Commerzbank
Quarterly Quad Index Classic Autocall February 2018
Factsheet



INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the Swiss, Swedish, UK and Canadian indices.

If on any quarterly observation date (including the Final Observation Date), starting at 6 months, all of the underlyings are at or above their initial levels, the investment will autocall. Initial capital plus the coupon for each quarterly 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 60% of their initial levels, full capital is returned.

If any underlying is below 60% of its original level at maturity, 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 and no coupon is paid.

BENEFITS

- Autocall feature potentially shortens the investment term and is triggered by minimal market growth.
- Snowballing coupon.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Minimal market growth needed to deliver enhanced returns.
- Daily pricing.

RISKS

- The return is limited to the pre-defined investment terms.
- The coupon payment is conditional upon the underlying performance.
- There is a risk to capital should one of the underlyings breach the capital protection barrier on its Final Observation Date or in the event of an issuer default.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

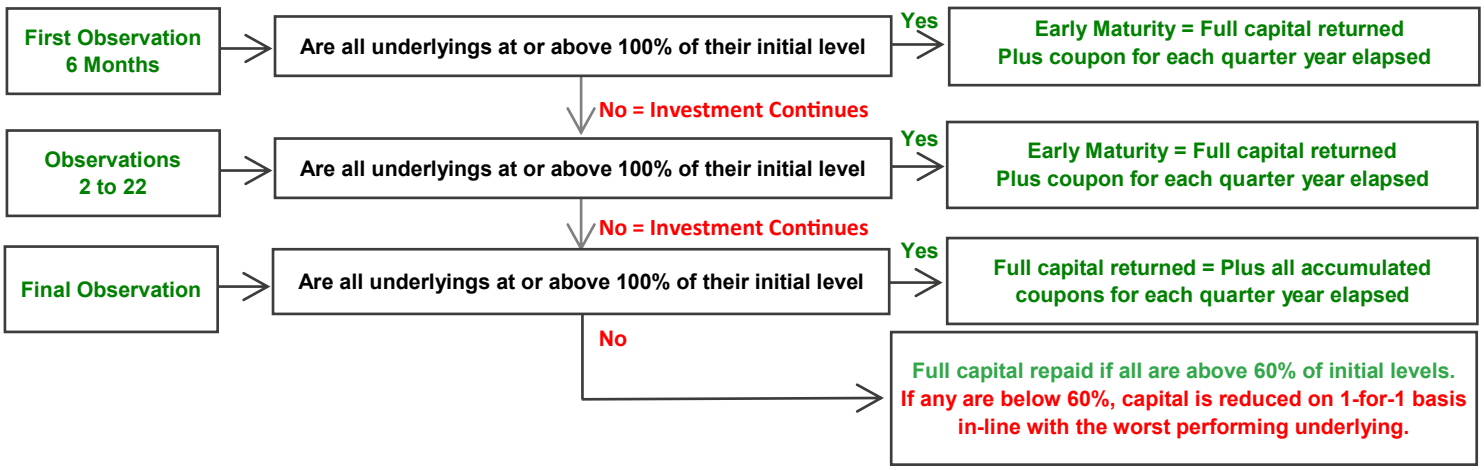
PRODUCT FACTS & FEATURES

Issuer and Counterparty:	Commerzbank
Credit Ratings:	Fitch: A-, Moody's: A2, S&P: A- **Source**: Commerzbank 15.02.2018
Maximum Term:	6 years
Investment Structure:	Quarterly Classic Autocall
Autocall opportunities:	Quarterly (First observation at 6 months)
Autocall Trigger:	100% of initial level
Coupon Rate:	USD = 3.05% Quarterly
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)
Underlying Basket	**Bloomberg Code**
Switzerland: SMI	SMI Index
Sweden: OMX	OMX Index
Canada: TSX 60	SPTSX60 Index
UK: FTSE 100	UKX Index

KEY INFORMATION

Subscription Period:	15 Feb 2018 – 21 Feb 2018 (4.30pm UK Time)
Issue Price:	100%
Strike Date:	14 February 2018
Issue Date:	02 March 2018
1st Autocall Observation:	14 August 2018
Final Observation:	14 February 2024
Maturity Date:	26 February 2024
Denominations:	USD = 1,000 then lots of 1,000
ISIN:	USD = XS1714814818

HOW THE INVESTMENT WORKS



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Observation Dates (some dates may vary if a bank holiday occurs)

