

# BBVA SEMI-ANNUAL CLASSIC AUTOCALL

October 2023 FACTSHEET



**TARGET RETURN:** GBP = 12.20% p.a. USD = 13.40% p.a.

## INVESTMENT DESCRIPTION

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

If on any semi-annual observation date (including the Final Observation date), starting at 12 months, all of the Underlyings are at or above the Autocall Trigger, the investment will autocall. Initial capital plus the Coupon Rate for each semi-annual 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

- Autocall feature potentially shortens the investment term and is triggered by minimal market growth.
- Snowballing coupon.
- Minimal market growth needed to deliver enhanced returns.
- 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.
- 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.

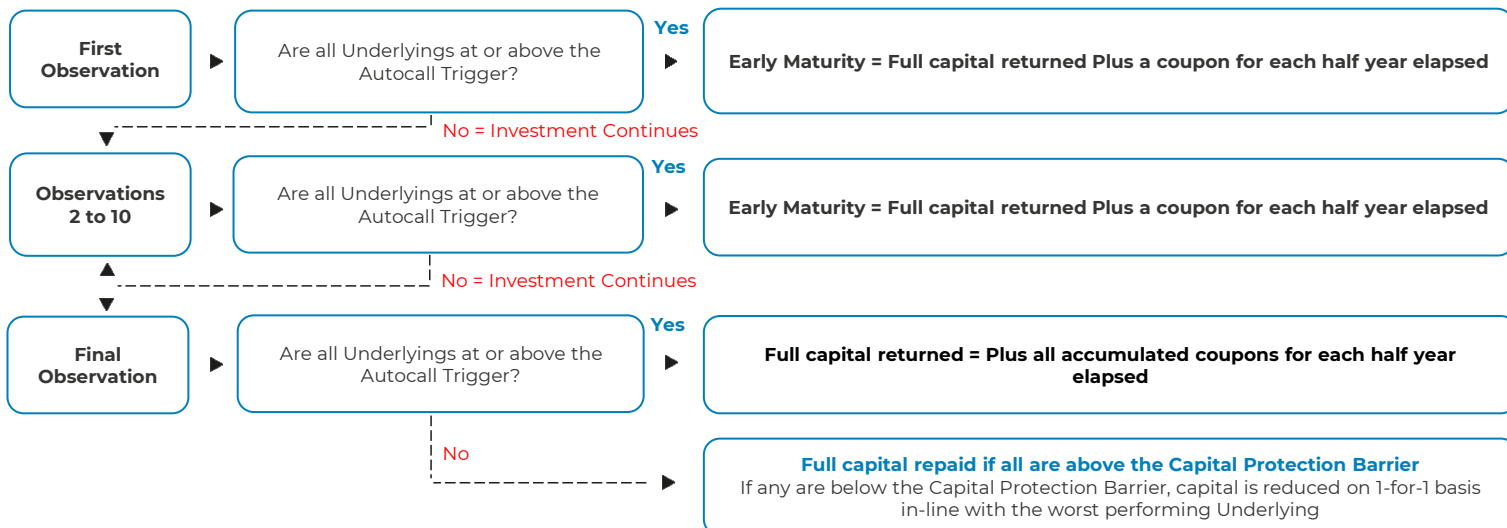
## PRODUCT FACTS & FEATURES

<b>Issuer:</b>	BBVA
<b>Credit Ratings:</b>	Moody's A3, S&P A
<b>Source:</b>	BBVA 19.09.2023
<b>Maximum Term:</b>	6 years
<b>Investment Structure:</b>	Classic Autocall
<b>Autocall Opportunities:</b>	Semi-Annual (First Observation at 12 months)
<b>Autocall Trigger:</b>	100% of initial level
<b>Coupon Rate:</b>	GBP: 6.10% Semi-Annually (12.20% p.a.) USD: 6.70% Semi-Annually (13.40% 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>
Australia: S&P/ASX 200	AS51 Index
Europe: Euro Stoxx 50	SX5E Index
Japan: Nikkei 225	NKY Index
US: S&P 500	SPX Index

## KEY INFORMATION

<b>Subscription Period:</b>	19 Sep 2023 – 16 Oct 2023 (4.30pm UK Time)
<b>Issue Price:</b>	100%
<b>Strike Date:</b>	17 October 2023
<b>Issue Date:</b>	24 October 2023
<b>1st Autocall Observation:</b>	17 October 2024
<b>Final Observation:</b>	17 October 2029
<b>Maturity Date:</b>	24 October 2029
<b>Denominations:</b>	GBP = 1,000 then lots of 1,000 USD = 2,000 then lots of 1,000
<b>ISIN:</b>	GBP = XS2608299801 USD = XS260829983

## HOW THE INVESTMENT WORKS



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**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
Observation 1	17 October 2024	24 October 2024	100%
Observation 2	17 April 2025	28 April 2025	100%
Observation 3	17 October 2025	24 October 2025	100%
Observation 4	17 April 2026	24 April 2026	100%
Observation 5	19 October 2026	26 October 2026	100%
Observation 6	19 April 2027	26 April 2027	100%
Observation 7	18 October 2027	25 October 2027	100%
Observation 8	17 April 2028	24 April 2028	100%
Observation 9	17 October 2028	24 October 2028	100%
Observation 10	17 April 2029	24 April 2029	100%
Final Observation	17 October 2029	24 October 2029	100%
Final Observation	17 October 2029	24 October 2029	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.

