Certificates of Deposit

Linked to the CS Retiree Consumer Expenditure 5% Blended Index Excess Return

Wells Fargo Bank, N.A.

Terms Supplement dated March 18, 2016 to Disclosure Statement dated December 1, 2015

The certificates of deposit of Wells Fargo Bank, N.A. (the "Bank") described in this Terms Supplement (the "CDs") are made available through Brokers. This Terms Supplement should be read together with the accompanying Disclosure Statement. If the description of the terms of the CDs set forth in this Terms Supplement differs in any way from the description of the general terms of the CDs contained in the accompanying Disclosure Statement, the description of the terms of the CDs in this Terms Supplement shall control. Capitalized terms not defined in this Terms Supplement are defined in the accompanying Disclosure Statement.

The CDs are not appropriate for every investor. The CDs have complex features and investing in the CDs involves risks not associated with an investment in conventional certificates of deposit. See "Risk Factors" on page 8 of this Terms Supplement. Early withdrawal of a CD will only be available in the event of death or adjudication of incompetence of a beneficial owner of a CD. See "Description of the Certificates of Deposit—Additions or Withdrawals" in the accompanying Disclosure Statement.

On the date of this Terms Supplement, the estimated value of the CDs is $881.96 per $1,000 Deposit Amount. The Bank determined the estimated value of the CDs using its proprietary pricing models. The estimated value of the CDs is not an indication of actual profit to the Bank or any of its affiliates, nor is it an indication of the price, if any, at which the Bank or any other person may be willing to buy the CDs from you at any time after issuance. See "Estimated Value of the CDs" in this Terms Supplement.

PRODUCT DESCRIPTION

Unlike conventional certificates of deposit, the CDs do not provide for regular interest payments during their term. Instead, the CDs offer the potential for a single interest payment at maturity based on the performance of the CS Retiree Consumer Expenditure 5% Blended Index Excess Return (the "Index") over the term of the CDs. If the Index appreciates from its Initial Index Level to its Final Index Level, you will receive the Deposit Amount of your CDs at maturity *plus* an interest payment at maturity reflecting 135.00% of that appreciation. However, if the Index does not appreciate or if it declines, you will receive the Deposit Amount of your CDs at maturity but will not receive any interest payment at maturity. As a result, it is possible that you will not receive any positive return on your investment in the CDs, and the annual percentage yield on the CDs may be as low as 0.00%. Even if you do receive an interest payment at maturity, the yield on the CDs may still be less than the yield you would earn if you bought a conventional certificate of deposit of the Bank of comparable maturity to the CDs.

The Index was developed and is calculated by Credit Suisse International, the "Index Sponsor." The Index tracks the blended performance of a Base Index and a Reference Fixed Income Index, *less* an excess return deduction, index fee and notional transaction costs, all as more fully described below.

- **Base Index.** The Base Index, which is calculated by the Index Sponsor, tracks a portfolio of seven equity indices published by S&P Dow Jones Indices LLC (the "Constituent Indices"). The weight of each Constituent Index in the Base Index is reset annually in a manner intended to broadly mirror the overall consumer expenditure patterns of persons aged 65 and over (referred to as "retirees") in the United States. Each Constituent Index tracks a particular sector, industry or sub-industry of the U.S. economy and has been selected by the Index Sponsor to correspond to one or more general categories of retiree consumer expenditures for which data are published annually by the U.S. Department of Labor's Bureau of Labor Statistics as part of its Consumer Expenditure Survey (the "CEX"). In November of each year, the Base Index is rebalanced so that each Constituent Index has a percentage weight in the Base Index that matches the percentage of overall retiree consumer expenditures represented by expenditures in the corresponding CEX category (or categories) for that Constituent Index, as reflected in the most recently published CEX data. The Base Index may appreciate or depreciate, depending on changes in the levels of its Constituent Indices.

- **Reference Fixed Income Index.** The Reference Fixed Income Index, which is published by S&P Dow Jones Indices LLC, tracks changes in the value of the nearest-to-expiration 2-Year U.S. Treasury Note futures contract. The Reference Fixed Income Index may appreciate or depreciate, depending on changes in the value of that underlying futures contract. Any positive returns realized by the Reference Fixed Income Index have historically been modest at best. The Reference

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Fixed Income Index is not guaranteed to realize positive returns and may in fact realize negative returns over any given time period. Although the Reference Fixed Income Index may realize negative returns in any market conditions, the Reference Fixed Income Index may be particularly likely to realize negative returns in rising interest rate environments, as rising interest rates would be expected to result in decreases in the value of the U.S. Treasury Notes underlying the futures contract tracked by the Reference Fixed Income Index.

The Index tracks the blended performance of the Base Index and the Reference Fixed Income Index. This means that a portion of the Index's return will be attributable to the performance of the Base Index and a portion will be attributable to the performance of the Reference Fixed Income Index. The portion attributable to each at any time will depend on the Realized Volatility of the Base Index over the preceding 20 Index Calculations Days, as compared to the Index's Volatility Target of 5%. If the Realized Volatility of the Base Index is greater than the Volatility Target of 5%, then the Index will have less than 100% exposure to the Base Index, and the difference between that exposure and 100% will be allocated to the Reference Fixed Income Index. If the Realized Volatility of the Base Index is less than the Volatility Target of 5%, then the Index will have greater than 100% exposure to the Base Index (subject to the Participation Cap of 150%) and no exposure to the Reference Fixed Income Index. However, based on hypothetical back-tested and historical data, the Realized Volatility of the Base Index has historically been significantly greater than 5%. As a result, the Index has historically had significantly less than 100% exposure to the Base Index and, therefore, has historically had significant exposure to the Reference Fixed Income Index. If this historical pattern holds true in the future, and if the Base Index performs favorably, the Index will not fully participate in that favorable performance.

There can be no assurance that the Base Index will perform favorably. The Constituent Indices that make up the Base Index are equity indices and are subject to all of the risks generally associated with investments in equities, including the risk of significant declines, and in addition are subject to the risks associated with concentrated investments in the particular sectors, industries and sub-industries tracked by the Constituent Indices. Moreover, there can be no assurance that using retiree consumer expenditures to allocate weights among the Constituent Indices will lead to successful Base Index performance, nor can there be any assurance that the Constituent Indices selected by the Index Sponsor will correspond closely to the various general categories of retiree consumer expenditures that they have been selected to represent.

The performance of the Base Index is measured on an "excess return" basis. This means that, in calculating the Index, an annual rate equal to 3-month USD Libor *plus* 0.40% is deducted from the performance of the Base Index. The Index also incorporates an index fee, which is deducted on a daily basis at a rate of 0.50% per annum, as well as notional transaction costs. **The excess return deduction, index fee and notional transaction costs will exert a drag on Index performance, offsetting any positive performance of the Base Index and/or Reference Fixed Income Index and exacerbating any negative performance, and may cause the Index level to decline even if the Base Index and Reference Fixed Income Index appreciate.**

The Index was launched on February 27, 2015 and, therefore, has a limited history of actual performance. The Index is a mathematical calculation that is performed by reference to hypothetical positions in the Constituent Indices and the Reference Fixed Income Index, but there is no actual portfolio of assets to which any investor in the CDs is entitled or in which any investor has any ownership interest. See "CS Retiree Consumer Expenditure 5% Blended Index Excess Return" in this Terms Supplement for more information about the Index and "Consumer Expenditure Survey" in this Terms Supplement for more information about the CEX. In addition, see "Risk Factors" in this Terms Supplement for a description of important risks associated with an investment in the CDs, including risks related to the Index.

The following table lists each Constituent Index, the general category (or categories) of retiree consumer expenditures that it has been selected by the Index Sponsor to represent and the percentage of overall retiree consumer expenditures represented by expenditures in that general category (or categories) in the CEX for the calendar year 2014. The percentages for 2014 are provided for information purposes only. The percentages for future years may differ from the percentages indicated below.

CONSTITUENT INDEX	DESIGNATED CORRESPONDING GENERAL CATEGORY (OR CATEGORIES) OF RETIREE CONSUMER EXPENDITURES	PERCENTAGE OF OVERALL (2014)
S&P 500® Real Estate (Industry Group) Index Total Return (the "Real Estate Industry Group Index")	Housing	33.9%
S&P® Transportation Select Industry™ Index Total Return (the "Transportation Select Industry Index")	Transportation	15.9%

S&P 500® Health Care Select Sector Index Total Return (the "Health Care Select Sector Index")	Healthcare	13.4%
S&P® Food & Beverage Select Industry™ Index Total Return (the "Food & Beverage Select Industry Index")	Food	12.5%
S&P® Insurance Select Industry™ Index Total Return (the "Insurance Select Industry Index")	Personal Insurance and Pensions	5.2%
S&P 500® Apparel Retail (Sub-Industry) Index Total Return (the "Apparel Retail Sub-Industry Index")	Apparel and Services	2.5%
S&P 500® Consumer Discretionary Select Sector Index Total Return (the "Consumer Discretionary Select Sector Index")	Alcoholic Beverages, Entertainment, Personal Care Products and Services, Reading, Education, Tobacco Products and Smoking Supplies, Miscellaneous and Cash Contributions	16.6%

TERMS			
Instrument:	Certificates of Deposit Linked to the CS Retiree Consumer Expenditure 5% Blended Index Excess Return.		
Issuer:	Wells Fargo Bank, N.A.	Denominations:	Integral multiples of $1,000.
Pricing Date:	March 18, 2016.	Minimum Deposit:	$1,000.
Issue Date:	March 28, 2016.	CUSIP:	94986TXY8
Issue Price:	100% of the Deposit Amount.		
Stated Maturity Date:	March 27, 2023 (the "Initial Stated Maturity Date"). If the Valuation Date is postponed, the Stated Maturity Date will be the later of (i) three Business Days after the postponed Valuation Date and (ii) the Initial Stated Maturity Date.		
Payment at Stated Maturity:	On the Stated Maturity Date, you will receive the Deposit Amount of your CD *plus* the Index Interest, if any. The Bank will not make any payments on the CDs prior to stated maturity.		
Index Interest:	If the Final Index Level is greater than the Initial Index Level, the Index Interest will be equal to the product of: • Deposit Amount of the CD; • Participation Rate; and • $\frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$ However, if the Final Index Level is equal to or less than the Initial Index Level, no Index Interest will be paid. All calculations with respect to the Index Interest will be rounded to the nearest one hundred-thousandth, with five one-millionths rounded upward (e.g., .000005 would be rounded to .00001); and the Index Interest will be rounded to the nearest cent, with one-half cent rounded upward.		
Initial Index Level:	153.1264, the Closing Level of the Index on the Pricing Date.		
Final Index Level:	The "Final Index Level" will be the Closing Level of the Index on the Valuation Date, subject to the provisions set forth below under "Additional Terms of the CDs—Postponement of the Valuation Date," "—Discontinuance or Modification of the Index" and "—Corrections" in this Terms Supplement.		
Closing Level:	The "Closing Level" of the Index on any Trading Day is the official closing level of the Index or any successor index published by the sponsor of the Index or any successor index (including any calculation agent acting on such sponsor's behalf) on such Trading Day.		
Participation Rate:	The "Participation Rate" is 135.00%		
Valuation Date:	The "Valuation Date" will be March 20, 2023, subject to postponement if such date is not a Trading Day as set forth below under "Additional Terms of the CDs—Postponement of the Valuation Date" in this Terms Supplement.		
FDIC Insurance:	The Deposit Amount of a CD is insured by the FDIC, subject to applicable FDIC insurance limits. As discussed in the accompanying Disclosure Statement, the FDIC standard maximum deposit insurance amount (the "MDIA") is $250,000 per depositor per insured bank. The CDs are eligible for FDIC insurance up to $250,000 for deposits held in the same ownership category (for example, individual accounts are insured separately from joint accounts, self-directed retirement accounts and/or revocable trust accounts). The FDIC has taken the position that any Index Interest that has not yet been ascertained and become due and any secondary market premium paid by you above the Deposit Amount on the CDs is not insured by the FDIC. See "Deposit Insurance" in the accompanying Disclosure Statement. Any Deposit Amount of a CD that exceeds the applicable FDIC insurance limits, as well as any amounts payable under the CDs that are not insured by FDIC insurance, are subject to the creditworthiness of the Bank. See "Risk Factors—Risks Relating To The CDs Generally—The CDs Are Subject To The Credit Risk Of The Bank."		
Tax Consequences:	In the opinion of Faegre Baker Daniels LLP, the Bank's special tax counsel, the CDs will be subject to U.S. Treasury regulations that apply to contingent payment debt instruments. See "United States Federal Income Tax Consequences" in the accompanying Disclosure Statement.		
Estimated Comparable	Under the rules governing contingent payment debt instruments, you will generally be required to accrue interest on the CDs in accordance with the comparable yield for the CDs. The Bank has		

Yield and Projected Payment Schedule:	determined that the comparable yield for the CDs is equal to 1.56% per annum, compounded semi-annually, with a single projected payment at maturity of $1,114.86 for each $1,000 Deposit Amount of a CD. Based on the comparable yield, if you are an initial holder that holds the CDs until the stated maturity date and you pay your taxes on a calendar-year basis, the Bank has determined that you will generally be required to include the following amount of ordinary income for each $1,000 Deposit Amount of a CD each year, subject to the adjustments described below to reflect the actual payment in the year in which the CD matures:

Accrual Period	Interest Deemed to Accrue During Accrual Period (per $1,000 Deposit Amount of a CD)	Total Interest Deemed to Have Accrued from Issue Date (per $1,000 Deposit Amount of a CD) as of End of Accrual Period
Issue Date through December 31, 2016	$11.85	$11.85
January 1, 2017 through December 31, 2017	$15.85	$27.70
January 1, 2018 through December 31, 2018	$16.09	$43.79
January 1, 2019 through December 31, 2019	$16.35	$60.14
January 1, 2020 through December 31, 2020	$16.60	$76.74
January 1, 2021 through December 31, 2021	$16.86	$93.60
January 1, 2022 through December 31, 2022	$17.13	$110.73
January 1, 2023 through Stated Maturity Date	$4.13	$114.86

However, in 2023, the amount of ordinary income that you will be required to pay taxes on from owning each $1,000 Deposit Amount of a CD may be greater or less than $4.13, depending upon the amount you receive on the stated maturity date. If the amount you receive on the stated maturity date is greater than $1,114.86 for each $1,000 Deposit Amount of a CD, you would be required to make a positive adjustment and increase the amount of ordinary income that you recognize in 2023 by an amount that is equal to such excess. Conversely, if the amount you receive on the stated maturity date is less than $1,114.86 for each $1,000 Deposit Amount of a CD, you would be required to make a negative adjustment. If the amount of such difference is less than or equal to $4.13, the negative adjustment would decrease the amount of ordinary income that you recognize in 2023 by an amount equal to such difference. If the amount of such difference is greater than $4.13, that is, the amount you receive on the stated maturity date is less than $1,110.73 for each $1,000 Deposit Amount of a CD, you would recognize an ordinary loss in 2023. See “United States Federal Income Tax Consequences” in the accompanying Disclosure Statement.

Placement Fee:	The CDs will be distributed through Brokers. Brokers will receive a placement fee of 3.50% of the aggregate Deposit Amount of the CDs sold.
Selling Restrictions:	See “Selling Restrictions” in the accompanying Disclosure Statement.

ESTIMATED VALUE OF THE CDs

The Issue Price of each CD of $1,000 includes certain costs that are borne by you. Because of these costs, the estimated value of the CDs on the Pricing Date is less than the Deposit Amount. The costs included in the Issue Price relate to selling, structuring, hedging and issuing the CDs, as well as to the Bank's funding considerations for certificates of deposit of this type.

The costs related to selling, structuring, hedging and issuing the CDs include (i) the placement fees, (ii) the projected profit that the Bank or its hedge counterparty expects to realize for assuming risks inherent in hedging the Bank's obligations under the CDs and (iii) hedging and other costs relating to the offering of the CDs, including the costs of FDIC insurance. Because the Index Sponsor or one of its affiliates is the only market participant that offers the Bank hedging transactions linked to the Index, certain of these costs are likely to be greater than they would be if there were a competitive market available to the Bank for these hedging transactions.

The Bank's funding considerations take into account the higher issuance, operational and ongoing management costs of market-linked certificates of deposit such as the CDs as compared to the Bank's conventional debt securities of the same maturity, as well as the Bank's liquidity needs and preferences. The Bank's funding considerations are reflected in the fact that the Bank determines the economic terms of the CDs based on an assumed funding rate that is generally lower than the Bank's estimated secondary market rate, which is described below and is used in determining the estimated value of the CDs.

If the costs relating to selling, structuring, hedging and issuing the CDs were lower, or if the assumed funding rate the Bank uses to determine the economic terms of the CDs were higher, the economic terms of the CDs would be more favorable to you and the estimated value would be higher. The estimated value of the CDs as of the Pricing Date is set forth on the cover page of this final Terms Supplement.

Determining the estimated value

The Bank calculated the estimated value of the CDs set forth on the cover page of this Terms Supplement based on its proprietary pricing models. Based on these pricing models and related inputs and assumptions referred to in this section below, the Bank determined an estimated value for the CDs by estimating the value of the combination of hypothetical financial instruments that would replicate the payout on the CDs, which combination consists of a non-interest bearing, fixed-income bond (the "Debt Component") and one or more derivative instruments underlying the economic terms of the CDs (the "Derivative Component").

The estimated value of the Debt Component is based on a reference interest rate that is the Bank's good faith estimate of the implied interest rate at which its debt securities of the same maturity would trade in the secondary market, as determined as of a recent date. While the CDs are not debt securities, the Bank uses this estimated secondary market rate for debt securities for purposes of determining the estimated value of the CDs since the Bank expects secondary market prices, if any, for the CDs that are provided by the Bank or any of its affiliates to generally reflect such rate, and not the rate at which brokered CDs issued by the Bank may trade. The Bank determines the estimated value of the CDs based on this estimated secondary market rate, rather than the assumed funding rate that it uses to determine the economic terms of the CDs, for the same reason. As the Bank is principally a deposit-taking institution, secondary market activities in its debt securities are limited and, accordingly, the Bank determines this estimated secondary market rate based on a number of factors that involve the good faith discretionary judgment of the Bank, as well as a limited number of market-observable inputs. Because the Bank does not continuously calculate its reference interest rate, the reference interest rate used in the calculation of the estimated value of the Debt Component may be higher or lower than the Bank's estimated secondary market rate at the time of that calculation.

The Bank calculated the estimated value of the Derivative Component based on a proprietary derivative-pricing model, which generated a theoretical price for the derivative instruments that constitute the Derivative Component based in significant part on the price quoted by the Index Sponsor or one of its affiliates for related derivative instruments, as well as certain assumptions made by the Bank in its discretion and the other Derivative Component Factors identified in "Risk Factors—Risks Relating To The CDs Generally—You May Be Unable To Sell Your CDs Prior To Their Stated Maturity Date And The Value Of The CDs Prior To Their Stated Maturity Date Will Be Affected By Numerous Factors, Some Of Which Are Related In Complex Ways." Because the Index Sponsor or one

of its affiliates is the only market participant that offers the Bank derivative instruments linked to the Index, the derivative instrument price used in calculating the estimated value of the Derivative Component is likely higher than it would be if a competitive market existed for those instruments. As a result, the estimated value of the CDs that is disclosed on the cover page of this Terms Supplement is likely higher than the value that would be determined if the estimated value of the Derivative Component were based on a price set in a competitive market.

The estimated value of the CDs determined by the Bank is subject to important limitations. See "Risk Factors—Risks Relating To The CDs Generally—The Estimated Value Of The CDs Would Likely Be Lower Than The Value Disclosed On The Cover Page Of This Terms Supplement If A Significant Input To The Bank's Pricing Models Were Determined In A Competitive Market" and "—The Economic Interests of the Bank And Those Of Any Broker Are Potentially Adverse To Your Interests."

Valuation of the CDs after issuance

The estimated value of the CDs is not an indication of the price, if any, at which the Bank or any other person may be willing to buy the CDs from you in the secondary market. The price, if any, at which the Bank or any of its affiliates may purchase the CDs in the secondary market will be based upon the Bank's proprietary pricing models and will fluctuate over the term of the CDs due to changes in market conditions and other relevant factors. However, absent changes in these market conditions and other relevant factors, except as otherwise described in the following paragraph, any secondary market price will be lower than the estimated value on the Pricing Date because the secondary market price will be reduced by a bid-offer spread, which may vary depending on the aggregate Deposit Amount of the CDs to be purchased in the secondary market transaction, and the expected cost of unwinding any related hedging transactions. The Bank will hedge its exposure to the Index under the CDs through the Index Sponsor or one of its affiliates. Because the Index Sponsor or one of its affiliates is the only market participant offering hedging transactions linked to the Index, the costs the Bank expects to incur in unwinding these hedging transactions may be greater than they would be if a competitive market existed for these hedging transactions, which may result in a lower secondary market price for the CDs. For these reasons, unless market conditions and other relevant factors change significantly in your favor, any secondary market price for the CDs is likely to be less than the Deposit Amount.

If the Bank or any of its affiliates makes a secondary market in the CDs at any time up to the Issue Date or during the 6-month period following the Issue Date, the secondary market price offered by the Bank or any of its affiliates will be increased by an amount reflecting a portion of the costs associated with selling, structuring, hedging and issuing the CDs that are included in the Issue Price. Because this portion of the costs is not fully deducted upon issuance, any secondary market price that the Bank or any of its affiliates offers during this period will be higher than it would be if it were based solely on the Bank's proprietary pricing models less the bid-offer spread and hedging unwind costs described above. The amount of this increase in the secondary market price will decline steadily to zero over this 6-month period. If you hold the CDs through an account at Wells Fargo Advisors, LLC ("WFA") or any of its affiliates, the Bank expects that this increase will also be reflected in the value indicated for the CDs on your account statement.

If the Bank or any of its affiliates makes a secondary market in the CDs, the Bank expects to provide those secondary market prices to any unaffiliated Brokers through which the CDs are held and to commercial pricing vendors. If you hold your CDs through an account at a Broker other than WFA or any of its affiliates, that Broker may obtain market prices for the CDs from the Bank (directly or indirectly), but could also obtain such market prices from other sources, and may be willing to purchase the CDs at any given time at a price that differs from the price at which the Bank or any of its affiliates is willing to purchase the CDs. As a result, if you hold your CDs through an account at a Broker other than WFA or any of its affiliates, the value of the CDs on your account statement may be different than if you held your CDs at WFA or any of its affiliates.

The CDs will not be listed or displayed on any exchange or any automated quotation system. Although the Bank or its affiliates may buy the CDs from investors, they are not obligated to do so and are not required to make a market for the CDs. There can be no assurance that a secondary market will develop.

RISK FACTORS

The CDs have complex features and your investment in the CDs will involve risks not associated with an investment in conventional certificates of deposit. You should carefully consider the risk factors set forth below as well as the other information contained in this Terms Supplement and the accompanying Disclosure Statement. You should reach an investment decision only after you have carefully considered with your advisors the suitability of an investment in the CDs in light of your particular circumstances.

Risks Relating To The CDs Generally

The CDs Do Not Provide For Regular Interest Payments, And You May Not Receive An Amount At Stated Maturity Greater Than The Deposit Amount.

The Bank will not pay interest or make any other payments on the CDs prior to the Stated Maturity Date. Because of numerous factors that may affect the Closing Level of the Index, you may not receive any Index Interest on the Stated Maturity Date. Even if you do receive Index Interest on the Stated Maturity Date, your return on the CDs may be less than the yield you would earn if you bought a conventional interest-bearing certificate of deposit of the Bank with the same Stated Maturity Date. Any return may not fully compensate you for any opportunity cost to you when you take into account inflation and other factors relating to the time value of money. **In addition, the FDIC has taken the position that any Index Interest that has not yet been ascertained and become due and any secondary market premium paid by you in excess of the Deposit Amount is not insured by the FDIC.**

Insolvency Of The Bank May Result In Early Payment Of Your CDs.

If the FDIC is appointed as conservator or receiver for the Bank, the FDIC is authorized to disaffirm or repudiate any contract to which the Bank is a party, the performance of which is determined to be burdensome, and the disaffirmance or repudiation of which is determined to promote the orderly administration of the Bank's affairs. It appears very likely that for this purpose deposit obligations, such as the CDs, are "contracts" within the meaning of the foregoing and that the CDs could be repudiated by the FDIC in its capacity as conservator or receiver of the Bank. As a result of any such repudiation, a holder of the CDs could be required to make a claim against the FDIC for the Deposit Amount of the CDs and follow the FDIC's claims procedures, which may result in a delay in receiving payment, or the FDIC as conservator or receiver could also transfer the CDs to another insured depository institution, without approval or consent of the holder of the CDs. A transferee depository institution would likely be permitted to offer holders of the CDs the choice of (i) repayment of the Deposit Amount of the CDs or (ii) less favorable terms. If a CD is paid off prior to maturity, either by a transferee depository institution or the FDIC, you may be unable to reinvest the funds at the same anticipated rate of return as the rate on the original CD. In any case, no claim would likely be available for any secondary market premium paid by you above the Deposit Amount, any Index Interest that has not yet been ascertained and become due or other damages such as lost profit or opportunity.

You Do Not Have The Right To Withdraw The Deposit Amount Of A CD Prior To Its Stated Maturity Date.

When you purchase a CD, you agree with the Bank to keep your funds on deposit for the term of the CD, and you will not have the right to withdraw any portion of the Deposit Amount prior to the Stated Maturity Date. Therefore, you should not rely on the possibility of early withdrawal for gaining access to your funds prior to the Stated Maturity Date. In the event of your death or adjudication of incompetence, the Deposit Amount of your CDs may be withdrawn before the Stated Maturity Date without an early withdrawal penalty.

The CDs Are Subject To The Credit Risk Of The Bank.

The CDs are deposit obligations of the Bank and are not, either directly or indirectly, an obligation of any third party. Any Deposit Amount of a CD that exceeds the applicable FDIC insurance limits, as well as any amounts payable under the CDs that are not insured by FDIC insurance, are subject to the creditworthiness of the Bank, and you will have no ability to pursue the Index or the Basket Constituents included in the Index for payment. As a result, the actual and perceived creditworthiness of the Bank may affect the market value of the CDs and, in the event the Bank were to default on its obligations, you may not receive the principal amount invested or any other amounts owed to you under the terms of the CDs in excess of the amounts covered by the applicable FDIC insurance. See "Deposit Insurance" in the accompanying Disclosure Statement.

For Tax Purposes, You Will Be Required To Include Original Issue Discount In Income And To Recognize Ordinary Income On Any Disposition Of The CDs.

For United States federal income tax purposes, the CDs will be classified as contingent payment debt instruments. As a result, they will be considered to be issued with original issue discount. Although you will receive no cash payments during the term of the CDs, you will be required to include this original issue discount in income during your ownership of the CDs, subject to some adjustments, based on the "comparable yield" of the CDs unless you hold the CDs through a tax advantaged retirement account (such as an IRA). The "comparable yield" is the rate at which the Bank could issue a fixed rate instrument with terms and conditions similar to the CDs, but in any event not less than the applicable federal rate (based on the overall maturity of the CDs). Additionally, you will generally be required to recognize ordinary income or, to some extent, ordinary loss on the gain or loss, if any, realized upon maturity or on a sale, exchange or other disposition of the CDs. The taxation of the CDs differs from the taxation of conventional certificates of deposit issued by banks. In particular, interest on conventional certificates of deposit generally is included in income as it is paid or accrued in accordance with a holder's regular method of accounting (except where rules apply requiring inclusion of original issue discount based on the interest payable at maturity). Thus most conventional certificates of deposit issued by banks are not subject to the special rules applicable to the CDs requiring income inclusions based on a comparable yield, or requiring recognition of ordinary income on any gain realized on maturity or on a sale, exchange, redemption or other disposition of the CDs. See "Terms—Tax Consequences" and "—Estimated Comparable Yield and Projected Payment Schedule" above and "United States Federal Income Tax Consequences" in the accompanying Disclosure Statement.

The Estimated Value Of The CDs On The Pricing Date, Based On The Bank's Proprietary Pricing Models, Is Less Than The Deposit Amount.

The Issue Price of the CDs includes certain costs that are borne by you. Because of these costs, the estimated value of the CDs on the Pricing Date is less than the Deposit Amount. The costs included in the Issue Price relate to selling, structuring, hedging and issuing the CDs, as well as to the Bank's funding considerations for certificates of deposit of this type. The costs related to selling, structuring, hedging and issuing the CDs include (i) the placement fees, (ii) the projected profit that the Bank or its hedge counterparty expects to realize for assuming risks inherent in hedging the Bank's obligations under the CDs and (iii) hedging and other costs relating to the offering of the CDs, including the costs of FDIC insurance. Because the Index Sponsor or one of its affiliates is the only market participant that offers the Bank hedging transactions linked to the Index, certain of these costs are likely to be greater than they would be if there were a competitive market available to the Bank for these hedging transactions. The Bank's funding considerations are reflected in the fact that the Bank determines the economic terms of the CDs based on an assumed funding rate that is generally lower than the Bank's estimated secondary market rate. If the costs relating to selling, structuring, hedging and issuing the CDs were lower, or if the assumed funding rate the Bank uses to determine the economic terms of the CDs were higher, the economic terms of the CDs would be more favorable to you and the estimated value would be higher.

The Estimated Value Of The CDs Would Likely Be Lower Than The Value Disclosed On The Cover Page Of This Terms Supplement If A Significant Input To The Bank's Pricing Models Were Determined In A Competitive Market.

The Bank determined the estimated value of the CDs using its proprietary pricing models and related inputs and assumptions referred to above under "Estimated Value of the CDs—Determining the estimated value." The Bank calculated the estimated value of the Derivative Component based in significant part on the price quoted by the Index Sponsor or one of its affiliates for derivative instruments linked to the Index. Because the Index Sponsor or one of its affiliates is the only market participant that offers the Bank derivative instruments linked to the Index, the derivative instrument price used in calculating the estimated value of the Derivative Component is likely higher than it would be if a competitive market existed for those instruments. As a result, the estimated value of the CDs that is set forth on the cover page of this Terms Supplement is likely higher than the value that would be determined if the estimated value of the Derivative Component were based on a price set in a competitive market. Other market participants might determine the estimated value of the Derivative Component using different inputs that result in a lower estimated value for the Derivative Component, and the Bank's estimated value of the CDs may therefore be higher, and perhaps materially higher, than the estimated value of the CDs that would be determined by other market participants. The Bank's models and their inputs and related assumptions may prove to be wrong and therefore not an accurate reflection of the value of the CDs.

The Estimated Value Of The CDs Is Not An Indication Of The Price, If Any, At Which The Bank Or Any Other Person May Be Willing To Buy The CDs From You In The Secondary Market.

The price, if any, at which the Bank or any of its affiliates may purchase the CDs in the secondary market will be based on the Bank's proprietary pricing models and will fluctuate over the term of the CDs as a result of changes in the market and other factors described in the next risk factor. Any such secondary market price for the CDs will also be reduced by a bid-offer spread, which may vary depending on the aggregate Deposit Amount of the CDs to be purchased in the secondary market transaction, and the expected cost of unwinding any related hedging transactions. The Bank will hedge its exposure to the Index under the CDs through the Index Sponsor or one of its affiliates. Because the Index Sponsor or one of its affiliates is the only market participant offering hedging transactions linked to the Index, the costs the Bank expects to incur in unwinding these hedging transactions may be greater than they would be if a competitive market existed for these hedging transactions, which may result in a lower secondary market price for the CDs. For these reasons, unless the factors described in the next risk factor change significantly in your favor, any such secondary market price for the CDs is likely to be less than the Deposit Amount.

If the Bank or any of its affiliates makes a secondary market in the CDs at any time up to the Issue Date or during the 6-month period following the Issue Date, the secondary market price offered by the Bank or any of its affiliates will be increased by an amount reflecting a portion of the costs associated with selling, structuring, hedging and issuing the CDs that are included in the Deposit Amount. Because this portion of the costs is not fully deducted upon issuance, any secondary market price that the Bank or any of its affiliates offers during this period will be higher than it would be if it were based solely on the Bank's proprietary pricing models less the bid-offer spread and hedging unwind costs described above. The amount of this increase in the secondary market price will decline steadily to zero over this 6-month period. If you hold the CDs through an account at WFA or any of its affiliates, the Bank expects that this increase will also be reflected in the value indicated for the CDs on your account statement. If you hold your CDs through an account at a Broker other than WFA or any of its affiliates, the value of the CDs on your account statement may be different than if you hold the CDs at WFA or any of its affiliates, as discussed above under "Estimated Value of the CDs."

You May Be Unable To Sell Your CDs Prior To Their Stated Maturity Date And The Value Of The CDs Prior To Their Stated Maturity Date Will Be Affected By Numerous Factors, Some Of Which Are Related In Complex Ways.

