COMMERZBANK AKTIENGESELLSCHAFT

Frankfurt am Main

Base Prospectus

as of April 15, 2011

relating to

Notes

and

Certificates

(together, the "Securities")

to be publicly offered and/or listed in the Republic of Italy

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SUMMARY

This summary provides an overview of what are, in the opinion of the Issuer, the main risks associated with the Issuer and the Securities issued by the Issuer under this Base Prospectus. This summary is not exhaustive. It should be read as an introduction to this Base Prospectus. Investors should base any decision to invest in the Securities on a review of this Base Prospectus as a whole (including any supplements thereto) as well as the relevant final terms (the "**Final Terms**").

Commerzbank Aktiengesellschaft (the "**Issuer**", the "**Bank**" or "**Commerzbank**" and, together with its consolidated subsidiaries, "**Commerzbank Group**" or the "**Group**") may have civil liability in respect of this summary; such liability, however, applies only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the relevant Final Terms.

Where a claim relating to information contained in this Base Prospectus and the relevant Final Terms is brought before a court in a member state of the European Economic Area, the plaintiff investor may, under the national legislation of such member state, be required to bear the costs of translating this Base Prospectus (including any supplements thereto) and the relevant Final Terms before the legal proceedings are initiated.

SUMMARY OF INFORMATION RELATING TO THE SECURITIES

The possible types of Securities which may be issued under the Base Prospectus (and as specified in the relevant Final Terms) are:

1. Notes with a principal amount

   (a) which bear:

      (i) interest at a fixed rate for one or several interest periods or for the entire term of the Notes ("**Fixed Rate Notes**"), or

      (ii) interest that is increased ("**Step-Up Notes**") or decreased ("**Step-Down Notes**") from one interest period to another, or

      (iii) interest at a floating rate ("**Floating Rate Notes**" and **"Reverse Floating Rate Notes"**), or

      (iv) interest whereby the interest rate or interest amount is to be determined by reference to an exchange rate, an index, a bond, a share, any other security, a future, a fund, a straddle, a commodity, swap rate(s), interest rate(s), any other underlying, a basket or index consisting of any of the before-mentioned and/or formula(e) for some or all interest periods, provided that interest periods for which the interest rate or interest amount is not determined in such a way may be or may have a floating or fixed rate ("**Interest Structured Notes**"), or

      (v) no interest ("**Zero Coupon Notes**" or other Notes not bearing interest), and

   (b) where the redemption amount may either:

      (i) be at par, or

      (ii) be at a specified rate above par, or

      (iii) be determined by reference to an exchange rate, an index, a bond, a share, any other security, a future, a fund, a straddle, a commodity, swap rate(s), interest rate(s), any other underlying, a basket or index consisting of any of the before-mentioned and/or formula(e) ("**Redemption Structured Notes**"), provided that it will in any case be at least par, or

(iv) be in a currency other than the issue currency ("**Dual Currency Notes**"), provided that it will in any case be at least par.

2. Certificates with fixed redemption date where the settlement amount or additional payments are to be determined by reference to an exchange rate, an index, a bond, a share, any other security, a future, a fund, a straddle, a commodity, swap rate(s), interest rate(s), any other underlying, a basket or index consisting of any of the before-mentioned and/or formula(e) (**"Certificates"**).

The relevant Final Terms will indicate either that the Securities cannot be redeemed prior to their stated maturity (except for events specified in the Terms and Conditions) or that the Securities will be redeemable at the option of the Issuer and/or the holders of the Securities upon giving notice within the notice period (if any), as the case may be, or that the Securities will be redeemed by way of automatic early redemption (dependent on the occurrence of a specified event).

All relevant information relating to a particular issue of Securities such as type and conditions of the Security, issue price, issue date, redemption or interest or other payment calculations or specifications, underlying(s) (if any), market disruption, settlement disruption, adjustments, agents, taxation, specific risk factors, offering, clearing system, ISIN or other national security code(s), listing, form of securities and any further information are set forth in the relevant Final Terms.

SUMMARY OF RISK FACTORS RELATING TO THE SECURITIES

The investment in the Securities issued under this Base Prospectus is associated with certain risks. In respect of Securities that, in view of their specific structure, require a special description of the relevant risk factors, a supplementary description of the special risk factors associated with the relevant Securities in addition to the list set out below will be included in the relevant Final Terms where required. The information set forth hereinafter and in the Final Terms merely describes the major risks that are associated with an investment in the Securities in the Issuer's opinion. In this regard, however, **the Issuer expressly points out that the description of the risks associated with an investment in the Securities is not exhaustive**.

In addition, the order in which such risks are presented does not indicate the extent of their potential commercial effects in the event that they are realised, or the likelihood of their realisation. The realisation of one or more of said risks may adversely affect the assets, finances and profits of Commerzbank Aktiengesellschaft or the value of the Securities themselves.

Moreover, additional risks that are not known at the date of preparation of this Base Prospectus and the relevant Final Terms or currently believed to be immaterial could likewise have an adverse effect on the value of the Securities.

Potential investors in the Securities must in each case determine the suitability of the relevant investment in light of their own personal and financial situation. In particular, potential investors should in each case:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and/or the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the relevant Final Terms;

- have sufficient financial resources and liquidity to bear all of the risks associated with an investment in the Securities;

- understand thoroughly the Terms and Conditions pertaining to the Securities and be familiar with the behaviour of any relevant Underlying and the financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the value of their investment and be able to bear the associated risks.

With specific respect to Certificates, the occurrence of one or more of the risks disclosed in this Base Prospectus, any supplement and/or the relevant Final Terms or any additional risks may lead to a material and sustained loss and, depending on the structure of the Certificate, even result in the **total loss** of the amounts invested by the investor.

Investors should invest in the Certificates only if they are able to bear the risk of losing the amounts invested, including any transaction costs incurred.

These risk warnings do not substitute advice by the investor's bank or by the investor's legal, business or tax advisers, which should in any event be obtained by the investor in order to be able to assess the consequences of an investment in the Securities. Investment decisions should not be made solely on the basis of the risk warnings set out in this Base Prospectus, any supplement and/or the relevant Final Terms since such information cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of the investor concerned.

I. General Risks

- **Deviation of the issue price from the market value and impact of incidental costs**

The issue/offer price in respect of any Securities is based on internal pricing models of the Issuer and may be higher than their market value. The pricing models of other market participants may deviate from the Issuer's internal pricing models and might produce different results.

The price that might be obtainable in the secondary market for the Securities might be lower than their issue/offer price.

Investors should also note that the issue/offer price of the Securities may include subscription fees and/or placement fees and/or direction fees and/or structuring fees and/or other additional costs or inducements. In addition, the issue/offer price may include costs that are incurred in connection with the hedging of the Issuer's liabilities in relation to the issue of the Securities.

Any such fees may not be taken into account for the purposes of determining the price of such Securities on the secondary market and could result in a difference between the theoretical value of the Securities and the actual bid/offer price quoted by any intermediary in the secondary market.

Any such difference may have an adverse effect on the value of the Securities, particularly immediately following the offer and the issue date relating to such Securities, where any such fees and/or costs may be deducted from the price at which such Securities can be sold by the initial investor in the secondary market.

- **Trading in the Securities, reduction in liquidity**

Even if the Securities are listed on a regulated market or trading venue, the Securities could be affected by liquidity problems, and therefore the price of the Securities could be affected by their limited liquidity.

In such regard, it should be noted that the Issuer may, with reference to each series of Securities, request admission to listing on the regulated markets of Borsa Italiana S.p.A., such as the Mercato Telematico of securitised derivatives ("**SeDeX**"), investment certificates segment for Certificates and the Mercato Telematico delle Obbligazioni ("**MOT**") for Notes ("*Obbligazioni*"), or on other trading venues – without, however, providing any guarantee that they will be admitted to listing on such markets. Where the Securities are Certificates and are listed on the SeDeX or on other trading venues, the Issuer will, for so long as the rules of the SeDeX so require, either (i) act as market maker or liquidity provider or (ii) appoint an entity acting as market maker or liquidity provider or specialist (the "**Market Maker**"). The Market Maker will display continuous "bid" and/or "offer" prices for such Certificates, in accordance with the rules of the SeDeX. The appointment of a Market Maker in the MOT market is at the option of the Issuer.

The Securities may also be traded on trading systems governed by applicable laws and regulations in force from time to time, such as multilateral trading systems, MTF or other trading systems such as bilateral systems, or equivalent trading systems. Where trading in Securities takes place outside such trading systems, the manner in which the price of such Securities is determined may be less transparent and the liquidity of such Securities may be adversely affected.

There may be less liquidity in the secondary market for the Securities also if they are exclusively offered to retail investors without any offer to institutional investors.

- **Determination of the price of the Securities**

The price of the Securities as quoted by a market maker, if any, is not determined by the principle of supply and demand and does not necessarily correspond to the theoretical value of the Securities. The level of such deviation of the buying and selling prices quoted by a market maker from the theoretical value of the Securities will fluctuate during the term of the Securities. In particular at the beginning of the term of the Securities, such deviation may result in that the Securities acquired at the issue price may, under the assumption that the usual price-influencing factors remain constant, only be resold at a significantly lower price. In addition, such deviation from the theoretical value of the Securities may result in a significant (upside or downside) deviation of the buying and selling prices, if any, quoted by other securities dealers for the Securities from the buying and selling prices quoted by the market maker.

- **Determination of the price of the Certificates to be listed on the SeDeX in the secondary market**

The appointment of a Market Maker with respect to the Certificates on the secondary market, may, under certain circumstances, have a relevant impact on the price of the Certificates on the secondary market.

In fact, the Market Maker will determine the purchasing and selling prices for such Certificates in the secondary market (if such a secondary market exists) on the basis of internal pricing models and a number of other factors. These factors may include the following parameters: actuarial value of the Certificates, price of the Underlying, supply and demand with regard to the Certificates, costs for risk hedging and risk assumption, margins and commissions.

Some of these factors may not have a consistent effect on the price of the Certificates based on the relevant pricing models for the duration of the term, but may be taken into account at the Market Maker's discretion at an earlier time in a pricing context. This might include a margin included in the issue price, management fees and paid or expected yields on the Underlying or its components (such as dividends), which - based on the characteristics of the Certificates - might be retained by the Issuer. Expected dividends on the underlying or its components may be deducted prior to the "ex dividend" day in relation to the Underlying or its components, based on the expected yields for the entire term or a certain portion thereof. Any dividend estimate used by the Market Maker in its assessment may change during the term of the Certificates or deviate from the dividend generally expected by the market or the actual dividend. This can also affect the pricing process in the secondary market.

Thus, the prices provided by the Market Maker may deviate from the actuarial value of the Certificates and/or the price to be expected from a commercial perspective, which would have formed in a liquid market at the relevant time in which several market makers or liquidity providers acting independently of each other provide prices. In addition, the Market Maker may change the method based on which it determines the prices provided by it at any time, e.g. by changing its pricing models or using other calculation models and/or increasing or reducing the bid/offer spread.

If, during the opening hours of secondary trading in the Certificates by the Market Maker and/or the opening hours of the stock exchange or other trading venue on which the Certificates are admitted or included, the Underlying is also traded on its home market, the price of the Underlying will be taken into account in the price calculation of the Certificates. If, however, the home market of the Underlying is closed while the Certificates relating to that Underlying are traded, the price of the Underlying must be estimated. As the Certificates issued under this Base Prospectus are also offered at times during which the home markets of the Underlyings are closed, this risk may affect each Certificates. In particular, however, this applies to Underlyings that are traded in time zones far away from Central Europe, such as American or Asian shares or share indices from those regions. The same risk occurs where Certificates are traded on days during which the home market of the Underlying is closed because of a public holiday. If the price of the Underlying is estimated because its home market is closed, such an estimate may turn out to be accurate, too high or too low within hours in the event that the home market starts trading in the Underlying. Accordingly, the prices provided by the Market Maker prior to the opening of the relevant home market in respect of the Certificates will then turn out to be too high or too low.

- **Restricted secondary trading because of non-availability of electronic trading systems**

The Market Maker normally provides purchasing and selling prices for on- and off-exchange trading via an electronic trading system. If the availability of the relevant electronic trading system is restricted or even suspended, this will negatively affect the Securities' tradability.

- **No secondary market immediately before final maturity**

The relevant regulated market or trading venue will terminate trading in the Securities before their scheduled Maturity Date. However, the price of the Underlying and/or the applicable exchange rate, both of which can be relevant for the determination of the Securities' Redemption Amounts or Interest or Settlement Amounts, as applicable, may still change between the last trading day and the scheduled Maturity Date. This may be to the investor's disadvantage.

In addition, there is a risk that a barrier, which may be stipulated in the Terms and Conditions, is reached, exceeded or breached in another way for the first time prior to final maturity after secondary trading has already ended.

- **Listing of Securities**

To the extent applicable, in respect of the Securities, the Issuer shall use all reasonable endeavours to maintain the listing on the relevant regulated market or trading venue, PROVIDED THAT if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list such Securities, provided further that it shall use all reasonable endeavours to obtain and maintain as soon as reasonably practicable after such de-listing an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.

If such an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

- **Conflicts of interest**

Conflicts of interest can arise in connection with the exercise of rights and/or obligations of the Issuer, the Calculation Agent or any other party (e.g. an index sponsor or external advisor) in accordance with the Terms and Conditions in respect of the Securities (e.g. in connection with the determination or adaptation of parameters of the terms and conditions), which affect the amounts payable.

The Issuer, the Calculation Agent, the Market Maker or another party, as well as any of their affiliates, may enter into transactions in the Securities' Underlyings for their own or their customers' account, which might have a positive or negative effect on the performance of the relevant Underlying and may thus have a negative effect on the value of the Securities.

If the Underlying is a share, there is a possibility that the Issuer, the Calculation Agent, the Market Maker or another party, as well as any of their affiliates, may hold shares in the company that issued the Underlying.

The party that performs a specific function in respect of the Securities (e.g., that of calculation agent and/or index sponsor) might have to determine the calculation of the Underlying or calculate its value. This can lead to conflicts of interest if securities issued by that party can be chosen as Underlying.

In addition, the Issuer might issue additional derivative instruments with regard to the Underlying. An introduction of these new competing products can adversely affect the value of the Securities.

In addition, the Issuer and its affiliates might now or in future maintain a business relationship with the issuer of one or more Underlyings (including with regard to the issue of other securities relating to the relevant Underlying or lending, depositary, risk management, advisory and trading activities). Such business activities may be carried out as a service for customers or on an own account basis. The Issuer and/or any of its affiliates will pursue actions and take steps that it or they deem necessary or appropriate to protect its and/or their interests arising therefrom without regard to any negative consequences this may have for the Securities. Such actions and conflicts may include, without limitation, the exercise of voting rights, the purchase and sale of securities, financial advisory relationships and the exercise of creditor rights. The Issuer and any of its affiliates and their officers and directors may engage in any such activities without regard to the potential adverse effect that such activities may directly or indirectly have on any Securities.

The Issuer and any of its affiliates may, in connection with their other business activities, possess or acquire material (including non-public) information about the Underlying. The Issuer and any of its affiliates have no obligation to disclose such information about the Underlying.

The Issuer may act as Market Maker for the Securities and, in certain cases, the Underlying. In the context of such market making activities, the Issuer will substantially determine the price of the Securities and possibly that of the Underlying and, thus, the value of the Securities. The prices provided by the Issuer in its capacity as Market Maker will not always correspond to the prices that would have formed in the absence of such market making and in a liquid market.

Potential conflicts of interest relating to distributors

Potential conflicts of interest may arise where the Securities are offered to the public, as the distributors will act pursuant to a mandate granted by the Issuer and will receive commissions and/or fees on the basis of the services performed and the outcome of the placement of the Securities.

Any further risk factors relating to additional conflicts of interest with respect to the Securities will be specified in the relevant Final Terms.

- **Certain considerations relating to public offers of the Securities**

If the Securities are distributed by means of a public offer, under certain circumstances indicated in the applicable Final Terms, the Issuer and/or the other entities indicated in the Final Terms will have the right to withdraw or revoke the offer, and the offer will be deemed to be null and void according to the terms indicated in the applicable Final Terms. In such case, any amounts segregated by a distributor as intended payment of the offer price by an investor will be released to the relevant investor by the distributor but may or may not accrue interest depending on the agreements between the investor and the relevant distributor or depending on the policies applied by the distributor in this regard. In these circumstances, there may also be a time lag in the release of any such amounts and, unless otherwise agreed with the relevant distributor no amount will be payable as compensation and the investor may be subject to reinvestment risk.

Unless otherwise provided in the applicable Final Terms, the Issuer and/or the other entities specified in the applicable Final Terms may terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the applicable Final Terms. Any such termination may occur even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms), has not been reached. In such circumstances, the early closing of the offer may have an impact on the aggregate number of Securities issued and, therefore, may have an adverse effect on the liquidity of the Securities.

Furthermore, under certain circumstances, the Issuer and/or the other entities indicated in the applicable Final Terms will have the right to postpone the originally designated Issue Date. For the avoidance of doubt, this right applies also in the event that the Issuer publishes a supplement to the Base Prospectus in accordance with the provisions of the Prospectus Directive, as implemented in Germany. In the event that the issue date is so delayed, no compensation or amount in respect of interest shall be payable or otherwise accrue in relation to such Securities unless otherwise agreed between the investor and the relevant distributor or the policies of the distributor so provide.

