COMMERZBANK

16% p.a. UK Blue Chip Phoenix Autocall



RATIONALE

This Phoenix Autocall Note is linked to the performance of some of the UK's most well know 'Blue Chip' stocks. The Note gives investors the opportunity to earn 8% every six months even if the stocks fall from their initial level and also have their capital returned early. Investors also have a degree of capital protection in the event of falls of up to 50% in the worst performing index.

BENEFITS

- ✓ Opportunity to receive a coupon every six months, even if the product is not redeemed early
- ✓ Potential early redemption
- ✓ 50% Capital Barrier observed at maturity

RISKS

- × Capital at risk: downside participation in the worst performer if it closes below the Barrier at maturity
- × Coupons are not guaranteed
- × Credit Issuer Risk

Product Category Rating: 2 – see Rating Explanation on back page for more information

PRODUCT DESCRIPTION

Issuer:	Commerzbank AG (Moody's Baa1 / S&P A- / Fitch A+)
Maturity & Currency:	5 years in GBP
ISIN:	XS1017430122
Strike Date	17th January 2014
Underlyings:	**Name** — **Bloomberg Ticker** BP Amoco Plc. — BP/ LN Equity Glaxosmithkline Plc. — GSK LN Equity HSBC Holding Plc. — HSBA LN Equity Vodafone Airtouch Plc. — VOD LN Equity
Coupon Barrier:	95% of the initial level of each underlying, observed semi-annually
Capital Barrier:	50% of the initial level of each underlying, observed at maturity
Autocall Trigger:	100% of the initial level of each underlying observed semi-annually
Coupon:	16% p.a. (8% semi-annually)
Early Redemption:	On every semi-annual Observation Date n: 1) If all the underlyings close above their respective Trigger, the product is early redeemed at: **100% + Coupon** 2) Else, if all the underlyings close above their respective Coupon Barrier, the investor receives the Coupon: **Coupon** and the product continues 3) Otherwise, no payment occurs and the product continues
Redemption at maturity:	If the product has not been early redeemed 1) If all the underlyings close above their Coupon Barrier, the investor receives the invested capital back and the Coupon: **100% + Coupon** 2) Otherwise, if all the underlyings close above their respective Barrier levels, the investor receives the invested capital back with no additional payment: **100%** 3) Else, the investor receives the final performance of the worst performing underlying relative to its initial level: **Worst Performer** $_{Final}$ / **Worst Performer** $_{Initial}$

Disclaimer

Product Category: 2

The product category indicates the payoff risk as explained in the table below. The rating is for information only, and is intended to provide investors with the means to understand and compare the payoffs associated with our products.

Rating	Explanation
1	If held until maturity, or a pre-defined early redemption date, the security holder will receive the capital invested back, subject to the issuer / counterparty Risk. Potential losses are limited to the potential gains, which are dependent on the performance of the chosen payoff.
2	The Capital or the Coupon (if any) or both are paid back to the investor, subject to the issuer / counterparty Risk, unless a pre-defined market event occurs. In that case The Capital or the Coupon (if any) or both may be fully at risk.
3	A portion of the Capital invested, or Coupon (if any), or both are either not at risk from the inception date; or the full repayment becomes effective on the occurrence of a pre-defined market event, subject to the issuer / counterparty Risk.
4	The capital invested is fully at risk. The investor may lose potential gains and initial capital subject to the underlying performance and the issuer / counterparty Risk.

Before investing in this product, investors should carefully consider its appropriateness and suitability, and the following additional risks:

1. Issuer Risk: Any failure by the issuer to perform its contractual obligations, when due, may result in the loss of all or part of the invested capital.
2. Counterparty Risk: Any failure by Commerzbank AG to perform its contractual obligations, when due, may result in the loss of all or part of the invested capital.
3. Market Risk: Various market factors may affect the value of the investment or the underlying assets, including but not limited to the impact of volatility, interest rates, dividends (if any), foreign exchange.
4. Liquidity / Secondary market Risk: Under normal market conditions Commerzbank will endeavor to provide a secondary market price. However Commerzbank has no obligation to make a secondary market in the instruments concerned. Accordingly, under some circumstances, the secondary market for the investment may be limited and subject to wide bid / offer spreads.
5. Reinvestment risk: The risk that the investment redeems prior to maturity at a time when reinvestment opportunities are not favorable for the investor.
6. Redemption Risk: There may be tax implications based on where the investor resides. Please consult a tax professional before investing.
7. Tax Risk: There may be legal restrictions depending on where the investor is domiciled. It is advised to seek legal guidance prior to investing.
8. Legal Risk: There may be legal restrictions depending on where the investor is domiciled. It is advised to seek legal guidance prior to investing.

Additional Risk Disclosures:

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