11 April 2016
GBP

INVESTMENT PRODUCT RESEARCH

IDAD 60:60 Global Income Autocall May '16

PRODUCT DETAILS

Investor Rationale / Description
This is an income product linked to the Australian, Canadian, Swedish and Swiss stock markets. The structure is appropriate for investors who are targeting a simple annual return of 6.5% pa, provided the underlying country indices do not fall by 40% or more on any semi-annual payment date. Investors will be prepared for the product to mature early (at par) from one year. Capital will be eroded if the worst index falls by more than 40% over the full term. All returns are subject to the solvency of the issuer.

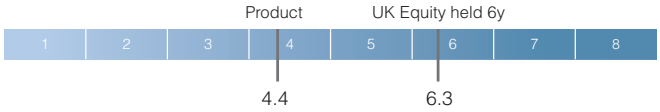
Product Type	Enhanced Income
Strike Date (Initial Observation Date)	12 May 2016
Underlying Indices	OMX, SPTSX60, SPASX200, SMI
Promoter	IDAD
Offer Price	100
Currency	GBP
Maximum Term	Six years
ISIN	XS1395293753
Income	3.25% semi-annually if all underlyings close above 60%
Autocall	Semi-annual autocall starting from 1st anniversary if all underlyings close above 100%
Capital Return	60% European barrier (measured at maturity)

Issuing Bank Details	BBVA
Credit Ratings	BBB+ (S&P), A- (Fitch), Baa1 (Moody's)
Tier 1 Ratio (%)	12.1
Market Capitalisation	EUR 35bn

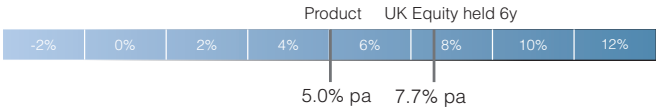
*Source: Bloomberg; IPR #2570: 11.04.2016

PRODUCT ANALYSIS*

Risk Indicator (mapped to SRRI volatility buckets)



Expected Return %pa*

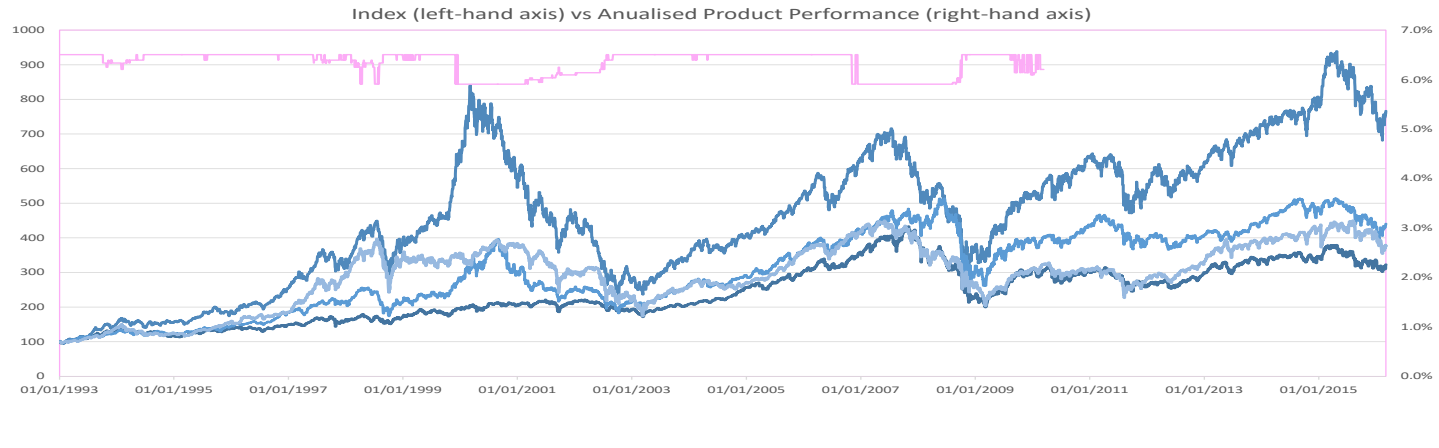


*See overleaf for full details.