- **Hedging risks**

The Issuer and its affiliates may hedge themselves against the financial risks associated with the issue of the Securities by performing hedging activities in relation to the relevant Underlying. Such activities in relation to the Securities may influence the market price of the Underlying to which the Securities relate. This will particularly be the case at the end of the term of these Securities. It cannot be ruled out that the conclusion and release of hedging positions may have a negative influence on the value of the Securities or payments to which the holder of the Securities is entitled.

In addition, investors may not be able to enter into hedging transactions that exclude or limit their risks in connection with the investment in the Securities. The possibility to enter into such hedging transactions depends on market conditions and the respective Underlying terms and conditions.

- **Interest rate and inflationary risks, currency risks**

The market for the Securities is influenced by the economic and market conditions, interest rates, exchange rates and inflation rates in Europe and other countries and regions. Events in Europe and in other parts of the world can lead to higher market volatility and thus have an adverse effect on the value of the Securities. In addition, the economic situation and the market conditions can have negative consequences for the value of the Securities.

Currency risks for the investor arise in particular in those cases where (i) the Underlying is denominated in a different currency than the Securities, (ii) the Securities are denominated in a different currency than the official currency of the investor's home country or (iii) the Securities are denominated in a different currency than the currency in which the purchaser receives payments or (iv) the Securities are denominated in the currency of an emerging market or a country of the third world.

Exchange rates are subject to supply and demand factors on the international money markets, which are in turn influenced by macroeconomic factors, speculation and measures implemented by governments and central banks (e.g. foreign exchange controls and restrictions). The value of the Securities or the amount of the potentially due payment might be reduced because of exchange rate fluctuations.

With specific reference to Certificates, Certificates with a so-called "quanto element" (an in-built currency hedge that determines a fixed exchange rate at the time of issue) are not subject to a currency risk in relation to the settlement currency and the currency of the Underlying. During the term of the Certificates, the economic value of the quanto hedge may fluctuate depending on various influencing factors.

As payments are made at the fixed exchange rate, the investor will not benefit from a positive development of the exchange rate at the time of maturity in the event of a currency hedge via the quanto element. In addition, when purchasing Certificates with a quanto element, investors must assume that the purchase price of the Certificates includes costs in respect of the quanto hedge.

- **Offer volume**

The offer volume specified in the relevant Final Terms corresponds to the maximum total amount of Securities offered but is no indication of which volume of Securities will be actually issued. The actual volume depends on the market conditions and may change during the term of the Securities. Therefore, investors should note that the specified offer volume does not allow any conclusions as to the liquidity of the Securities in the secondary market.

- **Use of loans**

If the investor finances the investment in the Securities through a loan, he – in the event that he loses some or all of the invested capital – has not only to bear the loss incurred but will also have to pay the interest and repay the loan. In that case, the exposure to loss increases considerably. Investors should never assume that they will be able to repay the loan including interest out of the payments on the Securities or – in the case of a sale of the Securities before maturity – out of the proceeds from such sale. The investor in the Securities rather has to consider in advance on the basis of his financial situation whether he will still be able to pay the interest or repay the loan at short notice if the expected profits turn into losses.

- **Transaction costs**

Transaction costs that may be charged by the custodian bank and/or the stock exchange via which an investor places his purchase and/or selling order may reduce any profits and/or increase any losses. In the case of a total loss in respect of a Certificate, the transaction costs will increase the loss incurred by the relevant investor.

- **Securities are unsecured obligations (Status)**

The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and, unless otherwise provided by applicable law, rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer. They are neither secured by the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*) nor by the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz*).

This means that the investor bears the risk that the Issuer's financial situation may worsen - or that insolvency proceedings might be instituted with regard to its assets - and that the Issuer therefore might be unable to make any payments due under the Securities. **Under these circumstances, a total loss of the investor's amounts invested might be possible.**

- **Impact of a downgrading of the credit rating**

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings given to the Issuer's outstanding securities by rating agencies such as Moody's Investors Services Inc., Fitch Ratings Ltd, a subsidiary of Fimalac, S.A., and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. Any downgrading of the Issuer's rating (if any) by even one of these rating agencies could result in a reduction in the value of the Securities.

- **Reinvestment risk upon Early Redemption**

Following an Early Redemption of the Securities (e.g. in the case of a termination of the Securities by the Issuer), the investor may only be able to reinvest the Redemption Amount or Interests or Settlement Amount, as applicable, on significantly less favourable conditions than before.

- **Applicability of investment restrictions**

Certain investors may be subject to legal investment restrictions.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities (this particularly applies to Certificates). Each potential investor should consult his legal advisers to determine whether and to what extent (a) the investment in Securities represents a legal investment for him, (b) Securities can be used as collateral for various types of financing and (c) other restrictions apply to his purchase or pledge of any Securities. Investors who are subject to official supervision should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

- **Taxes and other duties**

All taxes or other duties payable at the level of the Issuer or the holders of the Securities on payments made in relation to the Securities are to be borne by the holders of the Securities. The Issuer will not pay any additional amounts to the holders of the Securities on account of any such taxes or duties.

It is not possible to predict whether the tax regime on the basis of which the net values relating to any amount payable to investors pursuant to the Securities applicable as at the date of publication of the specific Final Terms may be amended during the life of the Securities, nor can it be excluded that, in case of amendments, the net values indicated with respect to the Securities may differ, even substantially, from those which will effectively apply to the Securities as at the various payment dates, as indicated in the relevant Final Terms.

To that end, the section "Taxation" in "General Information" below sets out a brief description of the tax regime applicable to the purchase/subscription, ownership or disposal of the Securities for certain categories of investors, based on the tax laws in force in Italy as at the date of this Base Prospectus, provided that such laws remain subject to any changes in law which may occur after such date, and which could be made on a retroactive basis.

With reference to each Securities issue, any changes to the tax regime described below are set out in the Final Terms.

- **Substitution of the Issuer**

If the conditions set out in the Terms and Conditions are met, the Issuer is entitled at any time, without the consent of the holders of the Securities, to appoint another company as the new Issuer (the "**New Issuer**") with regard to all obligations arising out of or in connection with the Securities in its place. In that case, the holder of the Securities will generally also assume the insolvency risk with regard to the new Issuer.

Where the Securities are listed on the Italian Stock Exchange, for so long as (a) the Certificates are admitted to listing on the SeDeX or the Notes are listed on the MOT and (b) the rules of Borsa Italiana S.p.A. so require, the obligations of the New Issuer in respect of the Securities will be unconditionally and irrevocably guaranteed by the Issuer.

- **Change of law**

The Terms and Conditions in respect of the Securities are based on relevant laws in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this Base Prospectus.

II. Risks resulting from the structure and type of the Securities

Certain factors are of great significance with regard to the assessment of the risks associated with an investment in the Securities issued under this Base Prospectus.

- **Risk Factors relating specifically to Notes**

The factors which are material for the purpose of assessing the risks associated with an investment in Securities issued under this Base Prospectus will vary depending on the type of Securities issued, e.g. whether it is a Note or a Certificate and what kind of Note or Certificate it is.

A key difference between Floating Rate Notes, Interest Structured Notes and Fixed Rate Notes is that interest income on Floating Rate Notes and Interest Structured Notes cannot be anticipated. Due to varying income, investors are not able to determine a definite yield of Floating Rate Notes and Interest Structured Notes at the time of purchase, so that their return on investment cannot be compared with that of investments having fixed interest rates.

Unlike the price of ordinary Floating Rate Notes, the price of Reverse Floating Rate Notes is highly dependent on the yield of Fixed Rate Notes having the same maturity. Price fluctuations of Reverse Floating Rate Notes are parallel to but substantially stronger than those of Fixed Rate Notes having a similar maturity.

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par and these Notes do not pay any periodic interest during their term. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

The market values of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes.

An investment in the Notes entails additional significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security.

- **Risk Factors relating specifically to Certificates**

The Certificates issued under this Base Prospectus are subject to - potentially major - price fluctuations and may involve the risk of a **complete or partial loss** of the amounts invested (including any costs incurred in connection with the investment in the Certificates). Since, in the case of Certificates, the Settlement Amount is linked to an Underlying (e.g. a share, index, commodity (e.g. a precious metal), futures contract, bond, exchange rate, an interest rate, a fund or ETF or any other underlying, a basket or an index that is composed of any of the aforementioned values, commodities, rates or other underlyings, (e.g. alternative risks, real estates, life insurances, inflation, volatility), or to one or more formulae, Certificates are investments that might not be suitable for all investors.

The Certificates may have complex structures, which the investor might not fully understand. The investor might therefore underestimate the actual risk that is associated with an investment in the Certificates. Therefore, potential investors should study carefully the risks associated with an investment in the Certificates (with regard to the Issuer, the type of Certificates and/or the Underlying, as applicable), as well as any other information contained in this Base Prospectus, any supplements thereto as well as the relevant Final Terms, and possibly consult their personal (including tax) advisors. Prior to subscribing to Certificates, potential investors should ensure that they fully understand the mechanics of the relevant Certificates and that they are able to assess and bear the risk of a (**total**) loss of their investment. Prospective investors in the Certificates should in each case consider carefully whether the Certificates are suitable for them in light of their individual circumstances and financial position.

It is possible that the performance of the Certificates is adversely affected by several risk factors at the same time. The Issuer, however, is unable to make any reliable prediction on such combined effects.

- **Risks associated with the Underlying(s) as well as risks solely associated with the Securities per se**

An investment in the Securities issued under this Base Prospectus entails significant additional risks, which include risks in relation to the Underlying(s) as well as risks solely associated with the Securities themselves.

If the Final Terms for a particular issue of Securities provide that payments depend on an underlying, the relevant underlying and thus the payment obligations of the Issuer under the Securities may be subject to significant changes, whether due to fluctuations in value of underlying or, in the event of a basket or index, the composition of the index or basket.

If the Final Terms for a particular issue of Securities provide that the interest rate or other periodical payments or the Settlement Amount are linked to one or more underlying(s) it may result in an interest rate or other periodical payment or the Settlement Amount that is less than that payable on a conventional fixed rate debt security issued at the same time, including the possibility that no interest or Settlement Amount will be paid or that no periodical payment will be made.

Other risks include, without limitation:

(i) that the payments to be made under the Terms and Conditions of the Securities depend on the performance of one or more Underlying(s), so that (i) the Settlement Amount may be lower than the original purchase price of the Certificate or no payment may take place at all and (ii) the interests or other periodical payments to be paid under the Notes may lower than the expected or no payment may take place at all;

(ii) that a link to the performance of one or more Underlying(s) also has an effect on the value of the Securities. In that context, the value of the Securities will normally fall if the price of the Underlying goes down (without taking into account special characteristics of the Securities and without taking into account currency exchange rate changes in those cases where the Securities are issued in a currency different from the one in which the Underlying is quoted and the Redemption Amount or other periodical payments or the Settlement Amount, as applicable, is therefore converted);

(iii) that, pursuant to the Terms and Conditions of the Securities, payments can occur at times other than those expected by the investor (e.g. in the case of early redemption in the event of an Extraordinary Event as described in the Terms and Conditions);

(iv) that the consequences listed in (i) (reduction and/or non-occurrence of repayment) will occur for the particular reason that insolvency proceedings have been instituted with regard to the assets of the issuer of the Underlying or proceedings comparable to insolvency proceedings under German law are instituted or the Issuer ceases its payments or announces that it is unable to pay its debts when due or if similar events occur in relation to the issuer of the Underlying;

(v) that various fees are levied by the Issuer, an affiliate of the Issuer or a third party, which reduce the payments under the Securities. For instance, management fees might be levied with regard to the composition and calculation of an index, basket, fund or other Underlying, or performance or other fees might be incurred in connection with the performance of an Underlying and/or components of such Underlying;

(vi) that investors may be unable to hedge their exposure to the various risks relating to the Securities;

(vii) that the Underlying to which the Securities relate ceases to exist during the term of the Securities or might be replaced by another Underlying (this not only applies to actively managed Underlyings, but also to Underlyings that are effectively static), and that the investor, depending on the characteristics of the Securities and the Underlying, might not always know the future underlying or its composition when purchasing the Securities;

(viii) that the value of Securities on a possible secondary market is subject to greater fluctuations and thus greater risks than the value of other securities as it is dependent on one or several Underlyings. The performance of an Underlying is in turn subject to a series of factors beyond the Issuer's control. Such factors are influenced to a significant degree by the risks on the share, debt and foreign exchange markets, the interest rate development, the volatility of the relevant Underlyings as well as economic, political and regulatory risks, and/or a combination of the aforesaid risks; and

(ix) that the secondary market, if any, for Securities will be affected by a number of additional factors, irrespective of the creditworthiness of the Issuer and the value of the respective Underlying(s). These include, without limitation, the volatility of the relevant Underlying, as well as the remaining term and the outstanding volume of the respective Securities.

- **Extraordinary termination, early redemption and adjustment rights**

In accordance with the Terms and Conditions, the Issuer will in some cases be entitled to perform adjustments with regard to the aforesaid Terms and Conditions or to terminate or call for early redemption of the Securities if certain conditions are met. These conditions are described in the relevant Terms and Conditions.

Any adjustment of the Terms and Conditions may have a negative effect on the value of the Securities as well as the Settlement Amount or other periodical payments to be claimed by the investor.

The amount received by the holders of the Securities in the event of the termination of the Securities may be lower than the amount the holders of the Securities would have received without such termination.

Furthermore, investors bear the risk that they may invest the amounts received upon termination only at a rate of return which is lower than that of the terminated Securities.

- **Early Redemption of the Securities upon Termination by the Issuer, Automatic Early Redemption**

The Terms and Conditions of the relevant Securities may provide for early redemption rights of the Issuer or automatic early redemption. Any such early redemption provisions may affect the market value of the Securities. Before or during any period during which the Issuer may decide to redeem the Securities, or in which an event triggering automatic early redemption may occur, the market value of the relevant Securities will normally not rise to a level that is significantly above the Redemption Amount or Settlement Amount. An early redemption of the Securities may result in the expected yield in connection with the investment in the Securities not being reached. In addition, with respect to Certificates, the amount received by the holder of the Certificates upon early termination may be lower than the issue/offer price paid by the holder of the Certificate or may even be zero, so that some or all of the invested capital may be lost.

In that case as well, the holders of the Securities may be able to invest the amounts received by them in the case of early redemption only in return for a yield that is below the (expected) yield of the Securities that were redeemed early.

- **Maximum Amount**

In the case of Securities where, pursuant to the relevant Terms and Conditions, the payments to be made in connection with the Securities is limited to a maximum amount (whether in relation to the Settlement Amount or any other amount), the investor will not participate in any further performance of the Underlying that might be positive for the investor. While, on the one hand, the investor's yield is capped by way of the maximum amount, the investor may, on the other hand, bear the full loss risk in the event of an adverse performance of the Underlying.

The yield of Securities with a capped variable rate may be considerably lower than that of similar Securities without a cap.

- **Market disruption and postponement of payments**

The Issuer may be entitled to determine market disruptions or other events that might result in a postponement of a calculation and/or of any payments and that might affect the value of the Securities.

In addition, in certain cases stipulated in the Terms and Conditions, the Issuer (especially if a market disruption lasts several days) may estimate certain prices that are relevant with regard to payments or the reaching of barriers (leading to the Securities being worthless). These estimates may deviate from their actual value.

- **Securities that are denominated in foreign currencies**

If the relevant Securities, the Underlying or a component of the Underlying is denominated in a currency other than the currency of issue (foreign currency), the investor will be exposed to exchange rate risks that may have an adverse effect on the Securities' yield. Exchange rate fluctuations have various causes, such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

A change in the exchange rate of a currency in relation to the EUR, for instance, will result in a corresponding change in the Euro value of Securities that are not denominated in EUR, as well as in a corresponding change in the Euro value of payments that, pursuant to the Terms and Conditions of the relevant Securities, are not made in EUR. The same applies where the Redemption Amount or Settlement Amount or any other payment of a Securities must be converted into EUR because it is determined on the basis of an Underlying that is not expressed in EUR (e.g. where interests or the Settlement Amount are calculated based on the difference, converted into EUR, between an Underlying expressed in USD and the market price of a share denominated in USD).

If the value of a currency in which the Settlement Amount or the Redemption Amount or any other payment of a Security is payable or in which the Underlying of a Security is expressed falls in relation to the EUR and the value of the EUR increases accordingly, the Euro value of the relevant Security and/or the value of the payments in connection with the Security converted into EUR will fall.

- **Reverse Structures**

In the case of Securities with a reverse structure, investors will participate positively in a negative performance of the Underlying and vice versa. In other words, the following normally applies: The lower the relevant value of the Underlying on the relevant Valuation Day, the higher the Settlement Amount or any other amount will be (subject to a cap). However, the higher the value of the Underlying, the lower the Settlement Amount or any other amount will be. In the case of a participation rate of 100% in the price performance of the Underlying, this means that, in the event of an increase in the price of the Underlying by 100% or more, no amount will be payable and investors will suffer a total loss. If the Securities are equipped with a reverse element with a participation rate other than 100%, this means that an increase in the price of the Underlying will have a disproportionately unfavourable effect on the investor. In addition, the possible yields on Securities with a reverse element are generally limited because the negative performance of the Underlying cannot be more than 100%.

