

BBVA

Triple Index Low Hurdle Autocall June 2018

Factsheet



INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the UK, Australian and Chinese indices.

If on any quarterly early observation date, starting at 3 months, all of the underlyings are at or above their initial levels, the investment will autocall. Initial capital plus the coupon for each quarterly period which has elapsed is paid and the investment will end.

If the investment does not autocall early then at the final observation date, if all underlyings are at or above 90% of their initial levels, full capital is returned and all of the accumulated coupons are paid (Low Hurdle).

If any underlying is below 70% of its original level at maturity, 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 returned and no coupon is paid.

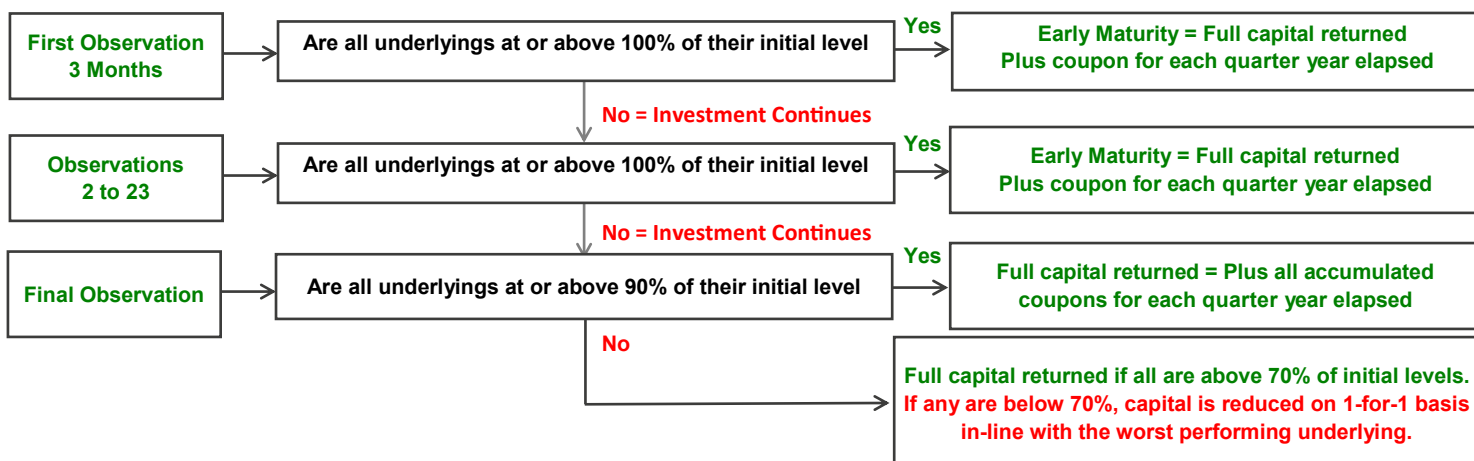
BENEFITS

- Autocall feature potentially shortens the investment term and is triggered by minimal market growth
- The Low Hurdle feature gives an increased chance of gains at full term
- Early maturity provides an opportunity to re-assess client's wealth strategy
- Minimal market growth needed to deliver enhanced returns
- Daily pricing

RISKS

- The return is limited to the pre-defined investment terms
- The coupon payment is conditional upon the underlying performance
- There is a risk to capital should one of the underlyings breach the capital protection barrier on its Final Observation Date or in the event of an issuer default.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

HOW THE INVESTMENT WORKS



PRODUCT FACTS & FEATURES

Issuer and Counterparty:	BBVA
Credit Ratings:	Fitch A-, Moody's Baa1, S&P A-
Source:	Bloomberg 19.04.2018
Maximum Term:	6 years
Investment Structure:	Quarterly Low Hurdle Autocall
Autocall opportunities:	Quarterly (First observation at 3 months)
Autocall Trigger:	100% of initial level
Coupon Rate:	USD = 3.75% Quarterly GBP = 2.50% Quarterly
Low Hurdle Trigger:	90% of initial level at maturity for all accumulated coupons
Capital Risk:	Not capital protected
Capital Protection Barrier:	70% Final level (European style)
Underlying Basket	Bloomberg Code
FTSE 100	UKX Index
Australia: ASX 200	AS51 Index
China: HSCEI	HSCEI Index

KEY INFORMATION

Subscription Period:	19 April 2018 – 05 June 2018 (4.30pm UK Time)
Issue Price:	100%
Strike Date:	06 June 2018
Issue Date:	13 June 2018
1st Autocall Observation:	06 September 2018
Final Observation:	06 June 2024
Maturity Date:	13 June 2024
Denominations:	USD = 2,000 then lots of 2,000 GBP = 1,000 then lots of 1,000
ISIN:	USD = XS1812873732 GBP = XS1812873658

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Observation Dates (some dates may vary if a bank holiday occurs)

	Observation Date	Payment Date	Autocall Trigger
Observation 1	06 September 2018	13 September 2018	100%
Observation 2	06 December 2018	13 December 2018	100%
Observation 3	06 March 2019	13 March 2019	100%
Observation 4	06 June 2019	13 June 2019	100%
Observation 5	06 September 2019	13 September 2019	100%
Observation 6	06 December 2019	13 December 2019	100%
Observation 7	06 March 2020	13 March 2020	100%
Observation 8	08 June 2020	15 June 2020	100%
Observation 9	07 September 2020	14 September 2020	100%
Observation 10	07 December 2020	14 December 2020	100%
Observation 11	08 March 2021	15 March 2021	100%
Observation 12	07 June 2021	14 June 2021	100%
Observation 13	06 September 2021	13 September 2021	100%
Observation 14	06 December 2021	13 December 2021	100%
Observation 15	07 March 2022	14 March 2022	100%
Observation 16	06 June 2022	13 June 2022	100%
Observation 17	06 September 2022	13 September 2022	100%
Observation 18	06 December 2022	13 December 2022	100%
Observation 19	06 March 2023	13 March 2023	100%
Observation 20	06 June 2023	13 June 2023	100%
Observation 21	06 September 2023	13 September 2023	100%
Observation 22	06 December 2023	13 December 2023	100%
Observation 23	06 March 2024	13 March 2024	100%
Final Observation	06 June 2024	13 June 2024	90% Low Hurdle Trigger
Final Observation	06 June 2024	13 June 2024	70% European Barrier

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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 19.04.2018

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.

