Worst-of Autocallable Certificate

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1. Termsheet

Notional	EUR 1 000
Valuation date T_0	31 Dec 2024
Settlement currency	EUR
Maturity date	15 Feb 2026 (T = 1.13 years)
Underlyings	**1. Equity index, S_t**: S&P 500 (ticker: ^GSPC). **2. Short-rate, r_t**: Euro short-term rate (€STR) (modelled as a one-factor short-rate process).
Initial levels on T_0	$S_0 = 5{,}881.63$ (Index level). $r_0 = 2.90\%$.
Knock-out observation dates	2 Jun 2025 and 2 Dec 2025 (following-business-day convention, TARGET2 calendar).
Knock-out barriers	Equity barrier, $B_S = 95\% * S_0 = 5{,}587.55$. Short-rate barrier, $B_r = 95\% * r_0 = 2.76\%$.
Autocall payoff	On an observation date, if **both** underlying levels ≥ their barrier, the note redeems at 100 % of notional and terminates. Otherwise, it continues.
Final payoff and conditional coupon	At maturity, the noteholder receives: • A conditional coupon of 15% of notional (i.e. notional + coupon = 115% of notional) if $S_T \geq B_S$ and $r_T \geq B_r$. • Otherwise, the note redeems at notional multiplied by the poorer performance of the two underlyings. $$\text{Payoff at } T = N * \begin{cases} 1.15, & \text{if } S_T \geq B_S \text{ and } r_T \geq B_r \\ \min\left(\frac{S_T}{S_0}, \frac{r_T}{r_0}\right), & \text{otherwise} \end{cases}$$

Notional	EUR 1 000
Discounting curve	Flat risk-free rate: $r_f = 3.60\%$ (continuously compounded, act/365).
Equity volatility	$\sigma_S = 15\%$ (annualized).
Asset correlation	$\rho = 0.00$ (applied to Brownian drivers).
Short-rate model parameters (HW)	$\kappa = 0.5602, \quad \theta = 4.32\%, \quad \sigma_r = 0.92\%.$
Day-count / convention	act/365 fixed for both accrual and discounting.