- **Leverage effect**

Risk of disproportionately high price losses

The prices of the Securities in the secondary market may be subject to significant fluctuations if the value of the Securities reacts disproportionately strongly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Settlement Amount, a bonus amount or any other additional amount and/or the interest payable in connection with a Security includes a participation factor that is greater than 1. In that case, a change in the price of the Underlying will reinforce the effect on the price of the Security, i.e. a favourable change in the price of the Underlying will have a disproportionately favourable effect on the investor and an unfavourable change in the price of the Underlying will have a disproportionately unfavourable effect on the investor. This is referred to as a **leverage effect**. The risk of disproportionately high price losses also occurs if the price of the Underlying (particularly shortly before the Security's maturity) nears thresholds that are significant with regard to the amount of the Settlement Amount bonus amount or any other additional amount and/or the interest, as even the smallest fluctuations in the price of the Underlying can result in major changes in the price of the Security.

Risk of disproportionately low price gains

On the other hand, the prices of the Securities in the secondary market may be subject to especially low fluctuations if the value of the Securities reacts disproportionately weakly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Settlement Amount, a bonus amount or any other additional amount and/or the interest payable in connection with a Security includes a participation factor that is **lower** than 1, since this means that the investor will only participate on a pro rata basis in a performance that is favourable for the investor. In that case, the yield resulting from the investment in the Security may be lower than that resulting from a direct investment in the Underlying.

In addition, a risk of disproportionately low price gains is particularly associated with Securities that provide for a maximum amount. If, for instance, the price of the Underlying is significantly above the threshold (cap) that entitles the holder to receive the maximum amount and it is no longer to be expected that the price will once again fall below the cap before the Valuation Date of the Securities, the price of the Securities will change only insignificantly or not at all, even if the price of the Underlying is subject to major fluctuations.

- **No claim against the issuer of an Underlying**

Securities do not give rise to any payment or other claims towards the issuers of the Underlyings to which those Securities relate. If the payments by the Issuer are less than the purchase price paid by the holder of the Securities, such holder will not have recourse to the issuer of the Underlying.

III. Risk factors relating to the Underlying

The value of a Security's Underlying depends upon a number of factors that may be interconnected. These may include economic, financial and political events beyond the Issuer's control.

The past performance of an Underlying should not be regarded as an indicator of its future performance during the term of the Securities.

a) Particular risks of Securities with shares as Underlying

Securities relating to shares are associated with particular risks beyond the Issuer's control, such as the risk that the respective company will be rendered insolvent, the risk that the share price will fluctuate or risks that occur in relation to dividend payments by the company. The performance of the shares depends to a very significant extent on developments on the capital markets, which in turn depend on the general global economic situation and more specific economic and political conditions. Shares in companies with low to medium market capitalisation may be subject to even higher risks (e.g. relating to their volatility or insolvency) than is the case for shares in larger companies. Moreover, shares in companies with low capitalisation may be extremely illiquid as a result of low trading volumes.

Shares in companies which have their statutory seat or significant business operations in countries with limited certainty of law are subject to additional risks such as, for instance, government interventions or nationalisation which may lead to a total or partial loss of the invested capital or of access to the capital invested in that country. This may result in a total or partial loss in relation to the value of the share. The realisation of such risks may also result in a total or partial loss of the invested capital for holders of Securities that are linked to such shares.

Holders of Securities that are linked to shares, unlike investors which directly invest in the shares, do not receive dividends or other distributions payable to the holders of the underlying shares.

If the Underlying consists of securities in lieu of shares (e.g. American Depositary Receipts ("**ADRs**") or Global Depositary Receipts ("**GDRs**"), together "**Depositary Receipts**"), additional risks might occur. ADRs are securities issued in the United States of America that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares outside the United States. GDRs are also securities that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares. They normally differ from the participation certificates referred to as ADRs in that they are publicly offered and/or issued outside the United States of America. Each Depositary Receipt represents one or more shares or a fraction of a security in a foreign corporation. In the case of both types of Depositary Receipt, the legal owner of the underlying share is the depositary bank, which also acts as the issuing agent of the Depositary Receipts.

Depending on the jurisdiction in which the Depositary Receipts were issued and the laws by which the depositary contract is governed, it cannot be ruled out that the holder of the Depositary Receipts may not be recognised as the actual beneficial owner of the underlying shares in the relevant jurisdiction. Particularly in the case that the depositary bank becomes insolvent and/or debt enforcement proceedings are initiated with regard to it, the relevant underlying shares may be subjected to disposal restrictions and/or utilised commercially in the context of debt enforcement measure undertaken against the depositary bank. In that case, the relevant holder will forfeit the rights in the Underlying shares represented by the relevant Depositary Receipt. This means that the Depositary Receipt as underlying will be rendered worthless, so that the securities relating to that Depositary Receipt (except in the case of reverse structures) will also be rendered worthless. In such a scenario, the investor faces a risk of total loss subject to a possible unconditional minimum repayment amount or other (partial) capital protection.

It must also be taken into account that the depositary bank may stop offering Depositary Receipts at any time and that, in that case or if the depositary bank becomes insolvent, the issuer of these Securities will, subject to more detailed provisions set out in the Terms and Conditions of the Securities, be entitled to adjust the Terms and Conditions and/or terminate the Securities.

b) Particular risks of Securities with indices as Underlying

Securities that are linked to one or several indices involve, in particular, the following risks:

Dependency on the value of the index components

The value of an index is calculated on the basis of the value of its components. Changes in the prices of index components, the composition of an index as well as factors that (may) influence the value of the index components also influence the value of the Securities that relate to the relevant index and can thus influence the yield from an investment in the relevant Securities. Fluctuations in the value of one index component may be compensated or aggravated by fluctuations in the value of other index components. The past performance of an index does not represent any guarantee of its future performance. Under certain circumstances, an index used as an Underlying may (i) not be available for the full term of the Securities, (ii) be substituted or (iii) continue to be calculated by the Issuer itself. In these or other cases mentioned in the Terms and Conditions, Securities may also be terminated by the Issuer.

An index may reflect the performance of assets of some countries or some industries only. In that case, investors are exposed to a concentration risk. In the event of an unfavourable economic development in a country or in relation to a particular industry, investors may be adversely affected. If several countries or industries are represented in an index, it is possible that the countries or the industries contained in the relevant index are weighted unevenly. This means that, in the event of an unfavourable development in one country or industry with a high index weighting, the value of the index may be affected disproportionately by this adverse development.

Investors should note that the selection of an index is not based on the expectations or estimates of the Issuer in respect of the future performance of the selected index. Investors should therefore make their own estimates in respect of the future performance of an index on the basis of their own knowledge and sources of information.

Price index – dividends are not taken into account

The index referred to in the relevant Terms and Conditions of the Securities may be a price index. Unlike in the case of performance indices, dividend distributions in relation to the shares contained in price indices will result in a reduction of the index level. This means that investors will not participate in dividends or other distributions in relation to shares contained in price indices.

No influence of the Issuer

As a general rule, the Issuer has no influence on the composition and performance of an index underlying a Security or the performance of the relevant index components, unless the Issuer and the index sponsor are identical.

No liability of the index sponsor

If the Securities relate to an index that is not calculated by the Issuer, the issue, marketing and distribution of the Securities will normally not be supported by the relevant index sponsor. In that regard, the relevant index is composed and calculated by the respective index sponsor without taking into account the interests of the Issuer or the holders of the Securities. In that case, the index sponsors do not assume any obligation or liability in respect of the issue, sale and/or trading of the Securities.

No recognised financial indices, no independent third party

The Securities may relate to one or more indices which are not recognised financial indices but indices that have been specially created for the issuance of the relevant Security. The index sponsors of such indices might not be independent from the Issuer and may thus favour the interests of the Issuer over the interests of the holders of the Securities.

Currency risks

The prices of the index components may be expressed in a currency (e.g. USD) that is different from the currency in which the Securities were issued (e.g. EUR). In that case, the Redemption Amount or Settlement Amount of the Securities or any other payment, and their value during their term may not only depend on the performance of the Underlying, but also on the development of the exchange rates of one or more foreign currencies against the currency of issue.

Index fees

Certain fees, costs, commissions or other composition and calculation charges may be deducted when calculating the value of an index. As a result, the performance of the individual index components is not acknowledged in full when calculating the performance of the respective index, but instead the performance is reduced by the amount of such fees, costs, commissions and other charges, which may to some extent erode any positive performance displayed by the individual components. It should also be noted that such costs may well also be incurred if the index returns negative performance, which will reinforce the negative performance even further.

Index composition publication

The composition of the indices may have to be published on a website or in other media mentioned in the terms and conditions. The publication of the updated composition of the respective index on the website of the relevant index sponsor might, however, be delayed considerably, sometimes even by several months. In those cases, the published composition may not always correspond to the actual composition of the relevant index.

c) Particular risks in relation to Securities with commodities (e.g. precious metals) as Underlying

Commodities can be divided into several categories, e.g. minerals (e.g. oil, gas or aluminium), agricultural products (e.g. wheat or maize) and precious metals (e.g. gold or silver). Most commodities are traded on specialised exchanges or in interbank trading in the form of over-the-counter (OTC) transactions.

Holders of Securities linked to the price of commodities are exposed to significant price risks as prices of commodities are subject to great fluctuations. The prices of commodities are influenced by a number of factors, including, inter alia, the following factors:

Cartels and regulatory changes

A number of producers or producing countries of commodities have formed organisations or cartels to regulate supply and therefore influence prices. However, the trading in commodities is also subject to regulations imposed by supervisory authorities or market rules whose application may also affect the development of the prices of the relevant commodities.

Cyclical supply and demand behaviour

Agricultural commodities are produced at a particular time of year but are in demand throughout the year. In contrast, energy is produced without interruption, even though it is mainly required during cold or very hot times of the year. This cyclical supply and demand pattern may lead to strong price fluctuations.

Direct investment costs

Direct investments in commodities are associated with costs for storage, insurance and taxes. In addition, no interest or dividends are paid on commodities. The overall yield of an investment is influenced by these factors.

Inflation and deflation

The general development of prices may have a strong effect on the price development of commodities.

Liquidity

Many markets of commodities are not very liquid and may therefore not be able to react rapidly and sufficiently to changes in supply and demand. In the case of low liquidity, speculative investments by individual market participants may lead to price distortions.

Political risks

Commodities are frequently produced in emerging markets and subject to demand from industrialised countries. The political and economic situation of emerging markets, however, is often a lot less stable than that of industrialised countries. Emerging markets are exposed to a greater risk of rapid political changes and adverse economic developments. Political crises can damage investors' confidence, which can in turn influence commodity prices. Wars or conflicts may change the supply and demand in relation to certain commodities. It is also possible that industrialised countries impose embargoes regarding the export and import of goods and services. This may have a direct or indirect effect on the price of the commodities that serve as the Securities' Underlying.

Weather and natural disasters

Unfavourable weather conditions and natural disasters may have a long-term negative effect on the supply of specific commodities for an entire year. A crisis of supply of this sort may lead to strong and incalculable price fluctuations.

d) Particular risks in relation to Securities with futures contracts as Underlying

Futures contracts are standardised forward transactions relating to financial instruments such as shares, indices, interest rates or foreign currencies (so-called financial futures) or commodities such as precious metals, wheat or sugar (so-called commodities futures).

A futures contract represents the contractual obligation to purchase or sell a certain quantity of the relevant contractual object at a certain date and price. Futures contracts are traded on futures and options exchanges and are standardised for that purpose with regard to size of contract, type and quality of the contractual object and potential delivery places and dates.

As a rule, there is a close correlation between the price performance of an asset that underlies a futures contract and is traded on a spot market and the corresponding futures market. However, futures contracts are generally traded at a premium or discount in relation to the spot price of the underlying asset. This difference between the spot and futures price, which is referred to as "basis" in futures and options exchange jargon, on the one hand results from the inclusion of the costs that are normally incurred in spot transactions (storage, delivery, insurance, etc.) and/or the revenues that are normally associated with spot transactions (interest, dividends, etc.), and on the other hand from the differing valuation of general market factors in the spot and the futures market. In addition, depending on the value, there can be a significant gap in terms of the liquidity in the spot and the corresponding futures market.

As the Securities relate to the futures contracts specified in the Terms and Conditions, investors, in addition to knowing the market for the relevant asset that underlies the relevant futures contract, must have know-how as to the workings and valuation factors of forward/futures transactions in order to be able to correctly assess the risks associated with an investment in those Securities.

As futures contracts expire on a certain date, the Terms and Conditions may provide that the Issuer (particularly in the case of Securities with a longer term), at a time stipulated in the Terms and Conditions, replaces the futures contract provided for as the Underlying in the Terms and Conditions by another futures contract that has a later expiry date than the initial underlying futures contract, but is otherwise subject to the same contractual specifications (so-called "**Roll-over**"). The costs associated with such a Roll-over will be taken into account in accordance with the Terms and Conditions in connection with the adjustment of the Strikes of the Securities in conjunction with the Roll-over and may have a significant effect on the value of the Securities. The Terms and Conditions may provide for additional cases in which the Issuer may replace the initial futures contract and/or change parameters of the Terms and Conditions and/or terminate the Securities.

e) Particular risks in relation to Certificates with exchange rates/currencies as Underlying

Exchange rates indicate the value ratio of a certain currency against another currency, i.e. the number of units in one currency that may be exchanged for one unit in the other.

Exchange rates are derived from the supply and demand in relation to currencies in the international foreign exchange markets. On the one hand, they are influenced by various economic factors, such as the rate of inflation in the relevant country, interest differences abroad, the assessment of the relevant economic development, the global political situation, the convertibility of one currency into another and the security of a financial investment in the relevant currency. On the other hand, they are influenced by measures undertaken by governments and central banks (e.g. foreign exchange controls and restrictions). In addition to these foreseeable factors, however, other factors might also be relevant that are difficult to estimate, such as factors of a psychological natures (such as crises of confidence in the political leadership of a country or other speculation). In some cases, such psychological factors may have a significant effect on the value of the relevant currency.

f) Particular risks of Securities with bonds as Underlying

Holders of Securities linked to bonds, in addition to the insolvency risk of Commerzbank AG as the Issuer of the Securities, are also exposed to the insolvency risk of the issuers of such underlying bond(s). If the issuer of a bond that underlies a Security does not punctually perform its obligations under the relevant bond or becomes insolvent, this will cause the value of the bond to fall (possibly to zero) and can in turn lead to significant price losses in the secondary market for the Securities and, possibly, a total loss of the invested capital of the holder of the Securities.

g) Particular risks of Securities with funds or basket of funds as Underlying

Fees: The performance of a fund is in part influenced by the fees that are directly or indirectly charged to the fund assets.

Market risk: As price or value reductions in relation to the securities purchased by the fund or other investments are also reflected in the prices of the individual fund units, there is a general risk of falling unit prices. Even if a fund's investments are much diversified, there is a risk that an adverse overall development in certain markets or exchanges can cause unit prices to fall.

Illiquid investments: Funds may invest in assets which are illiquid or subject to a minimum holding period.

Delayed NAV publication: Under certain circumstances, the publication of a fund's net asset value may be delayed.

Postponement or suspension of redemptions: The fund may redeem no or only a limited quantity of units at the times scheduled for the calculation of the Settlement Amount or of the other amounts to be paid under the Securities. This can result in a delayed settlement of the Certificates in the delayed payment under the Securities which may negatively affect the value of the Securities.

Dissolution of a fund: If a fund is dissolved during the term of the Securities the Issuer or the Calculation Agent will normally be entitled to perform adjustments with regard to the Securities in accordance with the relevant Terms and Conditions. Such adjustments may, in particular, provide for the substitution of the relevant fund by another fund. Alternatively, the Securities may be terminated early.

Concentration on certain countries, industries or investment classes: The fund may concentrate its investments on assets relating to certain countries, industries or asset classes.

Currency risks: The Securities may be linked to funds which are denominated in another currency than the currency in which the Securities are denominated.

Markets with limited certainty of law: Funds that invest in markets with limited certainty of law are subject to certain risks such as unexpected government interventions.

Effects of regulatory framework conditions: Funds might not be subject to any regulation or may invest in investment vehicles which are not subject to any regulation. Conversely, the introduction of regulation of a previously unregulated fund may create significant disadvantages for such funds.

Dependency on asset managers: The performance of the fund will depend on the performance of the assets selected by the fund's asset manager. The resignation or substitution of such persons may lead to losses and/or the dissolution of the relevant fund.

The investment strategies, restrictions and objectives of funds can provide an asset manager with significant room for manoeuvre when investing the relevant assets, and there is no guarantee that the asset manager's investment decisions will result in profits or provide efficient protection from market or other risks.

h) Particular risks of Certificates with ETFs (exchange traded funds) as Underlying

ETFs pursue the objective of tracking, as accurately as possible, the performance of an index, basket or particular individual assets. Thus, the value of an ETF is particularly dependent upon the performance of the individual index or basket components and/or assets. However, it cannot be ruled out that the performance of the ETF does not correspond to that of the index, basked or individual asset (so-called "tracking error").

Further, unlike other investment funds, there is generally no active management of ETFs by the issuing investment company. This means that decisions regarding the purchase of assets are dictated by the index, basket or individual assets. If the value of the underlying index falls, this may thus result in an unlimited price loss risk in relation to the ETF, which may have a negative effect on the value of the Securities.

SUMMARY OF INFORMATION RELATING TO COMMERZBANK AKTIENGESELLSCHAFT AND SUMMARY OF RISK FACTORS RELATING TO COMMERZBANK AKTIENGESELLSCHFT

Summary of Information relating to Commerzbank Aktiengesellschaft

Commerzbank Aktiengesellschaft is a stock corporation under German law. The Bank's registered office is located in Frankfurt am Main and its head office is at Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany (telephone: +49 (0)69 136-20). The Bank is registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main under the number HRB 32 000. The financial year of the Bank is the calendar year.