Although the Bank or its affiliates may purchase the CDs from you, they are not obligated to do so. The Bank and its affiliates are not required to, and do not intend to, make a market for the CDs. There can be no assurance that a secondary market will develop. Because the rate of return of the CDs is tied to the performance of the Index, any secondary market for the CDs may not be as liquid as the secondary market for CDs with a fixed rate of return. As a result, you may not be able to sell your CDs prior to their Stated Maturity Date. You should therefore not rely on any such ability to sell your CDs for any benefits, including achieving trading profits, limiting trading or other losses, realizing income prior to the Stated Maturity Date, or having access to proceeds prior to the Stated Maturity Date.

The value of the CDs prior to stated maturity will be affected by the level of the Index, interest rates and a number of other factors, some of which are interrelated in complex ways. The effect of any one factor may be offset or magnified by the effect of another factor. The following factors (the "Derivative Component Factors") are expected to affect the value of the CDs: Index performance; interest rates; time remaining to maturity; and volatility of the Index. In addition to the Derivative Component Factors, the value of the CDs will be affected by actual or anticipated changes in the Bank's creditworthiness, as reflected in its estimated secondary market rate. Because numerous factors are expected to affect the value of the CDs, changes in the level of the Index may not result in a comparable change in the value of the CDs. If you are able to sell your CDs prior to the Stated Maturity Date in the secondary market, the amount you receive may be less than the Deposit Amount even if the level of the Index at that time is greater than the level of the Index on the Pricing Date, and may be substantially different than the payment expected at stated maturity.

Discontinuance Of The Index Could Adversely Affect The CDs.

Credit Suisse International, the sponsor of the Index, is not required to publish the Index throughout the term of the CDs. If publication of the Index is discontinued, the Bank will have the sole discretion to substitute a successor index and is not precluded from considering indices that are calculated and published by the Bank or any of its affiliates. Any such successor index may not perform favorably.

If publication of the Index is discontinued and the Bank does not select a successor index, the Bank will calculate a substitute Closing Level of the Index in accordance with the formula for and method of calculating the Index last in effect prior to that discontinuance, but without any annual rebalancing of the Base Index after such discontinuance. After such an event, the substitute Closing Level of the Index so determined will cease to reflect the Index's annual rebalancing of the percentage weights of its Constituent Indices to match the most recently published CEX data. As a result, after such an event, the weight of a Constituent Index may diverge from the percentage of overall retiree consumer expenditures related to the category of retiree consumer expenditures that such Constituent Index was selected to represent. In addition, after such an event, the daily Index Calculation Fee (as defined below) will continue to be deducted even though the Index's annual rebalancing methodology will no longer be applied.

If publication of the Index is discontinued and the Bank does not select a successor index, the substitute Index level calculated by the Bank may perform less favorably than the Index would have performed had it still been published.

Changes That Affect The Index May Adversely Affect The Value Of The CDs And The Amount You Will Receive At Stated Maturity.

The policies of the sponsor of the Index concerning the calculation of the Index may affect the level of the Index and, therefore, may affect the value of the CDs and the amount payable at stated maturity. The sponsor of the Index may change the methodology by which it calculates the Index in certain circumstances, as described in more detail in "CS Retiree Consumer Expenditure 5% Blended Index Excess Return" in this Terms Supplement. In the event of certain changes in the methodology by which the Index is calculated, the Bank may make adjustments to the level of the Index that is used to determine the amount payable at stated maturity, but it is not required to make any such adjustment. Any change in the methodology by which the Index is calculated could adversely affect the value of the CDs.

The Stated Maturity Date May Be Postponed If The Valuation Date Is Postponed.

The Valuation Date will be postponed if the originally scheduled Valuation Date is not a Trading Day. If such a postponement occurs, the Stated Maturity Date will be the later of (i) three Business Days after the postponed Valuation Date and (ii) the Initial Stated Maturity Date.

The Economic Interests Of The Bank And Those Of Any Broker Are Potentially Adverse To Your Interests.

You should be aware of the following ways in which the economic interests of the Bank and those of any Broker are potentially adverse to your interests as an investor in the CDs. In engaging in certain of the activities described below, the Bank or its affiliates or any Broker or its affiliates may take actions that may adversely affect the value of and your return on the CDs, and in so doing they will have no obligation to consider your interests as an investor in the CDs. The Bank or its affiliates or any Broker or its affiliates may realize a profit from these activities even if investors do not receive a favorable investment return on the CDs.

- ***The Bank may be required to make discretionary judgments that affect the return you receive on the CDs.*** The Bank will determine the amount of any Index Interest you receive and may be required to make other determinations that affect the return you receive on the CDs at maturity. In making these determinations, the Bank may be required to make discretionary judgments, including determining the Final Index Level if the Valuation Date is postponed to the last day to which it may be postponed and that day continues to be a non-Trading Day; if the Index is discontinued, selecting a Successor Index or, if no Successor Index is available, determining the Final Index Level; and in the event of certain changes in the methodology by which the Index is calculated, determining whether to make any adjustment to the level of the Index that is used to determine the amount payable at stated maturity. See "Additional Terms of the CDs—Postponement of the Valuation

Date" and "—Discontinuance or Modification of the Index" below. In making these discretionary judgments, the Bank may have economic interests that are adverse to your interests as an investor in the CDs, and the Bank's determinations may adversely affect your return on the CDs.

- ***The estimated value of the CDs was calculated by the Bank and is therefore not an independent third-party valuation.*** The Bank calculated the estimated value of the CDs set forth on the cover page of this Terms Supplement. The manner in which the Bank calculated the estimated value of the CDs involved discretionary judgments by the Bank and could differ from the manner in which other market participants would calculate the estimated value of the CDs, as described under "Risk Factors—Risks Relating To The CDs Generally—The Estimated Value Of The CDs Would Likely Be Lower Than The Value Disclosed On The Cover Page Of This Terms Supplement If A Significant Input To The Bank's Pricing Models Were Determined In A Competitive Market" above. Accordingly, the estimated value of the CDs set forth on the cover page of this Terms Supplement is not an independent third-party valuation.

- ***Research reports by the Bank or its affiliates or any Broker or its affiliates may be inconsistent with an investment in the CDs and may adversely affect the level of the Index.*** The Bank or its affiliates or any Broker or its affiliates may, at present or in the future, publish research reports relating to the Constituent Indices or the companies whose securities are included in the Constituent Indices and/or the Reference Fixed Income Index or the futures contracts included in the Reference Fixed Income Index. This research is modified from time to time without notice and may, at present or in the future, express opinions or provide recommendations that are inconsistent with purchasing or holding the CDs. Any research reports relating to the Constituent Indices or the companies whose securities are included in the Constituent Indices and/or the Reference Fixed Income Index or the futures contracts included in the Reference Fixed Income Index could adversely affect the level of the Index and, therefore, adversely affect the value of and your return on the CDs. You are encouraged to derive information concerning the Constituent Indices and the Reference Fixed Income Index from multiple sources and should not rely on the views expressed by the Bank or its affiliates or any Broker or its affiliates. In addition, any research reports relating to the Constituent Indices or the companies whose securities are included in the Constituent Indices and/or the Reference Fixed Income Index or the futures contracts included in the Reference Fixed Income Index published on or prior to the Pricing Date could result in an increase in the level of the Index on the Pricing Date, which would adversely affect investors in the CDs by increasing the level the Index must attain on the Valuation Date in order for investors in the CDs to receive a favorable return.

- ***Business activities of the Bank or its affiliates or any Broker or its affiliates with any issuer whose securities are included in a Constituent Index may adversely affect the level of the Index.*** The Bank or its affiliates or any Broker or its affiliates may, at present or in the future, engage in business with any issuer whose securities are included in a Constituent Index, including making loans to those issuers (including exercising creditors' remedies with respect to such loans), making equity investments in those issuers or providing investment banking, asset management or other advisory services to those issuers. These business activities could adversely affect the level of a Constituent Index and the level of the Index and, therefore, adversely affect the value of and your return on the CDs. In addition, in the course of these business activities, the Bank or its affiliates or any Broker or its affiliates may acquire non-public information about one or more of the issuers whose securities are included in a Constituent Index . If the Bank or its affiliates or any Broker or its affiliates do acquire such non-public information, they are not obligated to disclose such non-public information to you.

- ***Hedging activities by the Bank or its affiliates or any Broker or its affiliates may adversely affect the level of the Index.*** The Bank expects to hedge its obligations under the CDs through one or more hedge counterparties. Pursuant to such hedging activities, the Bank's hedge counterparty may acquire securities included in the Constituent Indices or the futures contracts included in the Reference Fixed Income Index or listed or over-the-counter derivative or synthetic instruments related to the Constituent Indices or the Reference Fixed Income Index. Depending on, among other things, future market conditions, the aggregate amount and the composition of such positions are likely to vary over time. To the extent that the Bank's hedge counterparty has a long hedge position in the securities of any Constituent Index or the futures contracts included in the Reference Fixed Income Index, or derivative or synthetic instruments related to the Constituent Index or the Reference Fixed Income Index, they may liquidate a portion of such holdings at or about the time of the Valuation Date or at or about the time of a change in the securities included in the Constituent Indices or the futures contracts included in the Reference Fixed Income Index. These hedging activities could potentially

adversely affect the level of a Constituent Index or the Reference Fixed Income Index and the level of the Index and, therefore, adversely affect the value of and your return on the CDs.

- ***Trading activities by the Bank or its affiliates or any Broker or its affiliates may adversely affect the level of the Index.*** The Bank or its affiliates or any Broker or its affiliates may engage in trading in the securities included in the Constituent Indices or the futures contracts included in the Reference Fixed Income Index and other instruments relating to the Constituent Indices or the Reference Fixed Income Index on a regular basis as part of their general broker-dealer and other businesses. Any of these trading activities could potentially adversely affect the level of the Constituent Indices or the Reference Fixed Income Index and the level of the Index and, therefore, adversely affect the value of and your return on the CDs.

Risks Relating To The Index

The following discussion of risks relating to the Index should be read together with the description of the Index under "CS Retiree Consumer Expenditure 5% Blended Index Excess Return" below, which defines and further describes a number of the terms and concepts referred to below.

The Index May Not Be Successful Or Outperform Any Alternative Strategy That Might Be Employed In Respect Of The Constituent Indices Or The Reference Fixed Income Index.

The Index follows a notional rules-based proprietary methodology of the Index Sponsor that operates on the basis of predetermined rules designed to track selected equity indices that are weighted based on the consumer spending patterns of retirees (those in the age group classified as "65 years or older") and to target a specific volatility. There can be no assurance that the Index will achieve positive returns. The Index tracks the blended performance of the Base Index and the Reference Fixed Income Index, *less* the excess return deduction, index fee and notional transaction costs, as more fully described below. If the Constituent Indices that make up the Base Index depreciate, the Base Index will decline in value. Similarly, if the 2-Year U.S. Treasury Note futures contract underlying the Reference Fixed Income Index declines in value, the Reference Fixed Income Index will decline in value. If the blended performance of the Base Index and the Reference Fixed Income Index is negative, the Index will decline in value. Even if the blended performance of the Base Index and the Reference Fixed Income Index is positive, the value of the Index will nevertheless decline if that blended performance is not sufficient to overcome the excess return deduction, index fee and notional transaction costs that are deducted in calculating the level of the Index. Accordingly, no assurance can be given that the Index will be successful or outperform any alternative strategy that might be employed in respect of the Constituent Indices or the Reference Fixed Income Index.

Using Retiree Consumer Expenditures To Allocate Weights Among The Constituent Indices May Not Be A Successful Investment Methodology.

In November of each year, the Base Index is rebalanced so that each Constituent Index has a percentage weight in the Base Index that matches the percentage of overall retiree consumer expenditures represented by expenditures in the corresponding general category (or categories) of consumer expenditures for that Constituent Index, as reflected in the most recently published Consumer Expenditure Survey (or CEX) data. Weighting the Constituent Indices in this way may not lead to favorable Base Index performance for a number of reasons, including the following:

- *Retiree consumer expenditures may not be predictive of equity market performance*. U.S. equity market performance is driven by many complex factors. The Index is premised on the idea that patterns of retiree consumer expenditures may be predictive of the future performance of the stocks of companies that benefit from those expenditures. However, there can be no assurance that this will be the case. Even if patterns of retiree consumer expenditures were a predictive factor for stock market performance, that factor may be overwhelmed by myriad other relevant factors, so that weighting the Constituent Indices based on retiree consumer expenditure patterns may not lead to favorable Base Index performance.

  For example, retirees spend more money on healthcare than other age groups, and as a result the Base Index will allocate greater weight to the Constituent Index that corresponds to the healthcare expenditure category than it would if it were weighted based on the consumer expenditures of all age groups. On the one hand, companies in the healthcare sector might be expected to experience growth in future years as retirees make up an increasing share of the population. On the other hand, however, current stock prices of healthcare companies may already reflect expectations about retiree population growth, and future stock

price performance may therefore be driven by other factors that may exert downward pressure on stock price, such as new government regulation or intervention in the healthcare sector. There can be no assurance that weighting the Constituent Indices based on retiree spending as derived from the relevant CEX data will be successful or that other weightings of the Constituent Indices would not perform better.

- *There is a mismatch between the Constituent Indices and the general consumer expenditure categories that they have been selected to represent.* The Index Sponsor has selected one Constituent Index to correspond to each general category of retiree consumer expenditures published by the CEX (or, in the case of one of the Constituent Indices, multiple general categories of retiree consumer expenditures). However, any correspondence between a general category of retiree consumer expenditures for which CEX data are published and the Constituent Index that has been designated as corresponding to that category of expenditures is necessarily inexact. Each Constituent Index includes companies that derive revenues in significant part from sources wholly independent of the consumer expenditures in the corresponding CEX category, and each CEX category includes types of expenditures that do not represent meaningful sources of revenue for the companies in the corresponding Constituent Index. A Constituent Index may experience significant depreciation at a time when the corresponding consumer expenditure category shows a significant increase, and vice versa. As a result, the Constituent Indices may be poor representatives of the CEX categories that they have been selected to represent.

  For example, the Real Estate Industry Group Index is the Constituent Index that has been selected by the Index Sponsor to correspond to the "Housing" CEX category. The Real Estate Industry Group Index is composed principally of real estate investment trusts (REITs) (but excluding mortgage REITs) and real estate management and development companies. The "Housing" CEX category consists primarily of expenditures on residential mortgages, rent, utilities, property taxes, maintenance, insurance, household furnishings and equipment, household operations and housekeeping supplies. Based on CEX data for 2014, the "Housing" CEX category represented 33.9% of overall retiree consumer expenditures. Within the "Housing" CEX category, the sub-categories of utilities (8.5%), property taxes (4.7%), maintenance, insurance and other (4.4%), mortgage interest (3.4%), household furnishings and equipment (3.1%), household operations (2.4%) and housekeeping supplies (1.5%) collectively represented 28% of overall retiree consumer expenditures—nearly all of the expenditures in the "Housing" CEX category—and yet none of these categories of consumer expenditures would be expected to represent revenues to the REITs and real estate management and development companies that make up the Real Estate Industry Group Index. Moreover, although some of the REITs and real estate management and development companies included in the Real Estate Industry Group Index may receive some revenues related to certain items of expenditure included in the "Housing" CEX category, many others are focused on industrial or office properties and have no connection at all to residential real estate. As a result, there is a significant mismatch between the "Housing" CEX category—the largest single CEX category based on 2014 CEX data—and its corresponding Constituent Index.

  To take another example, the Consumer Discretionary Select Sector Index has been selected by the Index Sponsor as the Constituent Index corresponding to eight CEX categories (Alcoholic Beverages, Entertainment, Personal Care Products and Services, Reading, Education, Tobacco Products and Smoking Supplies, Miscellaneous and Cash Contributions). Collectively, those eight CEX categories made up 16.6% of overall retiree consumer expenditures in 2014. Of those eight CEX categories, the single largest was "Cash Contributions," representing 5.8% of overall retiree consumer expenditures in 2014. The expenditures in this category consist of cash payments such as alimony and child support, care of students away from home and contributions to religious, educational, charitable or political organizations. None of these expenditures would have been received by the companies that make up the corresponding Constituent Index, and yet these expenditures account for a significant portion of the weight that is assigned to that Constituent Index.

  Similar mismatches exist between the other Constituent Indices and the general CEX categories that they have been selected to represent. For information about the companies that make up each Constituent Index, see "Annex B—Constituent Indices" in this Terms Supplement. For information about the types of expenditures included in the CEX's general expenditure categories, see "Consumer Expenditure Survey" in this Terms Supplement.

- *There is a time lag between the collection of the survey data used in the CEX and the implementation of the corresponding weights in the Base Index.* The CEX is published each September and reflects survey data collected in the preceding calendar year. For example, the CEX published in September 2015 reflects consumer expenditures for 2014. The Base Index will be rebalanced in November of each year to reflect the CEX data published in September of that year, and the Base Index will not again be rebalanced until November of the following year. As a result, the weights of the Constituent Indices in the Base Index at any time are based on CEX data that may be outdated and may not represent current retiree consumer expenditure patterns.

- *The CEX is subject to important limitations*. The CEX is not based on measurements of all retiree consumer expenditures but, rather, is based on surveys of a sample of U.S. households. The CEX is subject to two types of errors—sampling and non-sampling. Sampling error is the uncertainty caused by the fact that observations are taken from a sample of population members and not from the entire population. Non-sampling error can be attributed to many sources, such as differences in the interpretation of survey questions, inability or unwillingness of respondents to provide correct information and data processing errors, among other factors. As a result of these errors, the CEX may not accurately reflect actual retiree consumer expenditures in the United States.

- *The Constituent Indices do not represent the entire U.S. equity market, and the make-up of the Base Index will not reflect the make-up of the broader U.S. equity market.* There are a number of significant sectors of the U.S. equity markets that are not meaningfully represented by the Constituent Indices, such as the technology sector, the energy sector, the industrial sector and the financial sector. As a result, the Base Index is less diversified than alternative indices that are designed to represent the entire U.S. equity market and, therefore, the Base Index may be subject to greater and more concentrated risks. Moreover, of the sectors of the U.S. equity markets that are represented by the Constituent Indices, the weightings given to the Constituent Indices in the Base Index will be different from the percentages of the overall U.S. equity markets represented by the Constituent Indices. As a result, the performance of the Base Index may differ from, and may be significantly less favorable than, the performance of the broader U.S. equity markets.

The Investment Strategy Used To Construct The Index Involves Daily And Annual Rebalancing.

The allocation of exposure between the Base Index and the Reference Fixed Income Index is subject to daily rebalancing based on the Realized Volatility of the Base Index. The Constituent Indices are subject to annual rebalancing within the Base Index and a rules-based weighting methodology. By contrast, a synthetic portfolio that does not rebalance daily or annually and is not subject to any rules-based weighting methodology in this manner could see greater compounded gains over time through exposure to a consistently and rapidly appreciating portfolio consisting of the Constituent Indices or other Index components. Therefore, the return on the CDs, if any, may be less than the return that could be realized on an alternative investment in the Constituent Indices or other Index components that is not subject to rebalancing and rules-based weighting methodology. No assurance can be given that the investment strategy used to construct the Index will outperform any alternative investment in the Constituent Indices or other Index components.

The Index Will Underperform The Base Index If The Base Index Appreciates When The Performance Of The Base Index Is Blended With The Performance Of The Reference Fixed Income Index.

The Index will track the blended performance of the Base Index and the Reference Fixed Income Index. This means that a portion of the Index's return will be attributable to the performance of the Base Index and a portion will be attributable to the performance of the Reference Fixed Income Index. When the performance of the Base Index is blended with the performance of the Reference Index to calculate the performance of the Index, that Index performance will be less than the performance of the Base Index if the Base Index has appreciated by more than the Reference Fixed Income Index. The portion of the Index return attributable to the Base Index at any time will depend on the Realized Volatility of the Base Index over the preceding 20 Index Calculation Days. If the Realized Volatility of the Base Index exceeded the Index's Volatility Target of 5% (as historically has typically been the case), then the degree to which the Index will participate in the performance of the Base Index will be calculated by dividing the 5% Volatility Target by the Realized Volatility of the Base Index. For example, if the Base Index had a Realized Volatility of 20%, the Index would participate in only 25% (5% *divided by* 20%) of the performance of the Base Index, and the remaining 75% would be allocated to the Reference Fixed Income Index. If the Base Index were to appreciate by 10% over a time period when the Index has 25% exposure to the Base Index, and if the Reference Fixed Income Index were to remain

flat over that time period, then the blended performance of the Base Index and the Reference Fixed Income Index would only be 2.5%, and the Index would significantly underperform the Base Index.

The Reference Fixed Income Index Has Historically Realized Only Modest Positive Performance At Best, And May Significantly Decline.

Any positive returns realized by the Reference Fixed Income Index have historically been modest at best. See "CS Retiree Consumer Expenditure 5% Blended Index Excess Return—Hypothetical Back-Tested and Historical Information" in this Terms Supplement for a graph illustrating the historical performance of the Reference Fixed Income Index over the period shown. Although historical performance is not a predictor of future performance, the historical performance does illustrate the important point that any positive returns on the Reference Fixed Income Index have historically been modest at best. As a result, if historical patterns hold, any allocation to the Reference Fixed Income Index will dampen the performance of the Index at a time when the Base Index is appreciating.

In addition, it is important to understand that the Reference Fixed Income Index may decline in value. Although the Reference Fixed Income Index may decline in value in any market conditions, the Reference Fixed Income Index may be particularly likely to decline in rising interest rate environments, as rising interest rates would be expected to result in decreases in the value of the U.S. Treasury Notes underlying the futures contract tracked by the Reference Fixed Income Index. Accordingly, one important risk affecting the Index is that the Reference Fixed Income Index may decline, offsetting any appreciation of the Base Index and exacerbating any depreciation of the Base Index, and that risk is particularly significant at a time when interest rates are rising.

The Base Index Is Subject To Risks Associated With Investments In Equity Indices.

The Base Index is a risky index and may decline. The Constituent Indices that make up the Base Index are all equity indices and are therefore subject to risks associated with investments in equities, including the risks of volatility and significant declines. In addition, each Constituent Index tracks a particular sector, industry or sub-industry of the U.S. equity market and will, therefore, be subject to the risks affecting that sector, industry or sub-industry on a concentrated basis. For more information about the risks affecting each of the Constituent Indices, see "—Risks Relating to the Constituent Indices" below.

The Base Index Has Historically Been Subject To Risks Affecting Stocks In The Real Estate Industry On A Concentrated Basis.

Based on 2014 CEX survey data, the "Housing" category was the single largest category of retiree consumer expenditures, with a weighting more than twice that of any other CEX category. As a result, the Constituent Index corresponding to the "Housing" category currently has the largest weight of any Constituent Index in the Base Index. Therefore, the Base Index has historically been subject to risks affecting the Constituent Index corresponding to the "Housing" CEX category to a greater extent than to any other Constituent Index. See "—Risks Relating to the Constituent Indices—The Constituent Indices Are Each Subject To Concentration Risks" below.

The Performance Of The Index Will Be Adversely Affected By The Excess Return Deduction, Index Fee And Notional Transaction Costs.

The Index is an "excess return" index. This means that, in calculating the Index, an annual rate equal to 3-month USD LIBOR *plus* 0.40% is deducted from the performance of the Base Index. If 3-month USD LIBOR increases significantly, this will have a significant adverse effect on the performance of the Index. Interest rates, especially short-term rates such as 3-month USD LIBOR, are significantly influenced by the Federal Reserve's monetary policy. Although the Federal Reserve maintained interest rates at relatively low levels in recent years, it has begun to raise interest rates and may do so further at any time. If the Federal Reserve raises interest rates, or if interest rates otherwise rise, the Index may be adversely affected. You should understand that interest rates are influenced by matters other than the Federal Reserve's monetary policy, and that interest rates may increase even in the absence of Federal Reserve action. For example, interest rates may be sensitive to perceptions about the creditworthiness of the U.S. government. In 2011, Standard & Poor's downgraded the U.S. government's credit rating. Any further downgrades in the credit rating or perceived creditworthiness of the U.S. government could increase the U.S. government's borrowing rates, which could have ripple effects that increase general interest rates, including 3-month USD LIBOR.

The Index also incorporates an index fee, which is deducted on a daily basis at a rate of 0.50% per annum, as well as notional transaction costs. A notional transaction cost of 0.02% is applied on a daily basis to the effective change in notional exposures to the Base Index and Reference Fixed Income Index, representing the notional cost of the daily rebalancing to adjust toward the Volatility Target. The greater the daily changes in notional exposures to the Base Index and Reference Fixed Income Index, the greater the notional transaction cost will be. According to the Index Sponsor, based on hypothetical back-tested and historical Index performance information, notional transaction costs have decreased the performance of the Index by up to 0.25% per year. The impact of notional transaction costs on the performance of the Index may exceed that amount in the future.

The excess return deduction, index fee and notional transaction costs will exert a drag on Index performance, offsetting any positive performance of the Base Index and/or Reference Fixed Income Index and exacerbating any negative performance, and may cause the Index level to decline even if the Base Index and Reference Fixed Income Index appreciate. Even if the Base Index is successful, the Index may have poor returns, or even negative returns, because of the excess return deduction, index fee and notional transaction costs.

Within the last ten years, 3-month USD LIBOR has been as high as 5.725% per annum. If 3-month USD LIBOR were to be at that level during the term of the CDs, the Base Index would have to produce annual returns that exceed 5.725% just to offset the excess return deduction (leaving aside the index fee and notional transaction costs) and its appreciation would be reflected in the performance that is blended with the performance of the Reference Fixed Income Index only to the extent of that excess. The actual level of 3-month USD LIBOR may be higher or lower than that level over the term of the CDs. For a graph showing the 3-month USD LIBOR during the period from January 3, 2006 to March 18, 2016, see "CS Retiree Consumer Expenditure 5% Blended Index Excess Return—Hypothetical Back-Tested and Historical Information" below in this Terms Supplement.

The Index May Fail To Maintain Its Volatility Target.

The Index seeks to maintain a relatively constant and controlled volatility by adjusting its exposure to the Base Index on a daily basis. However, that adjustment is backward-looking, based on the Realized Volatility of the Base Index over the preceding 20 Index Calculation Days. If the volatility level of the Base Index suddenly increases, it may be some period of time before the increased volatility is reflected in the Realized Volatility measure and results in a reduction of exposure to the Base Index. In the interim, the volatility of the Index may significantly exceed the Volatility Target and the Index may experience a significant decline. In addition, if, after a period of sustained volatility that causes the Index to reduce its exposure to the Base Index, the Base Index suddenly increases, you may participate in only a particularly small portion of such increase until such time that the Realized Volatility over the preceding 20 Index Calculation Days decreases sufficiently to increase the Index's exposure to the Base Index.

The Index Sponsor May Take Actions That Adversely Affect The Level Of The Index, And It Has No Obligation To Consider Your Interests.

The Index Sponsor, which is Credit Suisse International, developed the methodology of the Index and also serves as Index Calculation Agent for the Index. The Index Sponsor (including its Index Committee and in its role as Index Calculation Agent) may exercise discretion in relation to the Index in certain circumstances, including in connection with the calculation of the level of the Index in the event of an Index Market Disruption Event and the amendment of the Index Rules in certain circumstances. If the Index Sponsor determines that an amendment to the Index Rules is required, the Index Sponsor may change the Index Rules in any way, including by removing and/or replacing a Constituent Index or the Reference Fixed Income Index and/or rebalancing the Index on a day that is not the annual Rebalance Date. The determinations for which the Index Sponsor is responsible could have an impact, positive or negative, on the level of the Index and the value of your CDs.

The Index Sponsor has no obligation to consider your interests in taking any actions in respect of the Index that might affect the value of your CDs. We expect to hedge all or a portion of our obligations under the CDs through the Index Sponsor or one of its affiliates, which may result in the Index Sponsor having adverse interests to yours in connection with the determinations it may make under the Index.

Changes In The Value Of The Constituent Indices May Offset Each Other.

Because the Constituent Indices represent different sectors, industries and sub-industries, movements in the value of the Constituent Indices may not correlate with each other. At a time when the value of one or more Constituent

Indices increases, the value of one or more other Constituent Indices may not increase as much or may decline. Therefore, in calculating the level of the Index, increases in the value of some of the Constituent Indices may be moderated, or more than offset, by lesser increases or declines in the level of other Constituent Indices. Further, because the Constituent Indices are not equally weighted, increases in the levels of the lower-weighted Constituent Indices may be offset by even small decreases in the levels of the more heavily weighted Constituent Indices.

Correlation Of Performances Among The Constituent Indices May Reduce The Performance Of The CDs.

Performance of the Constituent Indices may become highly correlated from time to time during the term of the CDs including, but not limited to, a period in which there is a substantial decline in correlated sectors or industries represented by the Constituent Indices. Such correlation will have a larger effect on the level of the Index if it occurs in sectors or industries weighted more heavily in the Index relative to the other sectors or industries, as determined by the Index methodology. High correlation during periods of negative returns among Constituent Indices, especially if these represent sectors or industries which have a substantial percentage weighting in the Index, could have an adverse effect on the payment at stated maturity on, and the value of, the CDs. Furthermore, equity securities tracked by one Constituent Index, the S&P 500 Apparel Retail Sub-Industry Index, will also be tracked by another Constituent Index, the S&P 500 Consumer Discretionary Select Sector Index. During times when equity securities are tracked by both of these Constituent Indices, these Constituent Indices will be more highly correlated than they would be if they each tracked completely distinct sets of equity securities. During periods of negative returns for equity securities tracked by both Constituent Indices, the resulting correlation could have an adverse effect on the payment at stated maturity on, and the value of, the CDs.

The Index Comprises Notional Assets And Liabilities.

The exposures to the Constituent Indices and the Reference Fixed Income Index are purely notional and will exist solely in the records maintained by or on behalf of the Index Calculation Agent. There is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. Consequently, you will not have any claim against any of the Constituent Indices, the Reference Fixed Income Index, the stocks that constitute the Constituent Indices or the futures contract tracked by the Reference Fixed Income Index.

The Index Has A Limited Operating History And May Perform In Unanticipated Ways.

The Index was launched on February 27, 2015. Accordingly, the Index has limited historical data, and that historical data may not be representative of the Index's potential performance under other market conditions. Past performance should not be considered indicative of future performance.

Hypothetical Back-Tested Index Performance Information Is Subject To Significant Limitations.

This Terms Supplement includes hypothetical back-tested Index performance information prepared by the Index Sponsor, which we have not independently verified. All information regarding the performance of the Index prior to February 27, 2015 is hypothetical and back-tested, as the Index did not exist prior to that time. It is important to understand that hypothetical back-tested Index performance information is subject to significant limitations, in addition to the fact that past performance is never a guarantee of future performance. In particular:

- The Index Sponsor developed the rules of the Index with the benefit of hindsight—that is, with the benefit of being able to evaluate how the Index rules would have caused the Index to perform had it existed during the hypothetical back-tested period.

- The hypothetical back-tested performance of the Index might look different if it covered a different historical period. The market conditions that existed during the historical period covered by the hypothetical back-tested Index performance information in this Terms Supplement are not necessarily representative of the market conditions that will exist in the future.

It is impossible to predict whether the Index will rise or fall. The actual future performance of the Index may bear little relation to the historical or hypothetical back-tested levels of the Index.

A Constituent Index And/Or The Reference Fixed Income Index May Be Removed And/Or Replaced By A Substitute Index If Certain Events Occur.

In certain circumstances, the Index Sponsor may make changes to the Index Rules, including by removing and/or replacing a Constituent Index and/or the Reference Fixed Income Index, as described in "CS Retiree Consumer Expenditure 5% Blended Index Excess Return—Amendment of the Index Rules" in this Terms Supplement. For example, if a Constituent Index or the Reference Fixed Income Index is discontinued, the Index Sponsor may select a successor index to take its place. You should understand that the removal and/or replacement of a Constituent Index or the Reference Fixed Income Index may affect the performance of the Index, and therefore, the return on the CDs. Any replacement index may perform significantly better or worse than the affected Constituent Index or Reference Fixed Income Index, as applicable.

At Any Time When The Index Has Leveraged Exposure To The Base Index, It Will Be Exposed To Any Depreciation Of The Base Index On An Accelerated Basis.

The Index will have leveraged exposure to the Base Index at any time when the Realized Volatility of the Base Index is less than the Volatility Target of 5%. At any time when the Index has leveraged exposure to the Base Index, the Index will be exposed to any depreciation of the Base Index on an accelerated basis. For example, if the Index has 150% leveraged exposure to the Base Index at a time when the Base Index declines by 5%, the Index will decline by 7.5% (which is 150% of 5%).

Risks Relating To The Constituent Indices And The Reference Fixed Income Index, Generally

Historical Levels Of The Constituent Indices and the Reference Fixed Income Index Should Not Be Taken As An Indication Of Future Performance During The Term Of The CDs.

It is impossible to predict whether the level of the Constituent Indices or the Reference Fixed Income Index will fall or rise over any period of time. The trading prices of the securities included in the Constituent Indices and the Reference Fixed Income Index will be influenced by complex and interrelated political, economic, financial and other factors that can affect the markets in which the those securities are traded and the values of those securities. Accordingly, any historical or hypothetical levels of the Constituent Indices or the Reference Fixed Income Index do not provide an indication of future performance.

