

Phoenix Memory on Index Basket due 2024

Term Sheet, 27th July 2018

ST-122631

This is a structured product involving derivatives. Investment in structured products involves risks. Such risks may include, without limitation, risks on currency, credit, liquidity, time value and changes in the value and volatility of the underlying reference item(s), interest rates and economic, financial and political conditions. The value of structured products may fall as rapidly as it may rise and investors may lose their entire investment. Prospective investors should not invest in the Notes without having sufficient knowledge, experience and professional advice to make a meaningful evaluation of the merits and risks of investing in the Notes, and the information contained or incorporated in the Base Prospectus

The Notes shall be issued pursuant to the Issuer's €4,000,000,000 Structured Medium Term Note Programme (the "Programme") Prospective investors should read the base prospectus for the Programme dated 18 June 2018, as supplemented from time to time (the "Base Prospectus"), available at http://www.ise.ie/debt_documents/Base%20Prospectus_87623.pdf which contains, among other things, the terms and conditions of the Notes, the additional terms and conditions for Index Linked Notes, Selling Restrictions and Risk Factors.

The following paragraphs highlight or include certain selections or choices, details of which are fully set out in the Issuer's Base Prospectus in Annex 1 "Additional Terms and Conditions for Payouts" and the Annex "Additional Terms and Conditions for Index Linked Notes". The summary of the terms does not include all defined terms, is subject to change without notice, and shall be superseded by the legal documentation governing the notes

Instrument	Structured Notes
Status of the Notes	Senior
Issuer	BBVA Global Markets B.V. (A- by S&P)
Guarantor	Banco Bilbao Vizcaya Argentaria, S.A. (A3 by Moody's, A- by S&P and A- by Fitch)
Dealer	Banco Bilbao Vizcaya Argentaria, S.A.
Specified Notes Currency	US Dollar ("USD")
Aggregate Nominal Amount	USD 544,000
Specified Denominations	USD 2,000
Calculation Amount	USD 2,000
ISIN Code	XS1862518229
Trade Date	27 July 2018
Issue Date	07 September 2018
Maturity Date	09 September 2024, subject to Automatic Early Redemption
Strike Date	31 August 2018

This indicative term sheet does not constitute or imply an offer, solicitation or commitment whatsoever on part of BBVA or any of its affiliates to trade on the terms specified herein.. BBVA may benefit from acting as dealer and swap counterparty of the notes.. BBVA disclaims any liability or responsibility of any kind arising from the use of this indicative term sheet or its contents. It is for your sole use, only and it is not to be duplicated, reproduced or redistributed to any person or incorporated in any way into another document without the prior written consent of BBVA

To the extent that you enter into this transaction, you acknowledge and represent to BBVA that your decision to purchase the Notes is fully independent and that BBVA has not made any recommendation to you to enter into any transaction or provided you with any legal, tax, financial or other advice in this regard.

Redemption Valuation Date	02 September 2024
Issue Price	100 per cent
Interest Basis	Index Linked Interest (see provisions below)
Automatic Early Redemption	Applicable (see provisions below)
Redemption Basis	Index Linked Redemption (see provisions below)
Business Days Convention	Modified Following Business Days
Business Days	New York

The following paragraphs highlight or include certain selections or choices, the full details of which are set out in the Issuer's Base Prospectus in Annex 1 "Additional Terms and Conditions for Payouts" and Annex 2 "Additional Terms and Conditions for Index Linked Notes"

