COMMERZBANK

5 Years Classic Autocall FTSE 100 INDEX and S&P 500 INDEX

Key Facts:

- Maturity : Up to 5 years (if not previously autocalled)
- Currency: GBP
- Underlying
- -S&P Index
- -FTSE Index
- Up to 42.5% return
- Invested capital is at risk at maturity if any Index has ever traded below 50% of its Strike Level
- ISIN: XS0787640159

Investment rationale:

You gain exposure to some of the best companies from both the USA and the United Kingdom.

- The US is the largest economy in the world. Its nominal GDP was estimated to be nearly $15 trillion in 2011,approximately a quarter of nominal global GDP. The U.S. economy also maintains a very high level of output per capita. In 2011, it was estimated to have a per capita GDP (PPP) of $48.147 the 7th highest in the world. The U.S is the largest trading nation in the world.
- The UK is today the seventh 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. The economy of the United Kingdom is the seventh-largest national economy in the world measured by nominal GDP and eighth-largest measured by purchasing power parity (PPP). The investment bank Goldman Sachs has predicted that the United Kingdom will become the largest economy in Europe by 2025.

How this product works:

This investment product is linked to the performance of two major stock market indices, the S&P 500 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 both indices close at or above 100% of their Strike Levels, the product is Autocalled, and the Investor receives 100% of their investment returned plus a coupon of 8.5% multiplied by the number of the Observation Date, (there are 5 Obvservation Dates, 1 a year) and the product terminates. Example:

- If on the 3rd Observation date, this is the first Observation Date that the closing levels of both Indices are all at or above 100% of their Strikes, then the Note autocalls and the Investor will receive all their investment amount back plus a 8.5% 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 both Indices are not at or above their Strike Levels at that time, provided that both Indices never traded at or below 50% American Barrier of their Strike Levels since the Strike Date, the Investor will receive all their Investment amount returned, with no Coupon payment. In the event that any one of those is at or 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:

S&P Index: Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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).

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 **FTSE 100 INDEX** — **UKX Equity**
	2 **S&P INDEX** — **SPX Index**
Trade Date:	21-05-2012
Strike Date:	22-06-2012
Payment Date:	29-06-2012
Early Observation Dates:	24-06-2013, 23-06-2014, 22-06-2015, 22-06-2016
Early Redemption Dates:	01-07-2013, 30-06-2014, 29-06-2015, 29-06-2016
Final Valuation Date:	22-06-2017
Final Redemption Dates:	29-06-2017
Issue Price:	100%
Currency:	GBP
Minimum Investment:	GBP 1,000
Denomination:	GBP 1,000
Strike Level:	Determined on 22-06-2012
American Barrier:	50%
Coupon:	8.5%
Autocall Trigger:	If, on an Early Observation Date, both 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 2 Underlyings close above 100% of their respective strike values, 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, and none of the underlying has ever closed at or below 50% of its initial spot price (daily closing), the 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* $\left(\frac{Worst_{Final}}{Worst_{Initial}}\right)$
	$Worst_{final}$ — 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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