Commerzbank is a universal bank. The focus of its activities is on the provision of a wide range of services to private and of products to private, medium-sized and institutional customers in Germany. This is for example the account management and payment transactions, loan, savings and money investment forms, securities services, capital markets and investment banking products and services and export finance. Through its subsidiaries and affiliates, the Group is also active in specialized areas such as ship financing and leasing. Furthermore, as part of its bankassurance strategy, the Group offers financial services in cooperation with partners, notable home loan, asset management and insurance business. Besides Germany, the Bank is active, *inter alia*, through its subsidiaries, branches and investments in Poland, Ukraine, Russia and Central and Eastern Europe.

The Commerzbank Group divides its business into the following segments:

- *Private Customers.* This segment comprises four business areas: The business area Private and Business Customers contains the classic branch banking business, with a broad range of standardized banking and financial services tailored to the needs of this customer group. The business area Wealth Management comprises services for high net worth private clients as well as the support of wealthy customers in Germany and abroad. The business area Direct Banking includes the activities of comdirect bank, a direct bank that provides its services online, the European Bank for Fund Services, one of the big service platforms in Germany, as well as the Commerz Direkt Service GmbH, which provides call-center services to the Private Customers segment. Credit is the central business area responsible for lending operations with the above-mentioned customer groups.

- *Mittelstandsbank*. This segment comprises the business areas Corporate Banking and Financial Institutions. The business area Corporate Banking contains the Group’s activities with Mittelstand customers (so long as they are not assigned to the segments Central and Eastern Europe or Corporates & Markets), the public sector and institutional customers. It also includes the Center of Competence Renewable Energies, which deals with the financing of facilities for the production of renewable energies. Domestic and foreign branches (in Western Europe and Asia) offer to these customers comprehensive services and products in the areas of payment transactions, financing, solutions, interest rate and currency management, investment advisory and investment banking. The Financial Institutions Division is responsible for relationships with domestic and foreign banks and financial institutions as well as central banks. One focus is on advising on and the settlement of foreign trade activities of the customer.

- *Central and Eastern Europe*. This segment includes the activities of the Group's operating units and investments in Central and Eastern Europe (especially BRE Bank SA and Public Joint Stock Commercial Bank "Forum"). Business activities are focused on serving private and corporate customer banking as well as investment banking. Customers are private individuals and local companies in Central and Eastern Europe as well as companies operating in this geographical area.

- *Corporates & Markets*. This segment comprises the Group's investment banking activities and the management of capital-market-oriented customers. It consists of the Group Divisions Equity Markets & Commodities (trade in equities, equity derivatives and commodity products), Fixed Income & Currencies (trading and distribution of interest rate and currency instruments and the corresponding derivatives), Corporate Finance (financing and advisory services for debt and equity instruments and the central credit portfolio management of the segment and advice on mergers and acquisitions) and Client Relationship Management as well as Research.

- *Assed Based Finance*. The product portfolio of this segment ranges from traditional fixed-rate loans and structured finance to capital market products as well as open and closed-end real estate funds and real estate and equipment leasing. The segment's focus is on commercial real estate loans secured by the underlying properties. The segment is divided on the one hand into the operating divisions mainly operated by the Commerzbank subsidiary Eurohypo Aktiengesellschaft ("Eurohypo") which are Commercial Real Estate Germany, Commercial Real Estate International and Public Finance (Public Finance) and the Retail Banking (Private Banking) of Eurohypo. On the other hand this segment comprises the Asset Management and Leasing area, which reflects mainly the activities of the Commerzbank subsidiary Commerz Real AG. In addition, the segment comprises the ship financing business.

- *Portfolio Restructuring Unit.* The Portfolio Restructuring Unit segment is responsible for managing down assets related to discontinued proprietary trading and investment activities which no longer fit into Commerzbank's client-centric strategy.

- *Others and Consolidation*. This segment contains the income and expenses which are not attributable to the operational business segments. The segment comprises Group Controlling, Group Treasury, which is responsible for the liquidity management, interest rate management and capital management as well as Group Services, which provides for services used by all of the Group's segments. The reporting for this segment includes equity participations which are not assigned to the operation segments as well as other international asset management activities.

On January 12, 2009 Commerzbank has acquired all outstanding shares of Dresdner Bank by way of contribution in kind. The subsequent merger of Dresdner Bank to Commerzbank was registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main on May 11, 2009.

In response to the financial market crisis Commerzbank and the Sonderfonds für Finanzmarktstabilisierung ("SoFFin") signed an agreement on December 19, 2008 (amended on June 3, 2009 and restated on June 22, 2010) on the establishment of a silent partnership and on June 3, 2009 a further agreement (restated on June 22, 2010) on the establishment of a further silent partnership. On the basis of such agreements SoFFin contributed a silent participation of EUR 8.2 bn and on June 4, 2009 a further silent participation of EUR 8.2 bn to Commerzbank. Furthermore, SoFFin received 295,338,233 no-par-value shares in Commerzbank at an issue price of EUR 6.00 from the capital increase against cash contribution resolved upon by the Annual General Meeting held on May 16, 2009. As a result of this capital increase, the SoFFin holds a stake of 25.0% plus one share in Commerzbank at the date of this Prospectus. In addition, SoFFin as guarantor and Commerzbank as guarantee signed an agreement on December 30, 2008 regarding the provision of guarantees up to EUR 15 bn for certain bearer bonds. A guarantee volume thereof of EUR 10 bn was returned unused.

On May 7, 2009, the European Commission declared that the stabilization measures granted to Commerzbank were in principle compatible with state aid provisions of the EC Treaty. However, for competition law reasons the Commission imposed a number of conditions on Commerzbank, to which Commerzbank has agreed to comply with in contract with SoFFin.

The Board of Managing Directors currently consists of ten members: Martin Blessing (chairman), Frank Annuscheit, Markus Beumer, Dr. Achim Kassow, Jochen Klösges, Michael Reuther, Dr. Stefan Schmittmann, Ulrich Sieber, Dr. Eric Strutz und Martin Zielke.

The Supervisory Board consists of twenty members. The members of the Supervisroy Board currently are: Klaus-Peter Müller (chairman), Uwe Tschäge (deputy chairman), Hans-Hermann Altenschmidt, Dott. Sergio Balbinot, Dr.-Ing. Burckhard Bergmann, Dr. Nikolaus von Bomhard, Karin van Brummelen, Astrid Evers, Uwe Foullong, Daniel Hampel, Dr.-Ing. Otto Happel, Sonja Kasischke, Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel, Alexandra Krieger, Dr. h.c. Edgar Meister, Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann, Dr. Helmut Perlet, Barbara Priester, Mark Roach and Dr. Marcus Schenck.

The auditors of Commerzbank Aktiengesellschaft are PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft.

Summary of Risk Factors relating to Commerzbank Aktiengesellschaft

The issuer is subject to the following market- and sector-specific as well as company-specific risks, which - if they materialised - could have a considerable impact on the Issuer's net assets, financial position and earnings performance, and consequently on the Issuer's ability to meet its commitments arising from the Securities:

- There is a risk that the Group may not be able to implement its strategic plans, that it may not be able to implement them in full or that it will only be able to implement them at costs that are higher than planned.

- The markets in which the Group operates, especially the German market and within that market the Retail and Investment Banking segments, are characterized by intense competition in terms of prices and conditions, which puts substantial pressure on margins.

- The Group continuoulsy needs liquidity to refinance its business activities and is exposed to the risk of being unable to obtain funding on acceptable terms and to meet its current and future payment obligations or of being unable to fulfill such obligations on time and to meet regulatory capital requirements.

- The requirements and conditions of the government stabilization measures which were granted to Commerzbank could negatively affect the Group's profitability and Commerzbank could not be able to repay the silent participations of the Sonderfonds Finanzmarktstabilisierung ("SoFFin").

- A downgrade in the rating of Commerzbank, its subsidiaries or the entire Group may make refinancing more difficult and/or more expensive and entitle contracting partners to terminate derivative transactions or to require additional collateral.

- There is a risk that the Group will be called upon to indemnify the German deposit protection fund against losses the fund incurs in providing assistance to a Commerzbank subsidiary.

- The synergetic effects arising from the integration of the former Dresdner Bank Aktiengesellschaft ("Dresdner Bank") into the Group may turn out to be smaller than expected or be realized later than anticipated. In addition, the continuous integration is subject to significant costs and investments which could exceed the planned budgets.

- It is possible that the goodwill and brand names reported in the consolidated balance sheet will have to be written down, in full or in part, as a result of impairment tests.

- The sales partnership between Allianz SE ("Allianz") and the Group in respect of asset management and insurance products may not generate the benefits envisaged.

- There is a risk that the customers of Dresdner Bank migrated in the course of the acquisition may not remain customers of the Group in the long term.

- The Group is subject to counterparty risks (credit risks), also in respect of large individual exposures as well as in engagements that are concentrated in specific sectors, so-called bulk risk.

- The real estate financing business and the business activity of the Group in ship financing are subject to special risks with regard to the volatility of the real estate and ship prices, counterparty risks (credit risks) influenced therefrom as well as considerable changes in value of the real estate and ship collateral provided.

- It is possible that the Group will have to make further write-downs in future especially on structured financial instruments with and without US-subprime exposure on account of volatile and illiquid market conditions and suffers further losses in connection with the reduction of such portfolios.

- The markets for certain structured financial instruments in the Group's securities portfolio are exhibiting low levels of liquidity.

- Contracts with bond and credit insurers, especially monoline insurers, are subject to significant default risk due to the threat of insolvency faced by these insurance companies.

- The Group is subject to market price risks with regard to the valuation of shares and fund units.

- The Group is subject to market price risks in form of interest rate risks.

- The Group is subject to market price risks in form of credit spread risks.

- Currency risks could negatively affect the Group's business, results of operations and financial condition.

- The Group is subject to market price risks in form of commodity price risks.

- The Group is subject to market price risks in form of volatility and correlation risks.

- The Group's strategies for hedging against market risks may prove to be ineffective.

- The Group is subject to special risks in relation to its equity investments in listed and unlisted companies regarding the impairment of such investments and their management.

- The Group is exposed to risks on account of direct and indirect pension obligations.

- The Group is exposed to a wide range of operational risks including the risk of breaches of compliance-related provisions in connection with the exercise of its business activity, such as provisions for limitation of money laundering. It cannot be ruled out that circumstances or trends may arise that were not anticipated, or were anticipated only to an inadequate extent, when the operational risk models were designed.

- The Group is highly dependent on complex information technology ("IT") systems whose functionality may be impacted by internal and external circumstances

- The growing significance of electronic trading platforms and new technologies may negatively affect the Group's business activities.

- It is not certain whether the Group will continue to succeed in attracting and retaining qualified staff in future.

- The bank regulatory framework in the various jurisdictions in which the Group operates may change at any time, and non-compliance with regulatory provisions can result in the imposition of penalties and other disadvantages, up to the loss of administrative licenses.

- Commerzbank and its subsidiaries are subject to damages, warranty and rescission actions.

- The measures the Group has taken for data protection purposes and to ensure data confidentiality could prove to be inadequate and could lead to reputational and other damages.

- The Group is subject to risks in respect of tax audits; changes to tax legislation or judicial rulings on tax matters could have a detrimental impact on the Group's business activities, its business, results of operations and financial condition.

- It cannot be ruled out that the Group will be unable to adequately or timely satisfy the conditions imposed by the European Commission in respect of the government stabilization measures that have been granted, to the compliance of which it has committed itself vis-à-vis SoFFin, or that the Group will suffer commercial disadvantages in connection with satisfying the conditions.

- The legal relationships between the Group and its customers are based on standardized contracts and forms designed for a large number of business transactions; individual application problems or errors in this documentation may therefore affect a large number of customer relationships.

- The Group is subject to various reputational risks.

RISK FACTORS

RISK FACTORS RELATING TO THE SECURITIES

The investment in Notes and Certificates (together the "**Securities**") issued under this Base Prospectus is associated with certain risks. In respect of Securities that, in view of their specific structure, require a special description of the relevant risk factors, a supplementary description of the special risk factors associated with the relevant Securities in addition to the list set out below will be included in a separate document (the "**Final Terms**") where required. The information set forth hereinafter and in the Final Terms merely describes the major risks that are associated with an investment in the Securities in the Issuer's opinion. In this regard, however, **the Issuer expressly points out that the description of the risks associated with an investment in the Securities is not exhaustive**.

In addition, the order in which such risks are presented does not indicate the extent of their potential commercial effects in the event that they are realised, or the likelihood of their realisation. The realisation of one or more of said risks may adversely affect the assets, finances and profits of Commerzbank Aktiengesellschaft or the value of the Securities themselves.

Moreover, additional risks that are not known at the date of preparation of this Base Prospectus and the relevant Final Terms or currently believed to be immaterial could likewise have an adverse effect on the value of the Securities.

Potential investors in the Securities must in each case determine the suitability of the relevant investment in light of their own personal and financial situation. In particular, potential investors should in each case:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and/or the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the relevant Final Terms;

- have sufficient financial resources and liquidity to bear all of the risks associated with an investment in the Securities;

- understand thoroughly the Terms and Conditions pertaining to the Securities and be familiar with the behaviour of any relevant Underlying and the financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the value of their investment and be able to bear the associated risks.

With specific respect to Certificates, the occurrence of one or more of the risks disclosed in this Base Prospectus, any supplement and/or the relevant Final Terms or any additional risks may lead to a material and sustained loss and, depending on the structure of the Certificate, even result in the **total loss** of the amounts invested by the investor.

Investors should invest in the Certificates only if they are able to bear the risk of losing the amounts invested, including any transaction costs incurred.

These risk warnings do not substitute advice by the investor's bank or by the investor's legal, business or tax advisers, which should in any event be obtained by the investor in order to be able to assess the consequences of an investment in the Securities. Investment decisions should not be made solely on the basis of the risk warnings set out in this Base Prospectus, any supplement and/or the relevant Final Terms since such information cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of the investor concerned.

I. General Risks

- **Deviation of the issue price from the market value and impact of incidental costs**

The issue/offer price in respect of any Securities is based on internal pricing models of the Issuer and may be higher than their market value. The pricing models of other market participants may deviate from the Issuer's internal pricing models and might produce different results.

The price that might be obtainable in the secondary market for the Securities might be lower than their issue/offer price.

Investors should also note that the issue/offer price of the Securities may include subscription fees and/or placement fees and/or direction fees and/or structuring fees and/or other additional costs or inducements. In addition, the issue/offer price may include costs that are incurred in connection with the hedging of the Issuer's liabilities in relation to the issue of the Securities.

Any such fees may not be taken into account for the purposes of determining the price of such Securities on the secondary market and could result in a difference between the theoretical value of the Securities and the actual bid/offer price quoted by any intermediary in the secondary market.

Any such difference may have an adverse effect on the value of the Securities, particularly immediately following the offer and the issue date relating to such Securities, where any such fees and/or costs may be deducted from the price at which such Securities can be sold by the initial investor in the secondary market.

- **Trading in the Securities, reduction in liquidity**

Even if the Securities are listed on a regulated market or trading venue, the Securities could be affected by liquidity problems, and therefore the price of the Securities could be affected by their limited liquidity.

In such regard, it should be noted that the Issuer may, with reference to each series of Securities, request admission to listing on the regulated markets of Borsa Italiana S.p.A., such as the Mercato Telematico of securitised derivatives ("**SeDeX**"), investment certificates segment for Certificates and the Mercato Telematico delle Obbligazioni ("**MOT**") for Notes ("*Obbligazioni*"), or on other trading venues – without, however, providing any guarantee that they will be admitted to listing on such markets. Where the Securities are Certificates and are listed on the SeDeX or on other trading venues, the Issuer will, for so long as the rules of the SeDeX so require, either (i) act as market maker or liquidity provider or (ii) appoint an entity acting as market maker or liquidity provider or specialist (the "**Market Maker**"). The Market Maker will display continuous "bid" and/or "offer" prices for such Certificates, in accordance with the rules of the SeDeX. The appointment of a Market Maker in the MOT market is at the option of the Issuer.

The Securities may also be traded on trading systems governed by applicable laws and regulations in force from time to time, such as multilateral trading systems, MTF or other trading systems such as bilateral systems, or equivalent trading systems. Where trading in Securities takes place outside such trading systems, the manner in which the price of such Securities is determined may be less transparent and the liquidity of such Securities may be adversely affected.

There may be less liquidity in the secondary market for the Securities also if they are exclusively offered to retail investors without any offer to institutional investors.

- **Determination of the price of the Securities**

The price of the Securities as quoted by a market maker, if any, is not determined by the principle of supply and demand and does not necessarily correspond to the theoretical value of the Securities. The level of such deviation of the buying and selling prices quoted by a market maker from the theoretical value of the Securities will fluctuate during the term of the Securities. In particular at the beginning of the term of the Securities, such deviation may result in that the Securities acquired at the issue price may, under the assumption that the usual price-influencing factors remain constant, only be resold at a significantly lower price. In addition, such deviation from the theoretical value of the Securities may result in a significant (upside or downside) deviation of the buying and selling prices, if any, quoted by other securities dealers for the Securities from the buying and selling prices quoted by the market maker.

- **Determination of the price of the Certificates to be listed on the SeDeX in the secondary market**

The appointment of a Market Maker with respect to the Certificates on the secondary market, may, under certain circumstances, have a relevant impact on the price of the Certificates on the secondary market.