Changes That Affect A Constituent Index or the Reference Fixed Income Index May Affect The Value Of The CDs And The Amount You Will Receive On The CDs.

The policies of the sponsor of the Constituent Indices and the Reference Fixed Income Index (which is currently S&P Dow Jones Indices, LLC for each Constituent Index and the Reference Fixed Income Index and is referred to as the "sponsor") concerning the calculation of the Constituent Indices or the Reference Fixed Income Index and the addition, deletion or substitution of the underlying assets comprising such indices and the manner in which S&P Dow Jones takes into account certain changes affecting such underlying assets may affect the level of such indices and, therefore, may affect the performance of the Index and the amount payable on the CDs. The sponsor could also discontinue or suspend calculation or dissemination of a Constituent Index or the Reference Fixed Income Index or materially alter the methodology by which it calculates such index. Any such actions could adversely affect the performance of the Index and the amount payable on the CDs.

The Bank Cannot Control Actions By Any Of The Unaffiliated Companies Whose Securities Are Included In A Constituent Index or the Reference Fixed Income Index.

Actions by any company whose securities are included in a Constituent Index or the Reference Fixed Income Index may have an adverse effect on the price of its security and the value of the CDs. The Bank is not affiliated with any company whose security is represented in any Constituent Index or the Reference Fixed Income Index. These companies are not involved in the offering of the CDs and have no obligations with respect to the CDs, including any obligation to take the Bank's or your interests into consideration for any reason. These companies will not receive any of the proceeds of the offering of the CDs and will not be responsible for, and will not have participated in, the determination of the timing of, prices for or quantities of the CDs to be issued. These companies will not be involved

with the administration, marketing or trading of the CDs and will have no obligations with respect to the amount to be paid to you at maturity.

The Bank And Its Affiliates Have No Affiliation With The Sponsor Of The Constituent Indices and the Reference Fixed Income Index And Have Not Independently Verified Its Public Disclosure Of Information.

The Bank and its affiliates are not affiliated in any way with the sponsor and have no ability to control or predict its actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to its management or calculation of the Constituent Indices or the Reference Fixed Income Index. The Bank has derived the information about the sponsor and the Constituent Indices and the Reference Fixed Income Index contained in this Terms Supplement from publicly available information, without independent verification. You, as an investor in the CDs, should make your own investigation into the Constituent Indices and the Reference Fixed Income Index and the sponsor of such indices. The sponsor will not be involved in the offering of the CDs in any way and does not have any obligation to consider your interests as an owner of CDs in taking any actions that might affect the performance of the Index and the value of the CDs.

Risks Relating to the Constituent Indices

The Constituent Indices Are Each Subject To Concentration Risks.

Each Constituent Index is a subset of either the S&P 500 Index or the S&P Total Market Index and includes only those companies of its parent index that are classified under a particular sector, industry group, industry or sub-industry according to the Global Industry Classification Standards ("GICS"). GICS is a four-tiered, hierarchical industry classification system that currently includes 10 sectors, 24 industry groups, 67 industries and 156 sub-industries. As such, the primary line of business for each of the companies included in a Constituent Index is directly associated with the applicable sector, industry group, industry or sub-industry of such Constituent Index. Because each Constituent Index is concentrated in a single sector, industry group, industry or sub-industry, the value of each Constituent Index may be subject to greater volatility and be more adversely affected by a single positive or negative economic, political or regulatory occurrence affecting the relevant sector, industry group, industry or sub-industry than a more diversified index. The factors described in the bullets below for each Constituent Index could cause a downturn in the relevant sector, industry group, industry or sub-industry generally and could cause the value of the companies included by the relevant Constituent Index and thus the value of that Constituent Index to decline or remain flat during the term of the CDs, which may adversely affect the level of the Index.

- ***Real Estate Industry Group Index***. Each of the companies included in the Real Estate Industry Group Index is a constituent company within the real estate industry group (excluding Mortgage REITs) of the S&P 500 Index. The Real Estate Industry Group Index is composed principally of REITs (excluding mortgage REITs) and real estate management and development companies. These companies are subject to many of the same risks associated with the direct ownership of real estate, such as the availability of financing for real estate; employment levels and job growth; interest rates; leverage, property, management and liquidity risks; consumer confidence; the availability of suitable undeveloped land; federal, state and local laws and regulations concerning the development of land and construction; home and commercial real estate sales; financing and environmental protection; and competition among companies which engage in the real estate business. In addition, REITs in particular are subject to risks of a decline in the value of real estate properties; extended vacancies of properties; increases in property and operating taxes; increased competition or overbuilding; a lack of available mortgage funds or other limits on accessing capital; tenant bankruptcies and other credit problems; limitation on rents, including decreases in market rates for rents; changes in zoning laws and governmental regulations; costs resulting from the clean-up of, and legal liability to third parties for damages resulting from, environmental problems; investments in developments that are not completed or that are subject to delays in completion; risks associated with borrowing; changes in interest rates; casualty and condemnation losses; and uninsured damages from floods, earthquakes or other natural disasters.

- ***Transportation Select Industry Index***. Each of the companies in the Transportation Select Industry Index is a constituent company within the transportation industry group of the S&P Total Market Index. Companies in the transportation industry can be significantly affected by changes in the economy, fuel prices, labor relations, technology developments, exchange rates, insurance costs, industry competition and government regulation.

- ***Food & Beverage Select Industry Index***. Each of the companies in the Food & Beverage Select Industry Index is a constituent company within the food & beverage industry group of the S&P Total Market Index. The food and beverage industry is highly competitive and companies in such industry can be significantly affected by demographic and product trends, competitive pricing, food fads, marketing campaigns, environmental factors, government regulation, consumer preferences, nutritional and health concerns, federal, state and local food inspection and processing controls, consumer product liability claims, possible product tampering and the availability/expense of liability insurance. Companies in the food and beverage industry are also subject to risks associated with changing market prices as a result of, among other things, change in government support and trading policies, and agricultural conditions influencing the growth and harvest seasons.

- ***Insurance Select Industry Index***. Each of the companies in the Insurance Select Industry Index is a constituent company within the insurance industry group of the S&P Total Market Index. Insurance companies' profits are affected by many factors, including interest rate movements, the imposition of premium rate caps, competition and pressure to compete globally. Certain types of insurance companies may also be affected by weather catastrophes and other disasters and mortality rates. In addition, although the insurance industry is currently subject to extensive regulation, companies in the insurance industry may be adversely affected by increased governmental regulations or tax law changes in the future.

- ***Health Care Select Sector Index***. Each of the companies in the Health Care Select Sector Index is a constituent company within the health care sector of the S&P 500 Index. Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, limited product lines and an increased emphasis on outpatient services. Companies in the health care sector are heavily dependent on obtaining and defending patents, which can be an expensive and time consuming process. The expiration of patents may adversely affect the profitability of the companies. Health care companies are subject to extensive litigation based on product liability and similar claims. Health care companies are also subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the health care sector require significant research and development and may be subject to regulatory approvals. The process of obtaining such approvals may be long and costly, with no guarantee that any product will come to market.

- ***Consumer Discretionary Select Sector Index***. Each of the companies in the Consumer Discretionary Select Sector Index is a constituent company within the consumer discretionary sector of the S&P 500 Index. Market or economic factors impacting consumer discretionary companies and companies that rely heavily on Consumer Discretionary advances could have a major effect on the value of the Consumer Discretionary Select Sector Index. The success of consumer product manufacturers and retailers is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer products and services in the marketplace.

- ***Apparel Retail Sub-Industry Index***. Each of the companies included in the Apparel Retail Sub-Industry Index is a constituent company within the apparel retail sub-industry of the S&P 500 Index. The apparel retail sub-industry is one of the sub-industries of the consumer discretionary sector of the S&P 500 Index. A sub-industry is the most narrow classification under GICS and thus the Apparel Retail Sub-Industry Index contains a much smaller number of companies and may be susceptible to the risks associated with one particular company as compared to a broader industry group or sector-based index. Companies in the apparel retail industry can be significantly affected by the performance of the domestic and international economy, consumer confidence and spending, intense competition, changes in demographics, and changing consumer tastes and preferences. Furthermore, the companies included in the Apparel Retail Sub-Industry Index are also included in another Constituent Index, the Consumer Discretionary Select Sector Index. As such, the Apparel Retail Sub-Industry Index and the Consumer Discretionary Select Sector Index will be more highly correlated than they would be if they each tracked completely distinct sets of companies. During periods of negative returns for the component stocks included in both the Apparel Retail Sub-Industry Index and the Consumer Discretionary Select Sector Index, the resulting correlation could have an adverse effect on the level of the Index and thus the value of the CDs.

Risks Related to the Reference Fixed Income Index

The Reference Fixed Income Index Is Subject To Significant Risks Associated With Fixed-Income Securities, Including Interest Rate-Related Risks.

The Reference Fixed Income Index seeks to track the performance of a single 2-Year U.S. Treasury Note futures contract. One important factor affecting the price of a U.S. Treasury Note futures contract is the market price of the U.S. Treasury notes underlying that futures contract. Market prices of U.S. Treasury notes may be volatile and are significantly influenced by a number of factors, particularly the duration of the notes, yields on the notes as compared to current market interest rates and the actual or perceived credit quality of the U.S. government.

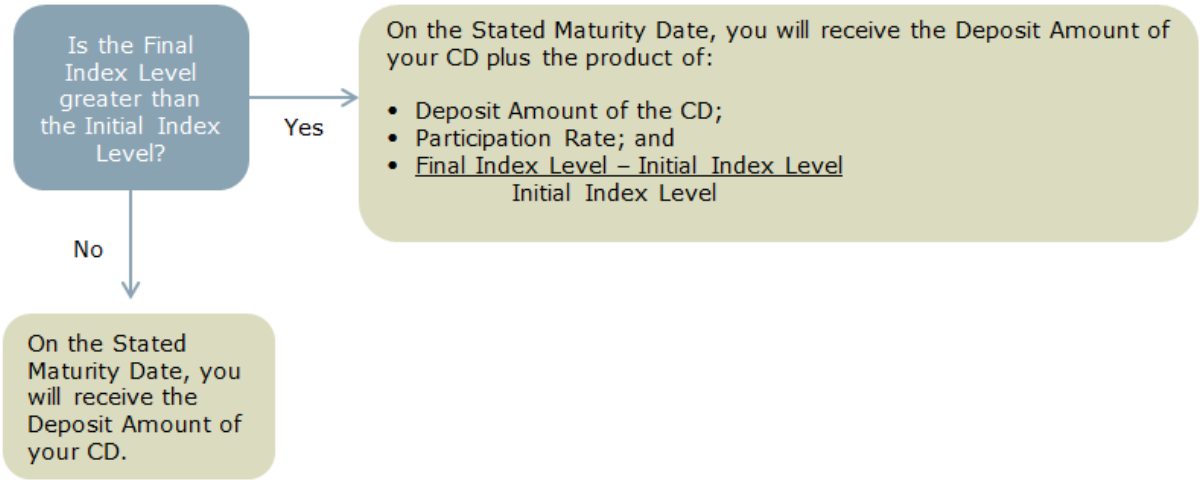
In general, fixed-income securities such as U.S. Treasury notes are significantly affected by changes in current market interest rates. As interest rates rise, the price of fixed-income securities is likely to decrease. As a result, rising interest rates may cause the level of the Reference Fixed Income Index, and thus the Index, to decline, possibly significantly.

Interest rates are subject to volatility due to a variety of factors, including:

- sentiment regarding underlying strength in the U.S. economy and global economies;
- expectations regarding the level of price inflation;
- sentiment regarding credit quality in the U.S. and global credit markets;
- central bank policies regarding interest rates; and
- the performance of U.S. and foreign capital markets.

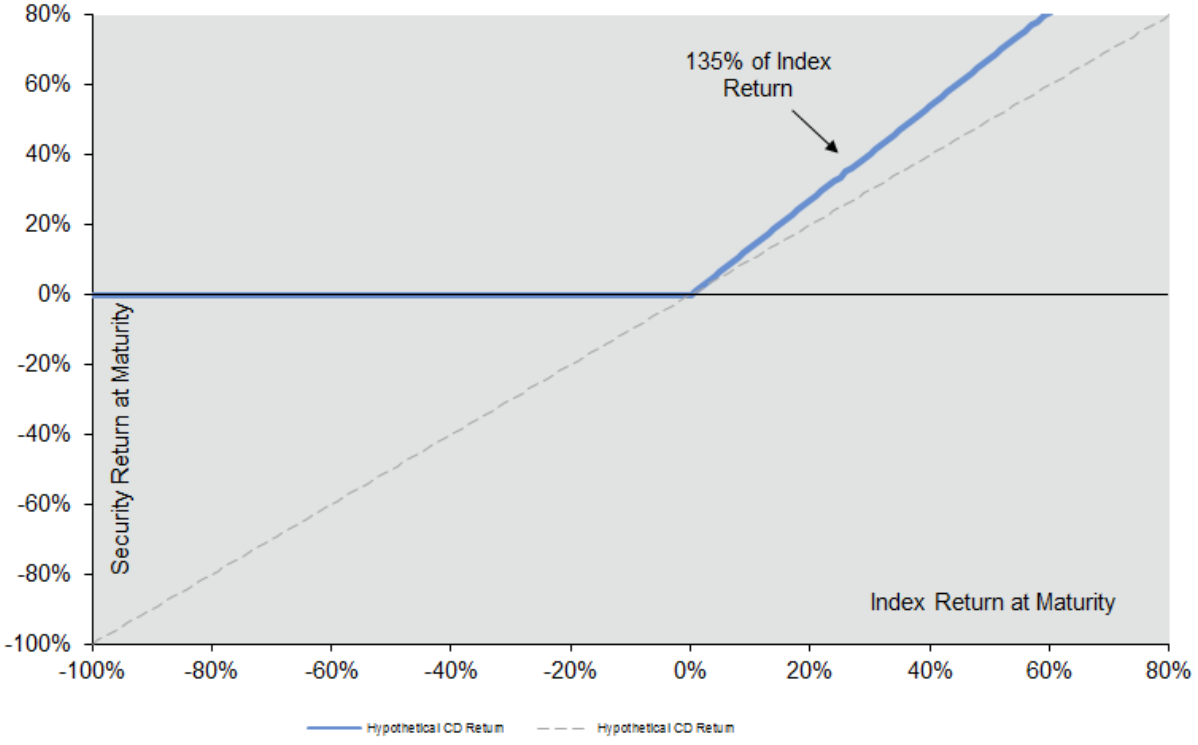
Recently, U.S. Treasury notes traded near their historic high trading prices for an extended period of time. If the price of U.S. Treasury notes reverts to its historic mean or otherwise falls, as a result of a general increase in interest rates or actions, or perceptions of reduced credit quality of the U.S. government or otherwise, the value of the U.S. Treasury notes underlying the futures contracts tracked by the Reference Fixed Income Index will decline, which could have a negative impact on the performance of the Reference Fixed Income Index and the return on your CDs.

DETERMINING PAYMENT AT STATED MATURITY



HYPOTHETICAL PAYOUT PROFILE

The following profile is based on a Participation Rate of 135.00%. This graph has been prepared for purposes of illustration only. Your payment at stated maturity will depend on the actual Final Index Level.



EXAMPLES OF AMOUNT PAYABLE AT STATED MATURITY

Here are two examples of hypothetical calculations of the amount payable on the Stated Maturity Date for each $1,000 Deposit Amount of a CD. If you hold the CDs until the Stated Maturity Date, you will receive the Deposit Amount.

Example 1. *Assuming For Purposes Of This Example That The Final Index Level Is 180.3485:*

Since the Final Index Level is greater than the Initial Index Level, the Index Interest would be:

$$\left[\$1{,}000 \times \left[\frac{180.3485 - 153.1264}{153.1264} \right] \times 135.00\% \right] = \$240.00$$

On the Stated Maturity Date, you would receive $1,000 + $240.00 = $1,240.00 for each $1,000 Deposit Amount of a CD.

Example 2. *Assuming For Purposes Of This Example That The Final Index Level Is* 74.7093*:*

Since the Final Index Level (74.7093) is less than the Initial Index Level (153.1264), you would not receive any Index Interest. On the Stated Maturity Date, you would receive $1,000 for each $1,000 Deposit Amount of a CD.

HYPOTHETICAL RETURNS

The table below illustrates, for a range of hypothetical Final Index Levels:

- the hypothetical Final Index Level;
- the hypothetical percentage change from the Initial Index Level;
- the hypothetical total amount payable at stated maturity for each $1,000 Deposit Amount of a CD;
- the hypothetical pre-tax total rate of return; and
- the hypothetical annual percentage yield.

Hypothetical Final Index Level	Hypothetical Percentage Change of Final Index Level From Initial Index Level	Hypothetical Total Amount Payable At Stated Maturity Per $1,000 Deposit Amount	Hypothetical Pre-Tax Total Rate of Return	Hypothetical Annual Percentage Yield (APY)
214.3770	40.00%	$1,540.00	54.00%	6.36%
199.0643	30.00%	$1,405.00	40.50%	4.98%
183.7517	20.00%	$1,270.00	27.00%	3.47%
176.0954	15.00%	$1, 202.50	20.25%	2.67%
168.4390	10.00%	$1,135.00	13.50%	1.83%
160.7827	5.00%	$1,067.50	6.75%	0.94%
153.1264[(1)]	0.00%	$1,000.00	0.00%	0.00%
145.4701	-5.00%	$1,000.00	0.00%	0.00%
137.8138	-10.00%	$1,000.00	0.00%	0.00%
122.5011	-20.00%	$1,000.00	0.00%	0.00%
114.8448	-25.00%	$1,000.00	0.00%	0.00%
76.5632	-50.00%	$1,000.00	0.00%	0.00%

(1) The Initial Index Level.

The above figures are for purposes of illustration only and may have been rounded for ease of analysis. The actual amount that you will receive and the resulting total and pre-tax rate of return and annualized percentage yield will depend entirely on the actual Final Index Level. In particular, the actual Final Index Level could be lower or higher than those reflected in the table.

ADDITIONAL TERMS OF THE CDs

The general terms of the CDs are described under "Description of the Certificates of Deposit" in the accompanying Disclosure Statement. The following are additional terms that will apply to the CDs. If the terms set forth in this Terms Supplement differ in any way from the terms set forth in the accompanying Disclosure Statement, the terms set forth in this Terms Supplement shall control.

Postponement of the Valuation Date

If a day that would otherwise be the Valuation Date is not a Trading Day, then the Valuation Date will be postponed to the first following Trading Day. In no event, however, will the Valuation Date be postponed to a date later than the fifth scheduled Trading Day after the originally scheduled Valuation Date. If the Valuation Date is postponed to the last possible day, but such day is not a Trading Day, that day will nevertheless be the Valuation Date. If the Bank determines that the Final Index Level is not available on the last possible Valuation Date because of a non-Trading Day or for any other reason (other than as described under "—Discontinuance or Modification of the Index" below), then the Bank will nevertheless determine the level of the Index based on its assessment, made in its sole discretion, of the level of the Index at the applicable time on that day.

A "Trading Day" means a day on which the level of the Index (other than an estimated level published on a Disrupted Day (as defined under "CS Retiree Consumer Expenditure 5% Blended Index Excess Return—Suspension of the Index" below)) is calculated and published by the sponsor of the Index (including any calculation agent acting on such sponsor's behalf).

Discontinuance or Modification of the Index

If the Index Sponsor discontinues publication of the Index and the Index Sponsor or anyone else publishes a substitute index that the Bank determines is comparable to the Index, then the Bank will determine the amount payable on the Stated Maturity Date by reference to the substitute index. We refer to any substitute index approved by the Bank as a "Successor Index".

In the event that publication of the Index is discontinued prior to, and the discontinuance is continuing on, the Valuation Date and the Bank determines that no Successor Index is available at such time, or in the event that the Bank determines that there has been a material change in the formula for or the method of calculating the Index or that the Index has been in any other way materially modified, the Bank will calculate a substitute Closing Level of the Index in accordance with the formula for and method of calculating the Index last in effect prior to that discontinuance or change, but without any annual rebalancing of the Base Index (as defined below) after such discontinuance or change. After such an event, the substitute Closing Level of the Index so determined will cease to reflect the Index's annual rebalancing of the percentage weights of its Constituent Indices to match the most recently published CEX data. After such an event, the Bank will make any determinations in connection with calculating the substitute Closing Level of the Index that would have been made by the Index Committee, Index Sponsor or Index Calculation Agent (each as defined below) in calculating the Index had the Index still been published.

All determinations and adjustments to be made by the Bank with respect to the Index may be made by the Bank in its sole discretion. The Bank is not obligated to make any such adjustments.

Corrections

If the Closing Level of the Index that is initially published on the Valuation Date is subsequently corrected, such corrected level will be the Final Index Level if, but only if, such corrected level is published on or before the Business Day immediately preceding the Stated Maturity Date.

CS RETIREE CONSUMER EXPENDITURE 5% BLENDED INDEX EXCESS RETURN

Overview

The CS Retiree Consumer Expenditure 5% Blended Index Excess Return (the "Index") was developed and is maintained and calculated by Credit Suisse International (the "Index Sponsor"), which also acts as the "Index Calculation Agent." The description of the Index contained in this Terms Supplement is based on rules formulated and published by the Index Sponsor (the "Index Rules"), which have not been independently verified by the Bank. The Index is the intellectual property of the Index Sponsor, which reserves all rights with respect to its ownership of the Index, and has been licensed for use by the Bank in connection with the CDs. The Index is reported by Bloomberg L.P. under the ticker symbol "CSEARC5E." The Index was launched on February 27, 2015 and, therefore, has a limited history of actual performance.

The Index is a rule-based index that tracks the blended performance of a Base Index and a Reference Fixed Income Index, *less* an excess return deduction, index fee and notional transaction costs, all as more fully described below.

The Base Index, which is published by the Index Sponsor, tracks a portfolio of seven equity indices (the "Constituent Indices"). The weight of each Constituent Index in the Base Index is reset annually in a manner intended to broadly mirror the overall consumer expenditure patterns of persons aged 65 and over (sometimes referred to herein as "retirees") in the United States. Each Constituent Index is composed of a basket of stocks of United States companies in a particular sector, industry or sub-industry within the S&P 500® Index (the "S&P 500") or the S&P Total Market Index (the "S&P Total Market Index") and has been selected by the Index Sponsor as intended to be representative of one or more categories of consumer spending in the United States. The weight of each Constituent Index as a component of the Base Index is determined based on data drawn from the Consumer Expenditure Survey from the U.S. Department of Labor's Bureau of Labor Statistics (the "CEX") for categories of consumer spending by persons aged 65 years and older. The Base Index, through this methodology, provides exposure to equities that are weighted based upon the spending habits of retirees in the United States. We refer to the methodology and calculations contained within this description of the Index as the "Index Methodology."

The CEX provides information, based on survey data, on the buying habits of American consumers. The CEX annual data tables are made available to the public each year in early September. The information published in September of each year reflects consumer expenditures for the preceding calendar year (for example, the survey data published in September 2015 reflects expenditures for 2014). Consumer expenditure data is published for fourteen general categories of expenditures and is broken down by a variety of demographic characteristics. The Base Index utilizes the consumer expenditures data for the demographic group of reference persons ages 65 years and older. For more information about the CEX, see "Annex A—Consumer Expenditure Survey" in this Terms Supplement.

The Index seeks to track retiree consumer expenditure patterns through a base index (the "Base Index") composed of the Constituent Indices. The fourteen broad categories of consumer spending, as identified in the CEX, are intended to be represented in the Base Index by seven Constituent Indices: six of these CEX categories are represented respectively by six Constituent Indices, and the other eight CEX categories are tracked collectively by the Constituent Index representing consumer discretionary spending. Each Constituent Index is a sector, industry or sub-industry index maintained and published by S&P Dow Jones Indices LLC, or its successor ("S&P Dow Jones Indices LLC"), selected by the Index Sponsor as representative of consumer spending in one or more of the relevant categories. Each Constituent Index tracks the performance of a basket of stocks of United States companies in the market sector, industry or sub-industry of the S&P 500 or the S&P Total Market Index that was chosen to correspond to the consumer spending category. Each Constituent Index is composed of a basket of stocks weighted equally or by market cap within the basket (depending on the index) and is rebalanced quarterly.

The Base Index seeks to track the overall consumer spending patterns by United States retirees through the overall performance of the seven Constituent Indices, where the relative weight of each Constituent Index in the Base Index is determined by reference to the consumer retiree data from the CEX table, as presented for the age group defined as "65 years and older." The Index Methodology is thus designed to achieve long exposure, weighted by spending category, to the performance of stocks in the various sectors, industries and sub-industries of the United States economy intended to be representative of consumer spending by such persons. The Base Index is rebalanced to maintain a notional exposure that matches the relative spending patterns by persons 65 years and older as presented by

the CEX data by weighting the Base Index's basket of Constituent Indices in November of each year, after the prior year's annual CEX data has become available to the public.

The Base Index tracks the return of the Constituent Indices, weighted as described above. The Index tracks a notional exposure to the Base Index while attempting to maintain the volatility of its performance at a predefined target of 5% (the "Volatility Target") by leveraging or deleveraging the notional exposure to the Base Index. If the Realized Volatility (as defined below) of the Base Index over the relevant historical Window (as defined below) was greater than 5%, then the Index will reflect deleveraged exposure to the Base Index that is designed to bring the volatility of the Index down toward 5%, which means that the Index will participate in only a limited percentage of the performance of the Base Index. At any time when the Index has less than 100% exposure to the Base Index, the difference will be allocated to the S&P 2-Year US Treasury Note Futures Index Excess Return (Bloomberg Ticker: SPUST2P), which we refer to as the "Reference Fixed Income Index," and the performance of the Index will reflect a blend between the performance of the Base Index and the performance of the Reference Fixed Income Index. If the Realized Volatility of the Base Index over the relevant historical Window was less than 5%, then the Index will reflect leveraged exposure to the Base Index (subject to the 150% Participation Cap) and no exposure to the Reference Fixed Income Index.

The Reference Fixed Income Index, which is published by S&P Dow Jones Indices LLC, tracks changes in the value of the nearest-to-expiration 2-Year U.S. Treasury Note futures contract. The Reference Fixed Income Index may appreciate or depreciate, depending on changes in the value of that underlying futures contract. See "S&P 2-Year U.S. Treasury Note Futures Index Excess Return" in this Terms Supplement for more information about the Reference Fixed Income index.

In addition, the Index reflects an assumed hypothetical cost of funding through exposure to the Funding Component (as defined below). This assumed hypothetical cost of funding is reflected by deducting the performance of the Funding Component from the performance of the Base Index. We refer to this as the "excess return deduction." As a result of the excess return deduction, the daily performance of the Base Index will be reduced at an annual rate equal to 3-month USD LIBOR *plus* 0.40%.

The Index is assessed the daily equivalent of a 0.50% per annum calculation fee and a daily notional transaction cost of 0.02% applied to the effective change in notional exposures to the Base Index and Reference Fixed Income Index, representing the notional cost of the daily rebalancing to adjust toward the Volatility Target.

A group of senior employees of the Index Sponsor form the "Index Committee," which has responsibility for the Index Rules and may be consulted by the Index Calculation Agent on matters of interpretation with respect to the Index Rules.

The Base Index

The Base Index is a component of the Index that tracks the combined and weighted return of seven Constituent Indices. Each of these Constituent Indices is a "sector index," "industry index" or "sub-industry index," meaning that it is designed to track one sector, industry or sub-industry of the U.S. economy. The sectors, industries and sub-industries represented by the Constituent Indices were chosen by the Index Sponsor to correspond to one or more of the 14 broad consumer spending categories, as identified and reported by the CEX. Each Constituent Index is a total return index that returns the performance of a notional basket of stocks of U.S. companies. Each stock in each basket is one constituent member of the S&P 500 or the S&P Total Market Index, from the applicable sector, industry or sub-industry represented by the Constituent Index, as determined by S&P Dow Jones Indices LLC. Each Constituent Index tracks the combined "total return" of a weighted basket of its constituent stocks, meaning that there is no notional funding cost associated with tracking the notional basket of securities and the value of the Constituent Index is determined by assuming that dividends of the underlying equity constituents are notionally reinvested in the index. Thus the Base Index ultimately seeks to reflect exposure to consumer spending through U.S. equities in multiple sectors, industries and sub-industries of the economy.

The Constituent Indices are identified in the table below, together with their respective Bloomberg tickers, market associated sector, industry or sub-industry and corresponding consumer spending category or categories as they appear in the CEX tables. Because the Base Index only tracks the Constituent Indices, the investment universe available to the Index is limited to the U.S. equities tracked by the Constituent Indices, which are only U.S. equities that appear in the S&P 500 and the S&P Total Market Index and are categorized by S&P Dow Jones Indices LLC as belonging to one of the sectors, industries or sub-industries represented by the Constituent Indices. The Constituent

Indices may be changed by the Index Sponsor or Index Calculation Agent, as described under "—Amendment of the Index Rules" below.

The Constituent Indices

	Constituent Index	**Ticker**	**Associated Sector, Industry or Sub-industry**	**Corresponding CEX consumer spending categor(ies)**
1	S&P 500® Real Estate (Industry Group) Index Total Return	SPTR5EST	Real Estate	Housing
2	S&P® Transportation Select Industry™ Index Total Return	SPSITNTR	Transportation	Transportation
3	S&P® Food & Beverage Select Industry™ Index Total Return	SPSIFBUT	Food & Beverages	Food
4	S&P 500® Health Care Select Sector Index Total Return	SPTRHLTH	Healthcare	Healthcare
5	S&P® Insurance Select Industry™ Index Total Return	SPSIINST	Insurance	Personal insurance & pensions
6	S&P 500® Apparel Retail (Sub-Industry) Index Total Return	S5APRETR	Apparel Retail	Apparel and services
7	S&P 500® Consumer Discretionary Select Sector Index Total Return	SPTRCOND	Consumer Discretionary	Alcoholic beverages, Entertainment, Personal care products and services, Reading, Education, Tobacco products and smoking supplies, Miscellaneous, and Cash contributions

To determine the weighting of each of the Constituent Indices as components of the Base Index, the Base Index uses the CEX table, as presented by age of reference person, and uses consumer expenditure data, listed by category, from the age group defined as "65 years and older." The Base Index calculates the percentage of total consumer expenditure that each of the 14 major categories listed in the table above represents. For each Constituent Index other than the index representing consumer discretionary spending, these percentages are then used as the weights of the corresponding Constituent Index as a component of the Base Index. The weight of the index representing consumer discretionary spending is the sum of the percentages of the eight major categories of the CEX corresponding to discretionary spending in the table above.

The Base Index is rebalanced each year on the first trading day of November, to reflect the new annual CEX released in September. The annual CEX data represents consumer spending over the course of the calendar year prior to the year in which the CEX data is released, and thus the Base Index allocates notional exposure across the Constituent Indices and across the sectors, industries and sub-industries they represent based on the spending patterns of retirees in the United States over that same time period. For a more detailed description of the Base Index calculation, please see "—Calculation of the Base Index" below. In addition, because each Constituent Index rebalances the notional basket of assets it tracks quarterly, the notional basket of stocks within each sector, industry or sub-industry, the return of which is tracked by the applicable Constituent Index and thus indirectly by the Base Index, will also be rebalanced quarterly. For a more detailed description of the Constituent Indices, please see "Annex B—Constituent Indices" below.

The Base Index is described as tracking the weighted return of the Constituent Indices. Each Constituent Index is described as tracking a "notional" basket of assets because there is no actual basket of assets to which any person is entitled or in which any person has any ownership interest. The Base Index merely tracks the weighted return of the Constituent Indices, each of which in turn references certain assets, the performance of which will be used as a reference point for calculating the level of each Constituent Index and thus the Base Index.

The Index

The Index is a "blended index," which means that it is designed to track the performance of the volatility-normalized return of the Base Index, supplemented by a long exposure to the Reference Fixed Income Index (an index which tracks the return of 2-year U.S. Treasury Note futures). The Index estimates the historical volatility of the Base Index over a specified time period and on a daily basis establishes a level of exposure to the Base Index (which could be less than a one-to-one exposure or could be leveraged up to a maximum exposure of 150% (the "Participation Cap")) designed to achieve the Volatility Target. If the level of exposure of the Index to the Base Index is less than 100% of the index value of the Index, the remainder of the daily Index value will be assigned to track the performance of the Reference Fixed Income Index. On the other hand, if the level of exposure to the Base Index is greater than 100% (i.e., leveraged), the Index will be exposed solely to the leveraged return of the Base Index and will not have any exposure to the Reference Fixed Income Index. For a more detailed description of the Reference Fixed Income Index, please see "Annex C—Reference Fixed Income Index" below.

Volatility can fluctuate significantly, and future volatility may differ from past volatility, and even during a single day, the Index will not adjust exposure based on the most current volatility. In addition, the Index limits the exposure to the Base Index to the Participation Cap. For these reasons, the Index may not achieve the Volatility Target at any given time. Please see "Risk Factors—Risks Relating to the Index—The Index May Fail To Maintain Its Volatility Target."

