

**SUPPLEMENT DATED 23RD DECEMBER, 2016 TO THE OFFERING CIRCULAR DATED 25TH
NOVEMBER, 2016**

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

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

This Supplement (the **Supplement**) to the Offering Circular dated 25th November, 2016, as supplemented on 16th December, 2016 (as so supplemented, the **Offering Circular**), which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the Global Medium Term Note Programme (the **Programme**) of Banco Bilbao Vizcaya Argentaria, S.A. (the **Issuer**).

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

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

The purpose of this Supplement is to update the section entitled “*Description of Banco Bilbao Vizcaya Argentaria, S.A - Legal Proceedings*” on pages 116 and 117 of the Offering Circular to reflect the publication on 21st December, 2016 of a judgment of the Court of Justice of the European Union (the **CJEU**). By virtue of this Supplement, the Offering Circular shall be deemed updated accordingly.

On 21st December, 2016, the CJEU's decision was published regarding whether the time limitation placed on the refund of amounts following the declaration of invalidity of "floor" clauses in mortgage loans with consumers by the Spanish Supreme Court in its judgment dated 9th May, 2013, among others, was in compliance with Council Directive 93/13/EEC of 5th April, 1993 on unfair terms in consumer contracts (**Directive 93/13/EEC**).

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

In its judgment, the CJEU stated that national case-law that sets 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 the Directive 93/13/EEC. The Spanish courts must now determine the application of the criteria established by the CJEU to the judicial proceedings under their remit.

To cover the contingencies that may arise from future claims following this decision of the CJEU, the Issuer will record a provision in its consolidated financial statements for the year ended 31st December, 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. The Issuer's fully loaded CET 1 capital ratio target remains 11.0 per cent.

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

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