

# BBVA GLOBAL BANKS DEFENSIVE AUTOCALL

JULY 2022 FACTSHEET



**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.

**TARGET RETURN:** GBP = 18.00% p.a. USD = 22.00% p.a.

## INVESTMENT DESCRIPTION

A 4 year investment linked to the performance of four Global Banks.

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 the Capital Protection Barrier, full capital is returned.

If any Underlying is below the Capital Protection Barrier 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.

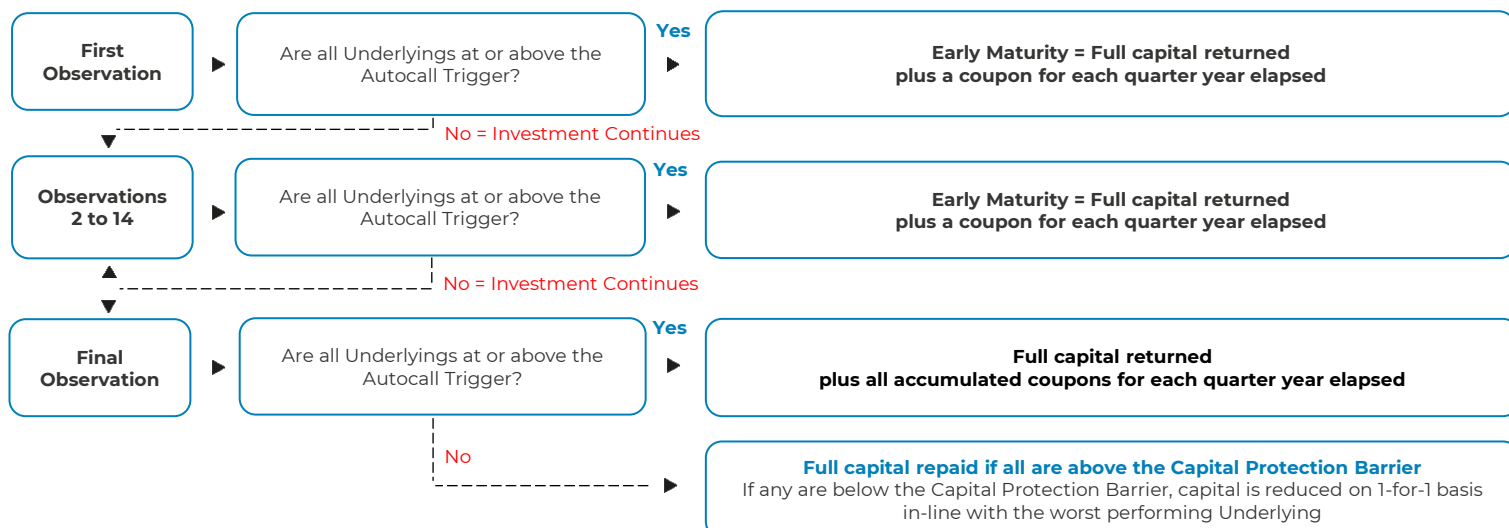
## BENEFITS

- Snowballing coupon.
- Even slightly negative market performance can deliver enhanced returns.
- 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 coupon payment is conditional upon the Underlying performance.
- **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.
- There is a risk to capital should one of the Underlyings breach the capital protection barrier on its Final Observation date.
- 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

|                                    |                                                                          |
|------------------------------------|--------------------------------------------------------------------------|
| <b>Issuer:</b>                     | BBVA                                                                     |
| <b>Credit Ratings:</b>             | Fitch A-, Moody's A3, S&P A                                              |
|                                    | <b>Source:</b> BNP Paribas BBVA 13.06.2022                               |
| <b>Maximum Term:</b>               | 4 years                                                                  |
| <b>Investment Structure:</b>       | Defensive Autocall                                                       |
| <b>Autocall Opportunities:</b>     | Quarterly<br>(First Observation at 6 months)                             |
| <b>Autocall Trigger:</b>           | 95% of initial level                                                     |
| <b>Memory Income Rate:</b>         | GBP: 4.50% Quarterly (18.00% p.a.)<br>USD: 5.50% Quarterly (22.00% p.a.) |
| <b>Capital Risk:</b>               | Not capital protected                                                    |
| <b>Capital Protection Barrier:</b> | 50% Final level (European style)                                         |

|                              |                       |
|------------------------------|-----------------------|
| <b>Underlying Basket</b>     | <b>Bloomberg Code</b> |
| Commerzbank AG               | CBK GY Equity         |
| Societe Generale SA          | GLE FP Equity         |
| Barclays PLC                 | BARC LN Equity        |
| Bank of New York Mellon Corp | BK UN Equity          |

