see "—Compliance with certain requirements in connection with income payments".

Income obtained by individuals with tax residency in Spain

Income obtained by Noteholders who are individual Spanish resident taxpayers, both as interest and income obtained in connection with the transfer or repayment at maturity of the Notes, shall be considered income on investments obtained from the assignment of an individual's capital to third parties, as defined in Section 25.2 of the PIT Law, and therefore will be taxed as savings income at the applicable rate, varying from 19% to 23%.

The aforementioned income will be subject to the corresponding personal income tax withholding at the applicable tax rate (currently 19%).

Under Article 44 of the RD 1065/2007, income obtained in respect of the Notes will not be subject to withholding tax in Spain, provided certain requirements are met, including that the Issuing and Paying Agent provides BBVA, in a timely manner, with certain information. See "—Compliance with certain requirements in connection with income payments".

Nevertheless, withholding tax at the applicable rate may have to be deducted by other entities (such as depositaries or financial entities), provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

Wealth Tax

According to Royal Decree Law 13/2011 of September 16, as amended by Royal Decree Law 3/2016 of December 2, individuals with tax residency in Spain are subject to Wealth Tax in the tax year 2017, to the extent that their net worth exceeds €700,000, at the applicable rates ranging between 0.2% and 2.5%, without prejudice to any relevant exemption which may apply and the relevant laws and regulations in force in each autonomous region of Spain. Therefore, they should take into account the value of the Notes which they hold as of December 31, 2017.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights are located in Spain, or whose rights can be exercised within the Spanish territory, and whose net worth exceeds €700,000 would be subject to Wealth Tax at the applicable rates, ranging between 0.2% and 2.5%.

As a consequence of the European Court of Justice Judgment (Case C-127/12), the Wealth Tax Law has been amended by Law 26/2014. As a result, non-Spanish tax resident individuals who are residents in the EU or in the European Economic Area can elect to apply the legislation of the region in which the highest value of the assets and rights of the individuals are located.

Legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax

The transfer of the Notes to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*) in accordance with the applicable Spanish and State rules even if title passes outside Spain and neither the heir nor the beneficiary, as the case may be, is resident in Spain for tax purposes, without prejudice to the provisions of any DTT signed by Spain.

The effective tax rate, after applying all relevant factors, ranges between 0% and 81.6%.

However, the Judgment from the European Court of Justice dated September 3, 2014 has declared that Spanish Inheritance and Gift Tax Law is against the principle of free movement of capital within the EU as the Spanish residents are granted tax benefits that, in practice, allow them to pay much lower taxes than nonresidents. According to Law 26/2014, it will be possible to apply tax benefits approved in some Spanish regions to EU residents following specific rules.

In the event that the beneficiary is an entity other than a natural person, the income obtained shall be subject to Corporate Income Tax or Non-Resident Income Tax, as the case may be, and without prejudice, in the latter event, to the provisions of any DTT that may apply.

Compliance with Certain Requirements in Connection with Income Payments

Article 44 of RD 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014. The procedures apply to interest deriving from preference shares and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than 12 months such as the Notes.

According to the literal wording of Article 44.5 of RD 1065/2007, income derived from securities originally registered with entities that manage clearing systems located outside Spain that are recognized by Spanish law or by the law of another OECD country (such as The Depository Trust Company ("**DTC**")), will be paid free of Spanish withholding tax provided that the relevant paying agent submits a statement to the issuer with the following information:

(a) Identification of the securities;

(b) Payment date;

(c) Total amount of income to be paid on the relevant payment date; and

(d) Total amount of income corresponding to securities held through each clearing system located outside Spain (such as DTC).

These obligations refer to the total amount paid to investors through each foreign clearing house. For these purposes, "income" means interest and the difference, if any, between the aggregate amount payable on the maturities of the securities and the issue price of the securities.

In light of the above, BBVA and the Issuing and Paying Agent have entered into the Amended and Restated Issuing and Paying Agency Agreement in respect of the Notes, which, among other things, provides for the timely provision by the Issuing and Paying Agent to BBVA of the Payment Statement in connection with each payment of income under the Notes, on the business day immediately preceding such payment. The Payment Statement must set forth information as of the close of business of that day. In addition, the Issuing and Paying Agent has agreed in respect of the Notes to, so long as any principal amount of the relevant securities remains outstanding and insofar as it is practicable, maintain, implement or arrange for the implementation of procedures to facilitate the timely provision of a duly executed and completed Payment Statement in connection with each payment of income thereunder or the collection of any other documentation concerning such Notes or the beneficial owners thereof that may be required under Spanish law for payments on such Notes not to be subject to Spanish withholding tax.

In addition to the timely provision of a duly executed and completed Payment Statement, the Notes must be admitted to listing on an organized secondary market in order for payments on Notes to not be subject to Spanish withholding tax.

If the Issuing and Paying Agent fails to deliver a duly executed and completed Payment Statement on a timely basis in respect of a payment of income under the Notes, then the related payment will be subject to Spanish withholding tax, currently at the rate of 19%. In such an event, subject to certain exceptions, as set forth under "Key Features of the Program", BBVA will pay the relevant Noteholder such Additional Amounts on the payment date as may be necessary in order that the net amount received by such Noteholder after such withholding equals the sum of the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding.

Under the U.S.-Spain income tax treaty in force, interest income generally will be taxed at a reduced tax rate (currently at 10%) and U.S. persons may be entitled to claim a refund from the Spanish tax authorities for any taxes withheld in excess of the applicable treaty rate.