The Index tracks the weighted return of its Index Components. There is no actual basket of assets, whether including or not any of the assets that are referenced by the Constituent Indices or the Reference Fixed Income Index, to which any person is entitled or in which any person has any ownership interest. The Index Components and, indirectly, the assets they track will be used only as reference points for calculating the level of the Index.

No assurance can be given that the methodology used to construct the Index will be successful or that the Index will outperform any alternative basket or strategy that might be constructed from the assets that are referenced by the Base Index and the Reference Fixed Income Index. Furthermore, no assurance can be given that the Index will achieve the Volatility Target. The actual realized volatility of the Index may be greater or less than the Volatility Target.

Calculation of the Base Index

The Base Index tracks the return of the weighted exposures to the Constituent Indices. The "Index Value" V_t of the Base Index on any "Index Calculation Day" t following the "Index Start Date" will be calculated as follows:

$$V_t = V_r \times \left[\sum_{m=1}^{7} W_{mr} \times \frac{P_{mt}}{P_{mr}} \right]$$

Where:

$\mathbf{V_r}$ = the Index Value of the Base Index on the most recent Rebalance Date r that precedes Index Calculation Day t

$\mathbf{W_{mr}}$ = the relative weight of Constituent Index m, as determined below on the most recent Rebalance Date r that precedes Index Calculation Day t

$\mathbf{P_{mt}}$ = closing level of the Constituent Index m on such Index Calculation Day t

$\mathbf{P_{mr}}$ = closing level of the Constituent Index m on the most recent Rebalance Date r that precedes Index Calculation Day t

The Index Value of the Base Index (the "Base Index Value") on any Index Calculation Day following the Index Start Date is the closing level of the Base Index on the most recent Rebalance Date *multiplied by* the weighted relative change in value of the Constituent Indices since the most recent Rebalance Date, which is the *sum*, across all Constituent Indices, of the *product* of (i) the relative weight of each Constituent Index, as determined on the most recent Rebalance Date *multiplied by* (ii) the Relative Value of the same Constituent Index since the most recent Rebalance Date.

"Index Value" means, for the Base Index or the Index, as applicable, the value of the Base Index or the Index, as applicable, as published by the Index Sponsor and as calculated by the Index Calculation Agent.

"Index Calculation Day" means any day on which (i) a value for each Index Component is published, (ii) a Constituent Index Exchange is open for each Constituent Index and (iii) the Fixed Income Index Exchange is open.

"Index Component" means the Base Index, any of the Constituent Indices, the Reference Fixed Income Index, the Funding Component and the Reference Rate, as the context requires.

"Index Start Date" means November 3, 2003.

"Constituent Index Exchange" means the New York Stock Exchange or any successors thereto, and/or any exchange designated form time to time by the Index Calculation Agent.

"Fixed Income Index Exchange" means the Chicago Mercantile Exchange or any successor thereto, and/or any exchange designated from time to time by the Index Calculation Agent.

"Rebalance Date" means November 1st of each year, or if such date is not an Index Calculation Day, the first following Index Calculation Day, and if the CEX data becomes available on another date, the first Index Calculation Day on or after such other date.

"Relative Value" means, since any specified date, for any Index Component, the closing level of the Index Component on the current Index Calculation Day *divided by* the closing level of the Index Component on the specified date.

Calculating the Relative Weight for Each Constituent Index

On the Index Start Date and on each Rebalance Date, the relative weights of the Constituent Indices are determined by computing the percentage that each of the 14 major categories of spending in the CEX table represents of total consumer expenditure of the age group classified as "65 years and older." The relative weights for six of the Constituent Indices are each directly assigned the corresponding percentage for 6 of the 14 categories (Housing, Transportation, Food, Healthcare, Personal insurance and pensions, and Apparel and services). The relative weight for the seventh Constituent Index, representing discretionary spending, is assigned the sum of the percentages for each of the remaining eight categories of spending (Alcoholic beverages, Entertainment, Personal care products and services, Reading, Education, Tobacco products and smoking supplies, Miscellaneous, and Cash contributions). See "The Constituent Indices" table above.

The closing level of each Constituent Index will be rounded to four decimal places, and the closing level of the Base Index for purposes of the calculations described herein will be rounded to four decimal places when published and when referred to by all subsequent calculations described herein. The Base Index Value on the Index Start Date was 100. The Base Index was launched on January 31, 2015.

Calculation of the Index

The Index is designed to track the volatility-adjusted performance of the Base Index, supplemented by a long exposure to the Reference Fixed Income Index, and will subtract out a short exposure to the Funding Component at a value equal to an approximation of the daily interest cost that might have been charged to finance the leveraged or deleveraged daily value of the Index. The Index Value V_t of the Index on any Index Calculation Day t following the Index Start Date will be calculated as follows:

$$\text{Index}(t) = \text{Index}(t-1) \times \left\{ 1 + P(t-1) \times \left[\frac{S(t)}{S(t-1)} - 1 \right] - P(t-1) \times \left[\frac{FA(t)}{FA(t-1)} - 1 \right] + Max\left[(1 - P(t-1)), 0 \right] \times \left[\frac{FI(t)}{FI(t-1)} - 1 \right] \right\} - TC(t-1) - Fee(t)$$

Where:

"*t*-1"	refers to the Index Calculation Day immediately preceding Index Calculation Day *t*
"Index(*t*-1)"	is the Index Value of the Index as of the close of Index Calculation Day *t*-1
"P(*t*-1)"	is the Participation as of Index Calculation Day *t*-1, as determined below
"S(*t*)"	is the official closing level of the Base Index on Index Calculation Day *t*
"S(*t*-1)"	is the official closing level of the Base Index on Index Calculation Day *t*-1
"FI(*t*)"	is the published closing level of the Reference Fixed Income Index on Index Calculation Day *t*
"FI(*t*-1)"	is the published closing level of the Reference Fixed Income Index on Index Calculation Day *t*-1
"FA(*t*)"	is the closing level of the Funding Component on Index Calculation Day *t*, as determined below
"FA(*t*-1)"	is the closing level of the Funding Component on Index Calculation Day *t*-1, as determined below
"TC(*t*-1)"	is the Notional Transaction Cost on Index Calculation Day *t*-1, as determined below
"Fee(*t*)"	is the Index Calculation Fee on Index Calculation Day *t*, as determined below

The Index Value of the Index on any Index Calculation Day following the Index Start Date is (A) the closing level of the Index on the immediately preceding Index Calculation Day *multiplied by* the quantity (i) one *plus* (ii) the *product* of the Participation on the immediately preceding Index Calculation Day *multiplied by* the relative change in the Base Index Value since the immediately preceding Index Calculation Day, *minus* (iii) the *product* of the Participation on the immediately preceding Index Calculation Day *multiplied by* the Relative Change in Value of the Funding Component since the immediately preceding Index Calculation Day, *plus* (iv) the *product* of (x) the greater of the quantity (I) one *minus* the Participation on the immediately preceding Index Calculation Day or (II) zero, *multiplied by* (y) the Relative Change in Value of the Reference Fixed Income Index since the immediately preceding Index Calculation Day, *minus* (B) the Notional Transaction Cost for the immediately preceding Index Calculation Day, *minus* (C) the Index Calculation Fee for such Index Calculation Day.

"Participation" means the daily hypothetical long exposure to the Base Index. A Participation of 100% means that the Index has an exposure to the Base Index equal to the Index Value on that Index Calculation Day. A Participation of less than 100% means that the exposure to the Base Index represents only a portion of the Index Value of the Index, while a Participation of greater than 100% means that the Index has a leveraged exposure to the Base Index. The exposure to the Reference Fixed Income Index on any day is the Index Value of the Index less the notional exposure to the Base Index. On any day for which the Participation is less than 100%, the Index will have a hypothetical long exposure to the Reference Fixed Income Index. For a more detailed description of the Participation calculation, please see "—Calculating the Participation" below.

"Funding Component" means a hypothetical floating rate cost designed to approximate the cost of financing a notional exposure to the Base Index. For a more detailed description of the Funding Component calculation, please see "—Calculating the Value of the Funding Component" below.

"Relative Change in Value" means, since any specified date, for any Index Component, the value of the Index Component on the current Index Calculation Day *divided by* the value of the Index Component on the specified date, *minus* one.

"Notional Transaction Cost" means, for any Index Calculation Day, the notional transaction cost of rebalancing the Index to establish the level of exposure to the Base Index (subject to the Participation Cap) designed to achieve the Volatility Target. For a more detailed description of the Notional Transaction Cost calculation, please see "—Calculating the Notional Transaction Cost" below.

"Index Calculation Fee" means, for any Index Calculation Day, the daily equivalent of 0.50% annual calculation fee. For a more detailed description of the Index Calculation Fee calculation, please see "—Calculating the Index Calculation Fee" below.

The closing level of the Reference Fixed Income Index for purposes of the calculations described herein will be rounded to three decimal places, and the Index will be rounded to four decimal places when published and when referred to by all subsequent calculations described herein. The Index Value of the Index on the Index Start Date was 100. The Index was launched on February 27, 2015.

Calculating the Participation

The Participation is the daily-calculated exposure of the Index to the Base Index. The Participation will be based on the historical annualized volatility of the Base Index over the most recent twenty consecutive Index Calculation Days (the "Window"). Such annualized volatility is during such Window is referred to herein as the "Realized Volatility."

The Participation P(t) on any Index Calculation Day t (following the twentieth Index Calculation Day after the Index Start Date) will be calculated by the Index Calculation Agent as follows:

$$\mathrm{P(t)} = \mathrm{Min}\left[\mathrm{Volatility\ Cap}, \frac{\mathrm{Volatility\ Target}}{\mathrm{RealVol(t)}}\right]$$

$$\mathrm{RealVol(t)} = \sqrt{\frac{252}{\mathrm{Window}} \sum_{i=1}^{\mathrm{Window}} \left(\ln\left(\frac{\mathrm{S(t-i)}}{\mathrm{S(t-i-1)}}\right)\right)^2}$$

Where:

RealVol(*t*)	is the Realized Volatility over the Window on Index Calculation Day *t*
S(*t*-i)	is the published closing level of the Base Index on Index Calculation Day *t*-i
S(*t*-i-1)	is the published closing level of the Base Index on Index Calculation Day *t*-i-1
Participation Cap	is 150% (*i.e.*, the maximum level of exposure the Index can have to the Base Index)

The Participation is calculated by dividing the Volatility Target by the Realized Volatility of the Base Index, and is subject to the Participation Cap (the maximum exposure to the Base Index and thus the maximum leverage of the Base Index as a component of the Index). Based on this calculation, if the Realized Volatility is lower than the Volatility Target, the Participation will be greater than 100%, which represents a leveraged position in the Base Index, and (subject to the Participation Cap) such leverage will be the ratio of the Volatility Target to the Realized Volatility. On the other hand, if the Realized Volatility is greater than the Volatility Target, the Participation will be less than 100%, which represents a deleveraged position in the Base Index, which will be the ratio of the Volatility Target to the Realized Volatility.

Calculating the Value of the Funding Component

The value of the Funding Component represents the cumulatively compounded amount required to finance a notional exposure to the Base Index. The amount required for financing is assumed to be the cost of floating rate borrowing at 3-month USD LIBOR *plus* 0.40% (the "Reference Rate"). The Reference Rate will be rounded to six decimal places when referred to by all calculations described herein. The value of the Funding Component FA(t) on any Index Calculation Day t following the Index Start Date will be calculated as follows:

$$FA(t) = FA(t\text{-}1) \times [1 + R(t\text{-}1) \times DC(t\text{-}1, t)]$$

Where:

t-1	is the Index Calculation Day immediately preceding Index Calculation Day *t*
FA(*t*-1)	is the closing level of the Funding Component as of Index Calculation Day *t*-1
R(*t*-1)	is the closing level of the Reference Rate on Index Calculation Day *t*-1, or as of the immediately preceding day if such rate is not available on *t*-1
DC(*t*-1, t)	is the day count, calculated as the number of calendar days from and including Index Calculation Day *t*-1 to and excluding Index Calculation Day *t*, *divided by* 365

The value of the Funding Component on any Index Calculation Day following the Index Start Date is computed by multiplying the value of the Funding Component on the immediately preceding Index Calculation Day by the *sum* of (i) one *plus* (ii) the *product* of the Reference Rate on the preceding Index Calculation Day *multiplied by* the quotient of the number of calendar days from and including the immediately preceding Index Calculation Day to and excluding the current Index Calculation Day *divided by* 365. The value of the Funding Component on the Index Start Date was normalized to 1000.

Calculating the Notional Transaction Cost

The Notional Transaction Cost is applied daily to the Index to account for the estimated notional daily cost of rebalancing the Index Components of the Index that would be incurred to establish the volatility-adjusted level of exposure to the Base Index. The Notional Transaction Cost is a fixed fee percentage of 0.0002 (the "Transaction Cost Rate") applied to the effective change in notional exposures of the Base Index and the Reference Fixed Income Index as a result of the daily rebalancing and will reduce the Index Value of the Index. The Notional Transaction Cost TC(t) on any Index Calculation Day t following the Index Start is calculated as follows:

$$\mathrm{TC(t)} = \mathrm{TCRate} \times \left\{ Abs\left[\mathrm{Index(t)} \times \mathrm{P(t)} - \mathrm{Index(t-1)} \times \mathrm{P(t-1)} \times \frac{\mathrm{S(t)}}{\mathrm{S(t-1)}} \right] + Abs\left[\mathrm{Index(t)} \times Max\left[(1-\mathrm{P(t)}),0\right] - \mathrm{Index(t-1)} \times Max\left[(1-\mathrm{P(t-1)}),0\right] \times \frac{\mathrm{FI(t)}}{\mathrm{FI(t-1)}} \right] \right\}$$

Where:

"*t*-1"	refers to the Index Calculation Day immediately preceding Index Calculation Day *t*
"Index(*t*)"	is the Index Value of the Index as of the close of Index Calculation Day *t*
"Index(*t*-1)"	is the Index Value of the Index as of the close of Index Calculation Day *t*-1
"P(*t*)"	is the Participation as of Index Calculation Day *t*, as determined above
"P(*t*-1)"	is the Participation as of Index Calculation Day *t*-1, as determined above
"S(*t*)"	is the official closing level of the Base Index on Index Calculation Day *t*
"S(*t*-1)"	is the official closing level of the Base Index on Index Calculation Day *t*-1
"FI(*t*)"	is the official closing level of the Reference Fixed Income Index on Index Calculation Day *t*
"FI(*t*-1)"	is the official closing level of the Reference Fixed Income Index on Index Calculation Day *t*-1
TCRate	is the Transaction Cost Rate (which is 0.0002)

The Notional Transaction Cost on the Index Start Date was 0. On any Index Calculation Day following the Index Start Date, the Notional Transaction Cost will be the *product* of the Transaction Cost Rate *multiplied by* the *sum* of (i) the absolute value of the difference between (A) the *product* of the Index Value of the Index as of the end of the Index Calculation Day (after all rebalancing has been performed for such day) *multiplied by* the Participation as of the Index Calculation Day *minus* (B) the *product* of the Index Value of the Index as of the end of the immediately preceding Index Calculation Day (after all rebalancing has been performed for such day) *multiplied by* the Participation as of the Index Calculation Day immediately preceding the Index Calculation Day *multiplied by* the Relative Value of the Base Index since the immediately preceding Index Calculation Day *plus* (ii) the absolute value of the difference between (A) the *product* of the Index Value of the Index as of the end of the Index Calculation Day (after all rebalancing has been performed for such day) *multiplied by* the greater of zero and the quantity equal to one *minus* the Participation as of the Index Calculation Day *minus* (B) the *product* of the Index Value of the Index as of the end of the immediately preceding Index Calculation Day (after all rebalancing has been performed for such day) *multiplied by* the greater of zero and the quantity equal to one *minus* the Participation as of the Index Calculation Day immediately preceding the Index Calculation Day *multiplied by* the Relative Value of the Reference Fixed Income Index since the immediately preceding Index Calculation Day.

Calculating the Index Calculation Fee

The Index Calculation Fee is subtracted from the Index Value of the Index on a daily basis. The Index Calculation Fee is the daily equivalent of a fixed 0.50% annual calculation fee (the "Index Calculation Fee Rate") applied to the Index Value of the Index as of the immediately preceding Index Calculation Day.

The Index Calculation Fee was 0 on the Index Start Date. The Index Calculation Fee, Fee(t), on any Index Calculation Day t following the Index Start Date will be calculated as follows:

$$\text{Fee}(t) = \text{Index}(t-1) \times \text{FeeRate} \times \text{DC}(t-1, t)$$

Where:

t-1	is the Index Calculation Day immediately preceding Index Calculation Day *t*
Index(*t*-1)	is the Index Value of the Index as of the close of Index Calculation Day *t*-1
FeeRate	is the Index Calculation Fee Rate
DC(*t*-1, *t*)	is the day count, calculated as the number of calendar days from and including Index Calculation Day *t*-1 to and excluding Index Calculation Day *t*, divided by 365

On any Index Calculation Day following the Index Start Date, the Index Calculation Fee is the *product of* (i) the Index Value of the Index on the immediately preceding Index Calculation Day *multiplied by* (ii) the Index Calculation Fee Rate *multiplied by* (iii) the number of calendar days from and including the immediately preceding Index Calculation Day, to and excluding the current Index Calculation Day *divided by* 365.

Publication of the Index Values

The Index Calculation Agent retains the right to delay publication of any Index Value of the Index if it reasonably believes at such time there are circumstances that prevent the correct calculation of the Index.

The Index Values of the Index will be calculated by the Index Calculation Agent and published on Bloomberg page CSEARC5E <Index>. Calculation and publication of the Index Value of the Index in respect of each Index Calculation Day is expected to take place at or shortly after 6:00 PM New York City time on that day.

In the event that an Index Value published by the Index Calculation Agent is amended after it is initially published, but before the publication of the following Index Calculation Day's Index Value, the amended Index Value will be considered the official fixing level and used in all applicable calculations. The Index may be replaced by a successor Index.

In the event that after the publication of the official fixing level of the Index the published value of any Index Component, or any Reference Rate or other index input that could impact a calculation of the level of the Index, is

changed or amended in respect of a time period prior to the day on which the level of the Index is being determined, the Index Calculation Agent will be under no obligation to recalculate the level of the Index or make any corresponding adjustment to the level of the Index or adjust any other calculation related to any variable used in the calculation of the Index in order to take account of such change by altering the level. The Index Calculation Agent, in consultation with the Index Committee, nonetheless will have the discretion to make appropriate adjustments to the published level of an Index in good faith and in order to achieve a commercially reasonable outcome, in any particular situation referred to in the preceding sentence, in light of the facts and circumstances of such situation.

Amendment of the Index Rules

The Index Sponsor may in consultation with the Index Calculation Agent and with the approval of the Index Committee, supplement, amend (in whole or in part), revise, rebalance or withdraw the Index at any time if one of the following occurs:

(i) there is any event or circumstance that in the determination of the Index Sponsor makes it impossible or impracticable to calculate or achieve the objectives of the Index pursuant to the Index Rules;

(ii) a change to the Index Rules is required to address an error, ambiguity or omission; or

(iii) the Index Sponsor determines that an "Extraordinary Event" has occurred;

provided, that in any such circumstance, any resulting supplement to or amendment or revision of the Index Methodology or change to the Index Components will be consistent with the fundamental structure and objectives of the Index.

A supplement, amendment, revision, rebalancing or withdrawal may lead to a change in the way the Index is calculated or constructed. Such changes may include, but are not limited to, substitution of an Index Component (including a Constituent Index), index rebalancing on a date on which there would not normally be a rebalancing under the Index Rules, but otherwise in accordance with the rebalancing process specified above, or changes to the Index Methodology. In the event that the Index Sponsor substitutes or makes a change to any Index Component or other factor, it will seek to find a substitute that is substantially similar to existing components or factors.

"Extraordinary Event" means (i) a change in the liquidity, trading volume, terms or listing of any Index Component or Tracking Instrument; (ii) any event or circumstance as a result of which the Index Sponsor determines that the value of an Index Component or a Tracking Instrument is unreliable; (iii) an Index Component or Tracking Instrument is discontinued or otherwise becomes generally unavailable to market participants; (iv) change in the method by which the value of an Index Component is calculated; or (v) any event that in the sole determination of the Index Sponsor (A) serves to frustrate the purpose or aims of the Index Methodology or (B) interferes with the ability of market participants generally to establish, maintain, value, rebalance, unwind or monetize positions in relation to an Index Component or Tracking Instrument, which, in the case of each of (i) – (v) above, the Index Sponsor determines is material in the context of the Index.

Suspension of the Index

Index Disruption

Where, in the determination of the Index Calculation Agent, an "Index Disruption Event" has occurred or is existing and subsisting in respect of any Index Calculation Day (a "Disrupted Day"), the Index Calculation Agent may in respect of such Disrupted Day (i) suspend the calculation and publication of the level of the Index Value of the Index and/or (ii) determine the Index Value of the Index on the basis of alternative price sources or estimated or adjusted data and it may publish an estimated level of the Index Value.

For these purposes, "Index Disruption Event" means a General Disruption Event or an Index Component Disruption Event.

General Disruption Events

In the determination of the Index Sponsor, each of the following events is a "General Disruption Event":

(i) a closure of the money markets denominated in the U.S. dollar or any other relevant currency as determined by the Index Calculation Agent other than for ordinary public holidays, or a restriction or suspension in trading in these markets that materially impacts any determination relevant to the construction or calculation of the Index or the Index Value; and

(ii) the failure, suspension or postponement of any calculation within the Index Methodology in respect of any Index Calculation Day, any event resulting in a breakdown in any means of communication or procedure normally used to enable the determination of the Index Value of the Index, any other event that the Index Calculation Agent determines will or is likely to prevent the prompt or accurate determination of the Index Value, or a conclusion by the Index Calculation Agent that as a consequence of any such event the last reported Index Value of the Index should not be relied upon.

Index Component Disruption Event

In the determination of the Index Sponsor that the event is material in relation to the Index, each of the following events is an "Index Component Disruption Event":

(i) (a) the occurrence or existence, in respect of any Tracking Instrument, of one of the following:

(1) a "Trading Disruption" on any relevant exchange in respect of such Tracking Instrument;

(2) an "Exchange Disruption;" or

(3) an "Early Closure;"

(ii) any failure to publish the value of a Constituent Index or Tracking Instrument for any reason on a day when such Constituent Index or Tracking Instrument is scheduled to be published; or

(iii) any event that disrupts or impairs (as determined by the Index Sponsor) the ability of market participants in general, or the Index Sponsor and/or its affiliates in particular, to effect transactions in or obtain market values for any Constituent Index or Tracking Instrument.

In addition to the foregoing, the Index Committee may terminate the Index at any time, as it deems appropriate in its sole discretion.

"Early Closure" means the closure on any Exchange Business Day of the relevant exchange in respect of any Constituent Index or Tracking Instrument before its scheduled closing time, but not including an early closure if such earlier closing time is announced by such relevant exchange at least one hour before the earlier of (i) the actual closing time for the regular trading session on such relevant exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant exchange system for execution at the scheduled closing time on such Exchange Business Day.

"Exchange Business Day" means any Scheduled Trading Day on which the relevant exchange is open for trading during its regular trading sessions, notwithstanding any such relevant exchange closing before its scheduled closing time.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs, as determined by the Index Sponsor, the ability of market participants in general to effect transactions on the relevant exchange in, or obtain reliable market values for, any Constituent Index or Tracking Instrument.

"Scheduled Trading Day" means, in respect of any relevant exchange, any day on which such exchange is scheduled to be open for trading for its regular trading session.

"Tracking Instrument" means each security, future or other instrument (i) the value of which is derived from the value or level of a Constituent Index or other Index Component or (ii) that is a component of or is referenced or otherwise used in connection with the calculation, or determination of the level, of a Constituent Index or other Index Component.

"Trading Disruption" means, with respect to any Tracking Instrument, any suspension of or limitation of trading on the relevant exchange, whether imposed by the exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise.

Role of the Index Sponsor and Index Calculation Agent

The Index Sponsor or the Index Calculation Agent may, at its discretion, transfer or delegate to another entity some or all of the functions and calculations associated with the role of Index Sponsor and Index Calculation Agent, as applicable, under the Index Rules.

The Index Sponsor is the final authority on the Index and the interpretation and application of the Index Rules. The Index Sponsor may, in accordance with the conditions and other terms specified in the Index Rules, supplement, amend (in whole or in part), revise or withdraw the Index Rules at any time. Such a supplement, amendment, revision or withdrawal may lead to a change in the way the Index is calculated or constructed and may affect the Index in other ways. Without prejudice to the generality of the foregoing, the Index Sponsor may determine that a change to the Index Rules is required or desirable in order to update the Index Rules to make them consistent with the Index Methodology or to address an error, ambiguity or omission. Such changes, for example, may include changes to eligibility requirements or construction and weighting rules. Consistent with the foregoing, the Index Rules may change without prior notice. The Index Sponsor may apply the Index Rules in such manner as it, in its discretion, considers reasonable and in doing so may rely upon other sources of market information as it, in its discretion, considers reasonable.

Unless otherwise specified, the Index Calculation Agent shall make all calculations, determinations, amendments, interpretations and selections in respect of the Index. The calculations, determinations, amendments, interpretations and selections of the Index Calculation Agent shall be made by it in accordance with the Index Rules, having regard in each case to the criteria stipulated therein and (where relevant) on the basis of information provided to or obtained by employees or officers of the Index Calculation Agent responsible for making the relevant calculations, determinations, amendments, interpretations and selections.

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The Index is compiled, maintained and calculated by the Index Sponsor (or its agent). However, the Index Sponsor has no obligation with regard to such activities to take the needs of any person into consideration, and neither it

nor its affiliates shall be liable, whether in negligence or otherwise, to any person for any errors or omissions in the Index or in the calculation of the Index or under any obligation to advise any person of any errors or omissions therein.

The rules governing the operation and calculation of the Index (the "Rules") may be amended by the Index Sponsor. An amendment to the Rules may result from, without limitation, a change to the construction or calculation of the Index or from the Index Sponsor determining that a change to the Rules is required or desirable in order to update them or to address an error, omission or ambiguity. No assurance can be given that any such amendment would not be detrimental to investors in the CDs. The Index Sponsor has no obligation to continue to publish, and may discontinue publication of, the Index. The end-of-day values of the Index are published subject to provisions in the Rules. Credit Suisse is not obligated to publish any information regarding the Index other than as stipulated in such Rules.

Credit Suisse did not publish or approve this document, and Credit Suisse accepts no responsibility for its contents or use.

Hypothetical Back-Tested and Historical Information

This section contains historical and hypothetical back-tested information about the performance of the Index and its composition since January 3, 2006. The Index was launched on February 27, 2015. Because the Index did not exist prior to that date, all information included below about the performance and composition of the Index prior to February 27, 2015 is hypothetical and back-tested. The hypothetical back-tested Index data includes and is based in part on hypothetical back-tested performance and composition data for the Base Index, which was launched on January 31, 2015. The hypothetical back-tested data for the Index and the Base Index were prepared by the Index Sponsor, and the Bank obtained such data from Bloomberg L.P. ("Bloomberg") without independent verification. You should understand that hypothetical back-tested Index performance information is subject to significant limitations, in addition to the fact that past performance is never a guarantee of future performance.

The hypothetical back-tested data was constructed by applying, retroactively, the methodology of the Index (including the Base Index) to the published values of the Constituent Indices, the Reference Fixed Income Index and 3-month USD LIBOR during the historical period shown. The Reference Fixed Income Index and certain of the Constituent Indices were first published on various dates after January 3, 2006 and therefore did not exist for the entire historical period for which back-tested data is provided below. For purposes of preparing the hypothetical back-tested data for the Index (including the Base Index) for the period prior to the launch dates of the Reference Fixed Income Index and these Constituent Indices, the Index Sponsor has stated that it used hypothetical back-tested data for the Reference Fixed Income Index and these Constituent Indices published by S&P Dow Jones Indices LLC. According to S&P Dow Jones Indices LLC, this hypothetical back-tested data was prepared by S&P Dow Jones Indices LLC based on the methodology of each applicable index as in effect on its launch date. We have not independently verified any of that data.

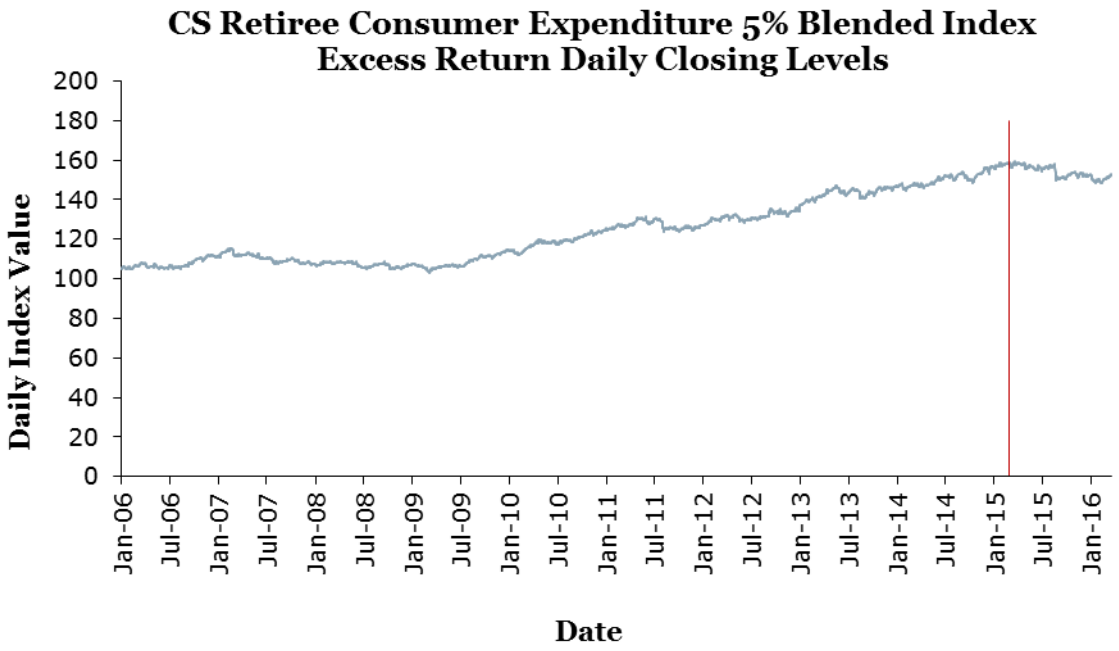
The hypothetical back-tested values have not been verified by an independent third party. Back-tested, hypothetical results have inherent limitations. These back-tested results are achieved by means of a retroactive application of a back-tested model designed with the benefit of hindsight. No representation is made that an investment linked to the Index will or is likely to achieve returns similar to those shown. Alternative modelling techniques or assumptions would produce different hypothetical back-tested information that might prove to be more appropriate and that might differ significantly from the hypothetical back-tested information herein. Actual results will vary, perhaps materially, from the analysis implied in the hypothetical back-tested information that forms part of the information. See "Risk Factors—Risks Relating to the Index—Hypothetical Back-Tested Index Performance Information Is Subject To Significant Limitations."

The value of the Index has fluctuated in the past and may, in the future, experience significant fluctuations. Any upward or downward trend in the historical or hypothetical value of the Index during any period shown below is not an indication that the Index is more or less likely to increase or decrease at any time during the term of your CDs.

You should not take the historical Index performance information or hypothetical performance data of the Index as an indication of the future performance of the Index. We cannot give you any assurance that the future performance of the Index, the Constituent Indices, the Reference Fixed Income Index or 3-month USD LIBOR will result in receiving an amount greater than the Deposit Amount of your CDs on the Stated Maturity Date.

Hypothetical Back-Tested and Historical Index Performance

The graph below sets forth the back-tested hypothetical Index Values from January 3, 2006 to February 26, 2015 and the actual historical Index Values from February 27, 2015 to March 18, 2016. The hypothetical back-tested performance data was prepared by the Index Sponsor, and the Bank obtained such data from Bloomberg without independent verification. The Index Value on March 18, 2016 was 153.1264. The historical Index Values from February 27, 2015 (the Index launch date) to March 18, 2016 were obtained from Bloomberg without independent verification. In the graph, the actual historical Index Values can be found to the right of the vertical solid line marker. **You should not take the historical Index performance information or hypothetical performance data of the Index as an indication of the future performance of the Index**.



