COMMERZBANK

5 year Autocallable on Ishares Brazil, Hang Seng China Index and FTSE 100 Index (GBP)

Key Facts:

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

  -EWZ US Equity
  -HSCEI Index
  -UKX Index

- Up to 17% p.a coupon
- Invested capital at risk at maturity if any Index is below 50% of its Strike Level
- ISIN: XS0705048980

Investment rationale:

You invest in some of the best performing economies in the world being Brazil, China and the United kingdom.

- 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.
- The UK is today the sixth largest economy in the world and the third largest in Europe. The UK is one of the world's most globalised countries and Its reputation is well established.

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 FTSE 100 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 17% multiplied by the number of the Observation Date, (i.e. – 1,...,5) and the product terminates. Example:

- If on the 3th 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 17% 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).

FTSE 100 Index: it is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation.
(Source: Bloomberg).

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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 **FTSE 100**	**UKX Index**
Trade Date:	03-11-2011	
Strike Date:	13-12-2011	
Payment Date:	20-12-2011	
Early observation Dates:	17-12-2012, 17-12-2013, 17-12-2014, 16-12-2015	
Early Redemption Dates:	20-12-2012, 20-12-2013, 22-12-2014, 21-12-2015	
Final Valuation Date:	16-12-2016	
Final Redemption Dates:	20-12-2016	
Issue Price:	100	
Currency:	GBP	
Minimum Investment:	GBP 1,000	
Denomination:	GBP 1,000	
Strike Level:	Determined on 13-12-2011	
European Barrier:	50%	
Coupon:	17%	
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...5) 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 * (5 * 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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