Commerzbank
UK Titans plus FTSE 100 Protection - July 2015
Factsheet



INVESTMENT DESCRIPTION

Early Maturity opportunities – share performance trigger

Shares of 4 major UK listed companies will trigger the autocall. If on any quarterly observation date the closing levels of all the shares are at or above their initial levels, the investment will mature and a coupon of 2.75% for each quarter elapsed will be paid.

At Maturity – index performance trigger

The performance of the FTSE100 index will determine the security of the capital at maturity. If at maturity the shares are not all above 100%, then so long as closing level of the FTSE100 is at or above 60% of its initial level, 100% of capital is repaid.

If the closing level of the FTSE100 is below 60% of its initial level, capital is reduced with reference to the FTSE100, on a 1 for 1 basis (e.g. if the FTSE is at 40% of its initial level, 40% of the capital will be repaid).

BENEFITS

- Autocall feature linked to stock performance can allow gains to be locked-in early
- Early maturity provides an opportunity to re-assess client's wealth strategy
- Minimal market growth needed to deliver enhanced returns
- Daily pricing and trading available

RISKS

- The return is limited to the pre-defined investment terms
- There is a risk to capital should the index breach the maturity barrier or if the issuer defaults

Commerzbank*: founded in 1870, is a leading German bank with a presence in over 50 countries worldwide. Commerzbank is a leading bank in Germany and Poland. It is also present worldwide in all major markets for its customers as a partner to the business world. With some 1,200 branches Commerzbank has one of the densest branch networks among German private banks and is on its way to become a modern multichannel bank. In total, Commerzbank boasts nearly 15 million private customers, as well as 1 million business and corporate clients. In 2013, it generated revenues of more than EUR 9bn with approximately 52,000 employees on average. Additionally it benefits from strong backing by the German Federal Government.