Investors should note that neither BBVA nor any Dealer accepts any responsibility relating to the effectiveness of the procedures established under the Amended and Restated Issuing and Paying Agency Agreement for the collection of information concerning the Notes. See "Notice Regarding Spanish Tax".

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax consequences of the ownership and disposition of Notes to the U.S. Holders described below that hold the Notes as capital assets and purchased the Notes in their initial offering at the "issue price," which is the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money.

This discussion does not purport to be a comprehensive description of all the tax consequences that may be relevant to U.S. Holders in light of their particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, or to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers and traders in securities that use a mark-to-market method of tax accounting;
- persons holding Notes as part of a straddle or integrated transaction;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. Dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt organizations; or
- persons holding Notes in connection with a trade or business conducted outside the United States.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, all as of the date hereof, changes to any of which subsequent to the date of this Listing Prospectus may affect the tax consequences described herein. Prospective investors are urged to consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning Notes and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of Notes.

As used herein, a "**U.S. Holder**" is a person that for U.S. federal income tax purposes is a beneficial owner of a Note and is (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

The Notes

Debt instruments such as the Notes that mature (after taking into account the last possible date that the Notes could be outstanding by their terms) one year or less from their date of issuance ("short-term notes") will be treated, for U.S. federal income tax purposes, as being issued with original issue discount equal to the difference between their "stated redemption price at maturity" and their issue price. The "stated redemption price at maturity" of a Note will equal the sum of all payments required under the Note.

U.S. Holders that report income on the accrual method of accounting for U.S. federal income tax purposes and certain other U.S. Holders, including cash method U.S. Holders who so elect, are required to include the discount in income (as interest income) as it accrues on a straight-line basis, unless a separate election is made to accrue the discount according to a constant yield method based on daily compounding. In general, a cash-method U.S. Holder is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any interest payment received in respect of the Note generally will be ordinary income included at the time of receipt, and any gain realized on the sale, exchange or retirement of the Note will be ordinary interest income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement (excluding any interest previously included in the U.S. Holder's taxable income). In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry Notes to the extent of any discount on the Notes that has not yet been included in income, until the discount is so included.

Interest income earned by a U.S. Holder with respect to a Note will constitute foreign-source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. Holder's foreign tax credit limitation.

Upon the sale, exchange or retirement of a Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis in the Note. As described above, gain realized on the sale, exchange or retirement of a Note will be ordinary interest income to the extent of any accrued but unrecognized discount through the date of sale, exchange or retirement. Otherwise, gain or loss on the sale, exchange or retirement of a Note will be short-term capital gain or loss and will be treated as U.S.-source for purposes of computing a U.S. Holder's foreign tax credit limitation.

Backup Withholding and Information Reporting

Payments on the Notes and the proceeds from a sale or other disposition of the Notes that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless the U.S. Holder is an exempt recipient (and if required, establishes its status as such) or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and complies with certain certification procedures or otherwise establishes an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

GENERAL INFORMATION

Clearing of the Notes

The Notes have been accepted for clearance through DTC. The appropriate Common Code and ISIN for each issue of Notes will be specified in the Final Terms relating thereto.

Admission to Listing and Trading

It is expected that Notes issued under the Program may be admitted to listing on the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange after January 30, 2017. The admission of the Notes to trading on the regulated market of the Irish Stock Exchange will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to listing on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange will be so admitted to listing and trading upon submission to the Irish Stock Exchange of the relevant Final Terms and any other information required by the Irish Stock Exchange, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Program which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as BBVA and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Program on an unlisted basis.

Authorizations and Approvals

The update of the Program and the issue of the Notes have been duly authorized by a resolution of the shareholders' meeting of BBVA dated March 13, 2015 and by a resolution of the Board of Directors of BBVA dated November 25, 2015.

BBVA has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes.

Statutory Auditors

The auditors of BBVA are Deloitte, S.L. (registered as auditors on the *Registro Oficial Auditores de Cuentas*), who have audited BBVA's consolidated and individual stand-alone financial statements for each of the financial years ended December 31, 2014 and December 31, 2015, which have been prepared in accordance with the International Financial Reporting Standards adopted by the EU and required to be applied under the Bank of Spain's Circular 4/2004. On July 28, 2016, the Board of Directors of BBVA resolved to submit to the next ordinary general shareholders' meeting of BBVA the appointment of KPMG Auditores, S.L. as external auditor of BBVA and of its consolidated Group for the financial years 2017, 2018 and 2019.

Significant Change

Except as disclosed herein, there has been no significant change in the financial or trading position of the Group since September 30, 2016.

Legal and Arbitration Proceedings

Except as disclosed under Legal Proceedings above, neither BBVA nor the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BBVA is aware) in the 12 months preceding the date of this document which may have, or have in such period had, a significant effect on the financial position or profitability of BBVA or the Group.

Documents on Display

Electronic or physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL or Merck House Seldown, Poole Dorset BH15 1PX, United Kingdom, or at the offices of BBVA at Calle Azul, 4, 28050 Madrid, Spain. for the life of this Listing Prospectus:

1. the *estatutos* (Bylaws) of BBVA;
2. the audited and unaudited financial statements incorporated by reference herein;
3. this Listing Prospectus, together with any supplements thereto;
4. the Amended and Restated Issuing and Paying Agency Agreement;
5. the applicable dealer agreements; and
6. the DTC Letter of Representations of BBVA.

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