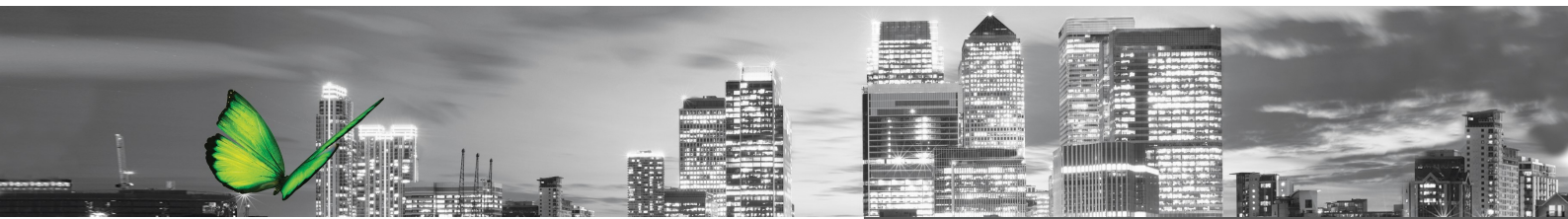


# BBVA

## Quarterly Classic Autocall September 2020

### Factsheet



#### INVESTMENT DESCRIPTION

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

If on any quarterly observation date (including the Final Observation date), starting at 6 months, all of the Underlyings are at or above the Autocall Trigger, 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 then at the Final Observation date, if all Underlyings are at or above 60% of their initial levels, full capital is returned.

If any Underlying is below 60% of its original level on the Final Observation date, 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.

#### BENEFITS

- Autocall feature potentially shortens the investment term and is triggered by minimal market growth.
- Snowballing coupon.
- 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.
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the Product for any other reason, investors could lose some or all of their investment. A decline in the Issuers credit quality is likely to reduce the market value of the Product and therefore the price an investor may receive for the Product if they were to sell them in the market.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

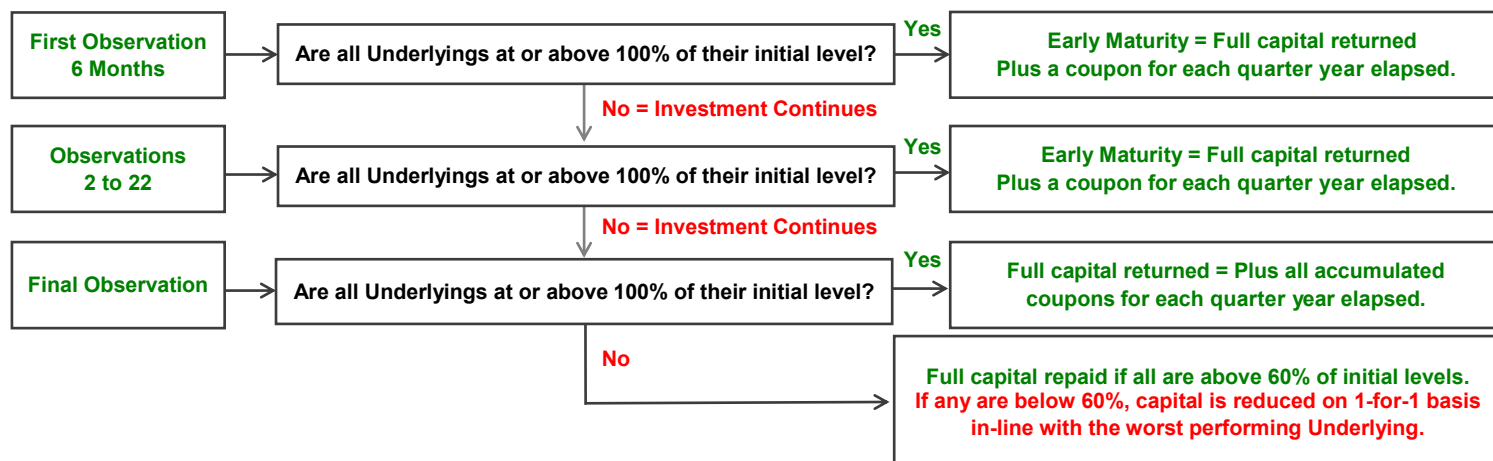
#### Product Facts & Features

|                                    |                                              |
|------------------------------------|----------------------------------------------|
| <b>Issuer:</b>                     | BBVA                                         |
| <b>Credit Ratings:</b>             | Fitch A, Moody's A3, S&P A-                  |
|                                    | <b>Source:</b> Bloomberg 21.09.2020          |
| <b>Maximum Term:</b>               | 6 years                                      |
| <b>Investment Structure:</b>       | Quarterly Classic Autocall                   |
| <b>Autocall Opportunities:</b>     | Quarterly<br>(First Observation at 6 months) |
| <b>Autocall Trigger:</b>           | 100% of initial level                        |
| <b>Coupon Rate:</b>                | USD = 3.09% Quarterly<br>(12.36% p.a.)       |
| <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>                        |
| UK: FTSE 100                       | UKX Index                                    |
| US: Nasdaq 100                     | NDX Index                                    |
| Canadian: TSX 60                   | SPTSX60 Index                                |
| Switzerland: SMI                   | SMI Index                                    |