Returns	Market (Stress Test)	Historic
Probability of Gain	93.2%	100%
If there is a gain, the expected annualised return is	6.3%	6.4%
Expected Annuallsed Return (across all scenarios)	5.0%	6.4%

Risks	Market (Stress Test)	Historic
Probability of Loss	6.7%	0.0%
If there is a loss, the expected annualised return is	-4.5%	0.0%
Volatility of Returns	6.6%	0.4%

*Source: Bloomberg; IPR #2570: 11.04.2016



Autocall Analysis		% of times the product matured early	
Semi-annual autocall	Levels	Market Stress Test	Historic
1	100%	29.9%	61%
1.5	100%	11.4%	7.3%
2	100%	7.8%	3.4%
2.5	100%	5.7%	1.1%
3	100%	4.4%	1.3%
3.5	100%	3.9%	3.6%
4	100%	3.1%	1.8%
4.5	100%	2.8%	1.6%
5	100%	2.4%	1.3%
5.5	100%	2%	0.7%
6	60% (100% Protection)	19.8%	16.8%
6	Barrier Breach	6.8%	0%

Coupon Analysis		% of times coupon paid, assuming no previous kick out)		
Semi-annual Coupon	Trigger	Stress Test	Historic	Coupon Paid
1	60%	100.0%	100.0%	3.25%
2	60%	99.9%	100.0%	3.25%
3	60%	99.4%	100.0%	3.25%
4	60%	99.0%	100.0%	3.25%
5	60%	97.8%	99.6%	3.25%
6	60%	96.5%	99.6%	3.25%
7	60%	94.6%	99.6%	3.25%
8	60%	92.4%	99.6%	3.25%
9	60%	89.9%	99.5%	3.25%
10	60%	86.1%	99.5%	3.25%
11	60%	81.5%	99.4%	3.25%
12	60%	74.4%	99.4%	3.25%

PAST PERFORMANCE SHOULD NOT BE CONSIDERED AN INDICATOR OF FUTURE PEFORMANCE. THIS IS FOR INFORMATION PURPOSES ONLY

ABOUT INVESTMENT PRODUCT RESEARCH (IPR)

Since launch in 2013 IPR has become the leading provider of buy side analytics for structured products. Working together with UK-regulated firm Cube Investing the firm brings together a team of structured product professionals under the leadership of Art Noble.

The IPR team initially began to develop the IPR model to evaluate structured product risk and return in response to a March 2012 paper from the FCA. Prior to working on this he was developing statistical arbitrage strategies and portfolio optimisation tools. At J.P. Morgan he was responsible for marketing derivative products and had a particular focus on hedge fund derivative solutions and asset and liability modelling. He was also responsible for building pricing models, risk management tools and the value-at-risk techniques that became RiskMetrics.

IPR realised early on that in order to evaluate structured product risks and returns and to compare them with other investment types it would be necessary to develop a model that is independent of issuer inputs and risk-neutral assumptions made in the pricing of structured products.

Treating the outputs from these models with the due care and diligence of an investor, IPR has devoted much of its efforts to honing how to extract the best metrics to convey the various risks and potential returns of sometimes complex and varying instruments, on a like-for-like basis.

This independent approach (whch was vindicated when the European regulator adopted a similar method to that proposed by IPR) coupled with a robust online IT platform that allows user-defined inputs has placed IPR firmly at the vanguard of structured asset management, product development and risk control.

HOW IPR CALCULATES RISK AND RETURN

IPR performs stress tests and simulations to demonstrate how investments behave in a wide variety of scenarios. These divide into two categories:

Historic - analyses what would have happened if investors could have bought a product with the same terms every day since 1993. This is also known as a rolling backtest.

