BBVA
Global Markets Income Autocall - May 2017
Factsheet



INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of US, UK, Australian and Hong Kong indices.

If on any of the annual observation dates, including the final observation date, the closing levels of all the underlyings are at or above 65% of their initial levels the income coupon will be paid.

This investment will mature early if the underlyings are equal to or above their initial levels on any annual observation date. If early maturity occurs, full capital is returned and the investment will end.

If early maturity does not occur, at the final observation date, if all underlyings are at or above 60% of their initial level full capital is returned. If any underlying is below 60% of its original level, capital return will be reduced on a 1-for-1 basis. For example, if the worst performing underlying has fallen to 40% of its original level, 40% of the capital will be paid.

BENEFITS

- Opportunity for regular income payments, even when markets show significant falls of up to 35%
- No market growth is needed for the autocall feature to be triggered
- Early maturity provides an opportunity to re-assess wealth strategy
- Daily pricing

RISKS

- The potential return is limited to the pre-defined investment terms
- The income payment is conditional upon the performance of the underlyings
- Secondary prices are likely to be less than the price paid as the investment is intended to be held until either early maturity or the full investment term
- There is a risk to capital should one of the underlyings breach the capital protection barrier at maturity or if the issuer defaults on its obligations

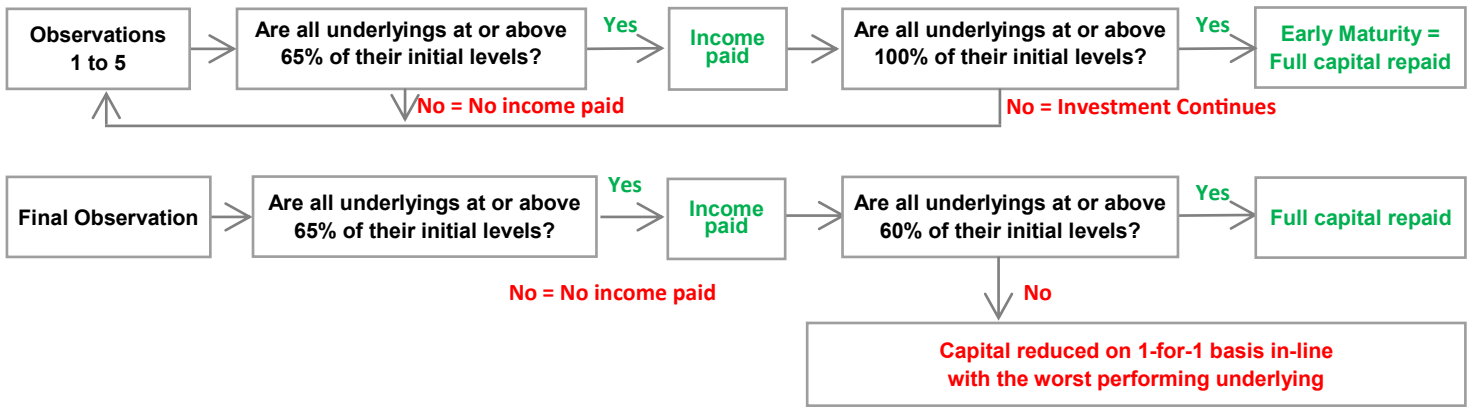
PRODUCT FACTS & FEATURES

Issuer and Counterparty:	BBVA
Credit Ratings:	Fitch: A-, Moody's: Baa1, S&P: BBB+ Source: Bloomberg 27.03.2017
Maximum Term:	6 years
Investment Structure:	Annual Income Autocall
Autocall opportunities:	Annually
Autocall Trigger:	100% of initial levels
Conditional Income Rate:	9.1% p.a.
Income Trigger:	65% of initial levels
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)
Underlying Basket	**Bloomberg Code**
US: Russell 2000	RTY Index
UK: FTSE 100	UKX Index
Australia: S&P ASX 200	AS51 Index
Hong Kong: Hang Seng	HSI Index

KEY INFORMATION

Subscription Period:	27 Mar 2017 - 17 May 2017 (4.30pm UK time)
Strike Date:	18 May 2017
First Observation:	18 May 2018
Final Observation:	17 May 2023
Maturity Date:	24 May 2023
Currency:	USD
Denominations:	Lots of 2,000
ISIN:	XS1589839072

HOW THE INVESTMENT WORKS



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SUITABILITY

May be suitable for investors who:

