

Press Release

BBVA expands its recently established 'Quantitative Investment Strategies' Business with Paris Aligned and Climate Transition Indices by Solactive

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Leading Spanish bank BBVA issued its 'Quantitative Investment Strategies' (QIS), a business focusing on the design, manufacturing, and distribution of investment strategies via self-created indices aimed at end investors. After BBVA established the QIS with its first index, the Solactive BBVA ixESG Global Leaders Index, the bank now announced the intensification of its partnership with Solactive by extending its sustainability-centered QIS offering through the release of a Solactive-owned Paris Aligned (PAB) and Climate Transition Benchmarks (CTB). The Solactive BBVA Climate Action PAB Europe Index and Solactive BBVA Climate Action CTB Europe Index enable conscious investors to invest in companies at the forefront of a green and sustainable global economy.

The Paris agreement serves as one of the most significant international conventions. Its main aim is to keep the increase of global average temperature below a critical threshold of 2°C. The release of the Final Report on Climate Benchmarks and Benchmarks' ESG Disclosures by the EU Technical Expert Group on Sustainable Finance's (TEG) set the foundation of benchmark-based Paris-aligned investment. BBVA included the two indices, the **Solactive BBVA Climate Action PAB Europe Index** and **Solactive BBVA Climate Action CTB Europe Index**, to tackle each of the respective climate targets individually.

The Indices

The **Solactive BBVA Climate Action PAB Europe Index** provides exposure to a portfolio that, based on ISS ESG climate analysis, is in line with a well below 2°C scenario through 2050, allowing investors to be at the forefront of an immediate transition towards the Paris Agreement's goals. Both the **Solactive BBVA Climate Action CTB Europe Index** and **Solactive BBVA Climate Action PAB Europe Index** represent a baseline climate-aware allocation, which is set up to project the path towards a low-carbon economy rounding out the release.

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Baseline Exclusions of Controversial Weapons and Norm Violators

The **Solactive BBVA Climate Action CTB Europe Index** features a 30% reduction in carbon intensity versus its respective benchmark while the **Solactive BBVA Climate Action PAB Europe Index** takes a tighter approach with a 50% reduction as well as additional activity-based exclusions. Both indices start from a set of baseline exclusions of controversial weapons and international norms violators. To select the index constituents, Solactive conducts a modified carbon risk rating approach, which pools the 125 stocks with the highest rating for the final index. The selection is then optimized to overweight the stocks with the best expected future CO₂ performance while also meeting the requirements of the EU CTB and PAB regulation.

"The project kicked off in an unprecedented difficult time during a lockdown phase, but we have kept our focus to realize this important and impactful first set of indices, which all carry a strong ESG focus," comments Timo Pfeiffer, Chief Markets Officer at Solactive. "We feel honored that BBVA has chosen Solactive as its index provider of trust for such a vital and meaningful investment vehicle, and it is always a pleasure for us to work with BBVA and its committed and dedicated team. We're looking forward to intensifying our relationship with the release of more sustainability-focused indices with BBVA going forward."

To read more about BBVA's QIS, follow this link: <https://www.bbva.com/en/bbva-creates-its-own-line-of-business-quantitative-investment-strategies-expanding-its-market-product-offering-for-investors/>
<https://www.bbva.com/en/bbva-adds-two-pioneering-climate-indices-to-its-offering-for-investors/>

For more information please visit: <http://www.solactive.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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