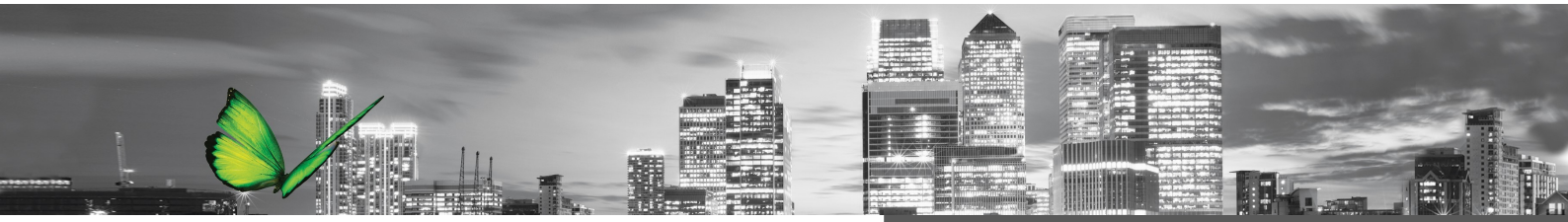
# BBVA
# 90% Protected FTSE Growth Participation
# February 2020 EUR Factsheet



## Investment Description

A 5 year investment linked to the performance of the FTSE 100.

This Product offers growth participation linked to the performance of the FTSE 100 at maturity.

At the Final Observation date, if the Underlying index is above its Strike Level the client will receive 90% of their capital back plus the growth of the Underlying, starting at the Strike Level. For example, if the Underlying is 20% above its Strike Level and the Participation Rate is 100% the client will receive 90% capital back plus a 20% growth coupon.

If the Underlying is below its strike level then 90% capital is returned.

## Benefits

- Opportunity for growth if the Underlying shows gains above the Strike Level.
- 90% Capital Protection.
- Daily pricing under normal market conditions.

## Risks

- The return is limited to the pre-defined investment terms.
- The growth 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.

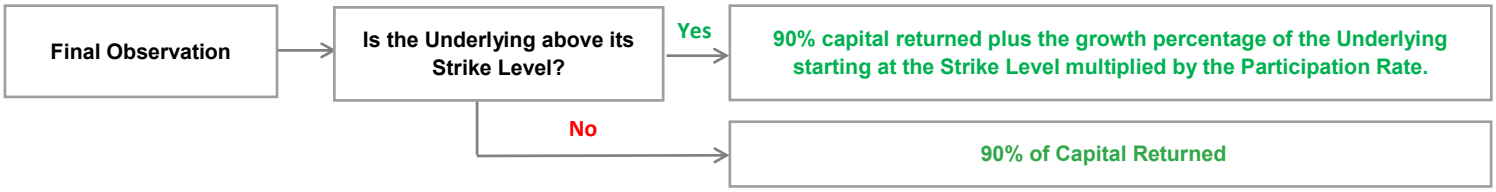
## Product Facts & Features

| | |
|---|---|
| **Issuer:** | BBVA |
| **Credit Ratings:** | Fitch A, Moody's A3,S&P A-<br>**Source**: Bloomberg 10.01.2020 |
| **Maximum Term:** | 5 years |
| **Investment Structure:** | 90% Capital Protected Growth Participation Note |
| **Participation Rate:** | EUR = 100% |
| **Strike Level:** | 100% of the closing level on the Strike Date |
| **Capital Risk:** | Max 10% capital at risk |
| **Capital Protection:** | 90% Capital Protected |
| **Underlying** | **Bloomberg Code** |
| UK: FTSE 100 | UKX Index |

## Key Information

| | |
|---|---|
| **Subscription Period:** | 10 Jan 2020 – 31 Jan 2020 (4.30pm UK Time) |
| **Issue Price:** | 100% |
| **Strike Date:** | 03 February 2020 |
| **Issue Date:** | 10 February 2020 |
| **Final Observation:** | 03 February 2025 |
| **Maturity Date:** | 10 February 2025 |
| **Denominations:** | 1,000 then lots of 1,000 |
| **ISIN:** | EUR = XS2103224858 |

## How The Investment Works




## The Underlying

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

**Source**: Bloomberg 10.01.2020

## Movement in the Underlying over the last 20 years




**Source:** Bloomberg 10.01.2020, Data period: 31.12.1999 to 31.12.2019

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## 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 a high level of Capital Protection in EUR and growth is key to this investment. The investment is linked to one of the best-known and developed indices in the world and investors will benefit from growth in the Index at maturity.

With the 90% capital protection the client won't lose more than 10% on their investment.

## 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.

Trade orders should be sent to orders@idad.com

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

## 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 how the Capital Protection works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the growth payment.
- 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 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.

**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 10.01.2020

## 20 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 20 year back-test shows the historical data for a full 15 years of 5 year products that could reach the full term.

3,754 scenarios were tested, the table below shows the historical growth over 5 years below.

On each scenario, the strike level is taken and then the level of the index 5 years on is used to calculate the growth percentage.

As you can see, the Underlying has shown growth above the 100% Strike Level 74.29% of the time.

| Growth at Maturity | Amount of Times | % of Total Tested |
|---|---|---|
| Above 50% | 369 | 9.83% |
| Between 40% & 50% | 107 | 2.85% |
| Between 30% & 40% | 228 | 6.07% |
| Between 20% & 30% | 617 | 16.44% |
| Between 10% & 20% | 618 | 16.46% |
| Between 0.01% & 10% | 850 | 22.64% |
| **Growth above Strike Level -Sub Total** | | **74.29%** |
| Between 0% & -10% | 485 | 12.92% |
| Between -10% & -20% | 359 | 9.56% |
| Between -20% & -30% | 119 | 3.17% |
| Between -30% & -40% | 2 | 0.05% |
| Total Tested | 3,754 | 100.00% |

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

**Source:** Bloomberg 10.01.2020, Data period: 31.12.1999 to 31.12.2019 - 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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