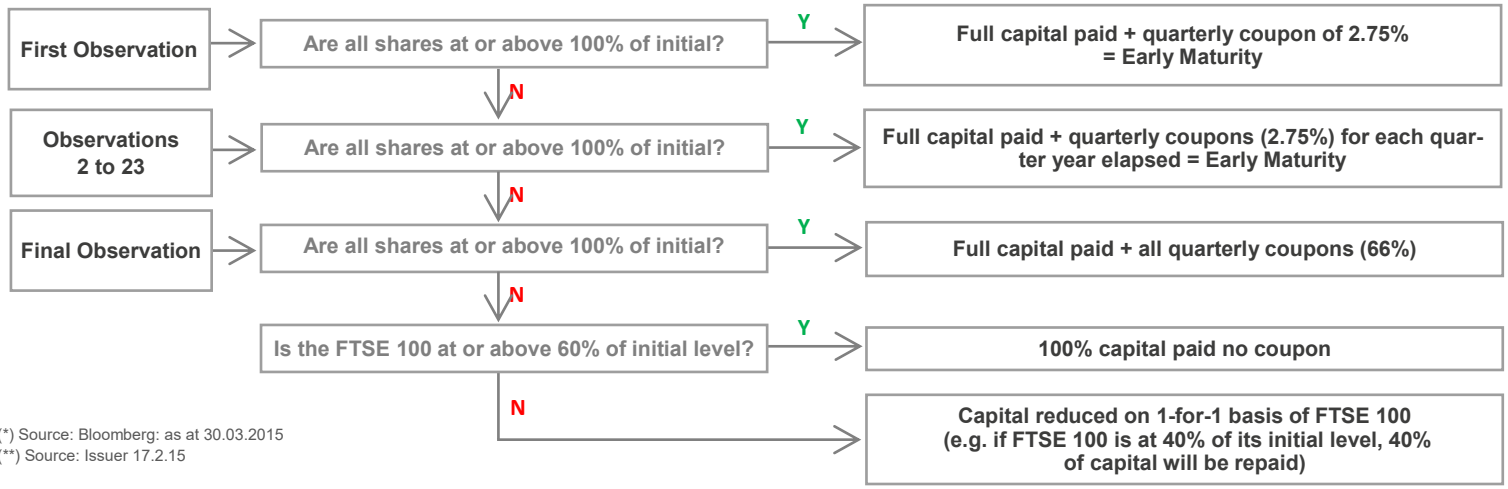
PRODUCT FACTS & FEATURES

Issuer and Counterparty:	Commerzbank (Credit Ratings*: S&P BBB+; Moody's Baa1; Fitch BBB)
Maximum Term:	6 years
Investment Structure:	Quarterly autocall plus index protection
Autocall opportunities:	Quarterly
Autocall Trigger:	100% of initial level
Coupon Rate:	2.75% quarterly (11% p.a.)
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style) on FTSE 100 (UKX)
Underlying Basket:	Vodafone Group Plc (VOD), Royal Dutch Shell (RDSB), HSBC (HSBA), Glaxo (GSK),
Subscription Period:	10 June 2015 – 16 July 2015 (4.30pm BST)

KEY DATES

Strike Date:	17 July 2015
Final Observation:	19 July 2021
Maturity Date:	26 July 2021
Currency:	GBP / USD
ISIN:	GBP: XS1247512335
	USD: XS1247508655

HOW THE INVESTMENT WORKS



(*) Source: Bloomberg: as at 30.03.2015
(**) Source: Issuer 17.2.15

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SUITABILITY

May be suitable for investors who:

- are seeking higher returns than current cash rates
- understand the risk associated with single stock pricing & performance
- understand and accept there is a risk to capital
- are looking to invest for the medium or long term, being happy to remain invested until maturity
- are slightly bullish on equity markets in the short term but are seeking an investment that is designed to reduce single stock risk at maturity
- wish to use this investment as part of a well-diversified portfolio
- understand that the returns are fixed and that they will forgo growth in the stocks/market which exceed that fixed level
- understand the risk to capital in the event of counterparty default
- understand that should they need to sell their investment, the trading price may mean they get back less then they invested

RATIONALE

The classic autocall is one of the most popular structured product pay-offs. In recent years there has been a trend towards using corporate stock as a performance link. This provides an excellent opportunity for high returns but can increase the risk to capital. Share prices reflect not only the value of a company in terms of its balance sheet, but the price can also be impacted by sector specific events and market perception. Shares are inherently more risky than a market index. The index smooths out the individual stock volatility to a degree.

A selection of four, high profile, large cap stocks provides the opportunity for a good return. The four stocks will determine the early maturity event, whilst an index, in this case the FTSE 100, which contains the four stocks, provides the capital protection. With only marginal growth required to trigger an early return of capital and frequent call opportunities, this pay-off is gaining favour with advisers and investors alike. The combination of higher risk stocks tempered by index linked protection makes an attractive solution.

The snowballing coupon feature adds further value to the structure whereby the coupon is accrued during the period until maturity, be it before the end of the fixed term or not.

THE UNDERLYINGS*

Vodafone Group PLC is a mobile telecommunications company providing a range of services, including voice and data communications. The Company operates in Continental Europe, the United Kingdom, the United States, Asia Pacific, Africa and the Middle East through its subsidiaries, associates, and investments.

Royal Dutch Shell PLC, through subsidiaries, explores for, produces, and refines petroleum. The Company produces fuels, chemicals, and lubricants. Shell owns and operates gasoline filling stations worldwide.

HSBC Holdings PLC is the holding company for the HSBC Group. The Company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. The Group operates worldwide.

GlaxoSmithKline PLC is a research-based pharmaceutical company. The Company develops, manufactures, and markets vaccines, prescription, and over-the-counter medicines, as well as health-related consumer products. GlaxoSmithKline provides products for infections, depression, skin conditions, asthma, heart & circulatory disease, and cancer.

*Source: Bloomberg 31 March 2015

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