

**Stock Note Risk Profile:** There is a higher risk of large or total capital losses when Underlyings are individual Company Stocks rather than Stock Market Indices. Retail investors should seek suitable financial advice before investing.

## INVESTMENT DESCRIPTION

A 4 year investment linked to the performance of 4 Global Banking stocks.

If on any of the quarterly observation dates, including the Final Observation, the closing levels of all the Underlyings are at or above 60% of their initial levels, the income will be paid plus any previously missed income payments.

This investment will autocall and mature early if all Underlyings are equal to or above the Autocall Trigger on any quarterly observation date starting at 12 months. If early maturity occurs, full capital is returned and the investment will end. If early maturity does not occur the investment will continue to the Final Observation date.

At the Final Observation date, if all Underlyings are at or above 60% of their initial levels, then 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 returned.

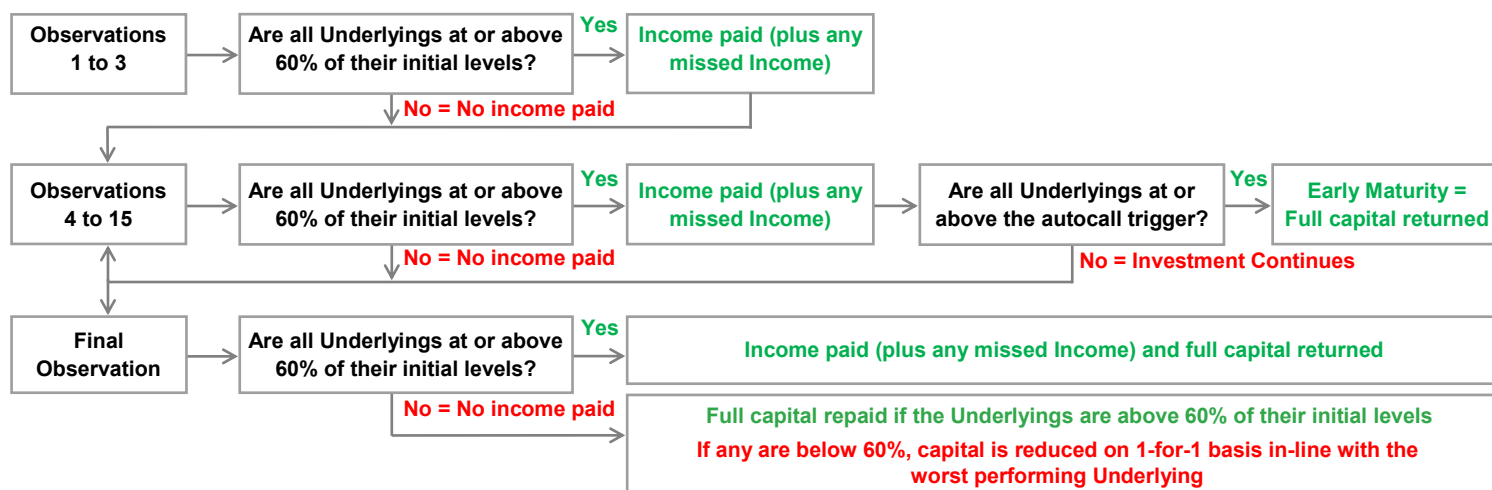
## BENEFITS

- Opportunity for regular income payments even where the Underlyings show significant falls.
- A memory feature, whereby income previously unpaid, will be included when the income trigger is next activated.
- Autocall feature potentially shortens the investment term.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Daily pricing.

## RISKS

- The return is limited to the pre-defined investment terms.
- The income 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.
- **There is a higher risk of large or total capital losses when Underlyings are individual Company Stocks rather than Stock Market Indices.**
- 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 they need to sell their investment, accept that the trading price will likely mean they get back less than they invested.

## HOW THE INVESTMENT WORKS



## Product Facts & Features

|                                    |                                               |
|------------------------------------|-----------------------------------------------|
| <b>Issuer:</b>                     | BBVA                                          |
| <b>Credit Ratings:</b>             | Fitch A-, Moody's A3, S&P A                   |
|                                    | <b>Source:</b> BBVA 14.02.2022                |
| <b>Maximum Term:</b>               | 4 years                                       |
| <b>Investment Structure:</b>       | Memory Income Autocall                        |
| <b>Autocall opportunities:</b>     | Quarterly<br>(First Observation at 12 months) |
| <b>Autocall Trigger:</b>           | 100% of initial level                         |
| <b>Memory Income Rate:</b>         | USD = 2.50% Quarterly (10.00% p.a.)           |
| <b>Income Trigger:</b>             | 60% of initial level                          |
| <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>                         |
| Banco Santander SA                 | SAN SQ EQUITY                                 |
| Commerzbank AG                     | CBK GY EQUITY                                 |
| Intesa Sanpaolo                    | ISP IM EQUITY                                 |
| Goldman Sachs Group Inc            | GS UN EQUITY                                  |