Information relating to the Index Basket

Basket of Indices]	The following Reference Item(s) (k) (from k=1 to k=4) will apply to the Notes: <i>k=1: FTSE 100 Index</i> Bloomberg Code: UKX Index Exchange: London Stock Exchange <i>k=2 OMX Stockholm 30 Index</i> Bloomberg Code: OMX Index Exchange: Stockholm Stock Exchange <i>k=3: EURO STOXX 50 Index</i> Bloomberg Code: SX5E Index Exchange: The principal stock exchange on which the securities comprising the index are principally traded, as determined by the Calculation Agent <i>k=4: Hong Kong Hang Sang Index</i> Bloomberg Code: HSI Index Exchange: Hong Kong Stock Exchange
Related Exchange	All Exchanges
Exchange Business Day:	All Index Basis
Scheduled Trading Day:	All Index Basis
Selected Value Definitions from Condition 5.2 of the Payout Annex	"RI Value" means, (i) the RI Closing Value for a Reference Item in respect of a ST Valuation Date, divided by (ii) the relevant RI Initial Value "RI Initial Value" means Initial Closing Price "Initial Closing Price" means the RI Closing Value of a Reference Item on the Strike

Date.

"Worst Value" means, in respect of a ST Valuation Date, the RI Value for the Reference Item(s) with the lowest or equal lowest RI Value for any Reference Item in the Basket.

"ST Valuation Date" means each Coupon Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day and the Redemption Valuation Date.

Provisions relating to Index Linked Interest

Rate of Interest:	In respect of each Interest Payment Date (from i=1 to i=24), the Rate of Interest shall be determined by the Calculation Agent as:		
Rate of Interest (xvi) Memory	(A) If the Barrier Count Condition is satisfied in respect of a Coupon Valuation Date: Rate + SumRate; (B) otherwise, zero. Where, "Rate" means, in respect of a Coupon Valuation Date, 6.60% "Sum Rate" means, in respect of each Coupon Valuation Date, the sum of all previous Rates for each Coupon Valuation Date since (but not including) the last occurring date on which the relevant Barrier Count Condition was satisfied (or if none the Issue Date). "Barrier Count Condition" shall be satisfied if, in respect of a Coupon Valuation Date, the Coupon Barrier Value on such Coupon Valuation Date, as determined by the Calculation Agent, is equal to or greater than 72.50 per cent. Where, "Coupon Barrier Value": means, in respect of a Coupon Valuation Date, the Worst Value		
Coupon Valuation and Interest Payment Dates	i	Coupon Valuation Date	Interest Payment Date
	1	30 August 2019	09 September 2019
	2	28 August 2020	08 September 2020
	3	27 August 2021	07 September 2021
	4	30 August 2022	07 September 2022
	5	30 August 2023	07 September 2023
	6	02 September 2024	09 September 2024

Provisions relating to Automatic Early Redemption

Automatic Early Redemption Event:	An Automatic Early Redemption Event will occur if the Worst Value on any Automatic Early Redemption Valuation Date is greater than or equal to 100%.		
Automatic Early Redemption Amount:	The Automatic Early Redemption Amount shall be:		
	Calculation Amount * 100%		
Automatic Early Redemption Valuation and Automatic Early Redemption Dates	i	Automatic Early Redemption Valuation Date	Automatic Early Redemption Date
	1	28 August 2020	08 September 2020
	2	27 August 2021	07 September 2021
	3	30 August 2022	07 September 2022
	4	30 August 2023	07 September 2023

Provisions Relating to Index Linked Redemption

Final Payout: Redemption (vii) – Knock-In	(A) if no Knock-in Event has occurred: 100% (B) if a Knock-in Event has occurred: Min[100%; FR Value] Where, “FR Value” means, in respect of the Redemption Valuation Date, the Worst Value A “Knock-in Event” will occur If the Worst Value on the Redemption Valuation Date is less than 60%.
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Market Disruption, Adjustments and Extraordinary Events

The following paragraphs highlight or include certain selections or choices, details of which are fully set out in the Issuer's Base Prospectus

Market Disruption	Specified Maximum Days of Disruption will be equal to three.
Adjustment to the Index	As set out in Condition 2 of the <i>Additional Terms and Conditions for Index Linked Notes</i>
Applicable Additional Disruption Events	Change in Law

Additional Information

Intermediation Fee	The Dealer will pay a third party, in its capacity as an introducing broker, a fee equal to 6.5162% of the Nominal Amount of the Notes.
Valuation and Liquidity	BBVA intends, under normal conditions (as determined by BBVA in its sole discretion), to publish an indicative price of the Notes on Bloomberg. These indicative prices will be published for information purposes only, and will not constitute an offer to buy or sell any Notes nor a commitment to make such an offer.