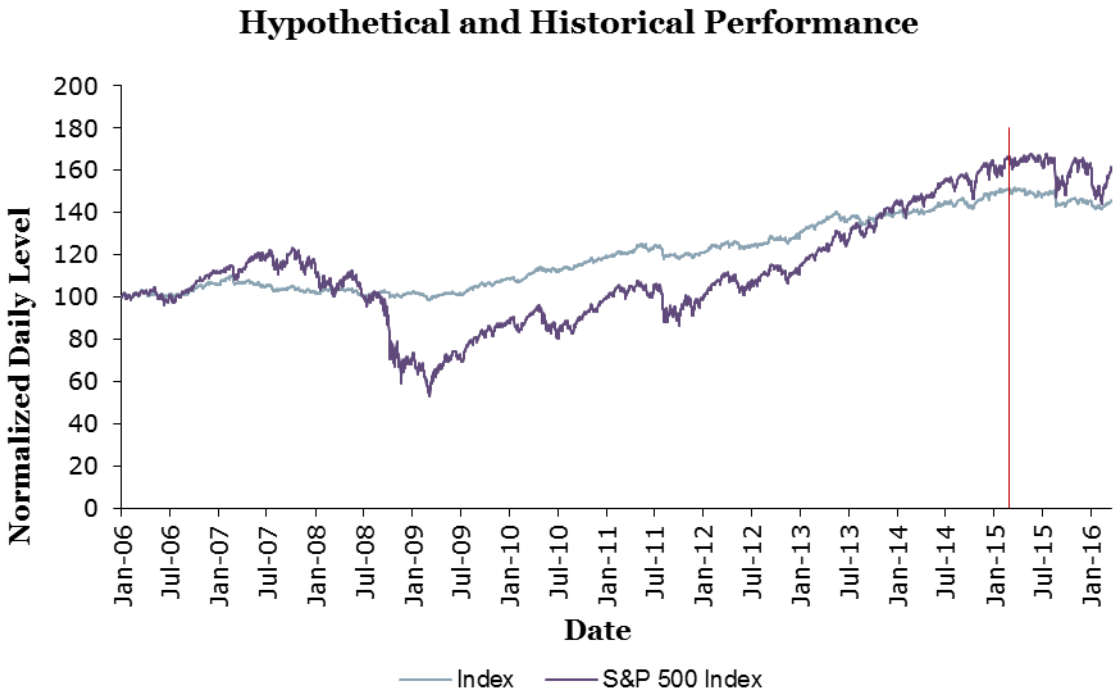
Source: The data in the graph above was prepared by the Index Sponsor, and we obtained such data from Bloomberg without independent verification.

For comparison purposes, in addition to the back-tested hypothetical and actual historical Index Values referred to in the preceding paragraph and the first graph above, the graph below also includes historical performance data of the S&P 500 Index, a benchmark index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market. We obtained the historical performance of the S&P 500 Index set forth in the graph below from Bloomberg without independent verification. For comparison purposes, each index has been normalized to have a closing level of 100.00 on January 3, 2006. In the graph, the values for the Index to the right of the vertical solid line marker represent actual historical performance, and values to the left of the vertical solid line marker represent hypothetical back-tested performance.

Although each Constituent Index tracks a particular sector, industry or sub-industry of the S&P 500 Index or the S&P Total Market Index, the graph below demonstrates that the performance of the Index will differ from that of the S&P 500 Index. That difference results from the fact that there a number of significant sectors of the U.S. equity markets that are represented in the S&P 500 Index that are not represented in the Index, such as the technology sector, the energy sector, the industrial sector and the financial sector. In addition, the weight of each Constituent Index in the Base Index is reset annually in a manner intended to broadly mirror the overall consumer expenditure patterns of retirees and thus the weights of each Constituent Index in the Base Index will differ from the weights of the relevant sectors represented by such Constituent Index in the S&P 500 Index. Furthermore, the performance of the Index is not based on the performance of the Base Index alone, but instead is based on a blend between the Base Index and the Reference Fixed Income and is subject to the excess return deduction, index fee and notional transaction costs.

The relationship between the performance of the Index and the performance of the S&P 500 Index shown in the graph below is not an indication of how the performance of the Index may compare to the performance of the S&P 500 Index in the future. By including performance information for the S&P 500 Index, no suggestion is made that the S&P 500 Index is the only alternative index to which the hypothetical back-tested performance of the Index should be compared. You should independently evaluate an investment linked to the Index as compared to other investments available to you.

You should not take the historical Index performance information or hypothetical performance data of the Index as an indication of the future performance of the Index.



Source: The data with respect to the Index in the graph above was prepared by the Index Sponsor, and we obtained such data from Bloomberg without independent verification. The data for the S&P 500 Index was obtained from Bloomberg without independent verification.

The following table sets forth the monthly and annual returns of the Index from January 3, 2006 to March 18, 2016. The returns set forth in the table below are based on back-tested hypothetical Index Values from January 3, 2006 to February 26, 2015 and the actual historical Index Values from February 27, 2015 to March 18, 2016. The hypothetical back-tested performance data was prepared by the Index Sponsor, and the Bank obtained such data from Bloomberg without independent verification.

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
2016	-1.27%	0.13%	1.76%										0.60% (through March 18, 2016)
2015	0.38%	0.82%	0.06%	-1.86%	0.48%	-0.85%	1.56%	-3.98%	-0.10%	1.82%	-0.45%	-0.44%	-2.65%
2014	-0.88%	1.33%	-0.05%	0.09%	1.71%	0.86%	-0.87%	2.05%	-2.02%	1.73%	2.45%	-0.04%	6.43%
2013	2.66%	0.57%	2.05%	1.61%	-0.70%	-0.51%	0.75%	-2.55%	1.80%	1.61%	0.47%	0.44%	8.42%
2012	1.86%	0.25%	1.89%	0.14%	-1.81%	0.64%	0.23%	0.60%	1.18%	0.18%	0.42%	1.06%	6.80%

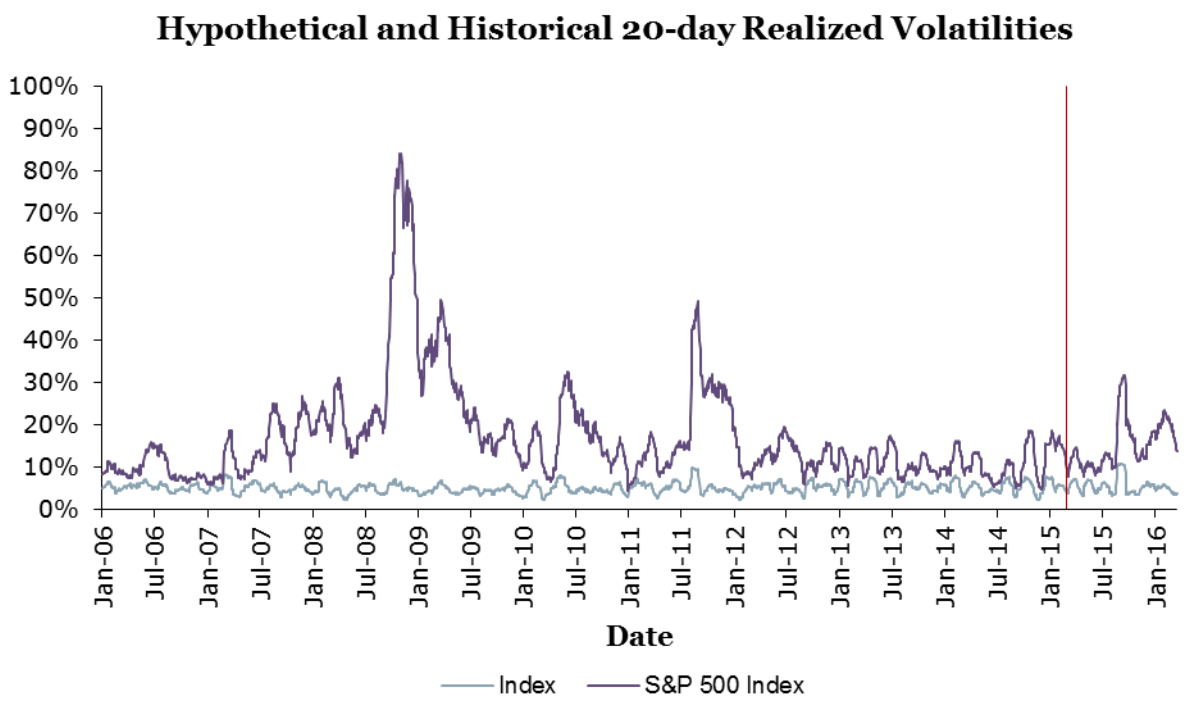
2011	0.60%	1.57%	0.05%	2.56%	0.44%	-1.29%	-0.56%	-2.16%	-1.37%	1.71%	-0.22%	0.55%	1.79%
2010	-1.53%	1.42%	2.28%	1.96%	-0.56%	-0.72%	1.68%	-0.65%	1.81%	1.40%	0.40%	1.29%	9.04%
2009	-1.06%	-1.94%	1.10%	1.17%	0.58%	-0.52%	1.69%	1.61%	1.11%	-0.58%	1.88%	1.34%	6.48%
2008	0.85%	-0.08%	0.06%	-0.09%	-0.28%	-2.11%	0.71%	0.75%	-0.06%	-1.26%	0.60%	0.88%	-0.10%
2007	2.47%	-1.15%	-0.77%	0.07%	0.46%	-1.97%	-1.89%	0.72%	0.71%	-0.20%	-0.92%	-0.88%	-3.37%
2006	1.91%	0.50%	0.75%	-0.88%	-0.75%	0.76%	-0.19%	0.60%	1.37%	2.48%	0.74%	-0.46%	7.00%

Source: The data in the table above was prepared by the Index Sponsor, and we obtained such data from Bloomberg without independent verification.

The following graph sets forth the annualized volatility of the Index (calculated on each day based on the preceding 20 Index Calculation Days) for the period from January 3, 2006 to March 18, 2016 based on back-tested hypothetical data and historical actual historical data previously supplied above. In the chart, the actual historical information can be found to the right of the vertical solid line marker.

For comparison purposes, the below graph also includes the historical annualized volatility of the S&P 500 Index (calculated on each day based on the preceding 20 Index Calculation Days). We obtained the historical volatility of the S&P 500 Index set forth in the graph below from Bloomberg without independent verification. Although the Index seeks to maintain a relatively constant and controlled volatility of 5%, the Index may fail to maintain its volatility target. For example, during periods of sudden increased volatility levels of the Base Index, the volatility of the Index may significantly exceed the volatility target and the Index may experience a significant decline.

You should not take the historical information or hypothetical data as an indication of the future performance of the Index.

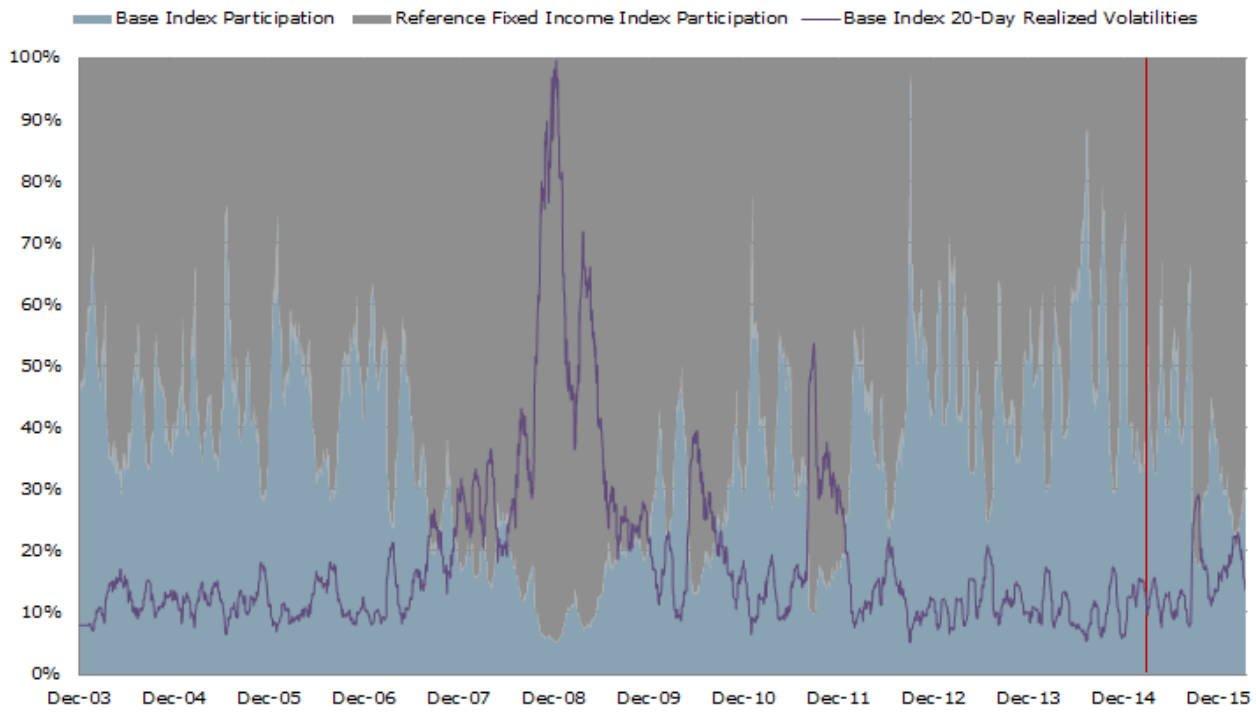


Source: The data in the graph above for the Index was prepared by the Index Sponsor, and we obtained such data from the Bloomberg without independent verification. The data for the S&P 500 Index was obtained from Bloomberg without independent verification.

Hypothetical Back-Tested and Historical Index Allocation to the Base Index and the Reference Fixed Income Index

The following graph sets forth the Realized Volatility of the Base Index and illustrates the Index's allocation to the Base Index and the Reference Fixed Income Index for the period from January 3, 2006 to March 18, 2016 based on back-tested hypothetical data and historical actual historical data previously supplied above. In the chart, the actual historical information can be found to the right of the vertical solid line marker. **You should not take the historical information or hypothetical data as an indication of the future performance of the Index.**

The Index tracks the blended performance of the Base Index and the Reference Fixed Income Index. This means that a portion of the Index's return will be attributable to the performance of the Base Index and a portion will be attributable to the performance of the Reference Fixed Income Index. The portion attributable to each at any time will depend on the Realized Volatility of the Base Index over the preceding 20 Index Calculations Days, as compared to the Index's volatility target of 5%. Based on the hypothetical back-tested and historical data shown below, the Realized Volatility of the Base Index has historically been significantly greater than 5%. As a result, the Index has historically had significantly less than 100% exposure to the Base Index and, therefore, has historically had significant exposure to the Reference Fixed Income Index.



Source: The data in the graph above was prepared by the Index Sponsor, and we obtained such data from the Index Sponsor without independent verification.

Hypothetical Back-Tested and Historical Base Index Composition

The following table sets forth the weight allocated to each Constituent Index in the Base Index for each annual period from November 2011 to November 2015. The Base Index was launched on January 31, 2015. Because the Base Index did not exist prior to that date, all information included below about the composition of the Base Index prior to January 31, 2015 is hypothetical and back-tested. The hypothetical back-tested performance data was prepared by the Index Sponsor, and the Bank obtained such data from the Index Sponsor without independent verification.

In November of each year, the Base Index is rebalanced so that each Constituent Index has a percentage weight in the Base Index that matches the most recently published CEX data. Each Constituent Index tracks a particular sector,

industry or sub-industry of the U.S. economy and has been selected by the Index Sponsor to correspond to one or more general categories of retiree consumer expenditures for which data are published annually by CEX. As illustrated in the table below, the Real Estate Industry Group Index (the Constituent Index corresponding to the "Housing" CEX category) has historically been allocated the largest weight of any of the Constituent Indices, with a weighting more than twice that of any other Constituent Index. Therefore, the Base Index has historically been subject to risks affecting the real estate industry on a concentrated basis. See "Risk Factors— Risks Relating to the Index—The Base Index Has Historically Been Subject To Risks Affecting Stocks In The Real Estate Industry On a Concentrated Basis."

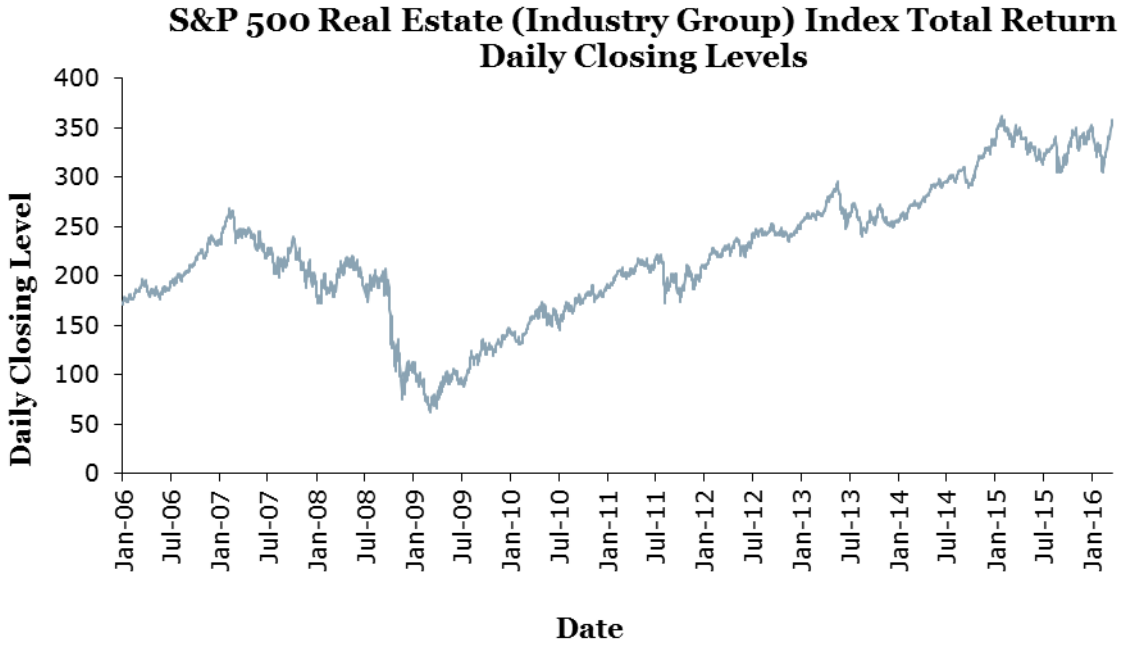
You should not take the historical information or hypothetical data as an indication of the future performance of the Base Index.

Annual Rebalance	**Real Estate Industry Group Index**	**Transportation Select Industry Index**	**Food & Beverage Select Industry Index**	**Health Care Select Sector Index**	**Insurance Select Industry Index**	**Apparel Retail Sub-Industry Index**	**Consumer Discretionary Select Sector Index**
Nov. 2015	33.87%	15.91%	12.52%	13.40%	5.15%	2.52%	16.62%
Nov. 2014	34.31%	16.33%	12.54%	12.24%	5.79%	2.47%	16.33%
Nov. 2013	34.23%	16.18%	12.52%	12.67%	4.97%	2.53%	16.90%
Nov. 2012	34.99%	14.68%	13.17%	12.17%	5.07%	2.88%	17.04%
Nov. 2011	35.36%	14.24%	12.39%	13.16%	5.09%	2.62%	17.14%

Source: The data in the graph above was prepared by the Index Sponsor, and we obtained such data from the Index Sponsor without independent verification.

Historical Performance of the Constituent Indices and the Reference Fixed Income Index

The following graphs set forth the daily closing levels of each of the Constituent Indices and the Reference Fixed Income Index for each day in the period from January 3, 2006 to March 18, 2016. We obtained the closing levels set forth in the graphs below from Bloomberg without independent verification. As discussed above, the historical performance data for the Reference Fixed Income Index and certain of the Constituent Indices set forth below includes hypothetical back-tested performance data prepared by S&P Dow Jones Indices LLC with respect to the period prior to the launch of the applicable index. The historical performance of the Constituent Indices and the Reference Fixed Income Index should not be taken as an indication of the future performance of the Constituent Indices and the Reference Fixed Income Index during the term of the CDs.


S&P 500 Real Estate (Industry Group) Index Total Return
Daily Closing Levels
Daily Closing Level
400
350
300
250
200
150
100
50
0
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
Jul-10
Jan-11
Jul-11
Jan-12
Jul-12
Jan-13
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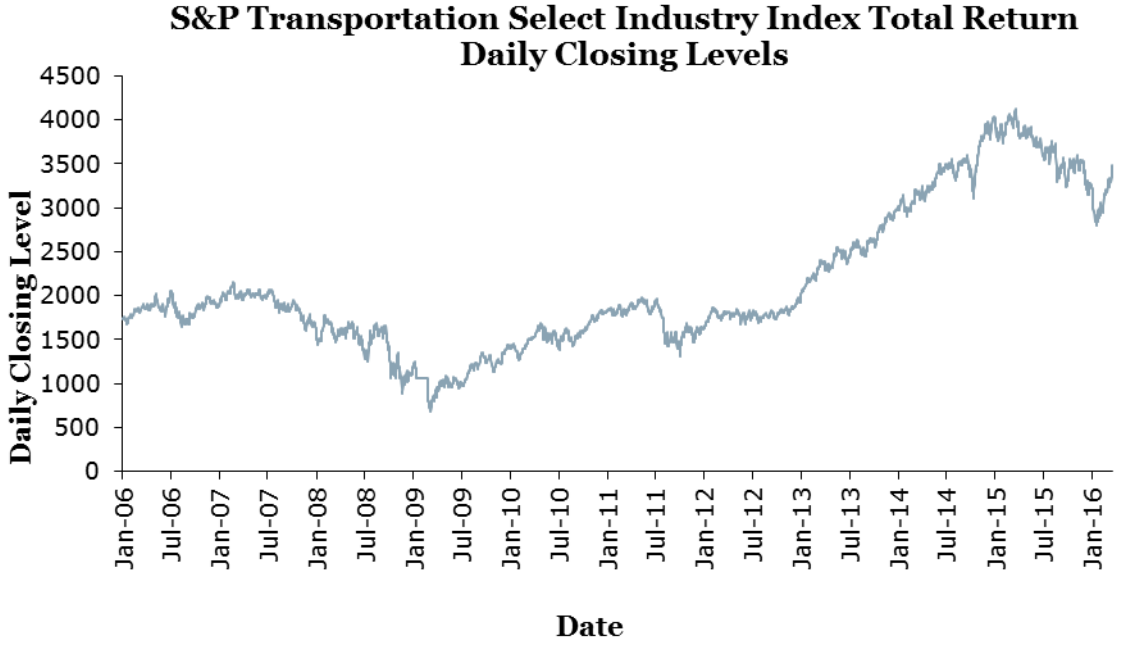
Jan-15
Jul-15
Jan-16
Date


S&P Transportation Select Industry Index Total Return
Daily Closing Levels
Daily Closing Level
4500
4000
3500
3000
2500
2000
1500
1000
500
0
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
Jul-10
Jan-11
Jul-11
Jan-12
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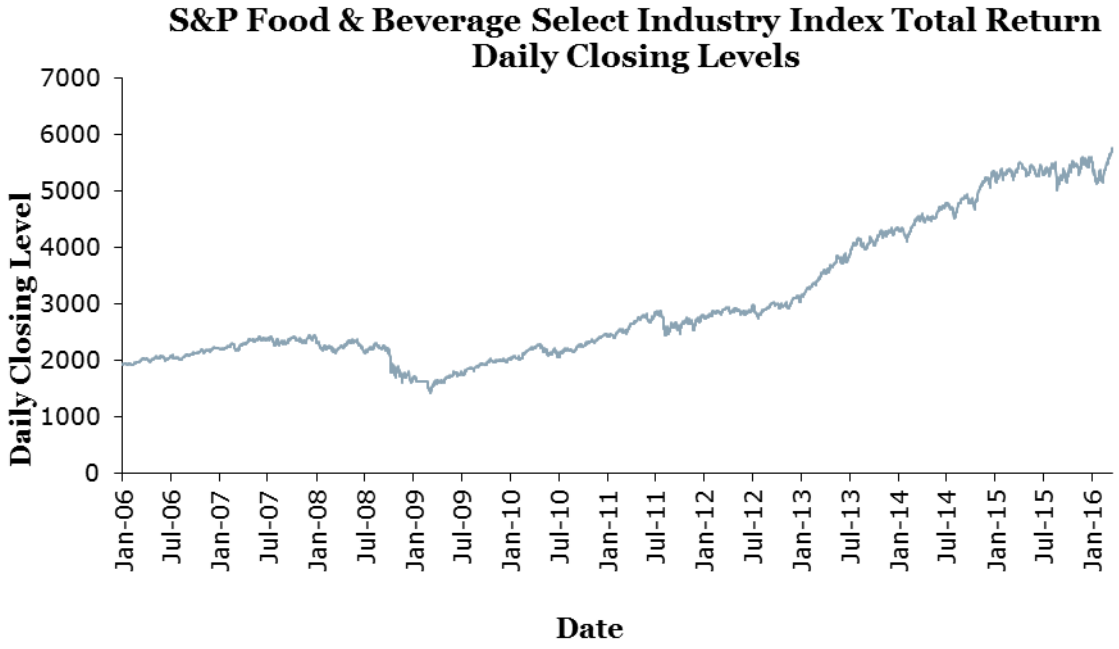
Jan-15
Jul-15
Jan-16
Date


S&P Food & Beverage Select Industry Index Total Return Daily Closing Levels
Daily Closing Level
7000
6000
5000
4000
3000
2000
1000
0
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
Jul-10
Jan-11
Jul-11
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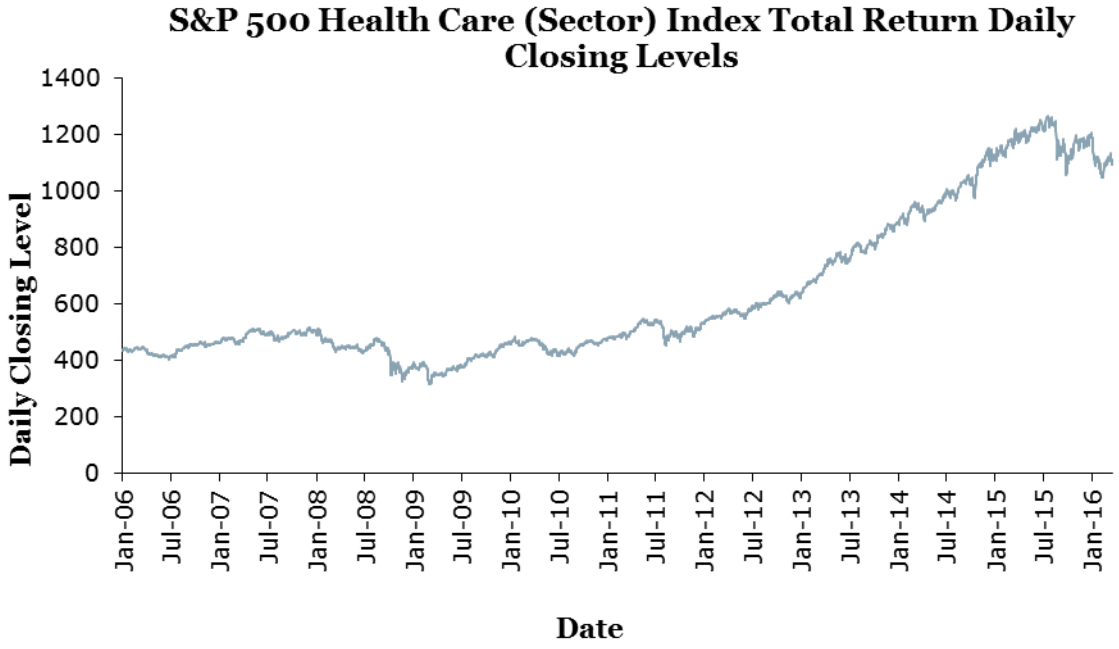
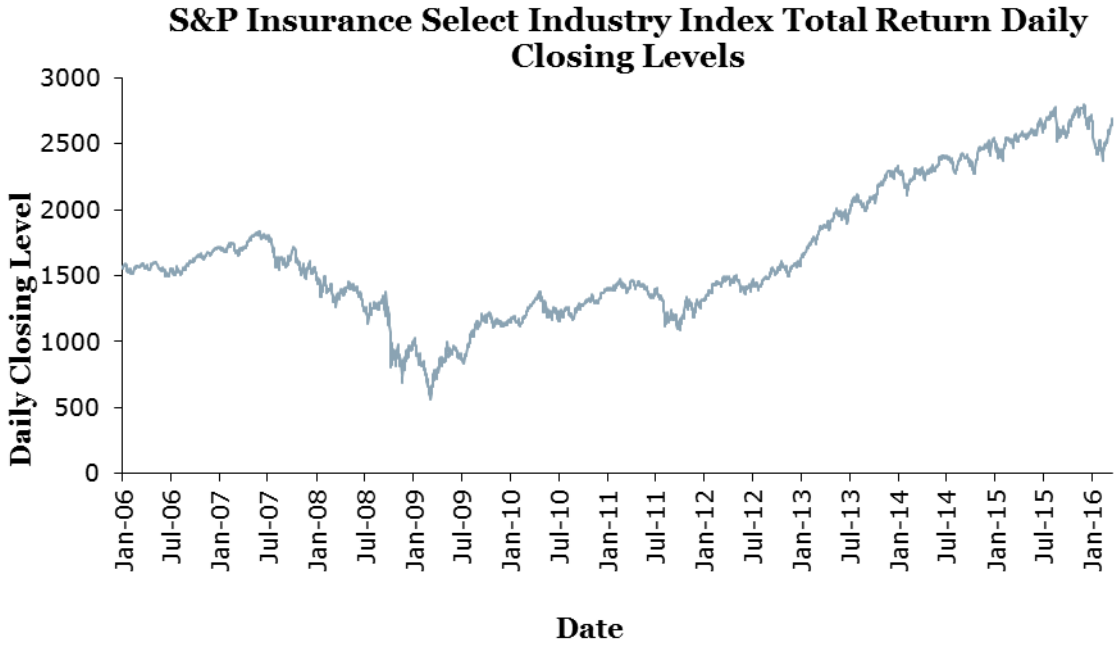
Jul-14
Jan-15
Jul-15
Jan-16
Date


S&P 500 Health Care (Sector) Index Total Return Daily Closing Levels
Daily Closing Level
1400
1200
1000
800
600
400
200
0
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
Jul-10
Jan-11
Jul-11
Jan-12
Jul-12
Jan-13
Jul-13
Jan-14
Jul-14
Jan-15
Jul-15
Jan-16
Date


S&P Insurance Select Industry Index Total Return Daily Closing Levels
Daily Closing Level
3000
2500
2000
1500
1000
500
0
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
Jul-10
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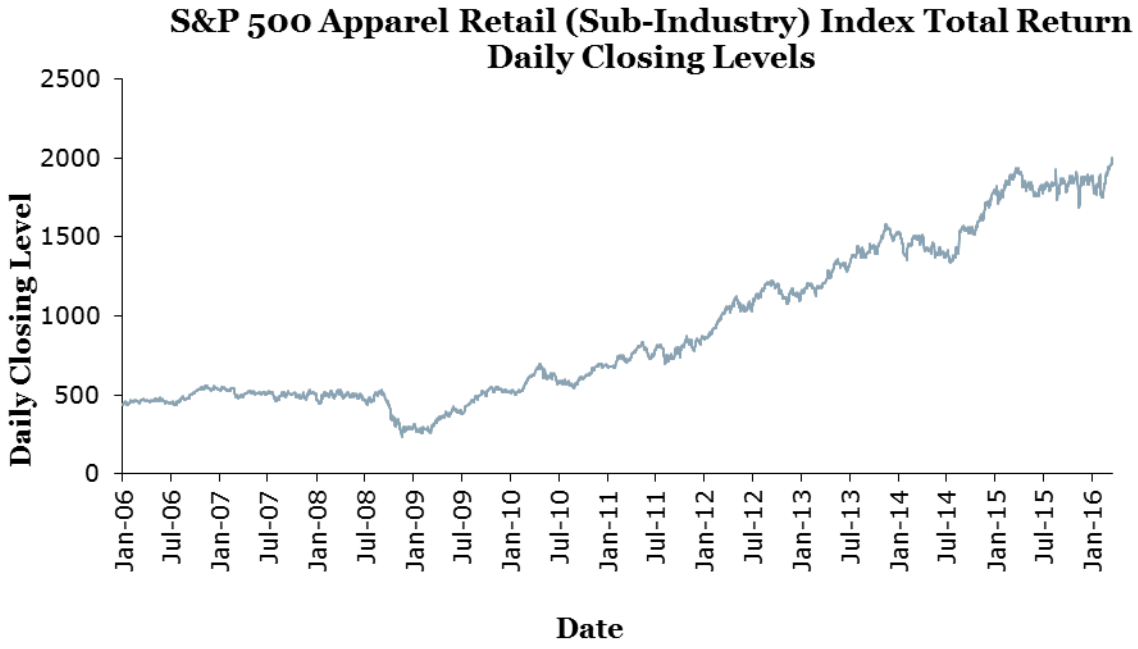
Jan-15
Jul-15
Jan-16
Date