**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 19.09.2023

## 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.

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 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 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 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

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.

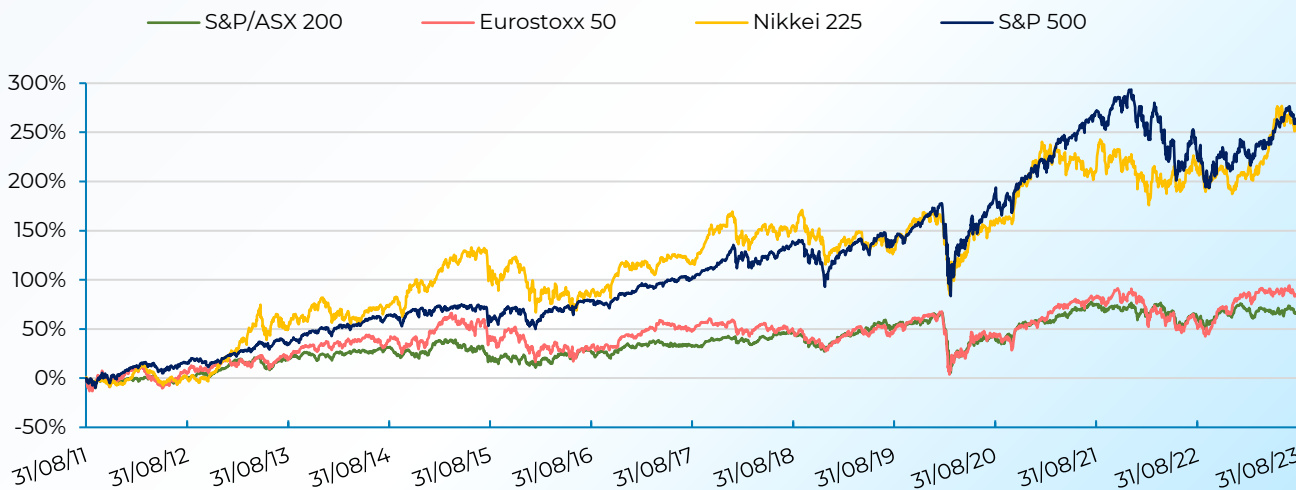
The **EURO STOXX 50 Index**, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of investment products such as exchange-traded funds (ETFs), futures, options and structured products.

The **Nikkei-225 Stock Average** is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. The Nikkei Stock Average was first published on May 16, 1949, where the average price was ¥176.21 with a divisor of 225.

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 19.09.2023

## MOVEMENT IN THE UNDERLYINGS OVER A 12 YEAR PERIOD



## 12 YEAR BACK-TESTING

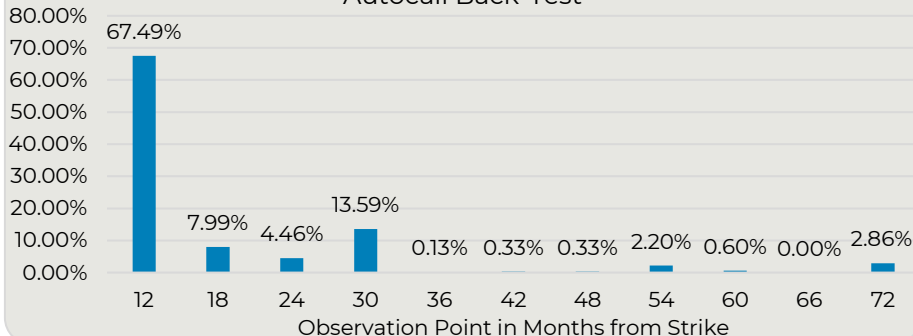
Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

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, 100% would have autocalled paying all available coupons.

None of the scenarios tested would have breached the Capital Protection Barrier.

Autocall Back-Test



<b>Total Number Tested:</b>	1,501
<b>% Autocalled:</b>	100%
<b>% Not Autocalled:</b>	0.00%
<b>% That Returned Full Capital:</b>	100%
<b>% Barrier Breach:</b>	0.00%
<b>Average Historic Return GBP:</b>	12.20% p.a.
<b>Average Historic Return USD:</b>	13.40% 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 19.09.2023, Data period: 31.08.2011 to 31.08.2023 - 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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## 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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