Market (Stress Test) - analysis based on simulations of potential scenarios using real historic performance data over the last 25 years and the outcomes from these scenarios are collated and termed the product's 'simulated' or 'market' performance. These include extreme, negative events as well as positive and more neutral scenarios.

The SRRI score - uses stress test data to map volatility (as a proxy for riskiness) to the European regulatory standard Synthetic Risk and Return Indicator. To calcultate volatility IPR uses the worst 10% of potential returns to fairly represent the downside risk of the investment. The Risk Indicator maps these volailities to the same scale as the European Synthetic Risk and Return Indicator described below:

Risk Indicator 3. Volatility less than 5%

Risk Indicator 4. Volatility between 5% and 10%

Risk Indicator 5. Volatility between 10% and 15%

Risk Indicator 6. Volatility between 15% and 25%

Risk Indicator 7. Volatility between 25% and 40%

Risk Indicator 8. Volatility above 40%

RESEARCH DISCLAIMER

The past performance of an asset is not a reliable indicator of future performance and should not be relied on to make investment decisions. More information about how IPR conducts its analysis at investmentproductresearch.com

IPR uses historical information in order to provide an illustration of how the underlying assets of a prodct may perform in the future. This document may also contain certain performance data based on back-testing, i.e., calculations of the hypothetical performance of a strategy, index or asset as if it had actually existed during a defined period of time. The scenarios, simulations, development expectations and forecasts contained in this presentation are for illustrative purposes only. Capitalised terms like Expected Return are based on our stress test methodology and are therefore not forecasts - they should only be used to assess a product's ranking versus the corresponding scores for the other products analysd in the same way.

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PRODUCT RISKS AND DISCLAIMERS

INVESTMENT RISKS

The value of the Product depends on the performance of the Underlying assets. The past performance of the Underlyings is not a reliable indicator of its future performance and should not be relied upon when making a decision to invest.

The value of the Product does not allow you to participate in corporate actions (such as rights issues) that you would benefit from if you had invested directly in the markets.

You will not be able to hold the Product beyond its stated maturity.

The value of the Product at maturity depends on the closing prices of the Underlyings on any relevalnt observation dates. Large changes in the prices of the Underlying on these dates could affect the returns you achieve from the Product, potentially adversely.

If you invest in the Product before the Initial Valuation Date, you will not know the Initial Level of the Underlying Shares that are used to calculate the performance of the Product. The prices of the Underlying Shares on the day you invest in the Product are not relevant to the calculation of your returns and may be significantly different to the prices on the Initial Valuation Date.

EARLY WITHDRAWAL RISK

If you sell back the Product before the stated maturity, the value of the Product will differ from the maturity values described in this document.

Your wrap or platform may also charge you a transaction fee, which will be detailed in your agreement with them. You should be prepared to hold the Product until maturity.

LIQUIDITY RISK

Whilst it is expected that the Counterparty will buy your Product from you if you need to sell before it matures, this is not guaranteed. For that reason, you should only invest in the Product if you have other savings and investments that you can access in an emergency.

COUNTERPARTY RISK

When you buy a Product, you are exposed to the risk that the Issuer is unable to make the payments described in this document (counterparty risk). If the Counterparty becomes insolvent, the Product will lose most, if not all, of its value and you may lose all or part of the amount you have invested.

INFLATION RISK

The value of the Product will not be adjusted for inflation over the investment term. If inflation is positive over the term of the Product, this will reduce the real value of the Product and the purchasing power of your investment.

MARKET RISK

External factors, such as geopolitical events and natural disasters, can have a major impact on the prices of the Underlyins (and in extreme cases, the ability of the Counterparty to meet their obligations). This is likely to have an adverse impact on the value of or returns on the Product.

TAX RISK

The value of any tax reliefs and your liability to tax depend on individual circumstances. Tax assumptions are based on Cube's understanding of current legislation and known HMRC practice, which can change in the future. Please seek advice should you require further information.