#### Key Information

|                                  |                                                 |
|----------------------------------|-------------------------------------------------|
| <b>Subscription Period:</b>      | 21 Sept 2020 – 27 Sept 2020<br>(4.30pm UK Time) |
| <b>Issue Price:</b>              | 100%                                            |
| <b>Strike Date:</b>              | 28 September 2020                               |
| <b>Issue Date:</b>               | 05 October 2020                                 |
| <b>1st Autocall Observation:</b> | 29 March 2021                                   |
| <b>Final Observation:</b>        | 28 September 2026                               |
| <b>Maturity Date:</b>            | 05 October 2026                                 |
| <b>Denominations:</b>            | 2,000 then lots of 1,000                        |
| <b>ISIN:</b>                     | XS2161301978                                    |

#### HOW THE INVESTMENT WORKS



# BBVA

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#### OBSERVATION DATES (some dates may vary if a bank holiday or non-business day occurs)

|                   | Observation Date  | Payment Date    | Autocall Trigger     |
|-------------------|-------------------|-----------------|----------------------|
| Observation 1     | 29 March 2021     | 07 April 2021   | 100%                 |
| Observation 2     | 28 June 2021      | 06 July 2021    | 100%                 |
| Observation 3     | 28 September 2021 | 05 October 2021 | 100%                 |
| Observation 4     | 29 December 2021  | 05 January 2022 | 100%                 |
| Observation 5     | 28 March 2022     | 04 April 2022   | 100%                 |
| Observation 6     | 28 June 2022      | 06 July 2022    | 100%                 |
| Observation 7     | 28 September 2022 | 05 October 2022 | 100%                 |
| Observation 8     | 28 December 2022  | 05 January 2023 | 100%                 |
| Observation 9     | 28 March 2023     | 04 April 2023   | 100%                 |
| Observation 10    | 28 June 2023      | 06 July 2023    | 100%                 |
| Observation 11    | 28 September 2023 | 05 October 2023 | 100%                 |
| Observation 12    | 28 December 2023  | 05 January 2024 | 100%                 |
| Observation 13    | 28 March 2024     | 08 April 2024   | 100%                 |
| Observation 14    | 28 June 2024      | 08 July 2024    | 100%                 |
| Observation 15    | 30 September 2024 | 07 October 2024 | 100%                 |
| Observation 16    | 30 December 2024  | 07 January 2025 | 100%                 |
| Observation 17    | 28 March 2025     | 04 April 2025   | 100%                 |
| Observation 18    | 30 June 2025      | 08 July 2025    | 100%                 |
| Observation 19    | 29 September 2025 | 06 October 2025 | 100%                 |
| Observation 20    | 29 December 2025  | 06 January 2026 | 100%                 |
| Observation 21    | 30 March 2026     | 08 April 2026   | 100%                 |
| Observation 22    | 29 June 2026      | 06 July 2026    | 100%                 |
| Final Observation | 28 September 2026 | 05 October 2026 | 100%                 |
| Final Observation | 28 September 2026 | 05 October 2026 | 60% European Barrier |

IDAD was established in 2002 and our approach from the outset, is what we call the "IDAD Difference". The selection of the investments we offer is not decided in terms of profitability alone and when developing investment products, we favour evidence over dogma. We are happy to work with advisers and product providers alike to deliver a range of investment options to suit differing client wealth strategies. We're proud of our approach to business as well as the investments delivered as a result of the "IDAD Difference". We are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the clients.

**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 21.09.2020

#### 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. With a classic autocall, returns are paid if all Underlyings are at or above the autocall trigger on an observation date.

The four Underlyings detailed overleaf 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.

#### 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.

#### Placing Trades

Trade orders should be sent to [orders@idad.com](mailto:orders@idad.com)

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

#### 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. Trading details as above.

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#### THE UNDERLYINGS

The **FTSE 100 Index** is a capitalization-weighted index of the 100 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.