In fact, the Market Maker will determine the purchasing and selling prices for such Certificates in the secondary market (if such a secondary market exists) on the basis of internal pricing models and a number of other factors. These factors may include the following parameters: actuarial value of the Certificates, price of the Underlying, supply and demand with regard to the Certificates, costs for risk hedging and risk assumption, margins and commissions.

Some of these factors may not have a consistent effect on the price of the Certificates based on the relevant pricing models for the duration of the term, but may be taken into account at the Market Maker's discretion at an earlier time in a pricing context. This might include a margin included in the issue price, management fees and paid or expected yields on the Underlying or its components (such as dividends), which - based on the characteristics of the Certificates - might be retained by the Issuer. Expected dividends on the underlying or its components may be deducted prior to the "ex dividend" day in relation to the Underlying or its components, based on the expected yields for the entire term or a certain portion thereof. Any dividend estimate used by the Market Maker in its assessment may change during the term of the Certificates or deviate from the dividend generally expected by the market or the actual dividend. This can also affect the pricing process in the secondary market.

Thus, the prices provided by the Market Maker may deviate from the actuarial value of the Certificates and/or the price to be expected from a commercial perspective, which would have formed in a liquid market at the relevant time in which several market makers or liquidity providers acting independently of each other provide prices. In addition, the Market Maker may change the method based on which it determines the prices provided by it at any time, e.g. by changing its pricing models or using other calculation models and/or increasing or reducing the bid/offer spread.

If, during the opening hours of secondary trading in the Certificates by the Market Maker and/or the opening hours of the stock exchange or other trading venue on which the Certificates are admitted or included, the Underlying is also traded on its home market, the price of the Underlying will be taken into account in the price calculation of the Certificates. If, however, the home market of the Underlying is closed while the Certificates relating to that Underlying are traded, the price of the Underlying must be estimated. As the Certificates issued under this Base Prospectus are also offered at times during which the home markets of the Underlyings are closed, this risk may affect each Certificates. In particular, however, this applies to Underlyings that are traded in time zones far away from Central Europe, such as American or Asian shares or share indices from those regions. The same risk occurs where Certificates are traded on days during which the home market of the Underlying is closed because of a public holiday. If the price of the Underlying is estimated because its home market is closed, such an estimate may turn out to be accurate, too high or too low within hours in the event that the home market starts trading in the Underlying. Accordingly, the prices provided by the Market Maker prior to the opening of the relevant home market in respect of the Certificates will then turn out to be too high or too low.

- **Restricted secondary trading because of non-availability of electronic trading systems**

The Market Maker normally provides purchasing and selling prices for on- and off-exchange trading via an electronic trading system. If the availability of the relevant electronic trading system is restricted or even suspended, this will negatively affect the Securities' tradability.

- **No secondary market immediately before final maturity**

The relevant regulated market or trading venue will terminate trading in the Securities before their scheduled Maturity Date. However, the price of the Underlying and/or the applicable exchange rate, both of which can be relevant for the determination of the Securities' Redemption Amounts or Interest or Settlement Amounts, as applicable, may still change between the last trading day and the scheduled Maturity Date. This may be to the investor's disadvantage.

In addition, there is a risk that a barrier, which may be stipulated in the Terms and Conditions, is reached, exceeded or breached in another way for the first time prior to final maturity after secondary trading has already ended.

- **Listing of Securities**

To the extent applicable, in respect of the Securities, the Issuer shall use all reasonable endeavours to maintain the listing on the relevant regulated market or trading venue, PROVIDED THAT if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list such Securities, provided further that it shall use all reasonable endeavours to obtain and maintain as soon as reasonably practicable after such de-listing an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.

If such an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

- **Conflicts of interest**

Conflicts of interest can arise in connection with the exercise of rights and/or obligations of the Issuer, the Calculation Agent or any other party (e.g. an index sponsor or external advisor) in accordance with the Terms and Conditions in respect of the Securities (e.g. in connection with the determination or adaptation of parameters of the terms and conditions), which affect the amounts payable.

The Issuer, the Calculation Agent, the Market Maker or another party, as well as any of their affiliates, may enter into transactions in the Securities' Underlyings for their own or their customers' account, which might have a positive or negative effect on the performance of the relevant Underlying and may thus have a negative effect on the value of the Securities.

If the Underlying is a share, there is a possibility that the Issuer, the Calculation Agent, the Market Maker or another party, as well as any of their affiliates, may hold shares in the company that issued the Underlying.

The party that performs a specific function in respect of the Securities (e.g., that of calculation agent and/or index sponsor) might have to determine the calculation of the Underlying or calculate its value. This can lead to conflicts of interest if securities issued by that party can be chosen as Underlying.

In addition, the Issuer might issue additional derivative instruments with regard to the Underlying. An introduction of these new competing products can adversely affect the value of the Securities.

In addition, the Issuer and its affiliates might now or in future maintain a business relationship with the issuer of one or more Underlyings (including with regard to the issue of other securities relating to the relevant Underlying or lending, depositary, risk management, advisory and trading activities). Such business activities may be carried out as a service for customers or on an own account basis. The Issuer and/or any of its affiliates will pursue actions and take steps that it or they deem necessary or appropriate to protect its and/or their interests arising therefrom without regard to any negative consequences this may have for the Securities. Such actions and conflicts may include, without limitation, the exercise of voting rights, the purchase and sale of securities, financial advisory relationships and the exercise of creditor rights. The Issuer and any of its affiliates and their officers and directors may engage in any such activities without regard to the potential adverse effect that such activities may directly or indirectly have on any Securities.

The Issuer and any of its affiliates may, in connection with their other business activities, possess or acquire material (including non-public) information about the Underlying. The Issuer and any of its affiliates have no obligation to disclose such information about the Underlying.

The Issuer may act as Market Maker for the Securities and, in certain cases, the Underlying. In the context of such market making activities, the Issuer will substantially determine the price of the Securities and possibly that of the Underlying and, thus, the value of the Securities. The prices provided by the Issuer in its capacity as Market Maker will not always correspond to the prices that would have formed in the absence of such market making and in a liquid market.

Potential conflicts of interest relating to distributors

Potential conflicts of interest may arise where the Securities are offered to the public, as the distributors will act pursuant to a mandate granted by the Issuer and will receive commissions and/or fees on the basis of the services performed and the outcome of the placement of the Securities.

Any further risk factors relating to additional conflicts of interest with respect to the Securities will be specified in the relevant Final Terms.

- **Certain considerations relating to public offers of the Securities**

If the Securities are distributed by means of a public offer, under certain circumstances indicated in the applicable Final Terms, the Issuer and/or the other entities indicated in the Final Terms will have the right to withdraw or revoke the offer, and the offer will be deemed to be null and void according to the terms indicated in the applicable Final Terms. In such case, any amounts segregated by a distributor as intended payment of the offer price by an investor will be released to the relevant investor by the distributor but may or may not accrue interest depending on the agreements between the investor and the relevant distributor or depending on the policies applied by the distributor in this regard. In these circumstances, there may also be a time lag in the release of any such amounts and, unless otherwise agreed with the relevant distributor no amount will be payable as compensation and the investor may be subject to reinvestment risk.

Unless otherwise provided in the applicable Final Terms, the Issuer and/or the other entities specified in the applicable Final Terms may terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the applicable Final Terms. Any such termination may occur even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms), has not been reached. In such circumstances, the early closing of the offer may have an impact on the aggregate number of Securities issued and, therefore, may have an adverse effect on the liquidity of the Securities.

Furthermore, under certain circumstances, the Issuer and/or the other entities indicated in the applicable Final Terms will have the right to postpone the originally designated Issue Date. For the avoidance of doubt, this right applies also in the event that the Issuer publishes a supplement to the Base Prospectus in accordance with the provisions of the Prospectus Directive, as implemented in Germany. In the event that the issue date is so delayed, no compensation or amount in respect of interest shall be payable or otherwise accrue in relation to such Securities unless otherwise agreed between the investor and the relevant distributor or the policies of the distributor so provide.

- **Hedging risks**

The Issuer and its affiliates may hedge themselves against the financial risks associated with the issue of the Securities by performing hedging activities in relation to the relevant Underlying. Such activities in relation to the Securities may influence the market price of the Underlying to which the Securities relate. This will particularly be the case at the end of the term of these Securities. It cannot be ruled out that the conclusion and release of hedging positions may have a negative influence on the value of the Securities or payments to which the holder of the Securities is entitled.

In addition, investors may not be able to enter into hedging transactions that exclude or limit their risks in connection with the investment in the Securities. The possibility to enter into such hedging transactions depends on market conditions and the respective Underlying terms and conditions.

- **Interest rate and inflationary risks, currency risks**

The market for the Securities is influenced by the economic and market conditions, interest rates, exchange rates and inflation rates in Europe and other countries and regions. Events in Europe and in other parts of the world can lead to higher market volatility and thus have an adverse effect on the value of the Securities. In addition, the economic situation and the market conditions can have negative consequences for the value of the Securities.

Currency risks for the investor arise in particular in those cases where (i) the Underlying is denominated in a different currency than the Securities, (ii) the Securities are denominated in a different currency than the official currency of the investor's home country or (iii) the Securities are denominated in a different currency than the currency in which the purchaser receives payments or (iv) the Securities are denominated in the currency of an emerging market or a country of the third world.

Exchange rates are subject to supply and demand factors on the international money markets, which are in turn influenced by macroeconomic factors, speculation and measures implemented by governments and central banks (e.g. foreign exchange controls and restrictions). The value of the Securities or the amount of the potentially due payment might be reduced because of exchange rate fluctuations.

With specific reference to Certificates, Certificates with a so-called "quanto element" (an in-built currency hedge that determines a fixed exchange rate at the time of issue) are not subject to a currency risk in relation to the settlement currency and the currency of the Underlying. During the term of the Certificates, the economic value of the quanto hedge may fluctuate depending on various influencing factors.

As payments are made at the fixed exchange rate, the investor will not benefit from a positive development of the exchange rate at the time of maturity in the event of a currency hedge via the quanto element. In addition, when purchasing Certificates with a quanto element, investors must assume that the purchase price of the Certificates includes costs in respect of the quanto hedge.

- **Offer volume**

The offer volume specified in the relevant Final Terms corresponds to the maximum total amount of Securities offered but is no indication of which volume of Securities will be actually issued. The actual volume depends on the market conditions and may change during the term of the Securities. Therefore, investors should note that the specified offer volume does not allow any conclusions as to the liquidity of the Securities in the secondary market.

- **Use of loans**

If the investor finances the investment in the Securities through a loan, he – in the event that he loses some or all of the invested capital – has not only to bear the loss incurred but will also have to pay the interest and repay the loan. In that case, the exposure to loss increases considerably. Investors should never assume that they will be able to repay the loan including interest out of the payments on the Securities or – in the case of a sale of the Securities before maturity – out of the proceeds from such sale. The investor in the Securities rather has to consider in advance on the basis of his financial situation whether he will still be able to pay the interest or repay the loan at short notice if the expected profits turn into losses.

- **Transaction costs**

Transaction costs that may be charged by the custodian bank and/or the stock exchange via which an investor places his purchase and/or selling order may reduce any profits and/or increase any losses. In the case of a total loss in respect of a Certificate, the transaction costs will increase the loss incurred by the relevant investor.

- **Securities are unsecured obligations (Status)**

The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and, unless otherwise provided by applicable law, rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer. They are neither secured by the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*) nor by the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz*).

This means that the investor bears the risk that the Issuer's financial situation may worsen - or that insolvency proceedings might be instituted with regard to its assets - and that the Issuer therefore might be unable to make any payments due under the Securities. **Under these circumstances, a total loss of the investor's amounts invested might be possible.**

- **Impact of a downgrading of the credit rating**

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings given to the Issuer's outstanding securities by rating agencies such as Moody's Investors Services Inc., Fitch Ratings Ltd, a subsidiary of Fimalac, S.A., and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. Any downgrading of the Issuer's rating (if any) by even one of these rating agencies could result in a reduction in the value of the Securities.

- **Reinvestment risk upon Early Redemption**

Following an Early Redemption of the Securities (e.g. in the case of a termination of the Securities by the Issuer), the investor may only be able to reinvest the Redemption Amount or Interests or Settlement Amount, as applicable, on significantly less favourable conditions than before.

- **Applicability of investment restrictions**

Certain investors may be subject to legal investment restrictions.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities (this particularly applies to Certificates). Each potential investor should consult his legal advisers to determine whether and to what extent (a) the investment in Securities represents a legal investment for him, (b) Securities can be used as collateral for various types of financing and (c) other restrictions apply to his purchase or pledge of any Securities. Investors who are subject to official supervision should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

- **Taxes and other duties**

All taxes or other duties payable at the level of the Issuer or the holders of the Securities on payments made in relation to the Securities are to be borne by the holders of the Securities. The Issuer will not pay any additional amounts to the holders of the Securities on account of any such taxes or duties.

It is not possible to predict whether the tax regime on the basis of which the net values relating to any amount payable to investors pursuant to the Securities applicable as at the date of publication of the specific Final Terms may be amended during the life of the Securities, nor can it be excluded that, in case of amendments, the net values indicated with respect to the Securities may differ, even substantially, from those which will effectively apply to the Securities as at the various payment dates, as indicated in the relevant Final Terms.

To that end, the section "Taxation" in "General Information" below sets out a brief description of the tax regime applicable to the purchase/subscription, ownership or disposal of the Securities for certain categories of investors, based on the tax laws in force in Italy as at the date of this Base Prospectus, provided that such laws remain subject to any changes in law which may occur after such date, and which could be made on a retroactive basis.

With reference to each Securities issue, any changes to the tax regime described below are set out in the Final Terms.

- **Substitution of the Issuer**

If the conditions set out in the Terms and Conditions are met, the Issuer is entitled at any time, without the consent of the holders of the Securities, to appoint another company as the new Issuer (the "**New Issuer**") with regard to all obligations arising out of or in connection with the Securities in its place. In that case, the holder of the Securities will generally also assume the insolvency risk with regard to the new Issuer.

Where the Securities are listed on the Italian Stock Exchange, for so long as (a) the Certificates are admitted to listing on the SeDeX or the Notes are listed on the MOT and (b) the rules of Borsa Italiana S.p.A. so require, the obligations of the New Issuer in respect of the Securities will be unconditionally and irrevocably guaranteed by the Issuer.

- **Change of law**

The Terms and Conditions in respect of the Securities are based on relevant laws in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this Base Prospectus.

II. Risks resulting from the structure and type of the Securities

Certain factors are of great significance with regard to the assessment of the risks associated with an investment in the Securities issued under this Base Prospectus.

- **Risk Factors relating specifically to Notes**

The factors which are material for the purpose of assessing the risks associated with an investment in Securities issued under this Base Prospectus will vary depending on the type of Securities issued, e.g. whether it is a Note or a Certificate and what kind of Note or Certificate it is.

A key difference between Floating Rate Notes, Interest Structured Notes and Fixed Rate Notes is that interest income on Floating Rate Notes and Interest Structured Notes cannot be anticipated. Due to varying income, investors are not able to determine a definite yield of Floating Rate Notes and Interest Structured Notes at the time of purchase, so that their return on investment cannot be compared with that of investments having fixed interest rates.

Unlike the price of ordinary Floating Rate Notes, the price of Reverse Floating Rate Notes is highly dependent on the yield of Fixed Rate Notes having the same maturity. Price fluctuations of Reverse Floating Rate Notes are parallel to but substantially stronger than those of Fixed Rate Notes having a similar maturity.

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par and these Notes do not pay any periodic interest during their term. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

The market values of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes.

An investment in the Notes entails additional significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security.

- **Risk Factors relating specifically to Certificates**

The Certificates issued under this Base Prospectus are subject to - potentially major - price fluctuations and may involve the risk of a **complete or partial loss** of the amounts invested (including any costs incurred in connection with the investment in the Certificates). Since, in the case of Certificates, the Settlement Amount is linked to an Underlying (e.g. a share, index, commodity (e.g. a precious metal), futures contract, bond, exchange rate, an interest rate, a fund or ETF or any other underlying, a basket or an index that is composed of any of the aforementioned values, commodities, rates or other underlyings, (e.g. alternative risks, real estates, life insurances, inflation, volatility), or to one or more formulae, Certificates are investments that might not be suitable for all investors.

The Certificates may have complex structures, which the investor might not fully understand. The investor might therefore underestimate the actual risk that is associated with an investment in the Certificates. Therefore, potential investors should study carefully the risks associated with an investment in the Certificates (with regard to the Issuer, the type of Certificates and/or the Underlying, as applicable), as well as any other information contained in this Base Prospectus, any supplements thereto as well as the relevant Final Terms, and possibly consult their personal (including tax) advisors. Prior to subscribing to Certificates, potential investors should ensure that they fully understand the mechanics of the relevant Certificates and that they are able to assess and bear the risk of a (**total**) loss of their investment. Prospective investors in the Certificates should in each case consider carefully whether the Certificates are suitable for them in light of their individual circumstances and financial position.

It is possible that the performance of the Certificates is adversely affected by several risk factors at the same time. The Issuer, however, is unable to make any reliable prediction on such combined effects.

- **Risks associated with the Underlying(s) as well as risks solely associated with the Securities per se**

An investment in the Securities issued under this Base Prospectus entails significant additional risks, which include risks in relation to the Underlying(s) as well as risks solely associated with the Securities themselves.

If the Final Terms for a particular issue of Securities provide that payments depend on an underlying, the relevant underlying and thus the payment obligations of the Issuer under the Securities may be subject to significant changes, whether due to fluctuations in value of underlying or, in the event of a basket or index, the composition of the index or basket.