	Nevertheless, the first buyer of the Notes (the "Initial Buyer") shall have the right to request from BBVA a firm purchase price of the Notes owned by the Initial Buyer (the "Firm Price") for a minimum aggregate amount of 2,000 USD, and subject to normal market and funding conditions (as determined by BBVA in its sole discretion) The Firm Price shall be calculated by BBVA in its sole discretion. Any Firm Price provided by BBVA shall lose its binding character for BBVA if not immediately accepted by the Initial Buyer upon communication to it without the imposition of any terms and conditions by the Initial Buyer.
Governing Law	English Law for the Notes, Spanish Law for the guarantee
Listing	Application will be made for the Notes to be listed on the Irish Stock Exchange Regulated Market with effect from the Issue Date.
Clearing	Clearstream/Euroclear
Calculation Agent	Banco Bilbao Vizcaya Argentaria, S.A.
Paying Agent	Deutsche Bank AG, London Branch

DISCLAIMERS:

FTSE 100 Index

"The Issuer, Dealer, Investor and each purchaser of the Notes (altogether the "Parties") agree and acknowledge that the note issuance contemplated herein (the "Transaction") is not sponsored, recommended, endorsed, sold or promoted by the FTSE 100 Index (the "Index") nor by FTSE International Limited (the "Index Sponsor"). The Parties also agree and acknowledge that the Index Sponsor does not make any representations regarding the results to be obtained from using their Index or the level at which an Index may stand nor its suitability. Further, the Parties will not have any liability to each other for an act or omission by the Index Sponsor, for the accuracy, timeliness and completeness of the Index and its data, the merchantability for a particular purpose or use of the Index and its data nor the performance of the Transaction."

Eurostoxx 50 Index

"The EURO STOXX 50® is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland ("STOXX"), Deutsche Börse Group or their licensors, which is used under license. The option based on the Index is neither sponsored nor promoted, distributed or in any other manner supported by STOXX, Deutsche Börse Group or their licensors, research partners or data providers and STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not give any warranty, and exclude any liability (whether in negligence or otherwise) with respect thereto generally or specifically in relation to any errors, omissions or interruptions in the relevant index or its data."

OMX Stockholm 30 Index

"The Issuer, Dealer, Investor and each purchaser of the Notes (altogether the "Parties") agree and acknowledge that the note issuance contemplated herein (the "Transaction") is not sponsored, recommended, endorsed, sold or promoted by the OMX Stockholm 30 Index (the "Index") nor by NASDAQ OMX Group (the "Index Sponsor"). The Parties also agree and acknowledge that the Index Sponsor does not make any representations regarding the results to be obtained from using their Index or the level at which an Index may stand nor its suitability. Further, the Parties will not have any liability to each other for an act or omission by the Index Sponsor, for the accuracy, timeliness and completeness of the Index and its data, the merchantability for a particular purpose or use of the Index and its data nor the performance of the Transaction."

Hang Seng Index

"The Issuer, Dealer, Investor and each purchaser of the Notes (altogether the "Parties") agree and acknowledge that the note issuance contemplated herein (the "Transaction") is not sponsored, recommended, endorsed, sold or promoted by the Hang Seng Index (the "Index") nor by HIS Services Limited (the "Index Sponsor"). The Parties also agree and acknowledge that the Index Sponsor does not make any representations regarding the results to be obtained from using their Index or the level at which an Index may stand nor its suitability. Further, the Parties will not have any liability to each other for an act or omission by the Index Sponsor, for the accuracy, timeliness and completeness of the Index and its data, the merchantability for a particular purpose or use of the Index and its data nor the performance of the Transaction."