## KEY INFORMATION

|                                  |                                                                  |
|----------------------------------|------------------------------------------------------------------|
| <b>Subscription Period:</b>      | 13 Jun 2022 – 11 Jul 2022<br>(4.30pm UK Time)                    |
| <b>Issue Price:</b>              | 100%                                                             |
| <b>Strike Date:</b>              | 12 July 2022                                                     |
| <b>Issue Date:</b>               | 19 July 2022                                                     |
| <b>1st Autocall Observation:</b> | 13 January 2023                                                  |
| <b>Final Observation:</b>        | 13 July 2026                                                     |
| <b>Maturity Date:</b>            | 20 July 2026                                                     |
| <b>Denominations:</b>            | GBP = 1,000 then lots of 1,000<br>USD = 2,000 then lots of 1,000 |
| <b>ISIN:</b>                     | GBP = XS2378619063<br>USD = XS2378619147                         |

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**TARGET RETURN: GBP = 18.00% p.a. USD = 22.00% p.a.**
**OBSERVATION DATES** (some dates may vary if a bank holiday or non-business day occurs, GBP dates are shown below)

|                          | Observation Date | Payment Date    | Autocall Trigger        |
|--------------------------|------------------|-----------------|-------------------------|
| <b>Observation 1</b>     | 13 January 2023  | 20 January 2023 | 95%                     |
| <b>Observation 2</b>     | 13 April 2023    | 20 April 2023   | 95%                     |
| <b>Observation 3</b>     | 13 July 2023     | 20 July 2023    | 95%                     |
| <b>Observation 4</b>     | 13 October 2023  | 20 October 2023 | 95%                     |
| <b>Observation 5</b>     | 16 January 2024  | 23 January 2024 | 95%                     |
| <b>Observation 6</b>     | 15 April 2024    | 22 April 2024   | 95%                     |
| <b>Observation 7</b>     | 15 July 2024     | 22 July 2024    | 95%                     |
| <b>Observation 8</b>     | 14 October 2024  | 21 October 2024 | 95%                     |
| <b>Observation 9</b>     | 13 January 2025  | 20 January 2025 | 95%                     |
| <b>Observation 10</b>    | 14 April 2025    | 23 April 2025   | 95%                     |
| <b>Observation 11</b>    | 14 July 2025     | 21 July 2025    | 95%                     |
| <b>Observation 12</b>    | 13 October 2025  | 20 October 2025 | 95%                     |
| <b>Observation 13</b>    | 13 January 2026  | 20 January 2026 | 95%                     |
| <b>Observation 14</b>    | 13 April 2026    | 20 April 2026   | 95%                     |
| <b>Final Observation</b> | 13 July 2026     | 20 July 2026    | 95%                     |
| <b>Final Observation</b> | 13 July 2026     | 20 July 2026    | 50% Final Level Barrier |

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**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 13.06.2022

## 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.

Autocalls have been one of the most popular structures over the years. With a defensive autocall, returns are paid if all Underlyings are at or above the Autocall Trigger on an observation date.

The Underlyings used in this Product have been selected in order to support the anticipated delivery of the product strategy.

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.

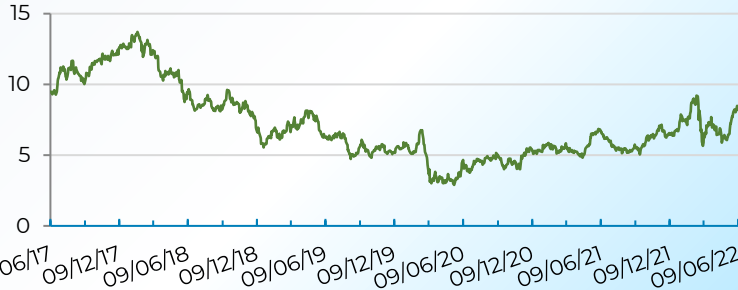
To manage the capital risk, a final level barrier set at 50% means an Underlying must fall by more than 50% over the full term before capital is at risk.

## 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 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, accept that the trading price will likely mean they get back less than they invested.

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**THE UNDERLYINGS**
**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.

**Societe Generale SA**


Societe Generale SA attracts deposits and offers commercial, retail, investment, and private banking services. The Bank offers consumer credit, vehicle lease financing, information technology equipment leasing, life and non-life insurance, custodian services, trade and project financing, currency exchange, treasury services, and financial and commodities futures brokerage services.

**Barclays PLC**


Barclays PLC is a global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services.

**Bank of New York Mellon Corp**


The Bank of New York Mellon Corporation (BNY Mellon) is a global financial services company. The Company provides asset and wealth management, asset servicing, issuer, clearing, and treasury services for institutions, corporations, 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 13.06.2022, Data period: 09.06.2017 to 09.06.2022 - 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.

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## 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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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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2 Rotherbrook Court, Bedford Road  
Petersfield, Hampshire, GU32 3QG.  
1 Cornhill, London, EC3V 3ND.  
[+44 \(0\)1730 776757](tel:+44201730776757)  
[enquiries@idad.com](mailto:enquiries@idad.com)  
[idad.com](http://idad.com)

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