	Observation Date	Payment Date	Autocall Trigger
Observation 1	14 August 2018	23 August 2018	100%
Observation 2	14 November 2018	26 November 2018	100%
Observation 3	14 February 2019	26 February 2019	100%
Observation 4	14 May 2019	23 May 2019	100%
Observation 5	14 August 2019	23 August 2019	100%
Observation 6	14 November 2019	25 November 2019	100%
Observation 7	14 February 2020	26 February 2020	100%
Observation 8	14 May 2020	26 May 2020	100%
Observation 9	14 August 2020	25 August 2020	100%
Observation 10	16 November 2020	25 November 2020	100%
Observation 11	16 February 2021	25 February 2021	100%
Observation 12	14 May 2021	25 May 2021	100%
Observation 13	16 August 2021	25 August 2021	100%
Observation 14	15 November 2021	24 November 2021	100%
Observation 15	14 February 2022	24 February 2022	100%
Observation 16	16 May 2022	25 May 2022	100%
Observation 17	15 August 2022	24 August 2022	100%
Observation 18	14 November 2022	23 November 2022	100%
Observation 19	14 February 2023	24 February 2023	100%
Observation 20	15 May 2023	24 May 2023	100%
Observation 21	14 August 2023	23 August 2023	100%
Observation 22	14 November 2023	24 November 2023	100%
Final Observation	14 February 2024	26 February 2024	100%
Final Observation	14 February 2024	26 February 2024	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.

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 15.02.2018

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 underlings are at or above the autocall trigger on an observation date.

These four underlyings 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 6 years 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 before maturity, accept that the trading price will likely mean they get back less than they invested.

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.biz

All trades will be settled direct with Commerzbank's Clearstream a/c 33642

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THE UNDERLYINGS

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.

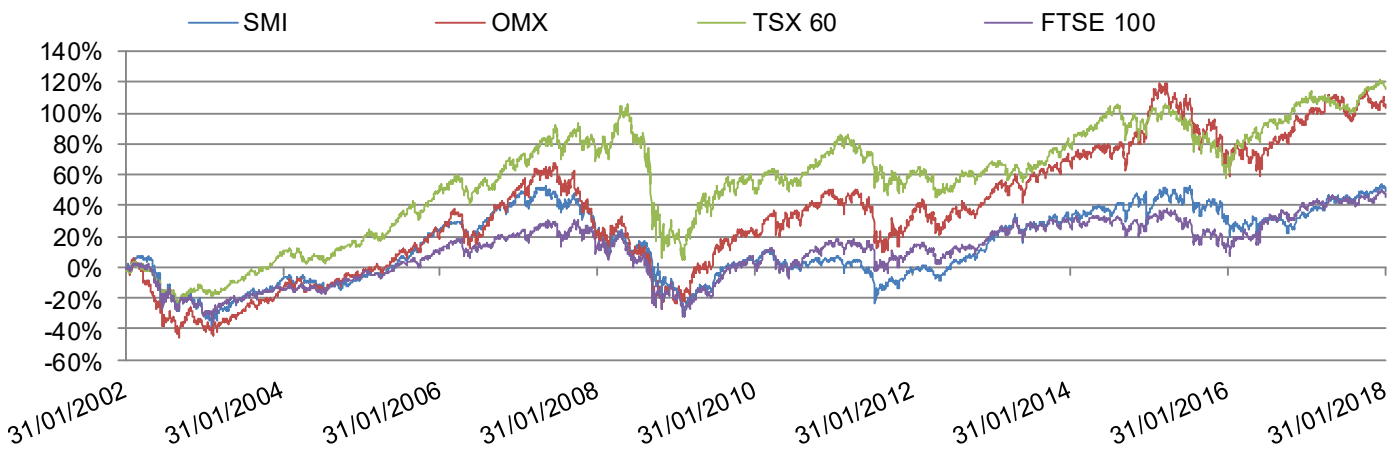
The **OMX Stockholm 30 Index** consists of the 30 most actively traded stocks on the Stockholm Stock Exchange and is a market weighted price index. The composition of the OMXS30 index is revised twice a year. The index was developed with a base level of 125 as of September 30, 1986. Effective on April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

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 15.02.2018

MOVEMENT IN THE UNDERLYINGS OVER A 16 YEAR PERIOD



16 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 16 year back-test shows the historical data for a full 10 years of 6 year products that could reach the full term.

Of the 2,501 scenarios tested, 88.88% would have autocalled paying all coupons. 11.12% would reach the full term without autocalling and none would have breached the 60% final level barrier.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
3 Months	n/a	n/a	**21 Months**	4	0.16%	**39 Months**	38	1.52%	**57 Months**	0	0.00%
6 Months	1,207	48.26%	**24 Months**	8	0.32%	**42 Months**	64	2.56%	**60 Months**	0	0.00%
9 Months	280	11.20%	**27 Months**	15	0.60%	**45 Months**	5	0.20%	**63 Months**	7	0.28%
12 Months	158	6.32%	**30 Months**	43	1.72%	**48 Months**	0	0.00%	**66 Months**	19	0.76%
15 Months	39	1.56%	**33 Months**	77	3.08%	**51 Months**	0	0.00%	**69 Months**	45	1.80%
18 Months	32	1.28%	**36 Months**	123	4.92%	**54 Months**	7	0.28%	**72 Months**	52	2.08%

Total Number Tested	% Autocalled	% Not Autocalled	% That Returned Full Capital	% Barrier Breach	Average Historic Return USD
2501	88.88%	11.12%	100%	0.00%	10.84% 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 15.02.2018, Data period: 31.01.2002 to 31.01.2018

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