

**INVESTMENT DESCRIPTION**

A 6 year investment linked to the performance of US, Swedish, Australian and Canadian 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 60% 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 40%
- 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

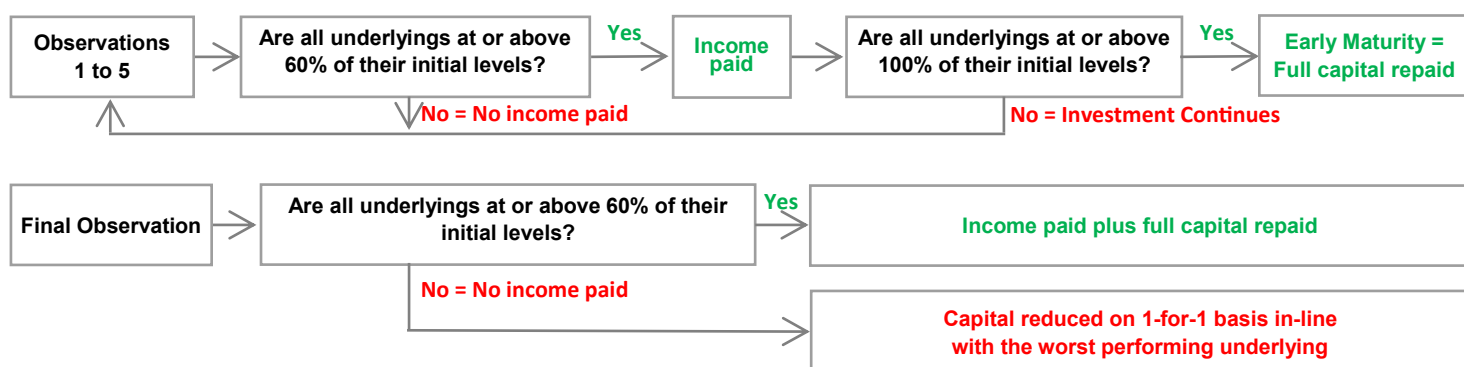
**PRODUCT FACTS & FEATURES**

<b>Issuer and Counterparty:</b>	BBVA
<b>Credit Ratings:</b>	Fitch: A-, Moody's: Baa1, S&P: BBB+ Source: Bloomberg 06.01.2017
<b>Maximum Term:</b>	6 years
<b>Investment Structure:</b>	Annual Income Autocall
<b>Autocall opportunities:</b>	Annually
<b>Autocall Trigger:</b>	100% of initial levels
<b>Conditional Income Rate:</b>	5.6% p.a. (Gross)
<b>Income Trigger:</b>	60% of initial levels
<b>Capital Risk:</b>	Not capital protected
<b>Capital Protection Barrier:</b>	60% Final level (European style)
<b>Underlying Basket</b>	<b>Bloomberg Code</b>
US: Russell 2000	RTY Index
Sweden: OMX 30	OMX Index
Australia: S&P ASX 200	AS51 Index
Canada: S&P TSX 60	SPTSX60 Index

**KEY INFORMATION**

<b>Subscription Period:</b>	09 Jan 2017 – 14 Feb 2017 (4.30pm UK time)
<b>Strike Date:</b>	15 February 2017
<b>First Observation:</b>	15 February 2018
<b>Final Observation:</b>	15 February 2023
<b>Maturity Date:</b>	01 March 2023
<b>Currency:</b>	GBP
<b>ISIN:</b>	XS1549367180

**HOW THE INVESTMENT WORKS**





**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 40%
- 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.

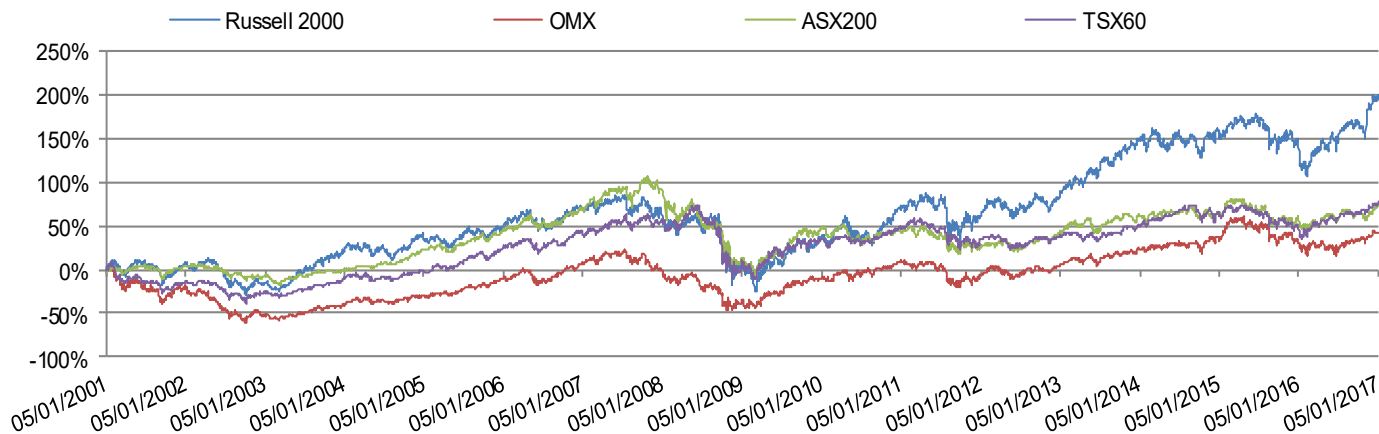
The opportunity for an income stream can be of key importance to investors as part of their wealth planning. This product is designed to maintain income levels even if markets don't grow, as any underlying needs to show a fall of more than 40% from the initial level on any observation date before the 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	1,411	56.41%
Autocall Year 2	52	2.08%
Autocall Year 3	182	7.28%
Autocall Year 4	254	10.16%
Autocall Year 5	100	4.00%
<b>Above Barrier at Maturity</b>	<b>502</b>	<b>20.07%</b>
<b>Below Barrier</b>	<b>0</b>	<b>0.00%</b>
<b>Total Scenarios</b>	<b>2,501</b>	<b>100.00%</b>

**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 20.07% would reach the full 6 year term without autocalling and none of those would have breached the 60% final level barrier.

Of the 6,339 coupon observations tested, there would have only been 363 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 06.01.2017, Data period: 05.01.2001 to 05.01.2017



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**BBVA:** Banco Bilbao Vizcaya Argentaria SA (BBVA) attracts deposits and offers retail, wholesale and investment banking services. The bank offers consumer and mortgage loans, private banking, asset management, insurance, mutual funds and securities brokerage services. It operates in Europe, Latin America, United States, China and Turkey.

Source: Bloomberg 06.01.2017

## 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 **OMX Stockholm 30 Index** consists of the 30 most actively traded stocks on the Stockholm Stock Exchange and is a market weighted price index. The composition of the OMXS30 index is revised twice a year. The index was developed with a base level of 125 as of September 30, 1986. Effective on April 27, 1998 there was a 4-1 split of the index value.

The **S&P/ASX 200** 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 **S&P/Toronto Stock Exchange 60** is a capitalization-weighted index. It consists of 60 of the largest and most liquid (heavily traded) stocks listed on the Toronto Stock Exchange (TSX). They are usually domestic or multinational industry leaders.

Source: Bloomberg 06.01.2017

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