If the Final Terms for a particular issue of Securities provide that the interest rate or other periodical payments or the Settlement Amount are linked to one or more underlying(s) it may result in an interest rate or other periodical payment or the Settlement Amount that is less than that payable on a conventional fixed rate debt security issued at the same time, including the possibility that no interest or Settlement Amount will be paid or that no periodical payment will be made.

Other risks include, without limitation:

(i) that the payments to be made under the Terms and Conditions of the Securities depend on the performance of one or more Underlying(s), so that (i) the Settlement Amount may be lower than the original purchase price of the Certificate or no payment may take place at all and (ii) the interests or other periodical payments to be paid under the Notes may lower than the expected or no payment may take place at all;

(ii) that a link to the performance of one or more Underlying(s) also has an effect on the value of the Securities. In that context, the value of the Securities will normally fall if the price of the Underlying goes down (without taking into account special characteristics of the Securities and without taking into account currency exchange rate changes in those cases where the Securities are issued in a currency different from the one in which the Underlying is quoted and the Redemption Amount or other periodical payments or the Settlement Amount, as applicable, is therefore converted);

(iii) that, pursuant to the Terms and Conditions of the Securities, payments can occur at times other than those expected by the investor (e.g. in the case of early redemption in the event of an Extraordinary Event as described in the Terms and Conditions);

(iv) that the consequences listed in (i) (reduction and/or non-occurrence of repayment) will occur for the particular reason that insolvency proceedings have been instituted with regard to the assets of the issuer of the Underlying or proceedings comparable to insolvency proceedings under German law are instituted or the Issuer ceases its payments or announces that it is unable to pay its debts when due or if similar events occur in relation to the issuer of the Underlying;

(v) that various fees are levied by the Issuer, an affiliate of the Issuer or a third party, which reduce the payments under the Securities. For instance, management fees might be levied with regard to the composition and calculation of an index, basket, fund or other Underlying, or performance or other fees might be incurred in connection with the performance of an Underlying and/or components of such Underlying;

(vi) that investors may be unable to hedge their exposure to the various risks relating to the Securities;

(vii) that the Underlying to which the Securities relate ceases to exist during the term of the Securities or might be replaced by another Underlying (this not only applies to actively managed Underlyings, but also to Underlyings that are effectively static), and that the investor, depending on the characteristics of the Securities and the Underlying, might not always know the future underlying or its composition when purchasing the Securities;

(viii) that the value of Securities on a possible secondary market is subject to greater fluctuations and thus greater risks than the value of other securities as it is dependent on one or several Underlyings. The performance of an Underlying is in turn subject to a series of factors beyond the Issuer's control. Such factors are influenced to a significant degree by the risks on the share, debt and foreign exchange markets, the interest rate development, the volatility of the relevant Underlyings as well as economic, political and regulatory risks, and/or a combination of the aforesaid risks; and

(ix) that the secondary market, if any, for Securities will be affected by a number of additional factors, irrespective of the creditworthiness of the Issuer and the value of the respective Underlying(s). These include, without limitation, the volatility of the relevant Underlying, as well as the remaining term and the outstanding volume of the respective Securities.

- **Extraordinary termination, early redemption and adjustment rights**

In accordance with the Terms and Conditions, the Issuer will in some cases be entitled to perform adjustments with regard to the aforesaid Terms and Conditions or to terminate or call for early redemption of the Securities if certain conditions are met. These conditions are described in the relevant Terms and Conditions.

Any adjustment of the Terms and Conditions may have a negative effect on the value of the Securities as well as the Settlement Amount or other periodical payments to be claimed by the investor.

The amount received by the holders of the Securities in the event of the termination of the Securities may be lower than the amount the holders of the Securities would have received without such termination.

Furthermore, investors bear the risk that they may invest the amounts received upon termination only at a rate of return which is lower than that of the terminated Securities.

- **Early Redemption of the Securities upon Termination by the Issuer, Automatic Early Redemption**

The Terms and Conditions of the relevant Securities may provide for early redemption rights of the Issuer or automatic early redemption. Any such early redemption provisions may affect the market value of the Securities. Before or during any period during which the Issuer may decide to redeem the Securities, or in which an event triggering automatic early redemption may occur, the market value of the relevant Securities will normally not rise to a level that is significantly above the Redemption Amount or Settlement Amount. An early redemption of the Securities may result in the expected yield in connection with the investment in the Securities not being reached. In addition, with respect to Certificates, the amount received by the holder of the Certificates upon early termination may be lower than the issue/offer price paid by the holder of the Certificate or may even be zero, so that some or all of the invested capital may be lost.

In that case as well, the holders of the Securities may be able to invest the amounts received by them in the case of early redemption only in return for a yield that is below the (expected) yield of the Securities that were redeemed early.

- **Maximum Amount**

In the case of Securities where, pursuant to the relevant Terms and Conditions, the payments to be made in connection with the Securities is limited to a maximum amount (whether in relation to the Settlement Amount or any other amount), the investor will not participate in any further performance of the Underlying that might be positive for the investor. While, on the one hand, the investor's yield is capped by way of the maximum amount, the investor may, on the other hand, bear the full loss risk in the event of an adverse performance of the Underlying.

The yield of Securities with a capped variable rate may be considerably lower than that of similar Securities without a cap.

- **Market disruption and postponement of payments**

The Issuer may be entitled to determine market disruptions or other events that might result in a postponement of a calculation and/or of any payments and that might affect the value of the Securities.

In addition, in certain cases stipulated in the Terms and Conditions, the Issuer (especially if a market disruption lasts several days) may estimate certain prices that are relevant with regard to payments or the reaching of barriers (leading to the Securities being worthless). These estimates may deviate from their actual value.

- **Securities that are denominated in foreign currencies**

If the relevant Securities, the Underlying or a component of the Underlying is denominated in a currency other than the currency of issue (foreign currency), the investor will be exposed to exchange rate risks that may have an adverse effect on the Securities' yield. Exchange rate fluctuations have various causes, such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

A change in the exchange rate of a currency in relation to the EUR, for instance, will result in a corresponding change in the Euro value of Securities that are not denominated in EUR, as well as in a corresponding change in the Euro value of payments that, pursuant to the Terms and Conditions of the relevant Securities, are not made in EUR. The same applies where the Redemption Amount or Settlement Amount or any other payment of a Securities must be converted into EUR because it is determined on the basis of an Underlying that is not expressed in EUR (e.g. where interests or the Settlement Amount are calculated based on the difference, converted into EUR, between an Underlying expressed in USD and the market price of a share denominated in USD).

If the value of a currency in which the Settlement Amount or the Redemption Amount or any other payment of a Security is payable or in which the Underlying of a Security is expressed falls in relation to the EUR and the value of the EUR increases accordingly, the Euro value of the relevant Security and/or the value of the payments in connection with the Security converted into EUR will fall.

- **Reverse Structures**

In the case of Securities with a reverse structure, investors will participate positively in a negative performance of the Underlying and vice versa. In other words, the following normally applies: The lower the relevant value of the Underlying on the relevant Valuation Day, the higher the Settlement Amount or any other amount will be (subject to a cap). However, the higher the value of the Underlying, the lower the Settlement Amount or any other amount will be. In the case of a participation rate of 100% in the price performance of the Underlying, this means that, in the event of an increase in the price of the Underlying by 100% or more, no amount will be payable and investors will suffer a total loss. If the Securities are equipped with a reverse element with a participation rate other than 100%, this means that an increase in the price of the Underlying will have a disproportionately unfavourable effect on the investor. In addition, the possible yields on Securities with a reverse element are generally limited because the negative performance of the Underlying cannot be more than 100%.

- **Leverage effect**

Risk of disproportionately high price losses

The prices of the Securities in the secondary market may be subject to significant fluctuations if the value of the Securities reacts disproportionately strongly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Settlement Amount, a bonus amount or any other additional amount and/or the interest payable in connection with a Security includes a participation factor that is greater than 1. In that case, a change in the price of the Underlying will reinforce the effect on the price of the Security, i.e. a favourable change in the price of the Underlying will have a disproportionately favourable effect on the investor and an unfavourable change in the price of the Underlying will have a disproportionately unfavourable effect on the investor. This is referred to as a **leverage effect**. The risk of disproportionately high price losses also occurs if the price of the Underlying (particularly shortly before the Security's maturity) nears thresholds that are significant with regard to the amount of the Settlement Amount bonus amount or any other additional amount and/or the interest, as even the smallest fluctuations in the price of the Underlying can result in major changes in the price of the Security.

Risk of disproportionately low price gains

On the other hand, the prices of the Securities in the secondary market may be subject to especially low fluctuations if the value of the Securities reacts disproportionately weakly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Settlement Amount, a bonus amount or any other additional amount and/or the interest payable in connection with a Security includes a participation factor that is **lower** than 1, since this means that the investor will only participate on a pro rata basis in a performance that is favourable for the investor. In that case, the yield resulting from the investment in the Security may be lower than that resulting from a direct investment in the Underlying.

In addition, a risk of disproportionately low price gains is particularly associated with Securities that provide for a maximum amount. If, for instance, the price of the Underlying is significantly above the threshold (cap) that entitles the holder to receive the maximum amount and it is no longer to be expected that the price will once again fall below the cap before the Valuation Date of the Securities, the price of the Securities will change only insignificantly or not at all, even if the price of the Underlying is subject to major fluctuations.

- **No claim against the issuer of an Underlying**

Securities do not give rise to any payment or other claims towards the issuers of the Underlyings to which those Securities relate. If the payments by the Issuer are less than the purchase price paid by the holder of the Securities, such holder will not have recourse to the issuer of the Underlying.

III. Risk factors relating to the Underlying

The value of a Security's Underlying depends upon a number of factors that may be interconnected. These may include economic, financial and political events beyond the Issuer's control.

The past performance of an Underlying should not be regarded as an indicator of its future performance during the term of the Securities.

a) Particular risks of Securities with shares as Underlying

Securities relating to shares are associated with particular risks beyond the Issuer's control, such as the risk that the respective company will be rendered insolvent, the risk that the share price will fluctuate or risks that occur in relation to dividend payments by the company. The performance of the shares depends to a very significant extent on developments on the capital markets, which in turn depend on the general global economic situation and more specific economic and political conditions. Shares in companies with low to medium market capitalisation may be subject to even higher risks (e.g. relating to their volatility or insolvency) than is the case for shares in larger companies. Moreover, shares in companies with low capitalisation may be extremely illiquid as a result of low trading volumes.

Shares in companies which have their statutory seat or significant business operations in countries with limited certainty of law are subject to additional risks such as, for instance, government interventions or nationalisation which may lead to a total or partial loss of the invested capital or of access to the capital invested in that country. This may result in a total or partial loss in relation to the value of the share. The realisation of such risks may also result in a total or partial loss of the invested capital for holders of Securities that are linked to such shares.

Holders of Securities that are linked to shares, unlike investors which directly invest in the shares, do not receive dividends or other distributions payable to the holders of the underlying shares.

If the Underlying consists of securities in lieu of shares (e.g. American Depositary Receipts ("**ADRs**") or Global Depositary Receipts ("**GDRs**"), together "**Depositary Receipts**"), additional risks might occur. ADRs are securities issued in the United States of America that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares outside the United States. GDRs are also securities that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares. They normally differ from the participation certificates referred to as ADRs in that they are publicly offered and/or issued outside the United States of America. Each Depositary Receipt represents one or more shares or a fraction of a security in a foreign corporation. In the case of both types of Depositary Receipt, the legal owner of the underlying share is the depositary bank, which also acts as the issuing agent of the Depositary Receipts.

Depending on the jurisdiction in which the Depositary Receipts were issued and the laws by which the depositary contract is governed, it cannot be ruled out that the holder of the Depositary Receipts may not be recognised as the actual beneficial owner of the underlying shares in the relevant jurisdiction. Particularly in the case that the depositary bank becomes insolvent and/or debt enforcement proceedings are initiated with regard to it, the relevant underlying shares may be subjected to disposal restrictions and/or utilised commercially in the context of debt enforcement measure undertaken against the depositary bank. In that case, the relevant holder will forfeit the rights in the Underlying shares represented by the relevant Depositary Receipt. This means that the Depositary Receipt as underlying will be rendered worthless, so that the securities relating to that Depositary Receipt (except in the case of reverse structures) will also be rendered worthless. In such a scenario, the investor faces a risk of total loss subject to a possible unconditional minimum repayment amount or other (partial) capital protection.

It must also be taken into account that the depositary bank may stop offering Depositary Receipts at any time and that, in that case or if the depositary bank becomes insolvent, the issuer of these Securities will, subject to more detailed provisions set out in the Terms and Conditions of the Securities, be entitled to adjust the Terms and Conditions and/or terminate the Securities.

b) Particular risks of Securities with indices as Underlying

Securities that are linked to one or several indices involve, in particular, the following risks:

Dependency on the value of the index components

The value of an index is calculated on the basis of the value of its components. Changes in the prices of index components, the composition of an index as well as factors that (may) influence the value of the index components also influence the value of the Securities that relate to the relevant index and can thus influence the yield from an investment in the relevant Securities. Fluctuations in the value of one index component may be compensated or aggravated by fluctuations in the value of other index components. The past performance of an index does not represent any guarantee of its future performance. Under certain circumstances, an index used as an Underlying may (i) not be available for the full term of the Securities, (ii) be substituted or (iii) continue to be calculated by the Issuer itself. In these or other cases mentioned in the Terms and Conditions, Securities may also be terminated by the Issuer.

An index may reflect the performance of assets of some countries or some industries only. In that case, investors are exposed to a concentration risk. In the event of an unfavourable economic development in a country or in relation to a particular industry, investors may be adversely affected. If several countries or industries are represented in an index, it is possible that the countries or the industries contained in the relevant index are weighted unevenly. This means that, in the event of an unfavourable development in one country or industry with a high index weighting, the value of the index may be affected disproportionately by this adverse development.

Investors should note that the selection of an index is not based on the expectations or estimates of the Issuer in respect of the future performance of the selected index. Investors should therefore make their own estimates in respect of the future performance of an index on the basis of their own knowledge and sources of information.

Price index – dividends are not taken into account

The index referred to in the relevant Terms and Conditions of the Securities may be a price index. Unlike in the case of performance indices, dividend distributions in relation to the shares contained in price indices will result in a reduction of the index level. This means that investors will not participate in dividends or other distributions in relation to shares contained in price indices.

No influence of the Issuer

As a general rule, the Issuer has no influence on the composition and performance of an index underlying a Security or the performance of the relevant index components, unless the Issuer and the index sponsor are identical.

No liability of the index sponsor

If the Securities relate to an index that is not calculated by the Issuer, the issue, marketing and distribution of the Securities will normally not be supported by the relevant index sponsor. In that regard, the relevant index is composed and calculated by the respective index sponsor without taking into account the interests of the Issuer or the holders of the Securities. In that case, the index sponsors do not assume any obligation or liability in respect of the issue, sale and/or trading of the Securities.

No recognised financial indices, no independent third party

The Securities may relate to one or more indices which are not recognised financial indices but indices that have been specially created for the issuance of the relevant Security. The index sponsors of such indices might not be independent from the Issuer and may thus favour the interests of the Issuer over the interests of the holders of the Securities.

Currency risks

The prices of the index components may be expressed in a currency (e.g. USD) that is different from the currency in which the Securities were issued (e.g. EUR). In that case, the Redemption Amount or Settlement Amount of the Securities or any other payment, and their value during their term may not only depend on the performance of the Underlying, but also on the development of the exchange rates of one or more foreign currencies against the currency of issue.

Index fees

Certain fees, costs, commissions or other composition and calculation charges may be deducted when calculating the value of an index. As a result, the performance of the individual index components is not acknowledged in full when calculating the performance of the respective index, but instead the performance is reduced by the amount of such fees, costs, commissions and other charges, which may to some extent erode any positive performance displayed by the individual components. It should also be noted that such costs may well also be incurred if the index returns negative performance, which will reinforce the negative performance even further.

Index composition publication

The composition of the indices may have to be published on a website or in other media mentioned in the terms and conditions. The publication of the updated composition of the respective index on the website of the relevant index sponsor might, however, be delayed considerably, sometimes even by several months. In those cases, the published composition may not always correspond to the actual composition of the relevant index.

c) Particular risks in relation to Securities with commodities (e.g. precious metals) as Underlying

Commodities can be divided into several categories, e.g. minerals (e.g. oil, gas or aluminium), agricultural products (e.g. wheat or maize) and precious metals (e.g. gold or silver). Most commodities are traded on specialised exchanges or in interbank trading in the form of over-the-counter (OTC) transactions.

Holders of Securities linked to the price of commodities are exposed to significant price risks as prices of commodities are subject to great fluctuations. The prices of commodities are influenced by a number of factors, including, inter alia, the following factors:

Cartels and regulatory changes

A number of producers or producing countries of commodities have formed organisations or cartels to regulate supply and therefore influence prices. However, the trading in commodities is also subject to regulations imposed by supervisory authorities or market rules whose application may also affect the development of the prices of the relevant commodities.

Cyclical supply and demand behaviour

Agricultural commodities are produced at a particular time of year but are in demand throughout the year. In contrast, energy is produced without interruption, even though it is mainly required during cold or very hot times of the year. This cyclical supply and demand pattern may lead to strong price fluctuations.

Direct investment costs

Direct investments in commodities are associated with costs for storage, insurance and taxes. In addition, no interest or dividends are paid on commodities. The overall yield of an investment is influenced by these factors.