S&P 500 Apparel Retail (Sub-Industry) Index Total Return Daily Closing Levels
Daily Closing Level
2500
2000
1500
1000
500
0
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
Jul-10
Jan-11
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Jan-15
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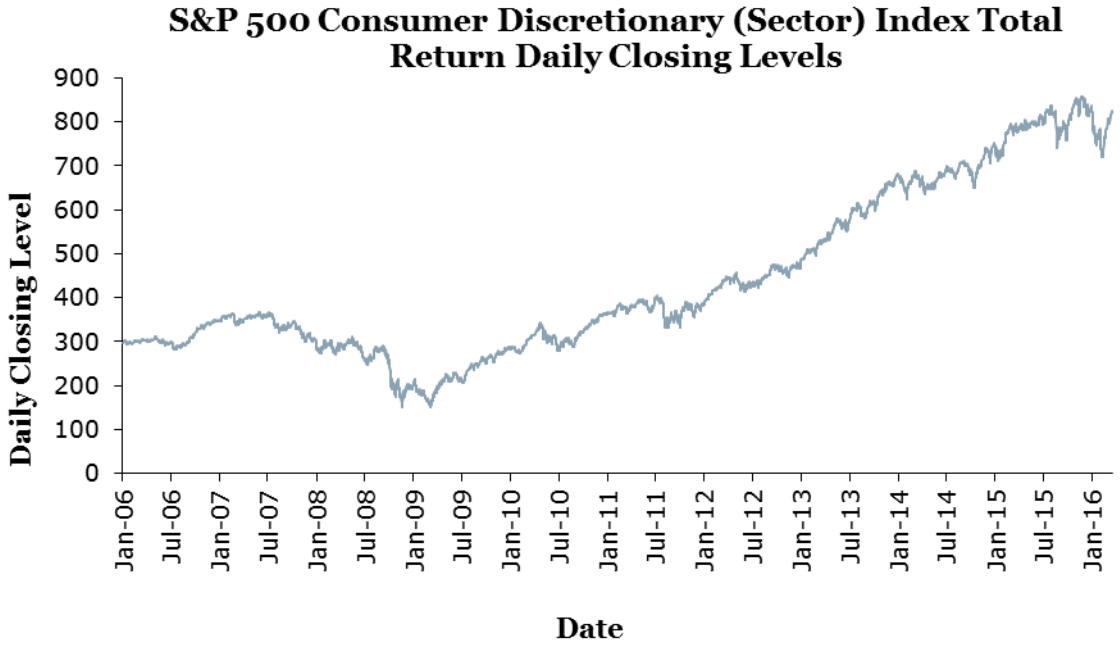
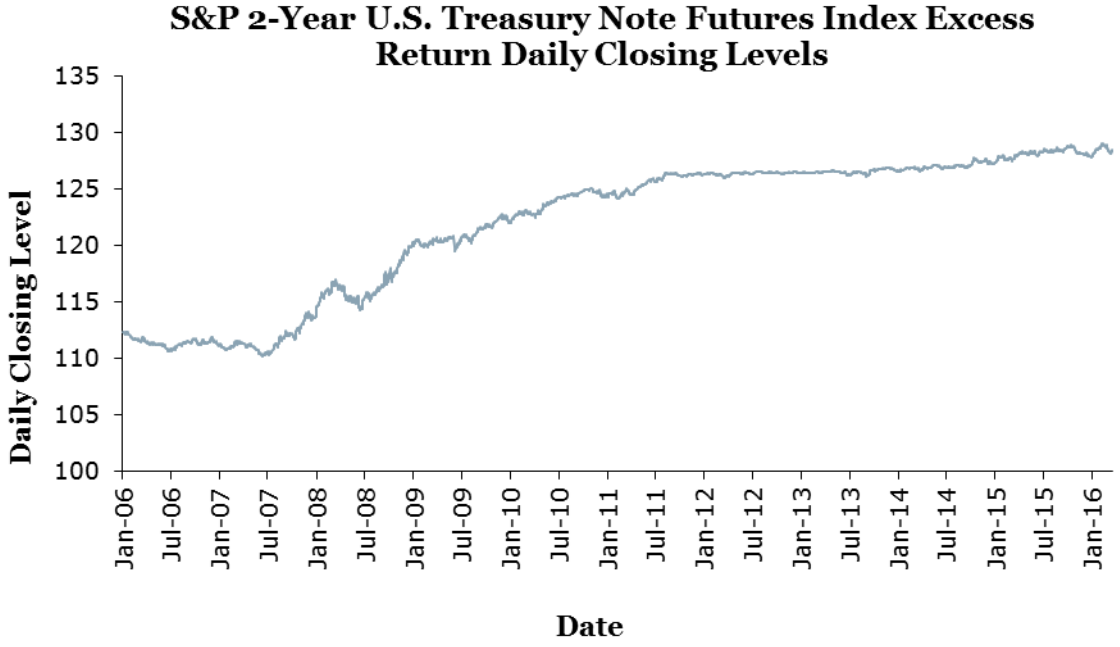
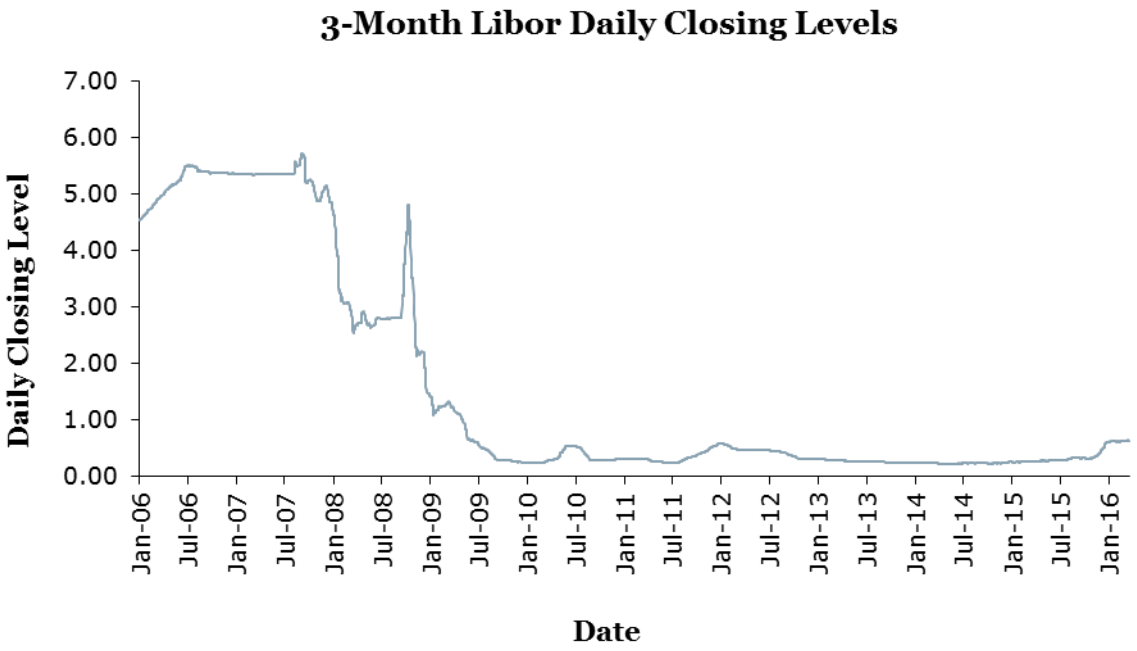
Jan-16
Date





Historical Levels of 3-Month USD LIBOR

In calculating the Index, an annual rate equal to 3-month USD LIBOR *plus* 0.40% is deducted from the performance of the Base Index (which is referred to as the "excess return deduction). As such, the levels of 3-month USD LIBOR will have a significant effect on the performance of the Index over the term of the CDs. The graph below shows the officially reported levels of 3-month USD LIBOR on each day on which such rate was published since January 3, 2006. We obtained the levels of 3-month USD LIBOR from Bloomberg without independent verification.


3-Month Libor Daily Closing Levels
Daily Closing Level
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
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Jan-11
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Jul-15
Jan-16
Date

ANNEX A
CONSUMER EXPENDITURE SURVEY

Overview

The Consumer Expenditure Survey ("CEX") program collects and publishes data on the buying habits of American consumers. The survey data are collected for the U.S. Department of Labor's Bureau of Labor Statistics (the "BLS") by the U.S. Census Bureau. CEX data for each calendar year are published annually, generally in September of each year. The data published in September of each year reflect consumer expenditures for the previous calendar year (for example, the survey data published in September 2015 reflect expenditures for 2014). The survey data are used periodically to revise the market basket of goods and services that is used in calculating the Consumer Price Index, among other purposes. The information included in this Terms Supplement regarding the CEX is derived from publicly available information published by the BLS, without independent verification.

The CEX program consists of two surveys, the quarterly interview survey and the diary survey, taken from a sample of approximately 21,000 households per year (out of approximately 125 million households in the United States). In the interview survey, each family in the sample is interviewed every 3 months over five calendar quarters. The diary (or recordkeeping) survey is completed by the participating family for two consecutive 1-week periods. Both the interview survey and the diary survey are conducted primarily by personal visits, with some telephone usage. The interviewer uses a structured questionnaire to collect both the demographic and expenditure data in the interview survey. The demographic data for the diary survey are collected by the interviewer, whereas the expenditure data are entered on the diary form by the survey participant.

The unit for which expenditure reports are collected is the set of eligible individuals constituting a "consumer unit," which is defined as (1) all members of a particular housing unit who are related by blood, marriage, adoption or some other legal arrangement, such as foster children; (2) a person living alone or sharing a household with others, or living as a roomer in a private home, lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more unrelated persons living together who pool their income to make joint expenditure decisions. Survey participants report dollar amounts for goods and services purchased by any member of the consumer unit during the reporting period, regardless of whether payment was made at the time of purchase. Expenditure amounts for items purchased by the consumer unit include all applicable sales and excise taxes. Business-related expenditures and expenditures for which the family is reimbursed are excluded from expenditure total amounts.

The interview survey collects detailed data on an estimated 60 to 70 percent of total family expenditures. In addition, global estimates are obtained for food and other selected items. These global estimates account for an additional 20 to 25 percent of total expenditures. The interview survey is designed to collect data on the types of expenditures that respondents can be expected to recall for a period of 3 months or longer. In general, expenditures reported in the interview survey are either relatively large, such as those for property, automobiles and major appliances, and/or that occur on a fairly regular basis, such as for rent, utilities or insurance.

In the diary survey, detailed data are collected on all expenditures made by consumer units during their 2-week participation in the survey. The primary objective of the diary survey is to obtain expenditures data on small, frequently purchased items, which can be difficult to recall even a few weeks later. These items include food and beverage expenditures at home and in eating places; housekeeping supplies and services; nonprescription drugs; and personal care products and services. The diary survey is not limited to these types of expenditures but, rather, includes all expenses that the consumer unit incurs during the survey week. Expenses incurred by family members while away from home overnight and for credit and installment plan payments are excluded.

Once obtained, data from the interview and diary surveys are integrated to provide a single accounting of consumer expenditures, which neither survey component alone is designed to do. Some expenditure items are collected only by the interview survey or diary survey. For example, the diary survey collects data on detailed food expenditures and items, such as postage and nonprescription drugs, which are not collected in the interview survey. The interview survey collects data on expenditures for overnight travel and information on insurance reimbursements for medical-care costs and automobile repairs, which are not collected in the Diary Survey. Data on average annual expenditures that come exclusively from the interview survey, including global estimates, such as those for food and alcoholic beverages, average about 95 percent of the total estimated spending, based on integrated interview and diary survey data. For items unique to one or the other survey, the choice of which survey to use as the source of data is obvious. However, there is

considerable overlap in coverage between the surveys. When data are available from both survey sources, the BLS uses statistical methods to select data from the source it deems to be the more reliable of the two.

Sample surveys, such as the interview survey and diary survey, are subject to two types of errors—sampling and non-sampling. Sampling error is the uncertainty caused by the fact that observations are taken from a sample of population members and not from the entire population. Non-sampling error is the rest of the error and arises regardless of whether data are collected from a sample or from the entire population. Non-sampling errors can be attributed to many sources, such as differences in the interpretation of questions, inability or unwillingness of respondents to provide correct information and data processing errors, among other factors.

Categories of Consumer Expenditures

The BLS publishes consumer expenditure data for each calendar year on an annual basis, generally in September of each year for expenditures in the preceding calendar year. The BLS also publishes "midyear" consumer expenditure data for the period from July of one calendar year to June of the following year, but the Index does not utilize this data. Consumer expenditure data is published for fourteen general categories of expenditures (and numerous sub-categories) and is broken down by a variety of demographic characteristics. The Index utilizes the consumer expenditures data for the demographic group of reference persons ages 65 years and older. Each consumer unit has a "reference person," who is the person named as owning or renting the home in which the members of the consumer unit reside. Data for a given consumer unit will be included in the "65 years and older" group if the reference person for that consumer unit is 65 years old or older.

The table below lists the general categories of consumer expenditures for which the BLS publishes data, describes each category and indicates, for each category, the percentage of overall consumer expenditures attributable to that category (for all consumer units and for the "65 years and older" demographic group) in 2014. The description for each general category is made up of descriptions of each sub-category within that general category. The percentages for 2014 are provided for information purposes only. The percentages for future years may differ from the percentages indicated below.

		% of Overall Expenditures (2014)	
General Category	**Description of Each Sub-Category**	All	65 years and older
Housing	***Shelter*** includes interest on mortgages, interest on home equity loans and lines of credit, property taxes and insurance, refinancing and prepayment charges, ground rent, expenses for property management and security, homeowners' insurance, fire insurance and extended coverage, expenses for repairs and maintenance contracted out and expenses of materials for owner-performed repairs and maintenance for dwellings used or maintained by the consumer unit, rent paid for dwellings, rent received as pay, parking fees, maintenance expenses and all expenses for vacation homes, school, college, hotels, motels and other lodging while out of town.	33.3%	33.9%
	Utilities, fuels, and public services includes natural gas; electricity; fuel oil and other fuels, such as wood, kerosene, coal, and bottled gas; water and other public services, such as garbage and trash collection, sewerage maintenance, septic tank cleaning; and telephone charges.		
	Household operations includes baby-sitting, day care, nursery school, and preschool tuition, care of the elderly, invalids and handicapped, adult day care, domestic and other duties, housekeeping services, gardening and lawn care services, coin-operated laundry and dry-cleaning (non-clothing), termite and pest control products and services, home security systems service fees, moving, storage and freight expenses, repair of household appliances and other household equipment, repair of computer systems for home use, computer information services, reupholstering and furniture repair, rental and repair of lawn and gardening tools and rental of other household equipment.		
	Housekeeping supplies includes laundry and cleaning supplies, cleaning and toilet tissues, stationery supplies, postage, delivery services, miscellaneous household products and lawn and garden supplies.		
	Household furnishings and equipment includes household textiles, furniture, floor coverings, major appliances, small appliances, miscellaneous housewares and miscellaneous household equipment.		
Transportation	***Vehicle purchases (net outlay)*** includes the net outlay (purchase price minus trade-in value) on new and used domestic and imported cars and trucks and other vehicles, including motorcycles	17.0%	15.9%

	and private planes. ***Vehicle finance charges*** includes the dollar amount of interest paid for a loan contracted for the purchase of vehicles described above. ***Gasoline and motor oil*** includes gasoline, diesel fuel and motor oil. ***Maintenance and repairs*** includes tires, batteries, tubes, lubrication, filters, coolant, additives, brake and transmission fluids, oil change, brake work including adjustment, front-end alignment, wheel balancing, steering repair, shock absorber replacement, clutch and transmission repair, electrical system repair, exhaust system repair, body work and painting, motor repair, repair to cooling system, drive train repair, drive shaft and rear-end repair, tire repair, audio equipment, other maintenance and services and auto repair policies. ***Vehicle insurance*** includes the premium paid for insuring cars, trucks and other vehicles. ***Public transportation*** includes fares for mass transit, buses, trains, airlines, taxis, school buses for which a fee is charged and boats. ***Vehicle rental, leases, licenses and other charges*** includes leased and rented cars, trucks, motorcycles, and aircraft; inspection fees; State and local registration; driver's license fees; parking fees; towing charges; tolls; and automobile service clubs.		
Food	***Food at home*** refers to the total expenditures for food at grocery stores (or other food stores) and food prepared by the consumer unit on trips. It excludes the purchase of nonfood items. ***Food away from home*** includes all meals (breakfast and brunch, lunch, dinner and snacks and nonalcoholic beverages) including tips at fast food, take-out, delivery, concession stands, buffet and cafeteria, at full-service restaurants, and at vending machines and mobile vendors. Also included are board (including at school), meals as pay, special catered affairs, such as weddings, bar mitzvahs and confirmations, school lunches and meals away from home on trips.	12.6%	12.5%
Healthcare	***Health insurance*** includes traditional fee-for-service health plans, preferred-provider health plans, health maintenance organizations (HMO's), commercial Medicare supplements and other health insurance. ***Medical services*** includes hospital room and services, physicians' services, service by a professional other than a physician, eye and dental care, lab tests and X-rays, medical care in a retirement community, care in convalescent or nursing home and other medical care service. ***Drugs*** includes nonprescription drugs and vitamins and prescription drugs. ***Medical supplies*** includes topicals and dressings, antiseptics, bandages, cotton, first-aid kits, contraceptives, syringes, ice bags, thermometers, sun lamps, vaporizers, heating pads, medical appliances (such as braces, canes, crutches, walkers, eyeglasses and hearing aids) and rental and repair of medical equipment.	8.0%	13.4%
Personal Insurance and Pensions	***Life, endowment, annuities and other personal insurance*** includes premiums for whole life and term insurance; endowments; income and other life insurance; mortgage guarantee insurance; mortgage life insurance; premiums for personal liability, accident and disability and other non-health insurance other than for homes and vehicles. ***Retirement, pensions and Social Security*** includes all Social Security contributions paid by employees; employee contributions to railroad retirement, government retirement and private pension programs; and retirement programs for the self-employed.	10.7%	5.2%
Apparel and Services	***Men's and boys' apparel*** includes coats and jackets, sweaters and vests, sportcoats and tailored jackets, trousers and slacks, shorts and short sets, sportswear, shirts, underwear, nightwear, hosiery, uniforms and other accessories. ***Women's and girls' apparel*** includes coats and jackets, furs, sportcoats and tailored jackets, sweaters and vests, blouses and shirts, dresses, jeans, culottes, slacks, shorts, sportswear, underwear, nightwear, uniforms, hosiery and other accessories. ***Apparel for children under age 2*** includes coats, jackets, and snowsuits; underwear; diapers; dresses; crawlers and other sleeping garments; hosiery; footwear; and accessories. ***Footwear*** includes articles such as shoes, slippers, boots and other similar items. It excludes footwear for children under age 2 and special footwear used for sports such as bowling or golf shoes. ***Other apparel products and services*** includes material for making clothes, shoe repair, alterations and repairs, sewing patterns and notions, clothing rental, clothing storage, dry cleaning and sent-out laundry, watches, jewelry and repairs to watches and jewelry.	3.3%	2.5%
Other		15.10%	16.60%
Alcoholic	***Alcoholic beverages*** includes beer and ale, wine, whiskey, gin, vodka, rum, and other alcoholic	*0.9%*	*0.8%*

Beverages	beverages.		
Entertainment	***Fees and admissions*** includes fees for participant sports; admissions to sporting events, movies, concerts, and plays; health, swimming, tennis and country club memberships; fees for other social, recreational and fraternal organizations; recreational lessons or instruction; rental of movies; and recreation expenses on trips. ***Television, radio, and sound equipment*** includes television sets, video recorders, video cassettes, tapes, discs, disc players, video game hardware, video game cartridges, cable TV, radios, phonographs, tape recorders and players, sound components, records, compact discs, and tapes (including records, compact discs, and tapes purchased through mail order clubs), musical instruments and rental and repair of TV and sound equipment. ***Pets, toys, hobbies and playground equipment*** includes pets, pet food, pet services, veterinary expenses, etc.; toys, games, hobbies and tricycles; and playground equipment. ***Other entertainment equipment and services*** includes indoor exercise equipment, athletic shoes, bicycles, trailers, purchase and rental of motorized campers and other recreational vehicles, camping equipment, hunting and fishing equipment, sports equipment (winter, water and other), boats, boat motors and boat trailers, rental of boats, landing and docking fees, rental and repair of sports equipment, photographic equipment and supplies (film and film processing), photographer fees, repair and rental of photo equipment, fireworks and pinball and electronic video games.	*5.1%*	*5.5%*
Personal Care Products and Services	***Personal care products and services*** includes products for the hair, oral hygiene products, shaving needs, cosmetics and bath products, electric personal care appliances, other personal care products and personal care services for males and females.	*1.2%*	*1.4%*
Reading	***Reading*** includes subscriptions for newspapers and magazines; books through book clubs; e-books and digital reading material; and the purchase of single-copy newspapers, magazines, newsletters, books and encyclopedias and other reference books.	*0.2%*	*0.3%*
Education	***Education*** includes tuition; fees; and textbooks, supplies, and equipment for public and private nursery schools, elementary and high schools, colleges and universities and other schools.	*2.3%*	*0.5%*
Tobacco Products and Smoking Supplies	***Tobacco products and smoking supplies*** includes cigarettes, e-cigarettes, cigars, snuff, loose smoking tobacco, chewing tobacco and smoking accessories (such as cigarette or cigar holders, pipes, flints, lighters and pipe cleaners).	*0.6%*	*0.5%*
Miscellaneous	***Miscellaneous*** includes safety deposit box rental, checking account fees and other bank service charges, credit card memberships, legal fees, accounting fees, funerals, cemetery lots, union dues, occupational expenses, expenses for other properties and finance charges other than those for mortgages and vehicles.	*1.5%*	*1.8%*
Cash Contributions	***Cash contributions*** includes cash contributed to persons or organizations outside the consumer unit, including alimony and child support payments; care of students away from home; and contributions to religious, educational, charitable or political organizations.	*3.3%*	*5.8%*

ANNEX B
THE CONSTITUENT INDICES

We obtained all information contained in this Terms Supplement regarding each of the Constituent Indices, including, without limitation, their make-up, method of calculation and changes in their components, from publicly available information. That information reflects the policies of, and is subject to change by, S&P Dow Jones Indices LLC ("S&P Dow Jones"), the index sponsor of each of the Constituent Indices. S&P Dow Jones has no obligation to continue to publish, and may discontinue publication of, any of the Constituent Indices. Neither we nor any Broker has independently verified the accuracy or completeness of any information with respect to any of the Constituent Indices in connection with the offer and sale of any CDs.

The Global Industry Classification Standards ("GICS") methodology that is used for all of the Constituent Indices is designed to meet the needs of the investment community for a classification system that reflects a company's primary business model as determined by its financial performance. GICS is a four-tiered, hierarchical industry classification system that currently includes 10 sectors, 24 industry groups, 67 industries and 156 sub-industries. Each company that is classified by GICS is placed in a sub-industry, and in a corresponding industry, industry group and sector.

Each of the S&P® Transportation Select Industry™ Index Total Return (the "Transportation Select Industry Index"), the S&P® Food & Beverage Select Industry™ Index Total Return (the "Food & Beverage Select Industry Index") and the S&P® Insurance Select Industry™ Index Total Return (the "Insurance Select Industry Index") is one of the S&P Select Industry Indices (collectively, the "Select Industry Indices" and each, a "Select Industry Index"). Each Select Industry Index is designed to measure the performance of a sub-industry group of the S&P® Total Market Index (the "S&P Total Market Index") based on the GICS methodology. The S&P Total Market Index is a benchmark that measures the performance of the broad United States equity market, including large-, mid-, small- and micro-cap stocks. The S&P Total Market Index offers broad market exposure to companies of all market capitalizations, including all common equities listed on the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Select Market and the NASDAQ Capital Market. Only United States companies are eligible for inclusion in the S&P Total Market Index. Below is a short description of each of the Constituent Indices that are Select Industry Indices. For more information regarding the methodology of the S&P Total Market Index and the Select Industry Indices, see "Additional Information Regarding The S&P Total Market Index And The Constituent Indices That Are Select Industry Indices" below.

Each of the S&P 500® Health Care Select Sector Index Total Return (the "Health Care Select Sector Index") and S&P 500® Consumer Discretionary Select Sector Index Total Return (the "Consumer Discretionary Select Sector Index") is one of the Select Sector Indices. Each Select Sector Index is designed to measure the performance of a sector of the S&P 500® Index (the "S&P 500 Index") based on the GICS methodology. All of the component stocks included in the S&P 500 Index are assigned to at least one of the Select Sector Indices based on the GICS sectors. The S&P 500® Real Estate (Industry Group) Index Total Return (the "Real Estate Industry Group Index") is an "industry group" index that tracks the component stocks included in the S&P 500 Index that are classified in the real estate industry group (excluding Mortgage REITs) based on GICS. The S&P 500® Apparel Retail (Sub-Industry) Index Total Return (the "Apparel Sub-Industry Index") is a "sub-industry" index that tracks the component stocks included in the S&P 500 Index that are classified in the apparel retail sub-industry based on GICS. The "industry group" and "sub-industry" indices of the S&P 500 Index are more narrow-based indices as compared to the Select Sector Indices as they include only those component stocks of the S&P 500 Index classified in a specific industry group or sub-industry as opposed to component stocks of the S&P 500 Index classified in the broader sector. The S&P 500 Index is an equity index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market. Below is a short description of each of the Constituent Indices that are Select Sector Indices as well as the Real Estate Industry Group Index and the Apparel Sub-Industry Index. For more information regarding the methodology of the S&P 500 Index and the Select Sector Indices, see "Additional Information Regarding The S&P 500 Index And The Constituent Indices That Are Select Sector Indices."

Each of the Constituent Indices is a total return index. A "price return" index solely reflects changes in the prices of the component stocks included in such index, while a "total return" index (such as the Constituent Indices) reflects both the changes in the prices of the component stocks included in such index as well as the payment of dividends on such component stocks. Dividends paid on the component stocks included in each of the Constituent

Indices are reinvested in the applicable Constituent Index on the ex-dividend date for such dividend. Each Constituent Index reflects both ordinary cash dividends and special dividends. Special dividends are those dividends that are outside of the normal payment pattern established historically by the applicable issuer of a component stock. These may be described by the issuer as "special," "extra," "year-end" or "return of capital." Special dividends are treated as corporate actions with offsetting price and divisor adjustments.

The S&P® Transportation Select Industry™ Index Total Return

The Transportation Select Industry Index is an equally-weighted index that is designed to measure the performance of the transportation industry group of the S&P Total Market Index. The S&P Total Market Index is a benchmark that measures the performance of the broad United States equity market, including large-, mid-, small- and micro-cap stocks.

The Transportation Select Industry Index includes companies in the following GICS sub-industries: air freight & logistics; airlines; airport services; highways & rail tracks; marine; marine ports & services; railroads; and trucking. Each of the component stocks in the Transportation Select Industry Index is a constituent company within the transportation industry group of the S&P Total Market Index.

The S&P® Food & Beverage Select Industry™ Index Total Return

The Food & Beverage Select Industry Index is an equally-weighted index that is designed to measure the performance of the food & beverage industry group of the S&P Total Market Index. The S&P Total Market Index is a benchmark that measures the performance of the broad United States equity market, including large-, mid-, small- and micro-cap stocks.

The Food & Beverage Select Industry Index includes companies in the following GICS sub-industries: agricultural products; brewers; distillers & vintners; food distributors; food retail; hypermarkets & super centers; packaged foods & meats; and soft drinks. Each of the component stocks in the Food & Beverage Select Industry Index is a constituent company within the food & beverage industry group of the S&P Total Market Index.

The S&P® Insurance Select Industry™ Index Total Return

The Insurance Select Industry Index is an equally-weighted index that is designed to measure the performance of the insurance industry group of the S&P Total Market Index. The S&P Total Market Index is a benchmark that measures the performance of the broad United States equity market, including large-, mid-, small- and micro-cap stocks.

The Insurance Select Industry Index includes companies in the following GICS sub-industries: insurance brokers; life & health insurance; multi-line insurance; property & casualty insurance; and reinsurance. Each of the component stocks in the Insurance Select Industry Index is a constituent company within the insurance industry group of the S&P Total Market Index.

The S&P 500® Health Care Select Sector Index Total Return

The Health Care Select Sector Index is a modified market capitalization-based index that is designed to measure the performance of the health care sector of the S&P 500 Index. The S&P 500 Index is an equity index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market.

Each component stock included in the Health Care Select Sector Index is a constituent of the S&P 500 Index and is part of the health care sector based on the GICS methodology. The Health Care Select Sector Index is rebalanced quarterly for reweighting purposes. Each component stock included in the Health Care Select Sector Index is weighted by its free-float adjusted market capitalization, subject to a cap that limits the weight of any such component stock to 25% as of each quarterly rebalancing.

The Health Care Select Sector Index includes companies in the following sub-industries: health care equipment; health care supplies; health care distributors; health care services; health care facilities; managed health care; health care technology; biotechnology; pharmaceuticals; and life sciences tools & services.

The Health Care Select Sector Index is one of the Select Sector sub-indices of the S&P 500 Index, each of which we refer to as a "Select Sector Index."

The S&P 500® Consumer Discretionary Select Sector Index Total Return

The Consumer Discretionary Select Sector Index is a modified market capitalization-based index that is designed to measure the performance of the consumer discretionary sector of the S&P 500 Index. The S&P 500 Index is an equity index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market.

Each component stock included in the Consumer Discretionary Select Sector Index is a constituent of the S&P 500 Index and is part of the consumer discretionary sector based on the GICS methodology. The Consumer Discretionary Select Sector Index is rebalanced quarterly for reweighting purposes. Each component stock included in the Health Care Select Sector Index is weighted by its free-float adjusted market capitalization, subject to a cap that limits the weight of any such component stock to 25% as of each quarterly rebalancing.

The Consumer Discretionary Select Sector Index includes companies in the following sub-industries: casinos & gaming; hotels, resorts & cruise lines; leisure facilities; restaurants; education services; specialized consumer services; advertising; broadcasting; cable & satellite; movies & entertainment; publishing; distributors; catalog retail; internet retail; department stores; apparel retail; computer & electronics retail; home improvement retail; specialty stores; automotive retail; and home-furnishing retail.

The Consumer Discretionary Select Sector Index is one of the Select Sector sub-indices of the S&P 500 Index, each of which we refer to as a "Select Sector Index."

The S&P 500® Real Estate (Industry Group) Index Total Return

The Real Estate Industry Group Index is a modified market capitalization-based index that is designed to measure the performance of the real estate industry group of the S&P 500 Index. The S&P 500 Index is an equity index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market.

The Real Estate Industry Group Index includes companies in the following sub-industries: real estate investments trusts (REITs) including diversified REITs, office REITs, residential REITs, retail REITS and specialized REITs (but not mortgage REITs); diversified real estate activities; real estate operating companies; real estate development companies; and real estate services.

Each component stock included in the Real Estate Industry Group Index is a constituent of the S&P 500 Index and is part of the real estate industry group based on its GICS classification. The real estate industry group is currently part of the financial sector. An industry group is a more narrow classification as opposed to the more broader sector. The weighting, rebalancing and calculation of the Real Estate Industry Group Index comes directly from the parent S&P 500 Index and thus the Real Estate Industry Group Index is calculated using a market capitalization weighting methodology.

S&P Dow Jones has announced the creation of a new "Real Estate" sector under the GICS methodology, which is expected to be effective after the close of business on August 31, 2016. Currently, Real Estate is an industry group within the Financial sector. The two current industries included in the real estate industry group (the "Real Estate Investment Trusts (REITs)" and the "Real Estate Management & Development") will also move out of the Financials sector and will be classified under the newly formed Real Estate sector. The Real Estate Investment Trust Industry will be renamed to the Equity Real Estate Investment Trusts (REITs) and will exclude Mortgage REITs (which will remain as a sub-industry of the Financial sector).

Upon the creation of the Real Estate Sector, S&P Dow Jones may create a new S&P 500 Sector Index for the Real Estate sector, and may discontinue the Real Estate Industry Group Index. If the Real Estate Industry Group Index is discontinued, the Index Sponsor or Index Committee will select a successor index pursuant to the Index Rules. There can be no assurance that the Index Sponsor or Index Committee will replace the S&P 500 Real Estate (Industry Group) Index Total Return with the new S&P 500 Sector Index for the Real Estate Sector (if such index is created) or any other specific index.

The S&P 500® Apparel Retail (Sub-Industry) Index Total Return

The Apparel Retail Sub-Industry Index is a modified market capitalization-based index that is designed to measure the performance of the apparel retail sub-industry of the S&P 500 Index. The S&P 500 Index is an equity index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market.

Each component stock included in the Apparel Retail Sub-Industry Index is a constituent of the S&P 500 Index and is part of the apparel retail sub-industry based on the GICS methodology. The apparel retail sub-industry is one of the sub-industries of the consumer discretionary sector of the S&P 500 Index. A sub-industry is the most narrow classification under GICS and thus the Apparel Retail Sub-Industry Index contains only those component stocks of the S&P 500 Index classified in the apparel retail sub-industry as opposed to a more broader industry group or the broader sector.

