Step-up Autocallable

Trade date: _____

Valuation date / Maturity date: 3 years after Trade date

Issue price per note: 100% of Note Denomination

Note Denomination: USD 10,000

Underlying index	BBG Ticker
Kospi 200	KOSPI2
S&P 500	SPX
HSCEI	HSCEI

6 observation date.

Knock-out and Step-up interest (on every 6-month **observation dates:** the 1st one is at 6-month after Trade date, the last one is on valuation date):

If there is no knock-out on the observation date, 'minimum coupon' will be paid.

If there is a knock-out event on the i-th observation date, the note will be redeemed (and expired) on the observation date at:

$$Note\ denomination \times (100\% + i \times coupon)$$

Where:

Knock-out event: If closing price of the laggard index on the observation date is equal to or more than the knock-out price

Knock-out price: 100% of initial spot

Laggard index: Underlying index with the lowest value of S_n/S_0 on the observation date, where S_n is the closing price on observation date and S_0 is the initial price

Minimum coupon: ~~0.01%~~ 2% per annum

Coupon: XXX% per annum

Final redemption (if no Knock-out occurs before maturity):

Knock-in event: If the closing price of the laggard index falls to or less than the knock-in price anytime during the life of the note

Knock-in price: 50% of initial spot

Final redemption amount:

If knock-out occurs on final observation but knock-in has not occurred:

$$Note\ denomination \times (100\% + i \times coupon)$$

If both knock-out and knock-in have NOT occurred, each note will be redeemed at the denomination

If Knock-in occurred but no Knock-out occurs, each note will be redeemed at:

$$Note\ denomination \times \min\left(100\%, \frac{ClosingPrice\ of\ Laggard}{initial\ Spot\ of\ Laggard}\right)$$

Your task: Find coupon $XXX\%$ such that the price of the Note is close to <u>98%</u> of issue price.