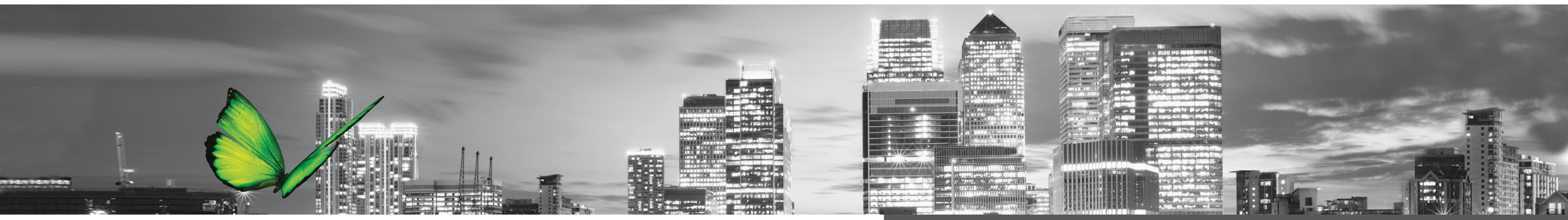
BBVA
Netflix - Tesla Low Hurdle Autocall June 2019 USD Factsheet



Investment Description

A 6 year investment linked to the performance of the Netflix Inc and Tesla Inc.

If on any semi-annual early observation date, starting at 36 months, all of the underlyings are at or above their initial levels, the investment will autocall. Initial capital plus the coupon for each semi-annual 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 60% of their initial levels, full capital is returned and all of the accumulated coupons are paid (Low Hurdle).

If any underlying is below 60% 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.

Product Facts & Features

Issuer and Counterparty:	BBVA
Credit Ratings:	Fitch A-, Moody's A3, S&P A- **Source**: Bloomberg 21.06.2019
Maximum Term:	6 years
Investment Structure:	Low Hurdle Autocall
Autocall Opportunities:	Semi-Annually (First observation at 36 months)
Autocall Trigger:	100% of initial level
Coupon Rate:	12.20% Semi-Annual
Low Hurdle Trigger:	60% of initial level at maturity for all accumulated coupons
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)
Underlying Basket	**Bloomberg Code**
Netflix Inc.	NFLX UW
Tesla Inc.	TSLA UW

Key Information

Subscription Period:	21 Jun 2019 – 26 Jun 2019 (12:00pm UK Time)
Issue Price:	100%
Strike Date:	26 June 2019
Issue Date:	03 July 2019
1st Autocall Observation:	27 June 2022
Final Observation:	26 June 2025
Maturity Date:	03 July 2025
Denominations:	USD = 2,000 then lots of 2,000
ISIN:	USD = XS2019208680
OMI Fee Cap:	Fees for OMI trades will be capped at 5% and OMI trades will receive a discounted price and enhanced allocation where applicable.
OMI Price:	97.50%

How The Investment Works

First Observation → Are all underlyings at or above 100% of their initial level → Yes → Early Maturity = Full capital returned Plus coupon for each half year elapsed

No = Investment Continues

Observations 2 to 6 → Are all underlyings at or above 100% of their initial level → Yes → Early Maturity = Full capital returned Plus coupon for each half year elapsed

No = Investment Continues

Final Observation → Are all underlyings at or above 60% of their initial level → Yes → Full capital returned = Plus all accumulated coupons for each half year elapsed

No → If any are below 60%, capital is reduced on a 1-for-1 basis in-line with the worst performing underlying.

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

	Observation Date	Payment Date	Autocall Trigger
Observation 1	27 June 2022	05 July 2022	100%
Observation 2	22 December 2022	03 January 2023	100%
Observation 3	26 June 2023	03 July 2023	100%
Observation 4	22 December 2023	03 January 2024	100%
Observation 5	26 June 2024	03 July 2024	100%
Observation 6	24 December 2024	03 January 2025	100%
Final Observation	26 June 2025	03 July 2025	60% Low Hurdle Trigger
Final Observation	26 June 2025	03 July 2025	60% European Barrier

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Source: Bloomberg 21.06.2019

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 60% Low Hurdle barrier at maturity increases the chances of gains at full term.

These two 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 60% means an underlying must fall by more than 40% 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.com

All trades will be settled direct with IDAD’s Euroclear a/c 44382

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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