The weighting, rebalancing and calculation of the Apparel Sub-Industry Index comes directly from the parent S&P 500 Index and thus the Apparel Sub-Industry Index is calculated using a market capitalization weighting methodology.

Additional Information Regarding The S&P Total Market Index And The Constituent Indices That Are Select Industry Indices

We obtained all information contained in this Terms Supplement regarding the S&P® Total Market Index (the "S&P Total Market Index") and the Select Industry Indices, including, without limitation, their make-up, method of calculation and changes in their components, from publicly available information. That information reflects the policies of, and is subject to change by, S&P Dow Jones Indices LLC ("S&P Dow Jones"), the index sponsor. S&P Dow Jones has no obligation to continue to publish, and may discontinue publication of, the S&P Total Market Index or any Select Industry Index at any time. Neither we nor any Broker has independently verified the accuracy or completeness of any information with respect to the S&P Total Market Index or any Select Industry Index in connection with the offer and sale of any CDs.

Each of the Transportation Select Industry Index, the Food & Beverage Select Industry Index and the Insurance Select Industry Index is a Select Industry Index, designed to measure the performance of a sub-industry or group of sub-industries of the S&P Total Market Index based on the Global Industry Classification Standards ("GICS"). The S&P Total Market Index is a benchmark that measures the performance of the broad United States equity market, including large-, mid-, small- and micro-cap stocks. The S&P Total Market Index offers broad market exposure to companies of all market capitalizations, including all common equities listed on the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Select Market and the NASDAQ Capital Market. Only United States companies are eligible for inclusion in the S&P Total Market Index. Below is information on the methodology of the S&P Total Market Index and the Select Industry Indices.

Select Industry Index Inclusion Criteria

To be eligible for inclusion in a Select Industry Index, including the Transportation Select Industry Index, the Food & Beverage Select Industry Index and the Insurance Select Industry Index, companies must be in the S&P Total Market Index, must be included in the relevant GICS sub-industry (e.g., transportation) and must satisfy one of the two following combined size and liquidity criteria:

- float-adjusted market capitalization above $500 million *and* float-adjusted liquidity ratio ("FALR") above 90%; or
- float-adjusted market capitalization above $400 million *and* FALR above 150%.

All companies satisfying the above requirements are included in the applicable Select Industry Index. The total number of companies in each Select Industry Index should be at least 35. If there are fewer than 35 stocks in a Select Industry Index, stocks from a supplementary list of highly correlated sub-industries that meet the market capitalization and liquidity thresholds above are included in order of their float-adjusted market capitalization to reach 35 constituents. Minimum market capitalization requirements may be relaxed to ensure there are at least 22 companies in each Select Industry Index as of each rebalancing effective date. Existing index constituents are removed at the quarterly rebalancing effective date if either their float-adjusted market capitalization falls below $300 million or their FALR falls below 50%.

Select Industry Index Eligibility Factors

Market Capitalization. Float-adjusted market capitalization should be at least $400 million for index inclusion. Existing index components must have a float-adjusted market capitalization of $300 million to remain in the index at each rebalancing.

Liquidity. The liquidity measurement used is a liquidity ratio, defined by dollar value traded over the previous 12 months divided by float-adjusted market capitalization as of the index-rebalancing date. Stocks having a float-adjusted market capitalization above $500 million must have a liquidity ratio greater than 90% to be eligible for addition to a Select Industry Index. Stocks having a float-adjusted market capitalization between $400 and $500 million must have a liquidity ratio greater than 150% to be eligible for addition to a Select Industry Index. Existing index constituents must have a liquidity ratio greater than 50% to remain in a Select Industry Index at the quarterly rebalancing. The length of time to evaluate liquidity is reduced to the available trading period for IPOs or spin-offs that do not have 12 months of trading history.

Domicile. Only U.S. companies are eligible for inclusion in the Select Industry Indices.

Takeover Restrictions. At the discretion of S&P Dow Jones, constituents with shareholder ownership restrictions defined in company bylaws may be deemed ineligible for inclusion in a Select Industry Index. Ownership restrictions preventing entities from replicating the index weight of a company may be excluded from the eligible universe or removed from the applicable Select Industry Index.

Turnover. S&P Dow Jones believes turnover in index membership should be avoided when possible. At times a company may appear to temporarily violate one or more of the addition criteria. However, the addition criteria are for addition to a Select Industry Index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to a Select Industry Index will not be deleted unless ongoing conditions warrant a change in the composition of the applicable Select Industry Index.

Sector Classification. A Select Industry Index includes companies in the applicable GICS sub-industries.

Select Industry Index Construction and Calculations

The Select Industry Indices are equally-weighted, with adjustments to constituent weights to ensure concentration and liquidity requirements, and calculated by the divisor methodology.

The initial divisor is set to have a base index value of 1000 on December 17, 1999. The index value is simply the index market value divided by the index divisor.

In order to maintain index series continuity, it is necessary to adjust the divisor at each rebalancing.

Select Industry Index Constituent Weightings

At each quarterly rebalancing, stocks are initially equally-weighted using closing prices as of the second Friday of the last month of the quarter as the reference price. Adjustments are then made to ensure that there are no stocks whose weight in the applicable Select Industry Index is more than can be traded in a single day for a $500 million portfolio.

S&P Dow Jones calculates a maximum basket liquidity weight for each stock in the applicable Select Industry Index using the ratio of its three-month average daily value traded to $500 million. Each stock's weight in the applicable Select Industry Index is, then, compared to its maximum basket liquidity weight and is set to the lesser of its maximum basket liquidity weight or its initial equal weight. All excess weight is redistributed across the applicable Select Industry Index to the uncapped stocks. If necessary, a final adjustment is made to ensure that no stock in the applicable Select Industry Index has a weight greater than 4.5%. This step of the iterative weighting process may force the weight of those stocks limited to their maximum basket liquidity weight to exceed that weight. In such cases, S&P Dow Jones will make no further adjustments.

Select Industry Index Timing of Changes

Additions. Companies are added between rebalancings only if a deletion in the applicable Select Industry Index causes the stock count to fall below 22. In those cases, each stock deletion is accompanied with a stock addition. The new company will be added to the applicable Select Industry Index at the weight of the deleted constituent. In the case of mergers involving at least one index constituent, the merged company will remain in the applicable Select Industry Index if it meets all of the eligibility requirements. The merged company will be added to the applicable Select Industry Index at the weight of the pre-merger index constituent. If both companies involved in a merger are index constituents, the merged company will be added at the weight of the company deemed the acquirer in the transaction. In the case of spin-offs, the applicable Select Industry Index will follow the S&P Total Market Index's treatment of the action. If the S&P Total Market Index treats the pre- and post-spun company as a deletion/addition action, using the stock's when-issued price, the applicable Select Industry Index will treat the spin-off this way as well.

Deletions. A company is deleted from the applicable Select Industry Index if the S&P Total Market Index drops the constituent. If a constituent deletion causes the number of companies in the relevant index to fall below 22, each stock deletion is accompanied with a stock addition. In case of GICS changes, where a company does not belong to a qualifying sub-industry after the classification change, it is removed from the applicable Select Industry Index at the next rebalancing.

Select Industry Index Maintenance

The membership of the Select Industry Indices is reviewed quarterly. Rebalancings occur after the closing on the third Friday of the quarter ending month. The reference date for additions and deletions is after the closing of the last trading date of the previous month. Closing prices as of the second Friday of the last month of the quarter are used for setting index weights.

The tables below summarize the types of index maintenance adjustments and indicate whether or not an index adjustment is required.

S&P Total Market Index Actions

S&P Total Market Index Action	**Adjustment Made to index**	**Divisor Adjustment?**
Constituent deletion	If the constituent is a member of the applicable Select Industry Index, it is dropped.	Yes
Constituent addition	Only in cases where the deletion causes the component count to fall below 22 stocks, then the dropped stock is accompanied by an add assuming the weight of the dropped stock. For equal and modified market cap weighted indices, when a stock is removed from an index at a price of $0.00, the stock's replacement will be added to the index at the weight using the previous day's closing value, or the most immediate prior business day that the deleted stock was not valued at $0.00.	No, except in the case of stocks removed at $0.00
Share changes between quarterly share adjustments	None.	No
Quarterly share changes	There is no direct adjustment, however, on the same date the applicable Select Industry Index rebalancing will take place.	Only because of the index rebalancing.
GICS change	None. If, after the GICS change, a company no longer qualifies to belong to the applicable Select Industry Index, it is removed at the next rebalancing.	No

Corporate Actions

Corporate Action	Adjustment Made to index	Divisor Adjustment?
Spin-off	In general, both the parent company and spin-off companies will remain in the index until the next index rebalancing, regardless of whether they conform to the theme of the index. When there is no market-determined price available for the spin, the spin is added to the index at zero price at the close of the day before the ex-date.	No
Rights Offering	The price is adjusted to the price of the parent company minus (the price of the rights subscription/rights ratio). Index shares change so that the company's weight remains the same as its weight before the rights offering.	No
Stock Dividend, Stock Split, Reverse Stock Split	Index shares are multiplied by and price is divided by the split factor.	No
Share Issuance, Share Repurchase, Equity Offering or Warrant Conversion	None.	No
Special Dividends	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes

Additional Information Regarding The S&P 500 Index And The Constituent Indices That Are Select Sector Indices

We obtained all information contained in this Terms Supplement regarding the S&P 500 Index and the Select Sector Indices, including, without limitation, their make-up, method of calculation and changes in their components, from publicly available information. That information reflects the policies of, and is subject to change by, S&P Dow Jones Indices LLC ("S&P Dow Jones"), the index sponsor. S&P Dow Jones has no obligation to continue to publish, and may discontinue publication of, the S&P 500 Index or any Select Sector Index at any time. Neither we nor any Broker has independently verified the accuracy or completeness of any information with respect to the S&P 500 Index or any Select Sector Index in connection with the offer and sale of any CDs.

Each of the Health Care Select Sector Index and the Consumer Discretionary Select Sector Index is one of the Select Sector Indices. Each Select Sector Index is designed to measure the performance of a sector of the S&P 500 Index based on the GICS methodology. All of the component stocks included in the S&P 500 Index are assigned to at least one of the Select Sector Indices based on the GICS sectors. The S&P 500 Index is an equity index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market. Below is information on the methodology of the Select Sector Indices and the S&P 500 Index.

Construction and Maintenance of the Select Sector Indices

The Select Sector Indices are developed, maintained and calculated in accordance with the following criteria:

- *Constituents*. Each of the component stocks in the Select Sector Indices (the "Component Stocks") is a constituent company of the S&P 500 Index. Each stock in the S&P 500 Index is allocated to one and only one of the Select Sector Indices. For a description of the selection criteria for the S&P 500 Index, see "The S&P 500 Index" below.

- *Sector Classification*. S&P Dow Jones, in consultation with the Index Compilation Agent, assigns index constituents of the S&P 500 Index to a Select Sector Index based on that constituent's classification under the GICS methodology. The sectors are defined as follows: Consumer

Discretionary, Consumer Staples, Energy, Financial, Financial Services, Health Care, Industrials, Materials, Real Estate, Technology (combination of Information Technology & Telecommunication Services) and Utilities.

- *Calculation*. The Select Sector Indices are calculated by S&P Dow Jones using a modified "market capitalization" methodology subject to a capping methodology that implements Internal Revenue Code diversification requirements that are applicable to exchange-traded funds, as described below. Other than this capping methodology, the Select Sector Indices are calculated and maintained on the same basis as the S&P 500 Index, which is described under "The S&P 500 Index" below.

- *Capping Methodology*. For reweighting purposes, the Select Sector Indices are rebalanced quarterly after the close of business on the second to last calculation day of March, June, September and December using the following procedures:

  1. The rebalancing reference date is two business days prior to the last calculation day of March, June, September and December.

  2. With prices reflected on the rebalancing reference date, and membership, shares outstanding, and other metrics as of the rebalancing effective date, each company is weighted using the modified market capitalization methodology. Modifications are made as described below.

  3. The Select Sector Indices are first evaluated based on their companies' modified market capitalization weights to ensure none of the Select Sector Indices breach the maximum allowable limits defined in paragraphs 4 and 7 below. If a Select Sector Index breaches any of the allowable limits, the companies are reweighted based on their float-adjusted market capitalization weights calculated using the prices as of the rebalancing reference date, and membership, shares outstanding and other metrics as of the rebalancing effective date.

  4. If any company has a weight greater than 24%, that company has its float-adjusted market capitalization weight capped at 23%. The cap is set to 23% to allow for a 2% buffer. This buffer is needed to ensure that no company exceeds 25% as of the quarter end diversification requirement date.

  5. All excess weight is equally redistributed to all uncapped companies within the relevant Select Sector Capped Index.

  6. After this redistribution, if the float-adjusted market capitalization weight of any other company then breaches 23%, the process is repeated iteratively until no company breaches the 23% weight cap.

  7. The sum of the companies with weight greater than 4.8% cannot exceed 50% of the total index weight. These caps are set to allow for a buffer below the 5% limit.

  8. If the rule in paragraph 7 is breached, all the companies are ranked in descending order of their float-adjusted market capitalization weights and the first stock that causes the 50% limit to be breached is identified. The weight of this company is, then, reduced to 4.6%.

  9. This excess weight is equally redistributed to all companies with weights below 4.6%. This process is repeated iteratively until paragraph 7 is satisfied.

  10. Index share amounts are assigned to each constituent to arrive at the weights calculated above. Since index shares are assigned based on prices one business day prior to rebalancing, the actual weight of each constituent at the rebalancing differs somewhat from these weights due to market movements.

If necessary, the reweighting process may take place more than once prior to the close on the last business day of March, June, September or December to ensure that the Select Sector Indices conform to all diversification requirements.

The S&P 500 Index

The S&P 500 Index is published by S&P Dow Jones and is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market. The S&P 500 Index covers approximately 80% of the United States equity market.

The calculation of the value of the S&P 500 Index (discussed below in further detail) is based on the relative value of the aggregate Market Value (as defined below) of the common stocks of 500 companies as of a particular time compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. Historically, the "Market Value" of any component stock of the S&P 500 Index was calculated as the product of the market price per share and the number of the then-outstanding shares of such component stock. As discussed below, the index sponsor began to use a new methodology to calculate the Market Value of the component stocks during March 2005 and completed its transition to the new calculation methodology during September 2005.

S&P Dow Jones chooses companies for inclusion in the S&P 500 Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the Standard & Poor's Stock Guide Database, which S&P Dow Jones uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P Dow Jones include that the company must be a U.S. company, the financial viability of the particular company, the market capitalization of that company (which currently must be $5.3 billion or greater), the public float of that company (which must represent at least 50% of the outstanding shares of that stock), the contribution of that company to the index's sector balance, and adequate liquidity (the ratio of annual dollar value traded to float adjusted market capitalization should be 1.00 or greater, and the company should trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date). Continued index membership is not necessarily subject to these guidelines. S&P Dow Jones aims to minimize unnecessary turnover and each removal is determined on a case-by-case basis. Companies that substantially violate one or more of the criteria for index inclusion and companies that no longer meet the inclusion criteria as a result of a merger, acquisition or significant restructuring will be considered for removal.

Computation of the S&P 500 Index

Prior to March 2005, the Market Value of a component stock was calculated as the product of the market price per share and the total number of outstanding shares of the component stock. In March 2004, the index sponsor announced that it would transition the S&P 500 Index to float-adjusted market capitalization weights. The transition began in March 2005 and was completed in September 2005. The index sponsor's criteria for selecting stock for the S&P 500 Index was not changed by the shift to float adjustment. However, the adjustment affects each company's weight in the S&P 500 Index (i.e., its Market Value). Currently, S&P Dow Jones calculates the S&P 500 Index based on the total float-adjusted market capitalization of each component stock, where each stock's weight in the S&P 500 Index is proportional to its float-adjusted market value. Under float adjustment, the share counts used in calculating the S&P 500 Index reflect only those shares that are available to investors, not all of a company's outstanding shares. S&P Dow Jones identifies shareholders that it determines to be concerned with control of a company and therefore whose holdings are subject to float adjustment. Such control shareholders generally include:

1. Officers and directors
2. Private equity, venture capital and special equity firms
3. Shares held for control by another publicly traded company
4. Strategic partners
5. Holders of restricted shares
6. Employee stock ownership plans
7. Foundations associated with the company

8. Holders of unlisted share classes of stock

9. Government entities at all levels except government retirement/pension funds

10. Any individual person who controls a 5% or greater stake in a company as reported in regulatory filings

Where holdings by a single block of control shareholders exceed 5% of the outstanding shares of a company, all holdings of that block are excluded from the float-adjusted count of shares to be used in the index calculation. Officers and directors are considered a single control block for purposes of this 5% test. However, officers and directors are excluded from the float-adjusted count even if they (as a group) do not meet the 5% minimum threshold, provided that there is another control block greater than 5%, thus enabling total float to surpass the 5% minimum threshold. Treasury stock, stock options, restricted shares, equity participation units, warrants, preferred stock, convertible stock and rights are also not part of the float.

Mutual funds, investment advisory firms, pension funds, or foundations not associated with the company and investment funds in insurance companies are part of the float. Also included in the float are shares held in a trust to allow investors in countries outside the country of domicile, shares that trust beneficiaries may buy or sell without difficulty or significant additional expense beyond typical brokerage fees, and, if a company has multiple classes of stock outstanding, shares in an unlisted or non-traded class that can be converted by shareholders to a listed class without undue delay and cost.

As of the date of this Terms Supplement, for each stock, an investable weight factor ("IWF") is calculated by dividing the available float shares, defined as the total shares outstanding less shares held in one or more control blocks where the holdings of the control block exceed the minimum threshold as described above, by the total shares outstanding. The float-adjusted index is then calculated by: dividing the sum of the IWF multiplied by both the price and the total shares outstanding for each stock by the index divisor. For companies with multiple classes of stock, S&P Dow Jones calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights. In these cases, the stock price is based on one class, usually the most liquid class, and the share count is based on the total shares outstanding.

S&P Dow Jones has announced that, effective with the September 2015 rebalance, each class of stock for a company with multiple share classes will be separately evaluated for inclusion, and separately weighted, in the S&P 500 Index. Index membership eligibility for a company with multiple share classes will continue to be based on the total market capitalization of the company. However, the decision to include each publicly listed share class will be evaluated class by class. Listed share classes not already in the S&P 500 Index would need to pass the then current liquidity and float criteria used to evaluate companies for inclusion in the S&P 500 Index, but not market capitalization criteria (which is only considered at the company level). Once a listed share class is added to the S&P 500 Index, it will be retained in the S&P 500 Index even though it may appear to violate certain criteria for inclusion in the S&P 500 Index. Listed share class deletions will be at the discretion of the governing index committee. The weight of each share class in the S&P 500 Index will only reflect its own float, not the combined float of all company share classes. It is possible that one listed share class may be included in the S&P 500 Index while a second listed share class of the same company is excluded. Unlisted share classes will not be combined with any other listed share classes, but these unlisted share classes will be included in the company total market capitalization.

The S&P 500 Index is calculated using a base-weighted aggregate methodology: the level of the S&P 500 Index reflects the total Market Value of all the component stocks relative to the S&P 500 base period of 1941-43. The daily calculation of the S&P 500 Index is computed by dividing the Market Value of the S&P 500 component stocks by the index divisor.

The S&P 500 Index maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends and stock price adjustments due to company restructurings or spin-offs. Continuity in index values is maintained by adjusting the index divisor for all changes in the S&P 500 constituents' share capital after the base period of 1941-43 with the index value as of the base period set at 10. Some corporate actions, such as stock splits and stock dividends do not require index divisor adjustments because following a stock split or stock dividend, both the stock price and number of shares outstanding are adjusted

by S&P Dow Jones so that there is no change in the Market Value of the component stock. Corporate actions (such as stock splits, stock dividends, spin-offs and rights offerings) are applied after the close of trading on the day before the ex-date. Share changes resulting from exchange offers are applied on the ex-date.

To prevent the level of the S&P 500 Index from changing due to corporate actions, all corporate actions which affect the total Market Value of the S&P 500 Index require an index divisor adjustment. By adjusting the index divisor for the change in total Market Value, the level of the S&P 500 Index remains constant. This helps maintain the level of the S&P 500 Index as an accurate barometer of stock market performance and ensures that the movement of the S&P 500 Index does not reflect the corporate actions of individual companies in the S&P 500 Index. All index divisor adjustments are made after the close of trading and after the calculation of the closing levels of the S&P 500 Index. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the S&P 500 Index and do not require index divisor adjustments.

The table below summarizes the types of index maintenance adjustments and indicates whether or not an index divisor adjustment is required.

Type of Corporate Action	Comments	Divisor Adjustment
Company added/deleted	Net change in market value determines divisor adjustment.	Yes
Change in shares outstanding	Any combination of secondary issuance, share repurchase or buy back—share counts revised to reflect change.	Yes
Stock split	Share count revised to reflect new count. Divisor adjustment is not required since the share count and price changes are offsetting.	No
Spin-off	If spun-off company is not being added to the index, the divisor adjustment reflects the decline in index market value (i.e., the value of the spun-off unit).	Yes
Spin-off	Spun-off company added to the index, no company removed from the index.	No
Spin-off	Spun-off company added to the index, another company removed to keep number of names fixed. Divisor adjustment reflects deletion.	Yes
Change in IWF	Increasing (decreasing) the IWF increases (decreases) the total market value of the index. The divisor change reflects the change in market value caused by the change to an IWF.	Yes
Special dividend	When a company pays a special dividend the share price is assumed to drop by the amount of the dividend; the divisor adjustment reflects this drop in index market value.	Yes
Rights offering	Each shareholder receives the right to buy a proportional number of additional shares at a set (often discounted) price. The calculation assumes that the offering is fully subscribed. Divisor adjustment reflects increase in market cap measured as the shares issued multiplied by the price paid.	Yes

Each of the corporate events exemplified in the table requiring an adjustment to the index divisor has the effect of altering the Market Value of the component stock and consequently of altering the aggregate Market Value

of the S&P 500 component stocks (the "Post-Event Aggregate Market Value"). In order that the level of the S&P 500 Index (the "Pre-Event Index Value") not be affected by the altered Market Value (whether increase or decrease) of the affected component stock, a new index divisor ("New Divisor") is derived as follows:

$$\frac{\text{Post-Event Aggregate Market Value}}{\text{New Divisor}} = \text{Pre-Event Index Value}$$

$$\text{New Divisor} = \frac{\text{Post-Event Aggregate Market Value}}{\text{Pre-Event Index Value}}$$

A large part of the S&P 500 Index maintenance process involves tracking the changes in the number of shares outstanding of each of the S&P 500 Index companies. Four times a year, on a Friday close to the end of each calendar quarter, the share totals of companies in the S&P 500 Index are updated as required by any changes in the number of shares outstanding and then the index divisor is adjusted accordingly. In addition, changes in a company's shares due to its acquisition of another public company are made as soon as reasonably possible. Changes in a company's shares outstanding of 5% or more due to public offerings, tender offers, Dutch auctions or exchange offers are also made as soon as reasonably possible. Other changes of 5% or more (due to, for example, company stock repurchases, private placements, an acquisition of a privately held company, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participations, at-the-market stock offerings or other recapitalizations) are made weekly, and are announced on Fridays for implementation after the close of trading on the following Friday. If a 5% or more change causes a company's IWF to change by 5 percentage points or more (for example from 0.80 to 0.85), the IWF will be updated at the same time as the share change, except IWF changes resulting from partial tender offers will be considered on a case-by-case basis. Changes to an IWF of less than 5 percentage points are implemented at the next IWF review, which occurs annually. In the case of certain rights issuances, in which the number of rights issued and/or terms of their exercise are deemed substantial, a price adjustment and share increase may be implemented immediately.

ANNEX C
THE REFERENCE FIXED INCOME INDEX

The S&P 2-Year U.S. Treasury Note Futures Index Excess Return

We obtained all information contained in this Terms Supplement regarding the S&P 2-Year U.S. Treasury Note Futures Index Excess Return (the "Reference Fixed Income Index"), including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, S&P Dow Jones Indices LLC ("S&P Dow Jones"), the index sponsor of the Reference Fixed Income Index. S&P Dow Jones has no obligation to continue to publish, and may discontinue publication of, the Reference Fixed Income Index. Neither we nor any Broker has independently verified the accuracy or completeness of any information with respect to the Reference Fixed Income Index in connection with the offer and sale of any CDs.

The Reference Fixed Income Index seeks to track the performance of a notional position in one "nearest-to-maturity" 2-Year U.S. Treasury Note futures contract (the "U.S. Treasury note futures contract") traded on the Chicago Mercantile Exchange ("CME"). The nearest-to-maturity futures contract refers to the contract with an expiration date closest to the current date (i.e., the shortest duration contract that could be purchased in the futures market). The U.S. Treasury note futures contracts traded on the CME expire on a quarterly basis in each March, June, September and December. On a quarterly basis, the Reference Fixed Income Index will "roll" the U.S. Treasury note futures contract it currently holds into the next nearest-to-maturity U.S. Treasury note futures contract as the current futures contract approaches expiration. Accordingly, at any given time, the U.S. Treasury note futures contract tracked by the Reference Fixed Income Index will have an expiration of anywhere from 0 to 3 months.

A U.S. Treasury note futures contract is a legally binding contractual obligation of the contract holder to purchase or to sell a U.S. Treasury note on a specified future date at a pre-determined price – the price and dates are determined at the time the futures contract is purchased. Each U.S. Treasury note futures contract has a face value of $200,000 and requires the delivery of a U.S. Treasury note that has fixed semi-annual coupon payments, and which has (a) an original term to maturity of not more than 5 years and 3 months, (b) a remaining term to maturity of not more than 2 years and (c) a remaining term to maturity of not less than 1 year and 9 months. The closing prices of the U.S. Treasury note futures contracts are calculated by CME and are reported on Bloomberg under the ticker symbol "TU."

The closing level of the Reference Fixed Income Index will depend on the price of the underlying U.S. Treasury note futures contract. The price of the U.S. Treasury note futures contract will depend on changes in the spot price of the underlying U.S. Treasury notes and will also be influenced by a number of other factors such as yields on U.S. Treasury notes, other current market interest rates and the time remaining until expiration. The relationship between interest rates and the value of U.S. Treasury notes is inversely related. As such, all else being equal, if interest rates rise, the price of a U.S. Treasury notes futures contract will decline.

Futures Roll. The Reference Fixed Income Index includes provisions for the replacement of a U.S. Treasury note futures contract as it approaches maturity (a process known as "rolling"). The replacement occurs over a one-day rolling period every quarter, on the close of the day prior to the "First Position Date" (as published by the CME Group).

Market Disruptions During The Roll Period. Market disruptions are situations where an exchange has failed to open so that no trading is possible due to unforeseen events, such as computer or electric power failures, weather conditions or other events. If any such event happens on the roll date, the roll will take place on the next business day on which no market disruptions exist.

Index Calculation. The Reference Fixed Income Index is calculated from the price change of its underlying U.S. Treasury note futures contract. On any day *t*, the level of the Reference Fixed Income Index is calculated as follows:

$$\text{Index}_t = \text{Index}_{t-1} * (1 + \text{Index}_t)$$

where:

Index $_{t-1}$ = The Reference Fixed Income Index level on the preceding business day,

Index $_{t}$ = The excess return from holding the underlying U.S. Treasury note futures contract.

DISCLOSURE STATEMENT

WELLS FARGO BANK, N.A.

CERTIFICATES OF DEPOSIT LINKED TO AN INDEX

The certificates of deposit of Wells Fargo Bank, N.A. (the "Bank") described below ("CDs") are made available through certain broker-dealers (collectively, the "Brokers" and individually, a "Broker") which may include Wells Fargo Advisors, LLC, an affiliate of the Bank ("WFA"). Each CD is a deposit obligation of the Bank, the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation (the "FDIC"). See "Deposit Insurance." **The CDs have complex features and investing in the CDs involves risks not associated with an investment in conventional certificates of deposit. See "Risk Factors" in the accompanying Terms Supplement.**

The full amount of the deposit principal of a CD (the "Deposit Amount") will be returned to you on the Stated Maturity Date. Each CD will pay interest on the Stated Maturity Date in an amount based upon the percentage change in the closing level of an index (the "Index"), measured over a specified period of time and subject to certain terms and conditions (the "Index Interest"). The Index will be specified in a supplement to this Disclosure Statement (a "Terms Supplement"). A CD may pay a minimum interest amount equal to a specified percentage of the Deposit Amount over the term of the CD (the "Minimum Interest Amount"). The CDs are not automatically renewable and no interest will be earned after the Stated Maturity Date. The specific terms of the CDs, including any Minimum Interest Amount, will be set forth in the applicable Terms Supplement. The FDIC has taken the position that any Index Interest that has not yet been ascertained and become due and any secondary market premium paid by you above the Deposit Amount of the CD is not insured by the FDIC.

Unless otherwise specified in the applicable Terms Supplement, early withdrawal of a CD will only be available in the event of death or adjudication of incompetence of a beneficial owner of the CD.

Most United States holders of the CDs, other than those holding the CDs through a tax advantaged retirement account (such as an IRA), are subject to tax rules requiring them to include in their taxable income during each tax year in which the CDs are outstanding imputed interest income on the CDs even though interest, if any, will not be paid on the CDs until stated maturity. See "United States Federal Income Tax Consequences" on page 9.

The CDs are being offered by the Brokers when, as and if issued by the Bank and received and accepted by the Brokers, subject to the right of the Brokers to reject orders in whole or in part and subject to certain other conditions. WFA is an affiliate of the Bank. Other Brokers offering the CDs may include affiliates of the Bank.

In making an investment decision investors must rely on their own examination of the Bank and the terms of the offering, including the merits and risks involved. The CDs are obligations solely of the Bank, and are not obligations of and are not guaranteed by Wells Fargo & Company or any other affiliate of the Bank. The CDs are not registered under the Securities Act of 1933, as amended, and are not required to be so registered. The CDs have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Disclosure Statement or the applicable Terms Supplement. Any representation to the contrary is a criminal offense.

Although the Bank or its affiliates may purchase the CDs from you, neither the Bank nor any of its affiliates is obligated to do so. The Bank and its affiliates are not obligated to, and do not intend to, make a market for the CDs. There is no assurance that a secondary market for the CDs will develop or, if it develops, that it will continue. Consequently, you may not be able to sell your CDs readily or at prices that will enable you to realize your desired yield. Only CDs held to the Stated Maturity Date or CDs that are the subject of a permitted early withdrawal will be entitled to the return of the full Deposit Amount.

December 1, 2015

ABOUT THIS DISCLOSURE STATEMENT

This Disclosure Statement along with the applicable Terms Supplement describe the terms of the CDs offered hereby and thereby. These documents contain information you should consider when making your investment decision. You should rely only on the information contained in this Disclosure Statement and the applicable Terms Supplement. To the extent that any information in the applicable Terms Supplement is inconsistent with the information contained in this Disclosure Statement, the information in the applicable Terms Supplement will control. Neither the Bank nor any Broker has authorized anyone else to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in this Disclosure Statement and the applicable Terms Supplement may not be modified by any oral representation made prior or subsequent to your purchase of a CD.

This Disclosure Statement and the applicable Terms Supplement do not constitute an offer to sell or a solicitation of an offer to buy the CDs in any circumstances in which such offer or solicitation is unlawful.

Information in this Disclosure Statement or the applicable Terms Supplement may change after the date on the front of the applicable document. You should not interpret the delivery of this Disclosure Statement or the applicable Terms Supplement or the sale of the CDs as an indication that there has been no change in the information set forth herein or therein since those dates.

WELLS FARGO BANK, N.A.

In deciding whether to purchase the CDs, investors must rely on their own examination of the Bank and the terms of the offering, including the merits and risks involved. Upon request, you will be provided with publicly available financial information regarding the Bank, including its Consolidated Reports of Condition and Income ("Call Reports") filed by the Bank with its primary federal regulator. Call Reports are also available at the FDIC's website at http://www.fdic.gov.

DESCRIPTION OF THE CERTIFICATES OF DEPOSIT

General

The terms of each CD being offered hereby are available from your Broker and will be specified in the applicable Terms Supplement. Unless otherwise specified in the applicable Terms Supplement, the CDs will be issued at 100% of their Deposit Amount and will be made available in denominations of $1,000 and integral multiples of $1,000 in excess thereof. You should carefully review the applicable Terms Supplement for a description of the terms of the CD being offered. The general terms and conditions described in this Disclosure Statement will apply to the CD being offered unless the applicable Terms Supplement provides otherwise.

The term of any CD will commence on the date specified in the applicable Terms Supplement. The CDs will mature on the date specified in the applicable Terms Supplement (the "Stated Maturity Date"); provided, however, that such date will be postponed under the circumstances described in the applicable Terms Supplement. The date used to determine the Initial Index Level (as defined below), any postponement provisions and any disruption events applicable to the Index will be specified in the applicable Terms Supplement.

