COMMERZBANK

5 year Autocallable on Ishares Brazil, Hang Seng China Index and Taiwan Taiex Index (USD)

Key Facts:

- Maturity : Up to 5 years (if not previously autocalled)
- Currency: USD
- Underlyings:

  -EWZ US Equity
  -HSCEI Index
  -TWSE Index

- Up to 14% p.a coupon
- Invested capital at risk at maturity if any Index is below 50% of its Strike Level
- ISIN: XS0748662391

Investment rationale:

You invest in some of the best performing economies in the world being Brazil, China and Taiwan

- Brazil is the largest national economy in Latin America and the world's eighth largest economy at market exchange rates. Brazil's economy is diverse, encompassing agriculture, industry, and many services. Its recent economic strength has been due in part to a global boom in commodities prices.
- Arguably the most important manufacturing country in the world, the Chinese economy has recorded exceptional growth with real GDP growth averaging over 10% p.a. over the last 5 years.
- Taiwan is a major manufacturing economy, with a focus on high technology and is benefiting strongly from the recovery in the global economic conditions, with a 2010 GDP growth rate of 10.5%.

How this product works:

This investment product is linked to the performance of three major stock market indices, the MSCi Brazil Index, the Hang Seng China Enterprises Index, and the Taiwan Index. At the start of the product, on the trade date, the Investor purchases Denominations of the Note. On Strike date, the closing levels of each Index are recorded and these levels are taken as the Strike Levels. On each Early Observation Date, the closing levels of each Index are observed, and if all 3 indices close above 100% of their Strike Levels, the product is Autocalled, and the Investor receives 100% of their investment returned plus a coupon of 7% multiplied by the number of the Observation Date, (i.e. – 1,...,10) previously elapsed and the product terminates. Example:

- If on the 3rd Observation date, this is the first Observation Date that the closing levels of all 3 Indices are all above 100% of their Strikes, then the Note Autocalls and the Investor will receive all their investment amount back plus their investment amount multiplied by 7% Coupon multiplied by 3 (the number of the Observation Date) and the product terminates.
- If the Investment does not Autocall before the final Observation Date and if all 3 Indices are not above their Strike Levels at that time, provided that all 3 Indices are above 50% of their Strike Levels, the Investor will receive all their Investment amount returned, with no Coupon payment. In the event that any one of those is below 50% of its Strike, the amount invested by the Investor will receive back will be reduced.
- If on the Final Observation date, the index with the worst performance index closes at 45% of its Strike Level, then the Investor will receive 45% of their initial investment amount returned.

Underlyings:

Ishares Brazil: It is an exchange-traded fund in the USA. The Fund's objective is to provide investment results that correspond to the performance of publicly traded securities in the Brazilian market, as measured by the MSCI Brazil (Free) Index. The Fund invests in a representative sample of index stocks using a 'portfolio sampling' technique.

HSCEI Index: The Hang Seng China Enterprises Index is a freefloat capitalisation-weighted index comprised of H-Shares listed on the Hong Kong Stock Exchange and included in the Hang Seng Mainland Composite Index. (Source: Bloomberg).

TWSE Index: The Taiwan Taiex is a capitalized weighted index of all listed common shares traded on the Taiwan Stock Exchange. The index was based in 1966 and is also known as TSEC Index

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Indicative terms and conditions	
Issuer:	Commerzbank AG
Ratings:	A2 (Moody's) / A (S&P)
Lead manager:	Commerzbank AG
Type of security:	Note issued under the Notes programme of the issuer
Underlyings:	Underlying — Ticker (Bloomberg) 1 **Ishares Brazil** — **EWZ US Equity** 2 **Hang Seng China Enterprises** — **HSCEI Index** 3 **Taiwan TAIEX** — **TWSE INDEX**
Trade Date:	14-02-2012
Strike Date:	23-03-2012
Payment Date:	30-03-2012
Early observation Dates:	24 Sep 12, 25 Mar 13, 23 Sep 13, 24 Mar 14, 23 Sep 14, 23 Mar 15, 23 Sep 15, 23 Mar 16, 23 Sep16
Early Redemption Dates:	Two Business Days after respective Early Observation Date
Final Valuation Date:	23-03-2017
Final Redemption Dates:	30-02-2017
Issue Price:	100
Currency:	USD
Minimum Investment:	USD 1,000
Denomination:	USD 1,000
Strike Level:	Determined on 23-03-2012
European Barrier:	50%
Coupon:	7% per semestre (14% p.a.)
Autocall Trigger:	If, on an Early Observation Date, all 3 Underlyings close above 100% of their Strike Levels, the product is Autocalled and subject to Early Redemption.
Early Redemption:	If on any Early Observation Dates n (n=1,2...10) the Autocall is Triggered, Note holders will receive an amount per Denomination in accordance with the following formula on the immediately following Early Redemption Date: **Denomination + (Denomination * (n * Coupon))**
Redemption at Maturity	Unless Early Redeemed, on the Final Valuation Date, If all 3 Underlyings close above 100% of their respective strike values, the Noteholder will receive: Denomination + (Denomination * (10 * Coupon)) Else, if one or more of the underlyings close below 100% but all Underlyings close above the Barrier, noteholder will receive per Denomination x 100% Else, if the Worst performing Underlying closes below 50% of its respective strike level, the Noteholder receives an amount per Denomination in accordance with the following formula: Denomination* $\left(\frac{Worst_{final}}{Worst_{initial}}\right)$ Where: $Worst_{final}$ — Equals the Official Closing Level of the Worst Performing Underlying $Worst_{initial}$ — Equals the Strike Price of the Worst Performing Underlying Worst Performing — With respect to the relevant observation date, the Underlying whose price has fallen the most among all Underlyings.

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