BBVA
Major Markets Income Autocall - February 2017
Factsheet



INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of UK, US and European indices.

If on any of the semi-annual observation dates, including the final observation date, the closing levels of all the underlyings are at or above 80% 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 semi-annual observation date from 12 months. 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 falls of up to 20%
- 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

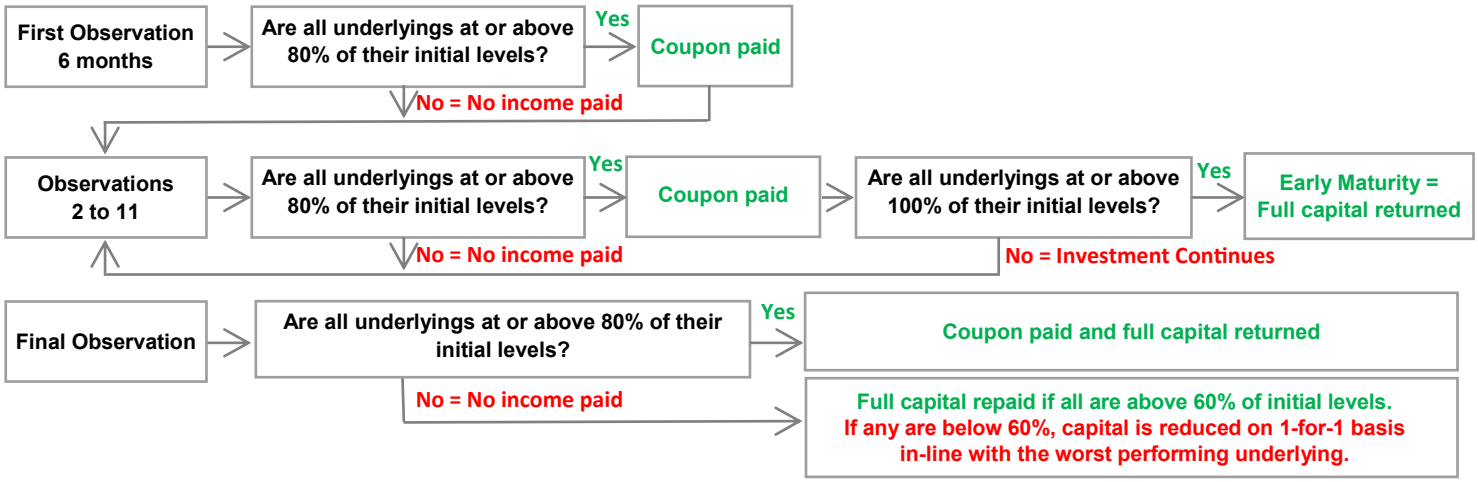
Issuer and Counterparty:	BBVA
Credit Ratings:	Fitch: A-, Moody's: Baa1, S&P: BBB+ Source: Bloomberg 09.02.2017
Maximum Term:	6 years
Investment Structure:	Semi-annual Income Autocall
Autocall opportunities:	Semi-annual from 12 months
Autocall Trigger:	100% of initial levels
Conditional Income Rate:	GBP 3.5% (7% p.a.) USD 4.5% (9% p.a.)
Income Trigger:	80% of initial levels
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)

Underlying Basket	**Bloomberg Code**
UK: FTSE 100	UKX Index
US: S&P 500	SPX Index
Europe: Eurostoxx 50	SX5E Index

KEY INFORMATION

Subscription Period:	10 Feb 2017 – 14 Feb 2017 (4.30pm UK time)
Strike Date:	14 February 2017
First Coupon Observation:	14 August 2017
First Observation:	14 February 2018
Final Observation:	14 February 2023
Maturity Date:	28 February 2023
ISIN:	GBP = XS1567740490 USD = XS1567740730
Denominations:	GBP 1,000 USD 2,000

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 20%
- 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.

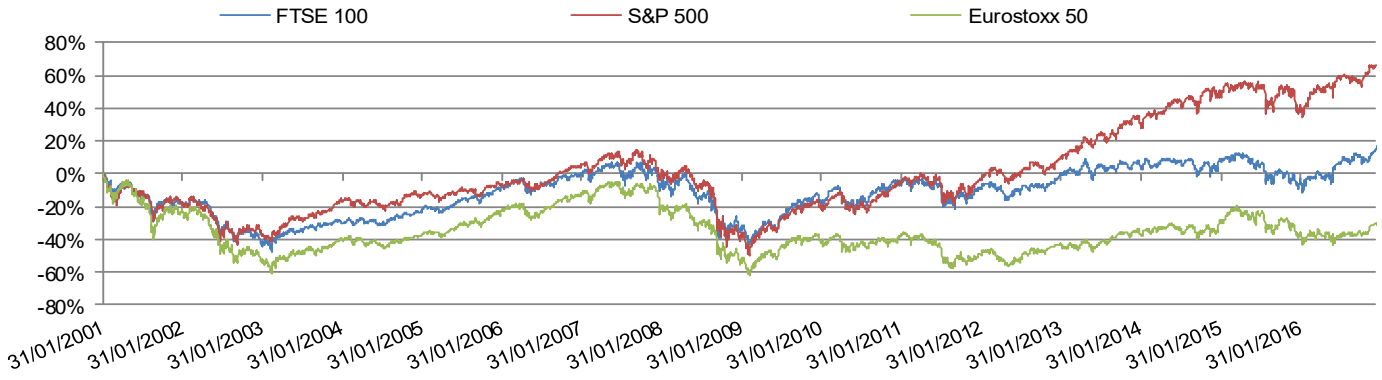
The opportunity for an income stream can be of key importance to investors as part of their wealth planning. This product is designed to maintain income levels even if markets don't grow, as any underlying needs to show a fall of more than 20% from the initial level on any observation date before the income stream is disrupted.

The three 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



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, 21.59% would reach the full 6 year term without autocalling and 1.08% of those would have breached the 60% final level barrier.

Of the 13,262 coupon observations tested, there would have been 6,290 occasions where the coupon was not paid.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
12 Months	1,406	56.22%	**42 Months**	34	1.36%
18 Months	81	3.24%	**48 Months**	169	6.76%
24 Months	0	0.00%	**54 Months**	40	1.60%
30 Months	18	0.72%	**60 Months**	46	1.84%
36 Months	122	4.88%	**66 Months**	45	1.80%

Total Number tested	Matured Early	% Matured Early	Reached Final Date	% To Reach Final Date	% That returned Full Capital	Final Barrier Breached	% Barrier Breach
2501	1961	78.41%	540	21.59%	20.51%	27	1.08%

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

Source: Bloomberg 09.02.2017, Data period: 31.01.2001 to 31.01.2017

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Source: Bloomberg 09.02.2017

THE UNDERLYINGS

The **FTSE100** (UKX) 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.

Standard and Poor's 500 (SPX) Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **Eurostoxx 50** (SX5E) Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super sector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries and is licensed to financial institutions to serve as an underlying for a wide range of investment products.

Source: Bloomberg 09.02.2017

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