## Key Information

|                                  |                                               |
|----------------------------------|-----------------------------------------------|
| <b>Subscription Period:</b>      | 14 Feb 2022 - 10 Mar 2022<br>(4.30pm UK Time) |
| <b>Issue Price:</b>              | 100%                                          |
| <b>Strike Date:</b>              | 11 March 2022                                 |
| <b>Issue Date:</b>               | 18 March 2022                                 |
| <b>1st Coupon Observation:</b>   | 13 June 2022                                  |
| <b>1st Autocall Observation:</b> | 13 March 2023                                 |
| <b>Final Observation:</b>        | 11 March 2026                                 |
| <b>Maturity Date:</b>            | 18 March 2026                                 |
| <b>Denominations:</b>            | 2,000 then lots of 1,000                      |
| <b>ISIN:</b>                     | XS2349076203                                  |

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

|                   | Observation Date  | Payment Date      | Income Trigger | Autocall Trigger     |
|-------------------|-------------------|-------------------|----------------|----------------------|
| Observation 1     | 13 June 2022      | 20 June 2022      | 60%            | n/a                  |
| Observation 2     | 12 September 2022 | 19 September 2022 | 60%            | n/a                  |
| Observation 3     | 12 December 2022  | 19 December 2022  | 60%            | n/a                  |
| Observation 4     | 13 March 2023     | 20 March 2023     | 60%            | 100%                 |
| Observation 5     | 12 June 2023      | 19 June 2023      | 60%            | 100%                 |
| Observation 6     | 11 September 2023 | 18 September 2023 | 60%            | 100%                 |
| Observation 7     | 11 December 2023  | 18 December 2023  | 60%            | 100%                 |
| Observation 8     | 11 March 2024     | 18 March 2024     | 60%            | 100%                 |
| Observation 9     | 11 June 2024      | 18 June 2024      | 60%            | 100%                 |
| Observation 10    | 11 September 2024 | 18 September 2024 | 60%            | 100%                 |
| Observation 11    | 11 December 2024  | 18 December 2024  | 60%            | 100%                 |
| Observation 12    | 11 March 2025     | 18 March 2025     | 60%            | 100%                 |
| Observation 13    | 11 June 2025      | 18 June 2025      | 60%            | 100%                 |
| Observation 14    | 11 September 2025 | 18 September 2025 | 60%            | 100%                 |
| Observation 15    | 11 December 2025  | 18 December 2025  | 60%            | 100%                 |
| Final Observation | 11 March 2026     | 18 March 2026     | 60%            | 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 14.02.2022

**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. The probability of an income payment being triggered is increased with this investment as an Underlying needs to show a fall of 40% from its initial level on any observation date before the income stream is disrupted.

The investment also benefits from a memory feature so that if any income payments have missed being paid, they will catch-up the next time all Underlyings are above 60% of their initial levels on an observation date.

The four Underlyings used in this Product have been selected in order to support the anticipated delivery of that income.

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 4 years before capital is at risk.

**SUITABILITY**

This product may be suitable for investors who:

- Understand that there is a higher risk of large or total capital losses when Underlyings are individual Company Stocks rather than Stock Market Indices.
- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking income rather than growth.
- 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 income 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 income payments are conditional but understand that the memory feature can deliver previously missed income payments.



## THE UNDERLYINGS

## Banco Santander S.A.



Banco Santander S.A. attracts deposits and offers retail, commercial and private banking, and asset management services. The Bank offers consumer credit, mortgage loans, lease financing, factoring, mutual funds, pension funds, insurance, commercial credit, investment banking services, structured finance, and advice on mergers and acquisitions.

## Commerzbank AG



Commerzbank Aktiengesellschaft attracts deposits and offers retail and commercial banking services. The Bank offers mortgage loans, securities brokerage and asset management services, private banking, foreign exchange, and treasury services worldwide.

## Intesa Sanpaolo S.p.A



Intesa Sanpaolo S.p.A. attracts deposits and offers banking and financial services. The Bank offers consumer credit, asset management, internet banking, merchant banking, securities brokerage, factoring, and lease financing services, as well as manages mutual funds. Intesa Sanpaolo operates branches throughout Italy, and offices elsewhere in Europe, Asia, and the United States.

## Goldman Sachs Group Inc



The Goldman Sachs Group, Inc., a bank holding company, is a global investment banking and securities firm specializing in investment banking, trading and principal investments, asset management and securities services. The Company provides services to corporations, financial institutions, governments, and high-net worth individuals.

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

**Source:** Bloomberg 14.02.2022, Data period: 01.02.2010 to 01.02.2022 - 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.

**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.

**SELLING RESTRICTIONS FOR SECURITIES**

The purchaser ("Purchaser") of the securities ("Securities") represents and agrees that the Securities shall not be offered, advertised, sold or otherwise transferred, either directly or indirectly to any person in violation of economic sanctions or wider restrictions applicable to either the Purchaser or the Issuer. The information contained herein does not constitute an offer or invitation to purchase securities (the "Securities") by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering or sale of the Securities may be prohibited or restricted by law in some jurisdictions. The Securities may not be publicly offered, sold or delivered within or from the jurisdiction of any country, except in accordance with the applicable laws and other legal provisions, and provided further that the Issuer does not incur any obligations. The Issuer has not undertaken any steps, nor will the Issuer undertake any steps, aimed at making the public offering of the Securities or their possession or the marketing of offering documents related to the Securities legal in such jurisdiction if this requires special measures to be taken.

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Fees of up to 1.625% p.a. for the maximum term of the investment may be paid by the Issuer to cover marketing, distribution and advice costs. The fees have been fully accounted for in the calculation of the Product's structure. For example, this means that an investment of \$10,000 will have any income/growth payments and capital protection based on the full \$10,000.

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