Inflation and deflation

The general development of prices may have a strong effect on the price development of commodities.

Liquidity

Many markets of commodities are not very liquid and may therefore not be able to react rapidly and sufficiently to changes in supply and demand. In the case of low liquidity, speculative investments by individual market participants may lead to price distortions.

Political risks

Commodities are frequently produced in emerging markets and subject to demand from industrialised countries. The political and economic situation of emerging markets, however, is often a lot less stable than that of industrialised countries. Emerging markets are exposed to a greater risk of rapid political changes and adverse economic developments. Political crises can damage investors' confidence, which can in turn influence commodity prices. Wars or conflicts may change the supply and demand in relation to certain commodities. It is also possible that industrialised countries impose embargoes regarding the export and import of goods and services. This may have a direct or indirect effect on the price of the commodities that serve as the Securities' Underlying.

Weather and natural disasters

Unfavourable weather conditions and natural disasters may have a long-term negative effect on the supply of specific commodities for an entire year. A crisis of supply of this sort may lead to strong and incalculable price fluctuations.

d) Particular risks in relation to Securities with futures contracts as Underlying

Futures contracts are standardised forward transactions relating to financial instruments such as shares, indices, interest rates or foreign currencies (so-called financial futures) or commodities such as precious metals, wheat or sugar (so-called commodities futures).

A futures contract represents the contractual obligation to purchase or sell a certain quantity of the relevant contractual object at a certain date and price. Futures contracts are traded on futures and options exchanges and are standardised for that purpose with regard to size of contract, type and quality of the contractual object and potential delivery places and dates.

As a rule, there is a close correlation between the price performance of an asset that underlies a futures contract and is traded on a spot market and the corresponding futures market. However, futures contracts are generally traded at a premium or discount in relation to the spot price of the underlying asset. This difference between the spot and futures price, which is referred to as "basis" in futures and options exchange jargon, on the one hand results from the inclusion of the costs that are normally incurred in spot transactions (storage, delivery, insurance, etc.) and/or the revenues that are normally associated with spot transactions (interest, dividends, etc.), and on the other hand from the differing valuation of general market factors in the spot and the futures market. In addition, depending on the value, there can be a significant gap in terms of the liquidity in the spot and the corresponding futures market.

As the Securities relate to the futures contracts specified in the Terms and Conditions, investors, in addition to knowing the market for the relevant asset that underlies the relevant futures contract, must have know-how as to the workings and valuation factors of forward/futures transactions in order to be able to correctly assess the risks associated with an investment in those Securities.

As futures contracts expire on a certain date, the Terms and Conditions may provide that the Issuer (particularly in the case of Securities with a longer term), at a time stipulated in the Terms and Conditions, replaces the futures contract provided for as the Underlying in the Terms and Conditions by another futures contract that has a later expiry date than the initial underlying futures contract, but is otherwise subject to the same contractual specifications (so-called "**Roll-over**"). The costs associated with such a Roll-over will be taken into account in accordance with the Terms and Conditions in connection with the adjustment of the Strikes of the Securities in conjunction with the Roll-over and may have a significant effect on the value of the Securities. The Terms and Conditions may provide for additional cases in which the Issuer may replace the initial futures contract and/or change parameters of the Terms and Conditions and/or terminate the Securities.

e) Particular risks in relation to Certificates with exchange rates/currencies as Underlying

Exchange rates indicate the value ratio of a certain currency against another currency, i.e. the number of units in one currency that may be exchanged for one unit in the other.

Exchange rates are derived from the supply and demand in relation to currencies in the international foreign exchange markets. On the one hand, they are influenced by various economic factors, such as the rate of inflation in the relevant country, interest differences abroad, the assessment of the relevant economic development, the global political situation, the convertibility of one currency into another and the security of a financial investment in the relevant currency. On the other hand, they are influenced by measures undertaken by governments and central banks (e.g. foreign exchange controls and restrictions). In addition to these foreseeable factors, however, other factors might also be relevant that are difficult to estimate, such as factors of a psychological natures (such as crises of confidence in the political leadership of a country or other speculation). In some cases, such psychological factors may have a significant effect on the value of the relevant currency.

f) Particular risks of Securities with bonds as Underlying

Holders of Securities linked to bonds, in addition to the insolvency risk of Commerzbank AG as the Issuer of the Securities, are also exposed to the insolvency risk of the issuers of such underlying bond(s). If the issuer of a bond that underlies a Security does not punctually perform its obligations under the relevant bond or becomes insolvent, this will cause the value of the bond to fall (possibly to zero) and can in turn lead to significant price losses in the secondary market for the Securities and, possibly, a total loss of the invested capital of the holder of the Securities.

g) Particular risks of Securities with funds or basket of funds as Underlying

Fees: The performance of a fund is in part influenced by the fees that are directly or indirectly charged to the fund assets.

Market risk: As price or value reductions in relation to the securities purchased by the fund or other investments are also reflected in the prices of the individual fund units, there is a general risk of falling unit prices. Even if a fund's investments are much diversified, there is a risk that an adverse overall development in certain markets or exchanges can cause unit prices to fall.

Illiquid investments: Funds may invest in assets which are illiquid or subject to a minimum holding period.

Delayed NAV publication: Under certain circumstances, the publication of a fund's net asset value may be delayed.

Postponement or suspension of redemptions: The fund may redeem no or only a limited quantity of units at the times scheduled for the calculation of the Settlement Amount or of the other amounts to be paid under the Securities. This can result in a delayed settlement of the Certificates in the delayed payment under the Securities which may negatively affect the value of the Securities.

Dissolution of a fund: If a fund is dissolved during the term of the Securities the Issuer or the Calculation Agent will normally be entitled to perform adjustments with regard to the Securities in accordance with the relevant Terms and Conditions. Such adjustments may, in particular, provide for the substitution of the relevant fund by another fund. Alternatively, the Securities may be terminated early.

Concentration on certain countries, industries or investment classes: The fund may concentrate its investments on assets relating to certain countries, industries or asset classes.

Currency risks: The Securities may be linked to funds which are denominated in another currency than the currency in which the Securities are denominated.

Markets with limited certainty of law: Funds that invest in markets with limited certainty of law are subject to certain risks such as unexpected government interventions.

Effects of regulatory framework conditions: Funds might not be subject to any regulation or may invest in investment vehicles which are not subject to any regulation. Conversely, the introduction of regulation of a previously unregulated fund may create significant disadvantages for such funds.

Dependency on asset managers: The performance of the fund will depend on the performance of the assets selected by the fund's asset manager. The resignation or substitution of such persons may lead to losses and/or the dissolution of the relevant fund.

The investment strategies, restrictions and objectives of funds can provide an asset manager with significant room for manoeuvre when investing the relevant assets, and there is no guarantee that the asset manager's investment decisions will result in profits or provide efficient protection from market or other risks.

h) Particular risks of Certificates with ETFs (exchange traded funds) as Underlying

ETFs pursue the objective of tracking, as accurately as possible, the performance of an index, basket or particular individual assets. Thus, the value of an ETF is particularly dependent upon the performance of the individual index or basket components and/or assets. However, it cannot be ruled out that the performance of the ETF does not correspond to that of the index, basked or individual asset (so-called "tracking error").

Further, unlike other investment funds, there is generally no active management of ETFs by the issuing investment company. This means that decisions regarding the purchase of assets are dictated by the index, basket or individual assets. If the value of the underlying index falls, this may thus result in an unlimited price loss risk in relation to the ETF, which may have a negative effect on the value of the Securities.

Additional risks (e.g. in relation to the Underlying(s), payment profiles and structures) may be set out in the relevant Final Terms.

RISK FACTORS RELATING TO COMMERZBANK AKTIENGESELLSCHAFT

Strategic and Competition Risks

There is a risk that the Group may not be able to implement its strategic plans, that it may not be able to implement them in full or that it will only be able to implement them at costs that are higher planned.

In acquiring Dresdner Bank and merging it with and into Commerzbank, the Bank has set itself the objective to establish the Group for the long term as one of the leading German banks and creating a platform to unlock further growth potential, especially in Germany. In particular, the Bank aims to make the Group one of the leading main banks for private and corporate customers in Germany. However, the renewed deterioration in economic conditions in the Group’s core markets, i.e., particularly in Germany and Central and Eastern Europe, and worsening capital market conditions may prevent this goal from being achieved and the new strategic orientation from being implemented. Should the Group fail to implement the strategic plans it has announced, or fail to do so in full, or if the costs associated with the implementation of these plans were to exceed the Company’s expectations, the Group’s business, results of operations and financial condition could be materially adversely affected.

The markets in which the Group operates, especially the German market and within that market the Retail and Investment Banking segments, are characterized by intense competition in terms of prices and conditions, which puts substantial pressure on margins.

The german banking sector is fiercely competitive. Competition is correspondingly intense and is frequently waged via prices and conditions, resulting in margins that are commercially unattractive or inappropriate to the level of risk.

In the retail business there exists to some extent extensive overcapacity. Such overcapacity may intensify in future as many competitors are increasing their focus on retail banking at the expense of their core business on the back of the financial markets crisis. In addition, the banks seek to reduce their dependency on the interbank market by increasing the share of their funding obtained from retail deposits. This development may also lead to even more intense competition. In particular, new customers are increasingly advertised from competitors with very favorable conditions for temporary entry periods.

In the corporate client business, and also in the area of investment banking, German banks are competing with a range of foreign providers that have considerably expanded their footprint on the German market in the past few years As a result, there is a risk at present that competition in the sector will continue to intensify. On account of this intense competition, it is not possible to generate commercially attractive margins in some segments or subsegments of the market. In response to this situation, some competitors in the corporate client business do not always take sufficient account of the default risk that lending entails (risk-adjusted pricing). On account of this intense competition, it is not possible to generate commercially attractive margins in some segments or subsegments of the market.

In case of a further economic downturn competitive pressure may further increase, for example by increased price pressure and lower transaction volumes. The financial market crisis and the government stabilization measures taken thereupon have caused both a significant consolidation and concentration of financial service providers and in some cases, improvement of the capital base and of geographic reach of the Group's competitors. Therefore, the Group must compete with financial institutions that are sometimes larger and better capitalized than the Group itself and that are better positioned in the local markets.

Should the Group fail to offer its products and services on competitive terms while continuing to generate margins that at least compensate for the costs and risks associated with its business activities, its business, results of operations and financial condition could be materially adversely affected.

Financing Risks

The Group continuoulsy needs liquidity to refinance its business activities and is exposed to the risk of being unable to obtain funding on acceptable terms and to meet its current and future payment obligations or of being unable to fulfill such obligations on time and to meet regulatory capital requirements.

The Group continuously needs liquidity to refinance its business activities and is therefore exposed to the risk of being unable to meet its current and future payment obligations or of being unable to fulfill such obligations on time (liquidity risk) and therefore may have to obtain liquidity from the market on expensive terms. Liquidity risk can take various forms. For example, the Group may be unable to meet its payment obligations on a particular day and may have to obtain liquidity from the market at short notice and on expensive terms or may even fail to obtain liquidity. There is also a risk that deposits are withdrawn prematurely or that lending commitments are unexpectedly taken up. Difficulties of this nature may be triggered by circumstances that are unrelated to the Group's business and are outside of its control (for example, by negative developments in the financial markets in relation to the Group's competitors). Moreover, larger-scale losses and rating changes, which result in the provision of additional collateral with respect to rating-linked collateral agreements for derivatives transactions, can trigger an increased demand for liquidity. Furthermore, the European Central Bank ("ECB") decided in November 2009 to gradually raise the requirements for securitization transactions, which can be used as collateral for a refinancing with the ECB. This could make the acquisition of liquidity more difficult for the Group. A market-wide or company-specific liquidity crisis could negatively affect the Group's operations and thus on the Group's business, results of operations and financial condition.

The financial market crisis has resulted in downside pressure on banks' share prices and creditworthiness, in many cases irrespective of their financial strength, and has had a similar effect on other capital markets participants. If the current market dislocation continued or became worse, this could restrict the Group's access to the capital markets and limit its ability to obtain funding on acceptable terms and meet the capital requirements prescribed under supervisory provisions.

In case of such difficulties of refinancing, the Group might be forced to dispose of assets for less than their book value and to rein in its business activities. Measures of this nature could have a material adverse impact on the Group's business, results of operations and financial condition.

The requirements and conditions of the government stabilization measures which were granted to Commerzbank could negatively affect the Group's profitability and Commerzbank could not be able to repay the silent participations of the SoFFin.

The government stabilization measures granted to Commerzbank are associated with miscellaneous conditions and obligations. Some of these obligations and conditions comprise the Group's business policy, such as the obligation of the Bank, to provide the German small and medium-sized enterprises with loans at normal market rates and to establish a special lending fund for German small and medium-sized enterprises with a new lending volume of EUR 2.5 bn. Thus, the composition of the loan portfolio can be negatively affected to the detriment of earnings expectations. Compliance with these requirements and conditions could negatively affect the earnings position of the Group.

For the financial year 2010, the monetary remuneration of the board members was limited to EUR 500,000 for the case that the silent participations of SoFFin are not be serviced in full. It can not be excluded that the Supervisory Board determines a similar restriction for further financial years beginning 2011. Should the remuneration for board members for that reason no longer be competitive, this could lead to the fact that board members leave Commerzbank and new members with the necessary qualifications can not be won at all or can only be won with difficulty. This could have a significant adverse impact on the success of the business activities and therefore on the Group's business, results of operations and financial condition.

A downgrade in the rating of Commerzbank, its subsidiaries or the entire Group may make refinancing more difficult and/or more expensive and entitle contracting partners to terminate derivative transactions or to require additional collateral.

The rating agencies Standard & Poor’s, Moody’s and Fitch Ratings perform creditworthiness assessments to decide whether a potential borrower will in future be in a position to meet its contractually agreed credit obligations. A key element of the rating awarded is the rating agency’s assessment of the borrower’s business, results of operations and financial condition. A rating downgrade would therefore have negative implications for the Group’s costs with regard to procuring equity and debt capital and could result in new liabilities arising or existing liabilities being accelerated for repayment if such liabilities depended on a certain rating being maintained. Commerzbank’s rating is furthermore an important element in competition with other banks. In particular, it has a major influence on the ratings of its main subsidiaries. A downgrade or even the possibility of a downgrade in Commerzbank's rating or that of one of its subsidiaries could have a detrimental impact on the relationship with its customers and on sales of products and services by the company in question.

The evaluations of the rating agencies are subject to a number of factors. Different rating agencies currently assume an increased rescue tendency of the German state in favor of Commerzbank in case of a crisis in the light of the existing state participation and the considerable importance of Commerzbank for the German economy (system relevance). Without consideration of this aspect the rating of Commerzbank would be worse. Especially in connection with the future return of the silent participations of SoFFin it can not be excluded that such support will be reduced or at least will be estimated from the market to be reduced and thus will negatively impact the rating.

Furthermore, it is possible that following a rating downgrade the Group might be required to furnish additional collateral in connection with rating-dependent collateral agreements for derivative transactions. If the rating of Commerzbank or one of its subsidiaries falls below the area of the four highest rating levels (downgrade below AA- (S & P / Fitch) or below Aa3 (Moody's)), this may make refinancing on the capital market more expensive due to a substantial increase in credit spreads and prevent groups of investors from the purchase of the securities and therefore the Bank’s operations or those of the subsidiary concerned and, concomitantly, the funding costs of all Group companies could be materially adversely affected. This, in turn, could materially adversely impact the Group’s business, results of operations and financial condition.

There is a risk that the Group will be called upon to indemnify the German deposit protection fund against losses the fund incurs in providing assistance to a Commerzbank subsidiary.

On the basis of the statutes of the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*) (the "**Deposit Protection Fund**"), Commerzbank has furnished a declaration of indemnification to the Deposit Protection Fund for a number of its associates that are members of the Deposit Protection Fund (comdirect bank, Eurohypo, ebase) and Deutsche Schiffsbank. According to this declaration, the Bank has undertaken to indemnify the fund against any losses it incurs in providing assistance to one of the aforementioned companies. Any intervention by the Deposit Protection Fund to support these subsidiaries of Commerzbank could therefore have a material adverse effect on the Group’s business, results of operations and financial condition. Moreover, any rescue measures taken by the Deposit Protection Fund in favor of one of these subisidiaries could result in sustained reputational damage to the Group.

Risks arising from the Integration of the former Dresdner Bank

The synergetic effects arising from the integration of the former Dresdner Bank into the Group may turn out to be smaller than expected or be realized later than anticipated. In addition, the continuous integration is subject to significant costs and investments which could exceed the planned budgets.

The Bank expects the integration of Dresdner Bank into the Group to unlock substantial synergetic effects and has also taken this into account in its medium-term planning. However, these effects may be smaller or be realised at a later date than expected. Moreover, the integration project is a complex and time-consuming enterprise which will tie up senior resources at the Group for a long period. This may result in other areas not being managed to the extent required, which could mean that ongoing business activities suffer. The ongoing implementation of the integration project entails a large number of decision-making processes, which can cause unease among staff. The integration of Dresdner Bank into the Group also involves significant costs and investment (especially in connection with standardizing IT systems and realizing planned headcount reductions). These costs and investments eroded the Group's operating profits and its return on equity in the past and could erode the operating profits and return on equity in the future. Furthermore, unexpected risks and problems may arise that the Board of Managing Directors cannot currently foresee or evaluate. If these risks or problems were to arise, they could make the integration of Dresdner Bank into the Group more difficult and, in particular, result in an unplanned increase in the cost of the integration process. Particularly in the case of pending IT integration costs could be higher. Each of these factors could have material adverse implications for the Group's business, results of operations and financial condition.