Autocalls have been one of the most popular structures over the years, although with a classic autocall, returns are only paid if all underlyings are at or above the autocall trigger. Adding the 90% Low Hurdle barrier at maturity increases the chances of gains at full term.

These three underlyings have been selected in order to support the anticipated delivery of the coupons.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. 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, a final level barrier set at 70% means an underlying must fall by more than 30% over 6 years before capital is at risk.

Secondary Market

The Issuing bank will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest ("dirty prices").

Sale trades will settle 2 days after the trade date.

Trade orders should be sent to orders@idad.biz

All trades will be settled direct with BBVA's Clearstream a/c 14923

SUITABILITY

This product may be suitable for investors who:

- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking growth rather than income
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the coupon payments.
- Are looking to invest for the medium to long term, being happy to remain invested until maturity.
- Can afford to have their cash invested for the full term of the Product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the underlyings which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment before maturity, accept that the trading price will likely mean they get back less than they invested.
- Appreciate that the coupon payment is conditional but understand that the Low Hurdle feature can deliver gains at a lower percentage trigger at full term.

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THE UNDERLYINGS

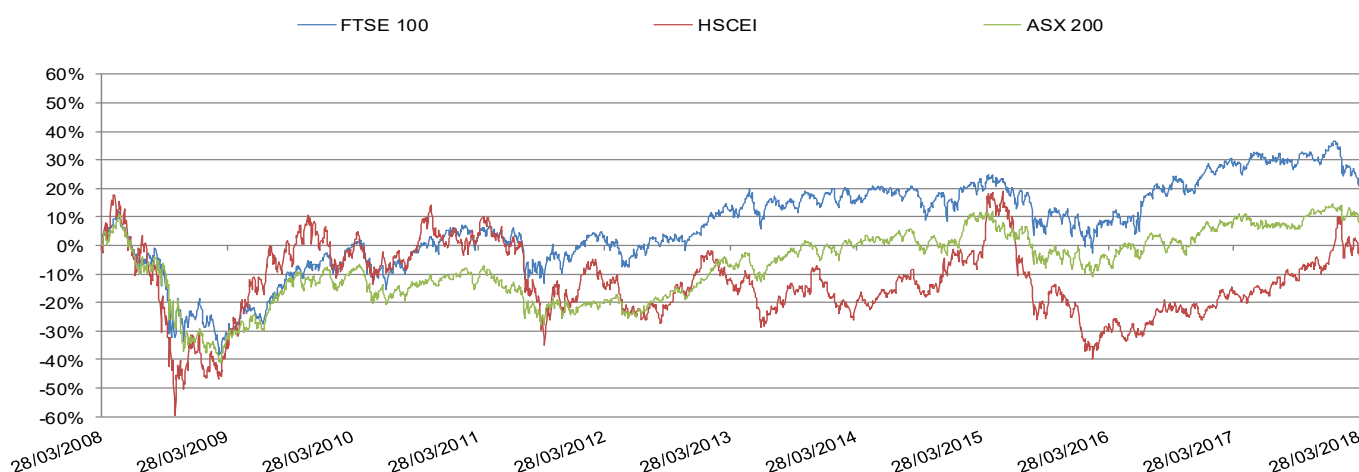
The **FTSE 100 Index (UKX)** is a capitalization-weighted index of the most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The index was developed with a base level of 1000 as of December 30, 1983.

The **Hang Seng China Enterprises Index (HSCEI)** Is a free-float capitalisation-weighted index comprised of H-Shares listed on the Hong Kong Stock Exchange and included in the Hang Seng Mainland Composite Index.

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.

Source: Bloomberg 19.04.2018

MOVEMENT IN THE UNDERLYINGS OVER A 10 YEAR PERIOD



16 Year Back-Testing

Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

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, 10% would reach the full term without autocalling but only 3.76% would have breached the 70% final level barrier.

Of the 250 scenarios to reach full term 13 would still receive full gains thanks to the Low Hurdle feature at maturity.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
3 Months	1,200	47.98%	21 Months	8	0.32%	39 Months	39	1.56%	57 Months	0	0.00%
6 Months	337	13.47%	24 Months	4	0.16%	42 Months	9	0.36%	60 Months	15	0.60%
9 Months	112	4.48%	27 Months	9	0.36%	45 Months	25	1.00%	63 Months	19	0.76%
12 Months	139	5.56%	30 Months	10	0.40%	48 Months	54	2.16%	66 Months	30	1.20%
15 Months	45	1.80%	33 Months	10	0.40%	51 Months	42	1.68%	69 Months	2	0.08%
18 Months	59	2.36%	36 Months	13	0.52%	54 Months	57	2.28%	72 Months	13	0.52%

Total Number Tested	% Matured Early	% To Reach Final Date	Above Low Hurdle	% That Returned Full Capital	% Barrier Breach	Average Historic Return GBP	Average Historic Return USD
2501	90.00%	10%	0.52%	96.24%	3.76%	8.57% p.a.	12.98% p.a.

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

Source: Bloomberg 19.04.2018, Data period: 28.03.2002 to 28.03.2018

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