- are seeking the opportunity for higher returns than current cash rates
- understand the impact of global economic issues
- understand and accept there is a risk to capital
- understand the criteria which will determine the income payment
- are looking to invest for the medium to long term, being happy to remain invested until maturity
- may be slightly bearish on equity markets but require an opportunity to receive the income even if markets fall by up to 35%
- wish to use this investment as part of a well-diversified portfolio
- understand that the potential returns are pre-defined and that they will forgo growth in the underlyings which exceed that fixed level
- understand the risk to capital in the event of counterparty default
- should they need to sell their investment, accept that the trading price will likely mean they get back less than they invested

RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

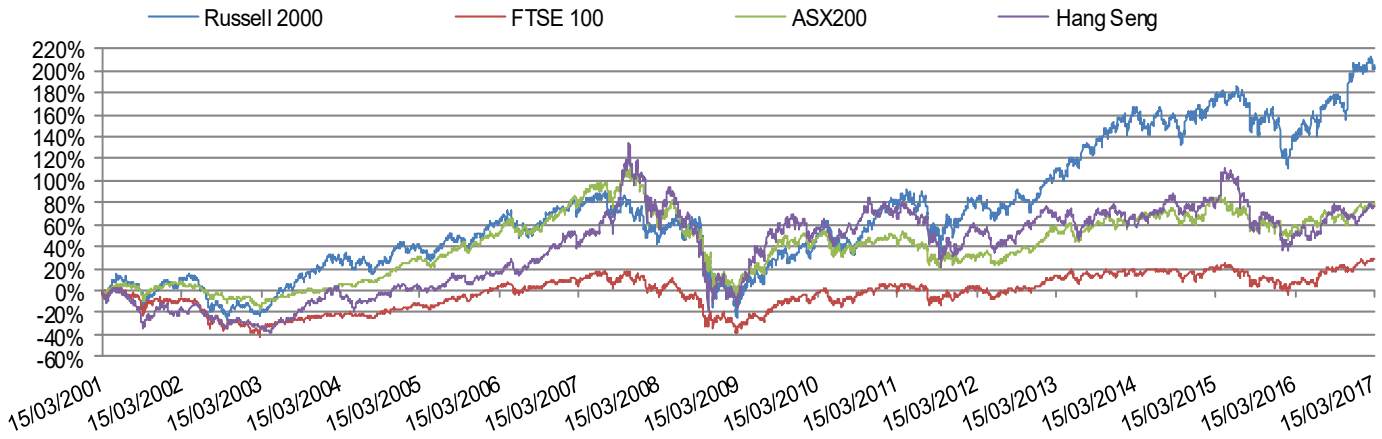
The opportunity for an income stream can be of key importance to investors as part of their wealth planning. This product is designed to maintain income levels even if markets don't grow, as any underlying needs to show a fall of more than 35% from the initial level on any observation date before the income stream is disrupted.

The four indices chosen for this investment tend to be of a low volatile nature which helps to enhance the opportunity for delivery of the income offered.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. Although the same terms may not be available, the value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, the final level barrier set at 60% offers re-assurance to the more cautious investor.

The Underlyings - Movement in the Indices over a 16 year period



Historic Autocall Test	No. of Occurrences	% Autocalled
Autocall Year 1	1,389	55.54%
Autocall Year 2	52	2.08%
Autocall Year 3	135	5.40%
Autocall Year 4	302	12.08%
Autocall Year 5	138	5.52%
Above Barrier at Maturity	485	19.39%
Below Barrier	0	0.00%
Total Scenarios	**2,501**	**100.00%**

16 Year Back-Testing.

This 16 year back-test shows the historical data for a full 10 years of 6 year products that could reach the full term.

Of the 2,501 scenarios tested, only 19.39% would reach the full 6 year term without autocalling and none of those would have breached the 60% final level barrier.

Of the 6,706 coupon observations tested, there would have only been 414 occasions where the coupon was not paid.

Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks

Source: Bloomberg 27.03.2017, Data period: 15.03.2001 to 15.03.2017

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Source: Bloomberg 27.03.2017

THE UNDERLYINGS

The **Russell 2000 Index** is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The index was developed with a base value of 135.00 as of December 31, 1986

The **FTSE 100 Index** is a market-capitalisation weighted index of UK listed blue chip companies. The index is part of the FTSE UK Series and is designed to measure the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity.

The **S&P/ASX 200 Index** measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. Representative liquid and tradable, it is widely considered Australia's preeminent benchmark index.

The **Hang Seng Index** is a free-float capitalisation-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four subindices: Commerce and Industry, Finance, Utilities, and properties.

Source: Bloomberg 27.03.2017

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