

# BBVA

## TRIPLE INDEX MEMORY INCOME AUTOCALL

JUNE 2023 FACTSHEET



**TARGET RETURN: GBP = 7.30% p.a.**

### INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of Australian, UK and US Indices.

If on any of the semi-annual observation dates, including the Final Observation date, the closing levels of all the Underlyings are at or above the Income Trigger, 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 semi-annual 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 the Capital Protection Barrier, then full capital is returned. If any Underlying is below the Capital Protection Barrier, 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 and is triggered by minimal growth.
- 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.
- 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 Issuer's 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.

### PRODUCT FACTS & FEATURES

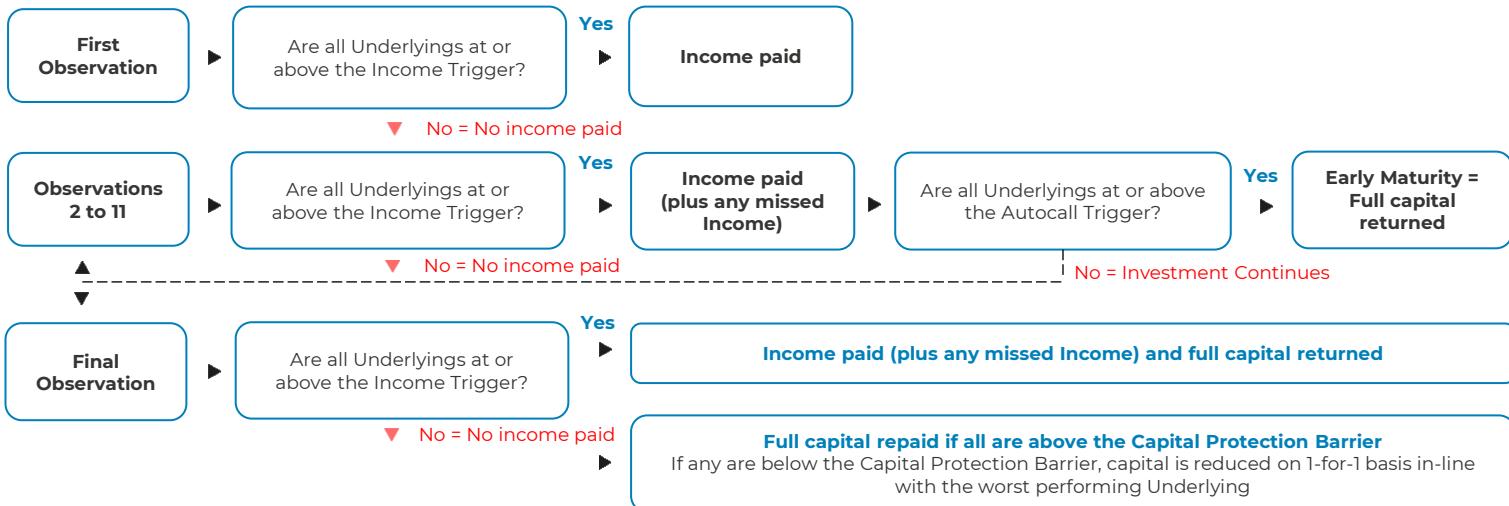
<b>Issuer:</b>	BBVA
<b>Credit Ratings:</b>	Moody's A3, S&P A
<b>Source:</b>	BBVA 06.06.2023
<b>Maximum Term:</b>	6 years
<b>Investment Structure:</b>	Memory Income Autocall
<b>Autocall Opportunities:</b>	Semi-Annually (First Observation at 12 months)
<b>Autocall Trigger:</b>	100% of initial level
<b>Memory Income Rate:</b>	GBP: 3.65% Semi-Annual (7.30% p.a.)
<b>Income Trigger:</b>	85% of initial level
<b>Capital Risk:</b>	Not capital protected
<b>Capital Protection Barrier:</b>	70% Final level (European style)

<b>Underlying Basket</b>	<b>Bloomberg Code</b>
Australia: S&P/ASX 200	AS51 Index
UK: FTSE 100	UKX Index
US: S&P 500	SPX Index

