



## INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the Swiss, Swedish, Australian and Canadian 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 60% of their initial levels, then full capital is returned. If any underlying is below 60% 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.

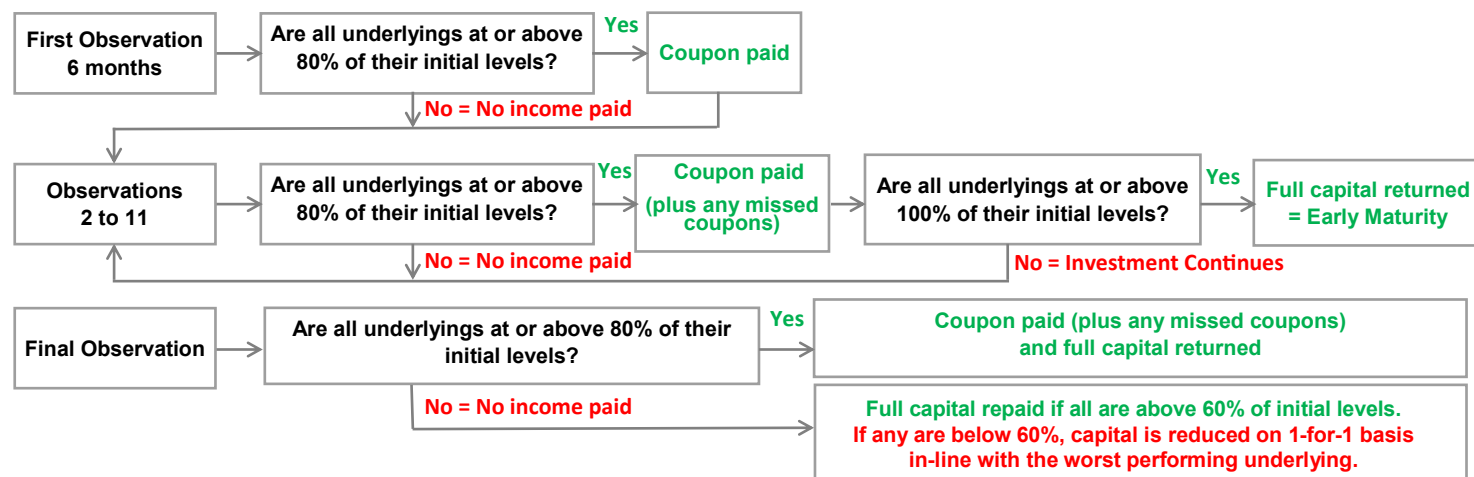
## BENEFITS

- 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

## 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

## HOW THE INVESTMENT WORKS



## PRODUCT FACTS & FEATURES

|                                    |                                                                       |
|------------------------------------|-----------------------------------------------------------------------|
| <b>Issuer and Counterparty:</b>    | <b>Commerzbank</b>                                                    |
| <b>Credit Ratings:</b>             | Fitch: BBB+, Moody's: Baa1, S&P: BBB+<br>Source: Bloomberg 30.09.2016 |
| <b>Maximum Term:</b>               | 6 years                                                               |
| <b>Investment Structure:</b>       | Semi-annual Memory Income Autocall                                    |
| <b>Autocall opportunities:</b>     | Semi-annual<br>(First observation at 12 months)                       |
| <b>Autocall Trigger:</b>           | 100% of initial level                                                 |
| <b>Memory Income Rate:</b>         | 3.75% semi-annual (7.5% p.a.)                                         |
| <b>Income Trigger:</b>             | 80% of initial level                                                  |
| <b>Capital Risk:</b>               | Not capital protected                                                 |
| <b>Capital Protection Barrier:</b> | 60% Final level<br>(European style)                                   |
| <b>Underlying Basket</b>           | <b>Bloomberg Code</b>                                                 |
| Australia: S&P ASX 200             | AS51 Index                                                            |
| Sweden: OMX 30                     | OMX Index                                                             |
| Canada: S&P TSX 60                 | SPTSX60 Index                                                         |
| Switzerland: SMI                   | SMI Index                                                             |

## KEY INFORMATION

|                                  |                                               |
|----------------------------------|-----------------------------------------------|
| <b>Subscription Period:</b>      | 30 Sep 2016 – 14 Oct 2016<br>(4.30pm UK Time) |
| <b>Strike Date:</b>              | 17 October 2016                               |
| <b>1st Coupon Observation:</b>   | 18 April 2017                                 |
| <b>1st Autocall Observation:</b> | 17 October 2017                               |
| <b>Final Observation:</b>        | 17 October 2022                               |
| <b>Maturity Date:</b>            | 24 October 2022                               |
| <b>ISIN GBP:</b>                 | XS1501554015                                  |



## 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.

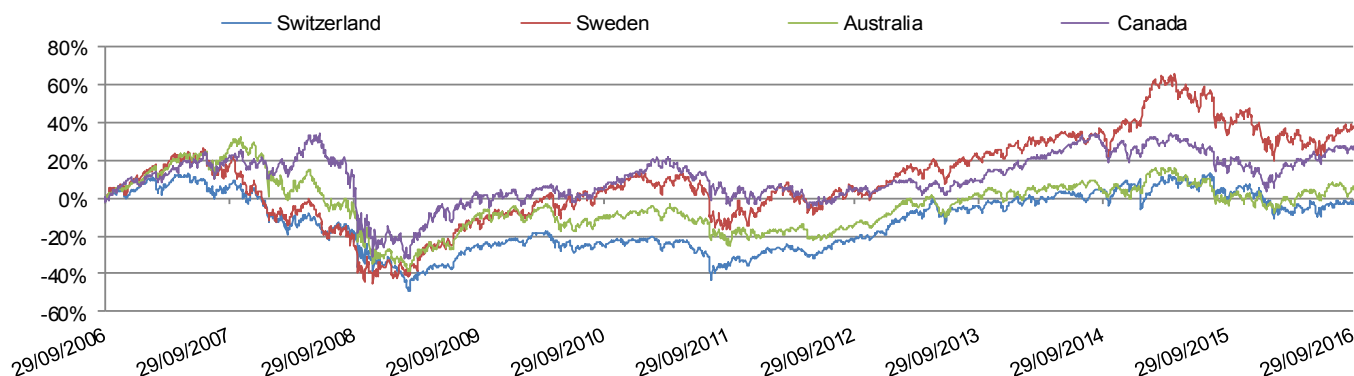
The **Swiss Market Index** is an index of the largest and most liquid stocks traded on the Geneva, Zurich, and Basle Stock Exchanges. The index has a base level of 1500 as of June 1988.

The **OMX Stockholm 30 Index** consists of the 30 most actively traded stocks on the Stockholm Stock Exchange and is a market weighted price index. The composition of the OMXS30 index is revised twice a year. The index was developed with a base level of 125 as of September 30, 1986. Effective on April 27, 1998 there was a 4-1 split of the index value.

The **S&P/Toronto Stock Exchange 60** is a capitalization-weighted index. It consists of 60 of the largest and most liquid (heavily traded) stocks listed on the Toronto Stock Exchange (TSX). They are usually domestic or multinational industry leaders.

Source: Bloomberg 30.09.16

## MOVEMENT IN THE INDICES OVER A 10 YEAR PERIOD



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

Source: Bloomberg 30.09.2016, Data period: 29.09.2006 to 29.09.2016

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**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 30.09.2016

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**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 payments
- are looking to invest for the medium to 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

**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 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 four indices chosen for this investment tend to have lower volatility, which helps to enhance the opportunity for delivery of the income offered.

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% before capital is at risk.

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