

INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the UK, European and US indices.

If on any of the semi-annual observation dates, including the final observation, the closing levels of all the underlyings are at or above 80% of their initial levels, the income coupon will be paid plus any previously missed coupons.

This investment will mature early if all the underlyings are equal to or above their initial levels on any semi-annual observation date starting end of year 1.

At the final observation date, if all underlyings are at or above 65% of their initial levels, then full capital is returned. If any underlying is below 65% of its original level, 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 markets show significant falls
- A memory feature, whereby coupons previously unpaid, will be included when the coupon trigger is next activated.
- Autocall feature potentially shortens the investment term and is triggered by minimal market growth
- Early maturity provides an opportunity to re-assess client's wealth strategy
- Daily pricing and trading available

RISKS

- The return is limited to the pre-defined investment terms
- The income payment is conditional upon the underlying performance
- There is a risk to capital should one of the underlyings breach the barrier or the issuer default

Commerzbank: Commerzbank AG 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.

Source: Bloomberg 13.07.2016

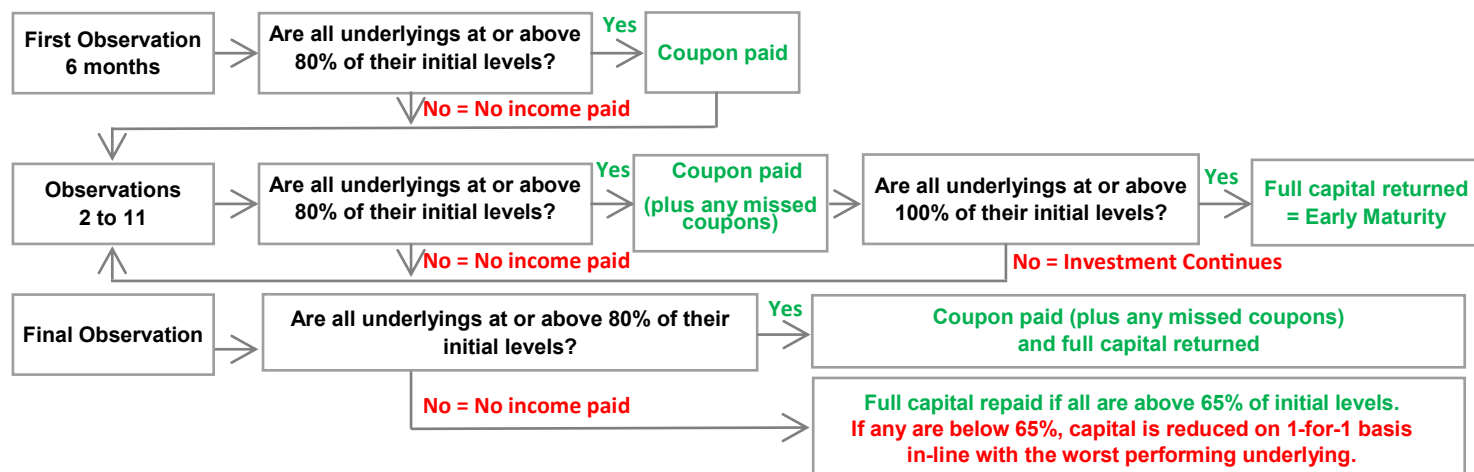
PRODUCT FACTS & FEATURES

Issuer and Counterparty:	Commerzbank
Credit Ratings:	Fitch: BBB+, Moody's: Baa1, S&P: BBB+ Source: Bloomberg 13.07.2016
Maximum Term:	6 years
Investment Structure:	Semi-annual Income Autocall
Autocall opportunities:	Semi-annual from end of year 1
Autocall Trigger:	100% of initial level
Memory Coupon Rate:	2.75% semi-annual
Coupon Trigger:	80% of initial level
Capital Risk:	Not capital protected
Capital Protection Barrier:	65% Final level (European style)
Underlying Basket	Bloomberg Code
UK: FTSE 100	UKX Index
Europe: Eurostoxx 50	SX5E Index
US: S&P 500	SPX Index

KEY DATES

Subscription Period:	13 Jul 2016 – 15 Jul 2016 (4.30pm UK Time)
Strike Date:	15 July 2016
First Observation:	17 January 2016
Final Observation:	15 July 2022
Maturity Date:	22 July 2022
Currency:	GBP
ISIN:	XS1452598607

HOW THE INVESTMENT WORKS



**SUITABILITY**

May be suitable for investors who:

- are seeking the opportunity for higher returns than current cash rates
- understand and accept there is a risk to capital
- understand the impact of global economic issues
- understand the criteria which will determine the income payment
- are looking to invest for the medium or long term, being happy to remain invested until maturity
- wish to use this investment as part of a well-diversified portfolio
- understand that the returns are pre-defined and that they will forgo growth in the underlyings which exceeds that fixed level
- understand the risk to capital in the event of 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 snowballing feature can deliver missed income payments

RATIONALE

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 20% from the initial level on any observation date before the income stream is disrupted.

The investment also benefits from a memory coupon feature so that if any coupons have missed being paid, they will catch-up the next time all underlyings are above 80% of their initial levels on an observation date.

The three indices chosen for this investment tend to be considered as the most developed in the world, which helps to enhance the opportunity for delivery of the income offered.

Using 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 "lock in" gains, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 65% offers re-assurance to the more cautious investor.

THE UNDERLYINGS

The FTSE100 (UKX) is a market-capitalisation weighted index of UK listed blue chip companies. The index is part of the FTSE UK Series and is designed to measure the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity.

Standard and Poor's 500 (SPX) Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Eurostoxx 50 (SX5E) Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super sector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries and is licensed to financial institutions to serve as an underlying for a wide range of investment products.

Source: Bloomberg 13.07.16

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