The CDs will not be automatically renewed or rolled over and Index Interest or the Minimum Interest Amount, if any, on the CDs will not accrue after the Stated Maturity Date. If the Stated Maturity Date falls on a day that is not a Business Day, the CD balances will be remitted on the next day that is a Business Day and no interest on the balances will accrue from and after the Stated Maturity Date. A "Business Day" is any day other than a Saturday, Sunday, legal holiday or day on which banking institutions are required or authorized by law or regulation to close in New York, New York.

The Bank may have the ability to call the CDs at its option on the call dates and at the call prices specified in the applicable Terms Supplement.

The CDs issued by the Bank are the obligations solely of the Bank, and are not obligations of and are not guaranteed by Wells Fargo & Company or any other affiliate of the Bank.

You should compare the terms of the CDs to other available investments before deciding to purchase a CD. The rate of return ultimately realized on the CDs may be higher or lower than the rates on other deposits available through the Bank or your Broker.

Interest

Unless otherwise specified in the applicable Terms Supplement, the interest payable on each CD will be the Index Interest as described in the Terms Supplement or, if greater, the Minimum Interest Amount, if any. The specific method of calculating the Index Interest will be set forth in the applicable Terms Supplement. The Index Interest or the Minimum Interest Amount, if any, will be payable on the Stated Maturity Date. The Bank will not compound any interest earned on the CDs and no periodic interest will be paid on the CDs.

The Index Interest will be calculated using an initial index level (the "Initial Index Level") set forth in the applicable Terms Supplement and the level of the Index (the "Final Index Level") based on the Closing Level or the arithmetic average of the Closing Levels of the Index on a specified date or dates during the term of the CD set forth in the applicable Terms Supplement (the "Valuation Date(s)"). The Index Interest may also be calculated by reference to a participation rate set forth in the applicable Terms Supplement, in which case the percentage change in the Final Index Level from the Initial Index Level will be multiplied by a rate which is less than or greater than 100%. All calculations with respect to the Index Interest will be rounded to the nearest one hundred-thousandth, with five one-millionths rounded upward (e.g., 0.000005 would be rounded to 0.00001); and the Index Interest will be rounded to the nearest cent, with one-half cent rounded upward. The method of determining the closing level of the Index (the "Closing Level") will be specified in the applicable Terms Supplement.

While the performance of the Index will be used to determine the amount of any Index Interest paid on each CD, purchasers of a CD will not own or be entitled to an interest in the securities or other assets included in the Index.

Payment of any Index Interest or any Minimum Interest Amount and payment of the Deposit Amount will be automatically credited to your account with your Broker on the Stated Maturity Date.

The Bank's obligation to pay interest depends on the percentage increase of the Final Index Level from the Initial Index Level. There is no assurance that the Index Interest will be greater than the Minimum Interest Amount, if any. If the CDs do not have a Minimum Interest Amount, there is no assurance that you will receive any interest on your CDs.

Additions or Withdrawals

No additions are permitted to be made to any CD.

When you purchase a CD, you agree with the Bank to keep your funds on deposit for the term of the CD. Accordingly, no early withdrawals of the CDs will be available except as set forth in the next paragraph and as set forth in the applicable Terms Supplement. Therefore, if the applicable Terms Supplement does not indicate that there is a right of early withdrawal, each CD must either be held to the Stated Maturity Date or sold in the secondary market, if such market is available.

In the event of the death or adjudication of incompetence of the beneficial owner of a CD, early withdrawal of the full Deposit Amount of the CD will be permitted, without penalty. Partial withdrawals will not be permitted. The amount payable by the Bank upon such withdrawal will equal the Deposit Amount of the withdrawn CD. Your Broker will require documentation evidencing the death or adjudication of incompetence of a beneficial owner of the CD.

Pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), the beneficiary of an IRA (but not a Roth IRA) must begin making withdrawals from the IRA after age 70-1/2. CDs held in an IRA are not eligible for early withdrawal simply because the beneficiary must begin making mandatory withdrawals from the IRA. IRA beneficiaries should purchase the CDs with stated maturities that correspond to the mandatory withdrawal requirements or look to the secondary market for liquidity.

The early withdrawal provisions applicable to your CDs may be more or less advantageous than the provisions applicable to other deposits available from the Bank. In the event that you wish to make a permissible early withdrawal, your Broker will endeavor to obtain funds for you as soon as possible. However, your Broker will not advance funds in connection with early withdrawals and can give no assurances that payment pursuant to early withdrawals will be made by a specified date.

Evidence of the CDs

The CDs will be evidenced by one or more master certificates issued by the Bank, each representing a number of individual CDs. These master certificates are held by The Depository Trust Company ("DTC"), a sub-custodian which is in the business of performing such custodial services. No evidence of ownership, such as a passbook or a certificate, will be provided to you. Your Broker, as custodian, will keep records of the ownership of each CD and will provide you with a written confirmation of your purchase. You will also be provided with an account statement which will reflect your CD ownership. You should retain the trade confirmation and the account statement(s) for your records.

Because you will not be provided with a certificate evidencing your CD, the purchase of a CD is not recommended if you wish to take possession of a certificate.

Payments on the CDs will be remitted by the Bank to DTC when due. Upon receipt in full of such amounts by DTC, the Bank will be discharged from any further obligation with regard to such payments. Such

payments will be credited through DTC's procedures to participant firms and thereafter will be remitted to your Broker, so long as your Broker acts as your nominee, authorized representative, agent or custodian, and credited to your account with your Broker.

Each CD constitutes a direct obligation of the Bank and is not, either directly or indirectly, an obligation of your Broker. You will have the ability to enforce your rights in a CD against the Bank. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by the Bank.

If you choose to remove your Broker as your agent with respect to your CDs, you may (i) transfer your CDs to another agent (provided that the agent is a member of DTC (most major brokerage firms are members; many banks and savings institutions are not)) or (ii) request that your ownership of the CDs be evidenced directly on the books of the Bank, subject to applicable law and its terms and conditions, including those related to the manner of evidencing CD ownership. If you choose to remove your Broker as your agent, your Broker will have no further responsibility for crediting your account with payments made with respect to your CDs.

DEPOSIT INSURANCE

General

This section describes FDIC deposit insurance covering deposits, such as the CDs issued by the Bank. The FDIC deposit insurance laws and regulations, including the level of insurance coverage, are subject to change. The Bank cannot predict whether or not any future changes will occur and whether they will apply retroactively to the CDs.

The Deposit Amount of your CDs is insured by the FDIC, an independent agency of the U.S. Government. The FDIC standard maximum deposit insurance amount (the "MDIA") is $250,000 per depositor per insured bank.

The CDs are eligible for FDIC insurance up to $250,000 for deposits held in the same ownership category (for example, individual accounts are insured separately from joint accounts, self-directed retirement accounts and/or revocable trust accounts). For purposes of calculating FDIC deposit insurance limits, the Deposit Amount of your CD will be combined with deposit balances held directly or indirectly by you with the Bank (including checking accounts, certificates of deposit and other deposits in your name or held through an intermediary, such as your broker in a sweep deposit program, or a fiduciary acting in an agency capacity) in the same ownership category. **The FDIC has taken the position that any Index Interest that has not yet been ascertained and become due and any secondary market premium paid by you above the Deposit Amount on the CDs is not insured by the FDIC.** Funds become eligible for deposit insurance immediately upon issuance of a CD. **You are responsible for monitoring the total amount of all direct or indirect deposits held by or for you with the Bank for purposes of determining the amounts eligible for coverage by FDIC insurance, including the Deposit Amount of your CDs.**

You can calculate your insurance coverage using the FDIC's online Electronic Deposit Insurance Estimator at www2.fdic.gov/edie. The information on such website is not a part of this Disclosure Statement.

The application of FDIC insurance coverage limits for several of the more common account types is illustrated below. **Please consult with your attorney or tax advisor to fully understand all of the legal consequences associated with any account ownership change you may be considering to maximize your deposit insurance coverage.**

Individual Accounts. This type of account is in one person's name only. The account balance is added together with other deposit account balances in the person's name at the Bank and insured up to $250,000. Another example of an individual account is the custodial account. In this account, the account is in the name of the custodian for benefit of a beneficiary. For example, a Uniform Gifts to Minors Act account is a type of custodial account. The account balance is added together with other deposits in the beneficiary's individual name at the Bank and insured up to $250,000. Note that funds in a deposit account held by a custodian (such as the CDs held in your account with your Broker) are not treated as owned by the custodian.

Joint Accounts. Joint accounts are in the name of two or more people and each person's share is insured up to $250,000 separately at the Bank. Joint accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

Revocable Trust Accounts. Please refer to www.fdic.gov for a full explanation and examples of deposit coverage for revocable trusts as the following information is a general summary. A revocable trust account indicates an intention that the deposit will belong to one or more named beneficiaries upon the death of the owner(s). A revocable trust can be terminated at the discretion of the owner. There are two types of revocable trusts: informal revocable trusts — known as Payable on Death (POD) or "Totten Trusts" — and formal revocable trusts — known as "living" or "family" trusts (created for estate planning purposes pursuant to a written agreement). All deposits that an owner holds in both informal and formal revocable trusts are added together for insurance purposes and the insurance limit is applied to the combined total.

To qualify for revocable trust deposit insurance coverage, a revocable trust beneficiary must be an individual or a charity/non-profit entity recognized by the Internal Revenue Service ("Eligible Beneficiaries"). Revocable trust deposit insurance coverage is calculated at $250,000 times the number of Eligible Beneficiaries up to $1,250,000. If the owner(s) of a revocable trust account has six or more beneficiaries and wants to insure more than $1,250,000, the deposit insurance coverage will be the greater of $1,250,000 or the aggregate amount of all Eligible Beneficiaries' proportional interest in the revocable trust, limited to $250,000 per Eligible Beneficiary.

Self-Directed Retirement Accounts. These are deposits you have in retirement accounts for which you have the right to direct how the money is invested, including the ability to direct that the funds be deposited at an FDIC-insured bank. Types of self-directed retirement accounts include traditional and Roth Individual Retirement Accounts (IRAs), Simplified Employee Pension (SEP) IRAs, Savings Incentive Match Plans for Employees (SIMPLE) IRAs, "Section 457" deferred compensation plan accounts, self-directed Keogh plan accounts, and self-directed defined contribution plan accounts.

The owner's funds held in an IRA will be aggregated with the owner's other funds in certain other self-directed retirement plans held at the same financial institution and will be insured (including principal and interest that has been ascertained and become due) up to $250,000.

Questions About FDIC Deposit Insurance Coverage

You can learn more about FDIC insurance by reading *Your Insured Deposits: FDIC's Guide to Deposit Insurance Coverage*, which is available at www.fdic.gov.html. This brochure explains the federal insurance limitation for the various types of accounts you might own. You can also contact the FDIC, Division of Supervision and Consumer Protection, at Deposit Insurance Outreach, 550 17th Street N.W., Washington, D.C., 20429-9990.Their telephone number is (877) 275-3342 or (800) 925-4618 (TDD). The FDIC website has additional resources at www.fdic.gov.

Payments Under Adverse Circumstances

As with all deposits, if it becomes necessary for federal deposit insurance payments to be made on the CDs, there is no specific time period during which the FDIC must make insurance payments available. Accordingly, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments.

As explained above, the MDIA applies to the principal and any interest that has been ascertained and become due on all CDs and other deposit accounts maintained by you at the Bank in the same legal ownership category. The records maintained by the Bank and your Broker regarding ownership of CDs will be used to establish your eligibility for federal deposit insurance payments. In addition, you may be required to provide certain documentation to the FDIC and to your Broker before insurance payments are released to you. For example, if you hold CDs as trustee for the benefit of trust participants, you may also be required to furnish an affidavit to that effect; you may be required to furnish other affidavits and provide indemnities regarding an insurance payment.

In the event that insurance payments become necessary for your CDs, the FDIC is required to pay the original principal amount and interest that has been ascertained and become due subject to the MDIA. No interest will be earned on deposits from the time the Bank is closed until insurance payments are received.

As an alternative to a direct deposit insurance payment from the FDIC, the FDIC may transfer the insured deposits of an insolvent institution to a healthy institution. Subject to insurance verification requirements and the limits on deposit insurance coverage, the healthy institution may assume the CDs under the original terms or offer you a choice between paying the CD off and maintaining the deposit at a different rate. Your Broker will advise you of your options in the event of a deposit transfer.

Your Broker will not be obligated to you for amounts not covered by deposit insurance nor will your Broker be obligated to make any payments to you in satisfaction of a loss you might incur as a result of (i) a delay in insurance payouts applicable to your CD, (ii) your receipt of a decreased interest rate on an investment replacing your CD as a result of the payment of the principal of your CD prior to its stated maturity, or (iii) payment

in cash of the principal of your CD prior to its stated maturity in connection with the liquidation of the Bank or the assumption of all or a portion of its deposit liabilities. In connection with the latter, the amount of a payment on a CD which had been purchased at a premium in the secondary market is based on the original principal amount and not on any premium amount. Therefore, you can lose up to the full amount of the premium as a result of such a payment. Also, your Broker will not be obligated to credit your account with funds in advance of payments received from the FDIC.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material United States federal income tax consequences of the purchase, beneficial ownership, and disposition of CDs as of the date of this Disclosure Statement. When the term "holder" is used in this section, it refers to a beneficial owner of the CDs and not the record holder. Except where noted, this summary deals only with a CD held as a capital asset by a United States holder (as hereinafter defined) who purchases the CD on original issue at the original issue price, and it does not deal with special situations. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities or insurance companies;
- tax consequences to persons holding CDs as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to holders of CDs whose "functional currency" is not the U.S. dollar;
- tax consequences to holders who hold the CDs as part of a retirement plan which is generally subject to special income tax deferral or exemption rules;
- alternative minimum tax consequences, if any; or
- any state, local or foreign tax consequences.

The discussion below is based upon the provisions of the Code and United States Department of Treasury ("Treasury") regulations, rulings and judicial decisions as of the date of this Disclosure Statement. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those discussed below. The Bank will not seek a ruling from the Internal Revenue Service ("IRS") with respect to any matters discussed in this summary. The IRS may challenge one or more of the tax consequences described below.

If a partnership holds CDs, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding CDs, you should consult your own tax advisors.

If you are considering the purchase of CDs, you should consult your own tax advisors concerning the United States federal income tax consequences applicable to you in light of your particular situation and any consequences arising under the laws of any other taxing jurisdiction.

If the Index includes equity securities, the Bank will not attempt to ascertain whether any of the issuers of such equity securities would be treated as Passive Foreign Investment Companies (a "PFIC" or "PFICs") or United States Real Property Holding Corporations (a "USRPHC" or "USRPHCs") within the meaning of the Code. If such issuers were so treated, certain adverse U.S. federal income tax consequences might apply to a United States holder in the case of a PFIC or a non-United States holder in the case of a USRPHC. You should refer to information filed with the Securities and Exchange Commission or another governmental authority by the issuers of any equity securities included in the Index and consult your tax advisor regarding these issues.

United States Holders

The following discussion is a summary of certain United States federal income tax consequences that will apply to you if you are a United States holder of the CDs.

For purposes of this discussion, a "United States holder" is a beneficial owner of a CD that is for United States federal income tax purposes:

- a citizen or resident of the United States;
- a corporation or partnership created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if (1) its administration is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one third of the days present in the immediately preceding year and one sixth of the days present in the second preceding year).

As used herein, the term "non-United States holder" means a beneficial owner of a CD that is not a United States holder.

Accrual of Interest

The Treasury regulations that apply to contingent payment debt instruments will apply to the CDs. All payments on the CDs will be taken into account under these Treasury regulations. As discussed more fully below, the effect of these Treasury regulations will be to:

- require you, regardless of your usual method of tax accounting, to use the accrual method with respect to the CDs;
- result in the accrual of original issue discount by you based on the "comparable yield" of the CDs even though no cash payments will be made to you until redemption or maturity of the CDs; and
- generally result in ordinary rather than capital treatment of any gain, and to some extent loss, upon maturity or on the sale, exchange, redemption or other disposition of the CDs.

Under the contingent payment debt rules, unless you hold the CDs through a tax advantaged retirement account (such as an IRA) you will be required to include original issue discount in income each year, regardless of your usual method of tax accounting, based on the "comparable yield" of the CDs, which will generally be the rate at which the Bank could issue a fixed rate instrument with terms and conditions similar to the CDs, but in any event not less than the applicable federal rate (based on the overall maturity of the CDs). Unless otherwise specified in the accompanying Terms Supplement, the Bank intends to treat the U.S. Dollar as the denomination currency of the CDs if the Index contains one or more foreign currencies. For United States federal income tax purposes, you are required to use the Bank's determination of the denomination currency unless you timely disclose the use of another denomination currency to the Internal Revenue Service on a statement attached to your federal income tax return for the taxable year in which you acquired the CDs. Based on the Bank's determination that the U.S. Dollar is the denomination currency of the CDs, the CDs will not be treated as nonfunctional currency contingent payment debt instruments, but rather the Treasury regulations that apply to contingent payment debt instruments will apply to the CDs. A payment on the CDs may be related to the performance of one or more metals. Certain metals are considered "collectibles" under the Code. In this event, it is

possible that the IRS could assert that the CDs should be treated as partially or fully giving rise to "collectibles" gain or loss. Gain from "collectibles" is currently taxed at a rate of up to 28%. You should consult your tax advisor if a payment on a CD may be related to the performance of one or more metals.

The Bank is required to provide the comparable yield to you and, solely for tax purposes, is also required to provide a projected payment schedule that estimates the amount and timing of contingent payments on the CDs as of their issue date. The issue date of a CD is the date on which the CD is sold to the public for cash consideration. The CDs may be callable at the option of the Bank prior to their Stated Maturity Date. For purposes of determining the projected payment schedule, CDs that may be called prior to their Stated Maturity Date at the option of the Bank generally will be treated from the issue date as having a maturity date on such redemption date if such redemption would result in a lower yield to maturity. If, contrary to the assumptions made as of the issue date, the CDs are not called, then solely for purposes of the accrual of original issue discount, the CDs will be treated as reissued on the date of the change in circumstances for an amount equal to their adjusted issue price. The comparable yield and projected payment schedule for the CDs will be set forth in the applicable Terms Supplement. Investors in the CDs may obtain the finalized projected payment schedule by submitting a written request for such information to Wells Fargo Bank, N.A., MAC J0127-045, 375 Park Avenue, 4th Floor, New York, New York 10152. You will be provided with an annual statement reporting original issue discount accruals, which accruals will reflect the comparable yield. By purchasing a CD you agree to this treatment of the CD and to report all income (or loss) with respect to the CD according to these Treasury regulations. You are required to use the comparable yield determined by the Bank and the projected payments set forth in the projected payment schedule prepared by the Bank in determining your interest accruals, and the adjustments thereto, in respect of the CDs, unless you timely disclose and justify on your federal income tax return the use of a different comparable yield and projected payment schedule. **The comparable yield and the projected payment schedule are not provided for any purpose other than the determination of your interest accruals and adjustments thereof in respect of the CDs and do not and will not constitute a representation regarding the actual amount of any payment on a CD.**

The amount of original issue discount on a CD for each accrual period (generally, each six-month period during which the CDs are outstanding) is determined by multiplying the comparable yield of the CD, adjusted for the length of the accrual period, by the CD's adjusted issue price (as defined below) at the beginning of the accrual period, determined in accordance with the rules set forth in the Treasury regulations governing contingent payment debt instruments. The amount of original issue discount so determined is then allocated on a ratable basis to each day in the accrual period that you held the CD. In general, for these purposes, a CD's adjusted issue price will equal the CD's original issue price, increased by the original issue discount previously accrued on the CD, determined without regard to the adjustments discussed below, and reduced by the amounts of the projected payments on the CD.

If an actual contingent payment made on the CDs differs from the projected contingent payment, an adjustment will be made for the difference. A positive adjustment, for the amount by which an actual contingent payment exceeds the projected contingent payment, will be treated as additional original issue discount on the contingent payment date. A negative adjustment, for the amount by which a projected contingent payment exceeds an actual contingent payment, will:

- first, reduce the amount of original issue discount required to be accrued in the taxable year in which the contingent payment date occurs; and

- second, any negative adjustment that exceeds the amount of original issue discount accrued in the taxable year in which the contingent payment date occurs will be treated as ordinary loss to the extent of your total prior original issue discount inclusions with respect to the CD.

For individuals, such ordinary loss will not be subject to the limitation on miscellaneous itemized deductions.

Sale, Exchange, Redemption or Other Disposition of CDs

Upon the sale, exchange, redemption or other disposition of a CD, you will recognize gain or loss equal to the difference between your amount realized and your adjusted tax basis in the CD. Such gain on a CD generally will be treated as ordinary income. Loss from the disposition of a CD will be treated as ordinary loss to the

extent of your prior net original issue discount inclusions with respect to the CD. Any loss in excess of that amount will be treated as capital loss. Special rules apply in determining the adjusted tax basis of a CD. Your adjusted tax basis in a CD is generally equal to your initial investment in the CD increased by any original issue discount you previously accrued on the CD, determined without regard to the adjustments discussed above, and reduced by the amounts of the projected payments on the CD.

Medicare Tax

For taxable years beginning after December 31, 2012, a United States holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the United States holder's "net investment income" for the relevant taxable year and (2) the excess of the United States holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's circumstances). A United States holder's net investment income will generally include its interest income and net gain from the disposition of the CDs, unless such interest income and net gain is derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). Net investment income may, however, be reduced by properly allocable deductions to such income. United States holders that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of the Medicare tax to their income and gains from the CDs.

Non-United States Holders

The following discussion is a summary of certain United States federal income and estate tax consequences that will apply to you if you are a non-United States holder of CDs. Special rules may apply to you if you are a controlled foreign corporation, passive foreign investment company, foreign personal holding company or an individual who is a United States expatriate and therefore subject to special treatment under the Code. You should consult your own tax advisors to determine the United States federal, state, local and other tax consequences that may be relevant to you.

United States Federal Withholding Tax

The 30% United States federal withholding tax will not apply to any payment, including original issue discount, on a CD provided that you provide your name and address on an IRS Form W-8BEN or W-8-BEN-E and certify, under penalties of perjury, that you are not a United States holder or you hold your CDs through certain foreign intermediaries and you satisfy the certification requirements of applicable Treasury regulations. Special certification rules apply to holders that are pass-through entities rather than individuals.

If you hold a CD in connection with a United States trade or business, you must provide the Bank with IRS Form W-8ECI stating that interest paid on a CD is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States.

United States Federal Income Tax

Any gain or income on a CD will generally be subject to United States federal income tax if you are engaged in a trade or business in the United States, and gain or income on the CD is effectively connected with the conduct of that trade or business. In such case, you will be subject to United States federal income tax on such gain or income on a net income basis in the same manner as if you were a United States holder.

United States Federal Estate Tax

Your estate will not be subject to United States federal estate tax on CDs beneficially owned by you at the time of your death, provided that any payment to you on a CD, including original issue discount (1) would be eligible for exemption from the 30% withholding tax under the rules described under the heading "—Non-United States Holders—United States Federal Withholding Tax," without regard to the certification requirements, and

(2) would not have been, if received at the time of your death, effectively connected with the conduct by you of a trade or business in the United States.

Section 871(m) of the Code

Treasury regulations under Section 871(m) of the Code impose withholding on non-United States holders at a rate of 30% (or lower treaty rate) on amounts with respect to the CDs that are treated as attributable to dividends from United States issuers of shares included in an Index ("dividend equivalents"). If these regulations apply, depending on certain conditions related to its economic terms on the date you acquire (or are deemed to acquire) it, withholding may be required in respect of the CD, even in the absence of any payments explicitly linked to dividends. There are material uncertainties regarding the application of these regulations. If withholding applies to the CDs, we will not be required to pay any additional amounts with respect to amounts withheld. You should consult your tax adviser regarding the potential application of these regulations.

The Treasury recently finalized regulations which require withholding on certain "dividend equivalent" payments to non-U.S. holders. Based on the effective date in the final regulations and subsequent IRS announcements, those regulations will not apply to the CDs (because they are issued before such effective date) assuming there is no significant modification to the CDs' terms that results in a deemed exchange of the CDs for U.S. federal income tax purposes.

Legislation Affecting Taxation of CDs held by or through Foreign Entities

Legislation was enacted in 2010 that will impose a 30% withholding tax on withholdable payments (as defined below) made to a foreign financial institution, unless such institution enters into an agreement with the Treasury to, among other things, collect and provide to it substantial information regarding such institution's United States financial account holders, including certain account holders that are foreign entities with United States owners. The legislation also generally imposes a 30% withholding tax on withholdable payments to a non-financial foreign entity unless such entity provides the paying agent with a certification that it does not have any substantial United States owners or a certification identifying the direct and indirect substantial United States owners of the entity. "Withholdable payments" include payments of interest (including original issue discount) from sources within the United States, as well as the gross proceeds from the sale of any property of a type which can produce interest from sources within the United States unless the payments of interest or gross proceeds are effectively connected with the conduct of a United States trade or business and taxed as such. Under final Treasury regulations effective January 28, 2013 and other administrative guidance, these withholding and reporting requirements will apply to payments on the CDs but, pursuant to published guidance issued by the IRS, withholding on gross proceeds will be delayed until January 1, 2019. You should consult your tax advisor regarding the application of the legislation and regulations to the CDs.

Information Reporting And Backup Withholding

If you are a United States holder of CDs, information reporting requirements will generally apply to original issue discount accrued on the CDs, all payments the Bank makes to you, and the proceeds from the sale of a CD paid to you, unless you are an exempt recipient. Backup withholding tax at the applicable statutory rate will apply if you fail to provide a taxpayer identification number, a certification of exempt status, or if you fail to report in full interest income.

The Treasury has issued final regulations on the reporting of payments of interest and original issue discount accrued on deposits of non-United States holders who are individuals. If you are an individual non-United States holder of CDs, for payments made on and after January 1, 2013, the Bank must report annually to the IRS and to you the amount of interest paid and original issue discount accrued by the Bank and the tax withheld with respect to such payments, if any. Copies of the information returns reporting such payments, accrual and withholding may also be made available to foreign tax authorities with which the United States has in effect an information exchange agreement. Individual non-United States holders of CDs should not be subject to backup withholding regarding payments the Bank makes provided that the Bank does not have actual knowledge or reason to know that a holder is a United States holder and the Bank has received the statement described above under "Non-United States Holders—United States Federal Withholding Tax." If you are an individual non-resident

Canadian holder of CDs, similar rules apply to payments and accruals made before January 1, 2013 (and you will be subject to the above-described rules for payments made on and after January 1, 2013). Individual non-United States holders should consult their tax advisors regarding the application of these final regulations.

In addition, if you are a non-United States holder, you will be subject to information reporting and, depending on the circumstances, backup withholding regarding the proceeds of the sale of a CD made within the United States or conducted through United States-related intermediaries, unless the payor receives the statement described above and you meet certain conditions, or you otherwise establish an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against your United States federal income tax liability provided the required information is furnished to the IRS.

BENEFIT PLAN INVESTOR CONSIDERATIONS

Each fiduciary of a pension, profit-sharing or other employee benefit plan to which Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") applies (a "plan"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the CDs. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan. When the term "holder" is used in this section, it is referring to a beneficial owner of the CDs and not the record holder.

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans to which Section 4975 of the Code applies (also "plans"), from engaging in specified transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "parties in interest") with respect to such plan. A violation of those "prohibited transaction" rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless statutory or administrative exemptive relief is available. Therefore, a fiduciary of a plan should also consider whether an investment in the CDs might constitute or give rise to a prohibited transaction under ERISA and the Code.

Employee benefit plans that are governmental plans, as defined in Section 3(32) of ERISA, certain church plans, as defined in Section 3(33) of ERISA, and foreign plans, as described in Section 4(b)(4) of ERISA (collectively, "non-ERISA arrangements"), are not subject to the requirements of ERISA, or Section 4975 of the Code, but may be subject to similar rules under other applicable laws or regulations ("similar laws").

The Bank and its affiliates may each be considered a party in interest with respect to many plans. Special caution should be exercised, therefore, before the CDs are purchased by a plan. In particular, the fiduciary of the plan should consider whether statutory or administrative exemptive relief is available. The U.S. Department of Labor has issued five prohibited transaction class exemptions ("PTCEs") that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the CDs. Those class exemptions are:

- PTCE 96-23, for specified transactions determined by in-house asset managers;
- PTCE 95-60, for specified transactions involving insurance company general accounts;
- PTCE 91-38, for specified transactions involving bank collective investment funds;
- PTCE 90-1, for specified transactions involving insurance company separate accounts; and
- PTCE 84-14, for specified transactions determined by independent qualified professional asset managers.

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for transactions between a plan and a person who is a party in interest (other than a fiduciary who has or exercises any discretionary authority or control with respect to investment of the plan assets involved in the transaction or renders investment advice with respect thereto) solely by reason of providing services to the plan (or by reason of a relationship to such a service provider), if in connection with the transaction the plan receives no less and pays no more, than "adequate consideration" (within the meaning of Section 408(b)(17) of ERISA).

Any purchaser or holder of the CDs or any interest in the CDs will be deemed to have represented by its purchase and holding that either:

- no portion of the assets used by such purchaser or holder to acquire or purchase the CDs constitutes assets of any plan or non-ERISA arrangement; or

- the purchase and holding of the CDs by such purchaser or holder will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any similar laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the CDs on behalf of or with "plan assets" of any plan consult with their counsel regarding the potential consequences under ERISA and the Code of the acquisition of the CDs and the availability of exemptive relief.

The CDs are contractual financial instruments. The financial exposure provided by the CDs is not a substitute or proxy for, and is not intended as a substitute or proxy for, individualized investment management or advice for the benefit of any purchaser or holder of the CDs. The CDs have not been designed and will not be administered in a manner intended to reflect the individualized needs and objectives of any purchaser or holder of the CDs.

Each purchaser or holder of the CDs acknowledges and agrees that:

(i) the purchaser or holder or its fiduciary has made and shall make all investment decisions for the purchaser or holder and the purchaser or holder has not relied and shall not rely in any way upon the Bank or its affiliates to act as a fiduciary or adviser of the purchaser or holder with respect to (a) the design and terms of the CDs, (b) the purchaser or holder's investment in the CDs, or (c) the exercise of or failure to exercise any rights the Bank has under or with respect to the CDs;

(ii) the Bank and its affiliates have acted and will act solely for its and their own account in connection with (a) all transactions relating to the CDs and (b) all hedging transactions in connection with the Bank's obligations under the CDs;

(iii) any and all assets and positions relating to hedging transactions by the Bank or its affiliates are assets and positions of those entities and are not assets and positions held for the benefit of the purchaser or holder;

(iv) the Bank's interests may be adverse to the interests of the purchaser or holder; and

(v) neither the Bank nor any of its affiliates is a fiduciary or adviser of the purchaser or holder in connection with any such assets, positions or transactions, and any information that the Bank or any of its affiliates may provide is not intended to be impartial investment advice.

Purchasers of the CDs have the exclusive responsibility for ensuring that their purchase, holding and subsequent disposition of the CDs does not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any similar law. Nothing herein shall be construed as a representation that an investment in the CDs would be appropriate for, or would meet any or all of the relevant legal requirements with respect to investments by, plans or non-ERISA arrangements generally or any particular plan or non-ERISA arrangement.

SELLING RESTRICTIONS

Argentina

The CDs and the related offer to purchase CDs and sale of CDs under the terms and conditions provided in the accompanying Terms Supplement and this Disclosure Statement do not constitute a public offering in Argentina. Consequently the Bank has not registered, and will not register, the CDs under the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, nor has a public offering approval been requested or granted by the Comisión Nacional de Valores. The Bank has not requested, and will not request, any listing authorization of the CDs on any stock market in Argentina.

Brazil

The CDs have not been and will not be issued nor publicly placed, distributed, offered or negotiated in the Brazilian capital markets and, as a result, have not been and will not be registered with the Comissão de Valores Mobiliários ("CVM"). Any public offering or distribution, as defined under Brazilian laws and regulations, of the CDs in Brazil is not legal without prior registration under Law 6,385/76, and CVM Instruction 400/03. Documents relating to the offering of the CDs, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the CDs is not a public offering of CDs in Brazil), nor be used in connection with any offer for subscription or sale of the CDs to the public in Brazil. Therefore, each of the purchasers has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the CDs in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of CDs in the Brazilian capital markets regulated by Brazilian legislation. Persons wishing to offer or acquire the CDs within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

Chile

The CDs have not been registered with the Superintendencia de Valores y Seguros in Chile and may not be offered or sold publicly in Chile. No offer, sales or deliveries of the CDs, or distribution of the accompanying Terms Supplement or this Disclosure Statement, may be made in or from Chile except in circumstances which will result in compliance with any applicable Chilean laws and regulations. Neither this Disclosure Statement nor its related materials constitute an offer of, or an invitation to subscribe for or purchase, the CDs in the Republic of Chile, other than to individually identified buyers pursuant to a private offering within the meaning of article 4 of the Ley de Mercado de Valores (an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

Taiwan

The CDs may be made available outside Taiwan for purchase by Taiwan residents outside Taiwan but may not be offered or sold in Taiwan.

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