### KEY INFORMATION

<b>Subscription Period:</b>	06 Jun 2023 – 19 Jun 2023 (4.30pm UK Time)
<b>Issue Price:</b>	100%
<b>Strike Date:</b>	20 June 2023
<b>Issue Date:</b>	27 June 2023
<b>1st Coupon Observation:</b>	20 December 2023
<b>1st Autocall Observation:</b>	20 June 2024
<b>Final Observation:</b>	20 June 2029
<b>Maturity Date:</b>	27 June 2029
<b>Denominations:</b>	GBP = 1,000 then lots of 1,000
<b>ISIN:</b>	XS2515315013

### HOW THE INVESTMENT WORKS



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

	Observation Date	Payment Date	Income Trigger	Autocall Trigger
<b>Observation 1</b>	20 December 2023	29 December 2023	85%	n/a
<b>Observation 2</b>	20 June 2024	27 June 2024	85%	100%
<b>Observation 3</b>	20 December 2024	31 December 2024	85%	100%
<b>Observation 4</b>	20 June 2025	27 June 2025	85%	100%
<b>Observation 5</b>	22 December 2025	31 December 2025	85%	100%
<b>Observation 6</b>	22 June 2026	29 June 2026	85%	100%
<b>Observation 7</b>	21 December 2026	30 December 2026	85%	100%
<b>Observation 8</b>	21 June 2027	28 June 2027	85%	100%
<b>Observation 9</b>	20 December 2027	29 December 2027	85%	100%
<b>Observation 10</b>	20 June 2028	27 June 2028	85%	100%
<b>Observation 11</b>	20 December 2028	29 December 2028	85%	100%
<b>Final Observation</b>	20 June 2029	27 June 2029	85%	70% European 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 06.06.2023

**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 15% 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 the Income Trigger on an observation date. The Underlyings 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 70% means an Underlying must fall by more than 30% over the full term 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 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, 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.

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### THE UNDERLYINGS

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. The index is float-adjusted. The index was launched in April 2000.

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 investability weighting in the index calculation. The index was developed with a base level of 1000 as of December 30, 1983.

The **S&P 500®** is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

**Source:** Bloomberg 06.06.2023

### MOVEMENT IN THE UNDERLYINGS OVER A 12 YEAR PERIOD



### 12 YEAR BACK-TESTING

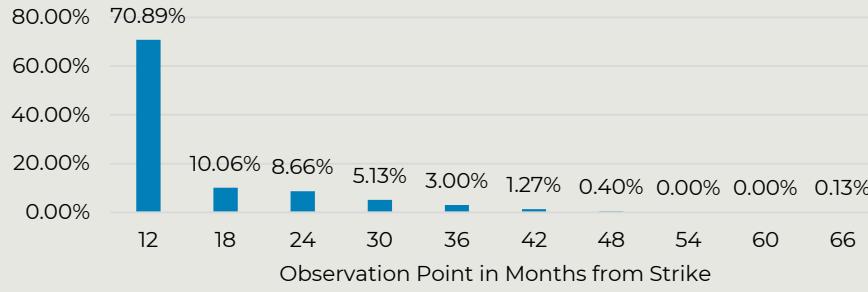
Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

This 12 year back-test shows the historical data for a full 6 years of 6 year products that could reach the full term.

Of the 1,501 product scenarios tested, 0.47% would reach the full term without autocalling and none of these would have breached the Capital Protection Barrier.

Every coupon observation has also been tested, and out of all 1,501 product scenarios tested, 100% of coupons would have been paid.

#### Autocall Back-Test



<b>Total Number Tested:</b>	1,501
<b>% Matured Early:</b>	99.53%
<b>% To Reach Final Date:</b>	0.47%
<b>% That Returned Full Capital:</b>	100%
<b>% Barrier Breach:</b>	0.00%
<b>% Of Coupons Paid:</b>	100%
<b>Average Historic Return GBP:</b>	7.30% 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 06.06.2023 Data period: 31.05.2011 to 31.05.2023 - 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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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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