COMMERZBANK

5 Year Coupon Counter Autocallable on Gold, Silver, Copper in GBP



Key Facts:

- Maturity : Up to 5 years (if not previously autocalled)
- Currency: GBP
- Underlyings:
  - London Gold PM
  - London Silver Fix
  - LME Copper
- Up to 16.5% annual coupon
- Invested capital at risk at maturity if any Index is below 50% of its Strike Level
- ISIN: XS0679133370

Investment rationale:

You invest in some of the best performing commodities at the moment.

- In this troubled economic period, Gold is a safe heaven, investors have invested massively in this commodity since the begining of the year.
- In the manner of Gold, investors trust in Silver. Its quotation is closely linked to the Gold, it has gained more than 100% in a year.
- Though not as eye-catching as Gold or Silver, Copper ranks up high on the commodity list, its price is a very reliable indication of the health of the global economy considering how much of world's infrastructure rely on copper.

How this product works:

This investment product is linked to the performance of three major commodities, Gold, Silver and Copper. At the start of the product, on the trade date, the Investor purchases Denominations of the Note. On the Strike date, the closing levels of each underlying are recorded and these levels are taken as the Strike Levels. On each Early Observation Date, the closing levels of each underlying is observed, if all commodities close at or above 100% of their Strike Levels, the product is autocalled, and the Investor receives 100% of their investment plus a 5.5% coupon per underlying (16.5%). If only one or two underlyings close at or above 100% of their Strike Levels, the investor will receive a coupon equal to 5.5% times the number of underlyings at or above this threshold and the product continues. Example:

- If on the first Observation date, 2 commodities out of 3 are above 100% of their Strikes, then the Investor will receive a coupon of 11%, i.e. 5.5% times two.
- If on the fourth Observation date, all underlyings are above 100% of their Strikes, then the Note autocalls and the Investor will receive 100% of investment amount back plus a coupon of 16.5%, i.e. 5.5% times three.
- On the final Observation Date, if the Note has not previously called, and, all 3 commodities are above 50% of their Strike Levels, the Investor will receive 100% of their Investment amount returned plus a coupon equal to 5.5% multiplied by the number of underlyings that have closed above Strike.
- If on the Final Observation date, the worst performing commodity closes at 45% of its Strike Level, then the Investor will receive 45% of their initial investment amount.

Underlyings:

- **London Gold PM**: The Gold Spot Price is priced in US Dollars per Troy Ounce
- **London Silver Fix**: The Silver Spot Price is priced in US Dollars per Troy Ounce
- **LME Copper**: tracks the performance of copper prices. Copper is one of the most important industrial metals, it is used for its electrical conductivity and heat-transfer abilities for use in the building construction and electrical industries

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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 LBMA PM Gold Fixing	**GOLDLNPM Index**
	2 LBMA Silver Fixing	**SLVRND Index**
	3 LME Copper Official Cash Settlement	**LOCADY Index**
Trade Date:	09-09-2011	
Strike Date:	21-10-2011	
Payment Date:	28-10-2011	
Early observation Dates:	25-10-2012, 24-10-2013, 24-10-2014, 26-10-2015, 26-10-2016	
Early Redemption Dates:	29-10-2012, 28-10-2013, 28-10-2014, 28-10-2015, 28-10-2016	
Final Valuation Date:	26-10-2016	
Final Redemption Dates:	28-10-2016	
Issue Price:	100%	
Currency:	GBP	
Minimum Investment:	GBP 1,000	
Denomination:	GBP 1,000	
Strike Level:	Determined on 21-10-2011	
European Barrier:	50%	
Coupon:	0% if no underlying above initial level; 5.5% if 1 underlying above initial level; 11% if 2 underlyings above initial levels; 16.5% if all underlyings above initial levels	
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:	
Redemption at Maturity	Unless Early Redeemed, on the Final Valuation Date, If all 3 Underlyings close above 50% of their respective strike values, the Noteholder will receive: Denomination * 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* $\left(\frac{Worst_{Final}}{Worst_{Initial}}\right)$	
	$Worst_{final}$	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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