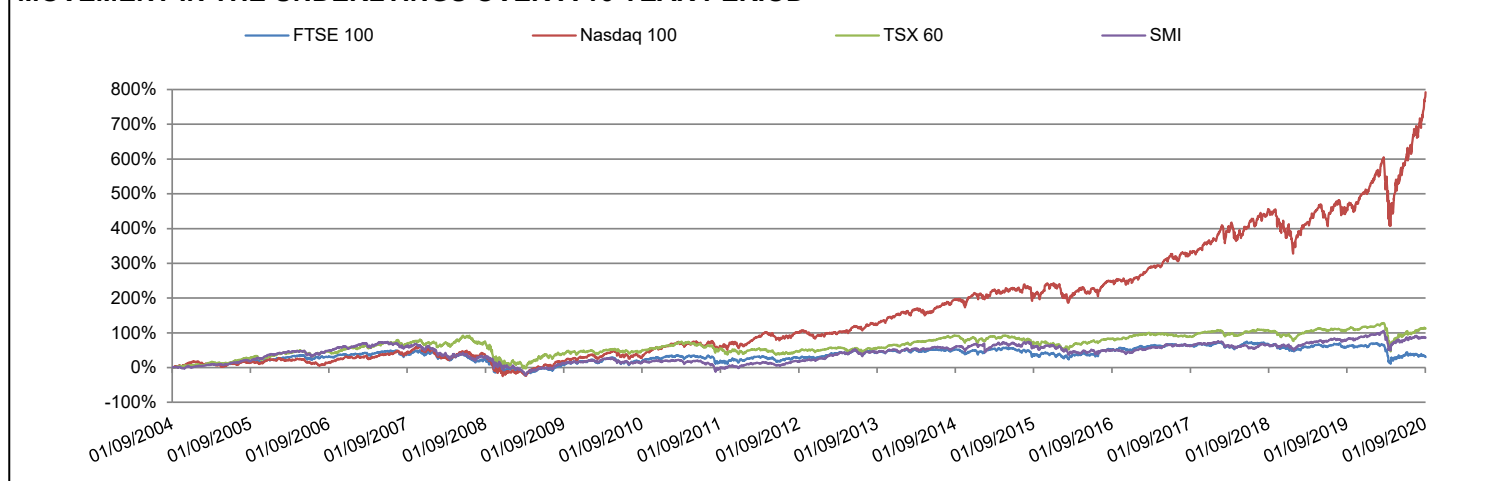
The **NASDAQ-100 Index** is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ. No security can have more than a 24% weighting. The index was developed with a base value of 125 as of February 1, 1985. Prior to December 21, 1998 the Nasdaq 100 was a cap-weighted 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.

The **Swiss Market Index** is an index of the largest and most liquid stocks traded on the Geneva, Zurich, and Basel Stock Exchanges. The index has a base level of 1500 as of June 1988.

Source: Bloomberg 21.09.2020

#### MOVEMENT IN THE UNDERLYINGS OVER A 16 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, 88.96% would have autocalled paying all coupons. 11.04% would reach the full term without autocalling and none of these would have breached the 60% final level barrier.

| Autocall Test | Autocalled | %      | Autocall Test | Autocalled | %     | Autocall Test | Autocalled | %     | Autocall Test | Autocalled | %     |
|---------------|------------|--------|---------------|------------|-------|---------------|------------|-------|---------------|------------|-------|
| 3 Months      | n/a        | n/a    | 21 Months     | 2          | 0.08% | 39 Months     | 16         | 0.64% | 57 Months     | 0          | 0.00% |
| 6 Months      | 1,156      | 46.22% | 24 Months     | 8          | 0.32% | 42 Months     | 0          | 0.00% | 60 Months     | 0          | 0.00% |
| 9 Months      | 380        | 15.19% | 27 Months     | 15         | 0.60% | 45 Months     | 0          | 0.00% | 63 Months     | 7          | 0.28% |
| 12 Months     | 237        | 9.48%  | 30 Months     | 42         | 1.68% | 48 Months     | 0          | 0.00% | 66 Months     | 19         | 0.76% |
| 15 Months     | 25         | 1.00%  | 33 Months     | 80         | 3.20% | 51 Months     | 0          | 0.00% | 69 Months     | 45         | 1.80% |
| 18 Months     | 17         | 0.68%  | 36 Months     | 117        | 4.68% | 54 Months     | 7          | 0.28% | 72 Months     | 52         | 2.08% |

| Total Number Tested | % Autocalled | % Not Autocalled | % That Returned Full Capital | % Barrier Breach | Average Historic Return USD |
|---------------------|--------------|------------------|------------------------------|------------------|-----------------------------|
| 2501                | 88.96%       | 11.04%           | 100%                         | 0                | 11.00% 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 21.09.2020, Data period: 01.09.2004 to 01.09.2020 - Assumptions shown are net of any initial fees or costs and describe the potential historic return that a client would have received based on the terms of this Product.



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