It is possible that the goodwill and brand names reported in the consolidated balance sheet will have to be written down, in full or in part, as a result of impairment tests.

As of December 31, 2010, the goodwills shown in the balance sheet amounted to EUR 2.1 bn, of which EUR 1.7 bn was the goodwill accounted in connection with Dresdner Bank. This asset will be tested at least at each balance sheet date with respect to its future economic benefit based on the underlying cash-generating units. In this process, the carrying amount of the cash-generating units (including the attributed goodwill) will be compared with the recoverable amount. The recoverable amount is the higher of the usage value or the fair value less disposal costs and is based on the expected cash inflows from the unit in accordance with the business plan, discounted with a risk-adequate interest rate. If there are objective indications that the economic benefits originally identified can no longer be realised, an impairment charge must be taken. If an impairment review on a future balance sheet date results in a significant impairment of the goodwill or trademark rights recognised on the balance sheet, the Group's business, results of operations and financial condition could be materially adversely affected.

The sales partnership between Allianz SE ("Allianz") and the Group in respect of asset management and insurance products may not generate the benefits envisaged.

As part of the acquisition of Dresdner Bank by Allianz and the disposal of cominvest Asset Management GmbH, cominvest Asset Management S.A., Münchener Kapitalanlage Aktiengesellschaft and MK LUXINVEST S.A. (together the "cominvest Group") to Allianz Group, a long-term sales partnership was agreed between the Group and Allianz in respect of the sale and distribution of asset management and insurance products. Structural changes in customers' demand behavior as well as changes in the regulatory and tax framework, which may affect the relative appeal of investment and retirement products could have implications for their sales. As a consequence, actual business performance could lag behind plans. This could have a material adverse impact on its business, results of operations and financial condition.

There is a risk that the customers of Dresdner Bank migrated in the course of the acquisition of may not remain customers of the Group in the long term.

In aquiring of Dresdner Bank, there is a risk that the customers of Dresdner Bank may not remain customers of the Group in the long term and therefore will not generate the income expected. In particular, there is a risk that it is not possible for Commerzbank to permanently bind customers of Dresdner Bank. This risk could further intensify due to circumstances that result from the proceeding integration of the customer base (e.g., temporarily restricted online services during the IT migration).

Furthermore, changes in the support of present Commerzbank customers due to the acquisition (such as closing branches) could lead to the fact that such present Commerzbank customers will terminate their business relationship. This could have a material adverse effect on the Group's business, results of operations and financial condition.

Credit Risks

The Group is subject to counterparty risks (credit risks), also in respect of large individual exposures as well as in engagements that are concentrated in specific sectors, so-called bulk risk.

The Group is subject to credit risks, especially creditworthiness and counterparty risks, arising from the credit business with customers and banks (mainly from loans to private and corporate customers, real estate financing as well as claims against banks, insurance companies, financial service providers as well as sovereigns and public entities), the credit substitution business (i.e., transactions involving structured credit products), financial instruments in the investment portfolio (such as bonds issued by industrials, banks, insurance companies and governments), other financial instruments and derivative transactions. Counterparty risks include the risk of losses due to the default of counterparties and the change of such risk. In addition, counterparty risks include country risks, issuer risks as well as counterparty risks and settlement risks arising from trading activities.

The risks described above are exacerbated by risk concentrations on certain sectors and individual large borrowers or counterparties (so-called bulk risk). The Group categorizes bulk-risk on the basis of thresholds of the maximum loss in value at a given probability during a given holding period.

If any or all of the risks described above arose, this could have material adverse implications for the Group's business, results of operations and financial condition.

The real estate financing business and the business activity of the Group in ship financing are subject to special risks with regard to the volatility of the real estate and ship prices, counterparty risks (credit risks) influenced therefrom as well as considerable changes in value of the real estate and ship collateral provided.

Especially, the commercial success of the real estate finance operations of Eurohypo depends on trends in the property markets, which are still affected by uncertainties. In real estate financing, the credit default risk depends not only on those risks, the profitability of the property and price trends in the relevant segment of the real estate industry but also on the general economic development and the development of private incomes. As a consequence of the financial market crisis and the economic slump, the market values of many properties have been subject to considerable fluctuations for some time now and have fallen sharply in some cases, which has had a correspondingly negative impact on Eurohypo's business activities. The negative trend in real estate prices in important markets, particularly in the U.S., Spain and the United Kingdom, both privately used and the commercial real estate continues without a foreseeable end so far. Factors that can have a sustained influence on the real estate market include the relationship between the supply of commercial properties and the demand for them, construction delays and defects, legacy issues and ground contamination, the insolvency and the availability of tenants, the restrained investment behavior and general cyclical fluctuations on the property market.
Ships that are provided to the Group as part of its business activities as collateral in connection with the ship financing are subject to similar structural fluctuations in value. The value of the ships depends decisively on their capacity and from the charter rates, which in turn by the development of world trade, that has excelled in the past two years by a very high volatility with negative effects on individual ship segments. For this reason, in particular the collateral provided for the loan portfolios in the Group Divisions Commercial Real Estate and Ship Finance is subject to significant fluctuations in value. Depreciation in values of collateral procided for loans can lead to an increase of risk provisioning to cover the acute and latent credit default risks. They can also lead to the fact that the security is no longer sufficient to cover the outstanding loan volume in case of liquidation of the collateral. In this case, a depreciation would be required. All this could significantly adversely affect the Group's business, results of operations and financial condition.

Risks arising from Structured Credit Products

It is possible that the Group will have to make further write-downs in future especially on structured financial instruments with and without US-subprime exposure on account of volatile and illiquid market conditions and suffers further losses in connection with the reduction of such portfolios.

As result of the crisis on the markets for securities related to the U.S. residential mortgage market in July 2007 and later with the insolvency of the investment bank Lehman Brothers the capital markets were marked by increasing and temporarily even total illiquidity. This results in certain categories of securities held by the Group, including securities that were awarded very good ratings by the rating agencies, to significant losses in value. In certain areas, still no full normalization of the liquidity of the markets has been reached.

The Group is subject to the risk of impairments and losses in respect of both financial instruments with subprime exposure and other structured financial instruments. This risk persists despite the market recovery occurred at the end of 2009. The risk of further substantial losses results from the continuing uncertainty in the markets, which is currently driven by doubts about the solvency of the countries of Portugal, Italy, Ireland, Greece and Spain. It is currently not predictable how long the uncertainty will exist or whether a further deterioration will follow. Therefore it is certainly possible that the Group will incur further significant charges upon the disposal of structured financial instruments, or in the event of defaults on these instruments due to liquidity bottlenecks in the relevant markets or other developments relevant from a valuation perspective. The risk of disruptions increases in the case of financial instruments, which are secured by mortgage loans, *inter alia* because of the fact that real estate prices have fallen sharply in recent years in some markets. This could mean that borrowers are not in a position to completely or partially refinance loans secured by mortgages at maturity.

Moreover, the recession is reflected in many economies relevant for the bank by rising unemployment and thus increasing residue for non-performing loans. As a result, loans underlying the structured financial instruments could default. This difficulty is exacerbated due to a large number of loans secured by mortgages that will mature in the coming years. Finally, in the U.S. recently occured issues in relation to the legally proper transfer of mortgages on private real estate to the securitization vehicles and also as part of proper enforcement of private real estate.

Should the Group no longer be in a position to use valuation models to calculate the fair value of financial instruments with U.S. subprime exposure and other structured instruments, future write-downs and/or losses could prove to be even greater than in the past. This also includes the risk that the write-downs already made are not sufficient to cover the future loss of principal and interest payments. The fair value of an asset or a liability is defined as the price at which the asset is exchanged between knowledgeable, willing parties or the liability could be settled. A decline in the fair value of an asset or an increase in the fair value of a liability gives rise to a corresponding charge in the income statement. Depending on the extent of the change in value, the level of this charge could be significant and entail a substantial loss. Calculating the fair value of financial instruments with U.S. subprime exposure or other structured instruments on the basis of actual market or indicative prices in the future could result in market prices reach substantially lower levels than those of model prices, which could cause a significant loss. Prices could reach a very low level if portfolios of structured products were sold at a very large discount to market values.

The segment Portfolio Restructuring Unit is tasked with the active and transparent management and reduction of the portfolios and structured bonds within the segment that have been earmarked for downsizing. The latter group of assets is mainly composed of bonds, loans, credit default swaps ("CDSs") and tranches on pools of credit default swaps, which are outside the strategic focus of the Group. In this case, given the further high volatility in the markets, the risk of further significant decreases in value and the risk of capital losses exist.

If any of the risks described above arose, the Group's business, results of operations and financial condition could be materially adversely affected.

The markets for certain structured financial instruments in the Group's securities portfolio are exhibiting low levels of liquidity.

In large parts of its business, the Group is exposed to market liquidity risks. Some markets are still characterized by an improved but still low liquidity. In the current economic environment, this is especially true of those markets which are directly or indirectly related to the U.S. residential and commercial mortgage market but also on structured financial products linked to European residential and commercial mortgage markets (e.g. Spain and the United Kingdom). In addition, the financial market crisis led to a recession in the real economy in many markets important for the Group as a consequence of which the liquidity also significantly decreased in the meantime. In illiquid markets, it is possible that the Group will find it difficult to dispose of assets at short notice without a substantial discount or to engage in corresponding hedging transactions. This could have a material adverse impact on the Group's business, results of operations and financial condition.

Contracts with bond and credit insurers, especially monoline insurers, are subject to significant default risk due to the threat of insolvency faced by these insurance companies.

In connection with OTC derivatives (including CDS) the Group is subject to default risks vis-à-vis bond and credit insurers, including monoline insurance companies and credit derivative product companies ("CDPCs"), despite a significant reduction in the meantime. CDS are recognized at fair value in the balance sheet. The fair value of a CDS depends in part on the expected default risk of the underlying financial instrument used for hedging purposes and on that of the relevant monoline insurer or CDPC itself. Towards the end of 2007, the crisis on the U.S. residential mortgage market began to have a negative impact on the risk-taking capacity of the monoline insurers and the CDPCs also operating in this segment. As a result, the Group revalued the CDS it had concluded with monoline insurers and CDPCs as well as its receivables from similar transactions. The position of the monoline insurers and CDPCs is still considered to be critical on account of rating downgrades, the need to raise fresh capital on the market and possible legal and regulatory changes. Should the financial position of the bond and credit insurers in general and the monoline insurers and CDPCs in particular continue to deteriorate, the Group could be forced to make additional value adjustments to the CDS concluded with these companies and its receivables from similar transactions, which could have a material adverse effect on its business, results of operations and financial condition.

In addition, as this happened with a particularly critical evaluated monoline insurer in the past, the entire hedge can to be written down and terminated, with the result that the Group fully is exposed to the risks of the underlying transactions next to the value loss from the depreciation without protection by a third party.

Market Risks

The Group is subject to market price risks with regard to the valuation of shares and fund units.

In 2007 and 2008 the prices for shares and fund units were falling due to negative sentiment on the financial markets resulting in significant impairment and disposal losses. Since 2009, a significant part of this impairment was subsequently recovered. Should this development again turn around, this could result in devaluation of the shares and fund units held in the Group's financial investment and trading portfolio and could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to market price risks in form of interest rate risks.

The Group is subject to market price risks in form of interest rate risks The Group is subject to interest rate risk to the extent that asset-side and liability-side positions in the various maturity ranges do not match the amount or the interest rate (fix or variable), which gives rise to open asset-side and liability-side interest rate positions. For open liability-side fixed interest positions, falling market interest rates result in a decline in the market value of the liability-side positions and may entail a decrease in the interest margin. For open asset-side fixed interest positions, rising market interest rates result in a decline in the market values of the asset-side positions and may entail a decrease in the interest margin. In the case of variable-rate products, interest rate changes do not entail any market value risk; however, changes to market interest rates lead to a change in interest expense or income. Risks also arise if, time bands of fixed and floating rate positions are facing each other, as this can result in active or passive open interest positions. If the Group is not successful in managing its open interest positions efficiently in line with market trends and the predetermined limits, this could have material adverse implications for the Group's profitability, its risk-bearing capacity and its core capital and total capital ratios.

It is possible that changes in market interest rates lead to a flat or even inverted yield curve. This can generally affect the opportunity for a bank to generate from the refinancing of long-term assets by means of shorter-term liabilities, a positive net interest income from maturity transformation (so-called structural contribution). Whether and to what extent this risk is realized depends on the actual term transformation position of the bank. Particularly over a longer period of time a flat or inverted yield curve could significantly harm the interest margin and profitability of the Group.

If any or all of the risks described above arose, this could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to market price risks in form of credit spread risks.

The uncertainty on the financial markets triggered by the financial crisis and the scarcity of liquidity have caused spreads, the yield differentials versus risk-free investments, to widen sharply. Whereas in some markets regeneration tendencies can be seen the risk of default of some countries like Portugal, Italy. Ireland, Greece and Spain is still classified to be critical. If widening of the spreads continued or even accelerated, this would lead to a further decline in market values and therefore in case of disposals a loss in the net present value of outstanding bonds and corresponding additional pressure on the revaluation reserve. Additional net present value losses in the financial investment portfolio could have a material adverse impact on the Group's business, results of operations and financial condition.

Currency risks could negatively affect the Group's business, results of operations and financial condition.

The Group's subsidiaries resident outside of the eurozone prepare their individual financial statements in foreign currency. Currency fluctuations between the euro and the respective local currencies can mean that during conversion of positions in the standalone financial statements that are not denominated in euro for inclusion in the consolidated financial statements, different exchange rates are applied from those used in previous reporting periods and that these conversion differences weigh on the Group's equity capital. In addition, the Company and other Group companies resident in the eurozone engage in transactions that are not denominated in euros. The relative appreciation or depreciation of the respective foreign currency versus the euro can lead to correspondingly higher costs or lower income from these foreign currency transactions. To the extent this risk is not hedged, the Group's business, results of operations and financial condition could be materially adversely affected.

The Group is subject to market price risks in form of commodity price risks.

In its operating business, the Group is exposed to market price risks arising from trading in commodity-related derivatives, certificates and spot transactions. The underlying commodities are principally precious metals, industrial metals, energy and agricultural products. The prices of these financial instruments can rise or fall due to a wide range of factors, including general economic conditions, market trends, exchange rate movements and changes in the legal and political framework. If positions are not fully hedged against these risks, losses may arise which could have a material adverse impact on the Group's business, results of operations and financial condition.

The Group is subject to market price risks in form of volatility and correlation risks.

The Group is engaged in the structuring and trading of financial derivatives. Derivatives are subject to price fluctuations due to volatility changes of the instruments underlying the prices (such as shares, currencies, interest rates and commodities). To the extent derivatives are linked to two underlying instruments (e.g. two currencies or a portfolio of shares) or to a portfolio of underlying instruments, the prices of these derivatives are also subject to what are known as correlation fluctuations. Correlation is a statistical measure of the linear interaction between two underlying instruments – the higher the correlation coefficient, the greater the extent to which the two underlyings will move in step. If derivative positions are not hedged against volatility changes or correlation fluctuations, losses may arise which could have a material adverse impact on the Group's business, results of operations and financial condition.

The Group's strategies for hedging against market risks may prove to be ineffective.

The Group makes use of a range of instruments and strategies to hedge against market risks. If these instruments and strategies prove ineffective or only partially effective, the Group may suffer losses. Unforeseen market developments such as the dramatic deterioration in the U.S. residential mortgage market that occurred in July 2007 or the development of government bonds of various countries that occurred beginning of 2010 may significantly reduce the effectiveness of the measures taken by the Group to hedge risks. Gains and losses from ineffective risk-hedging measures may heighten the volatility of the results achieved by the Group and could therefore have a material adverse effect on the Group's business, results of operations and financial condition.

Risks arising from Equity Investments

The Group is subject to special risks in relation to its equity investments in listed and unlisted companies regarding the impairment of such investments and their management.

The Group holds various equity investments in listed and unlisted companies. The efficient management of this portfolio entails corresponding funding costs, which may not be (fully) offset by the dividends obtainable from these investments. Many of equity investments that the Group holds in large listed companies are only minority holdings. This may make it more difficult for the Group to promptly obtain information required to timely counteract possible undesirable developments. Where the Group holds majority interests minority shareholders may be able to block important decisions. Furthermore, it cannot be ruled out that in future the Group will have to make valuation allowances with respect to its portfolio of equity investments. In addition, Commerzbank remains committed to divest non-strategic investments. It cannot be ruled out, that the Group will not be successful in disposing of its equity investments via the stock market or in off-exchange transactions at appropriate prices. Losses and risks of investments as well as adverse business or market conditions - especially low liquidity - might make it more difficult to achieve adequate prices in the sale of these assets. They may also prevent such a sale as a whole. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks arising from Pension Obligations

The Group is exposed to risks on account of direct and indirect pension obligations.

Commerzbank and its subsidiaries have various direct and indirect pension obligations towards their current and former staff. These obligations constitute contingent liabilities for accounting purposes, as the precise timing and duration of payout is not confirmed. These obligations therefore entail various risks. In making a commitment to grant direct pension benefits, the Group assumes similar risks as a life insurance company (*e.g.*, fluctuation risk, the risk of sudden changes to the balance sheet, longevity risk, administrative risks, inflation risk, etc.).. The assets reserved in the business or in segregated pension funds to meet subsequent pension payments are subject to the risks typically associated with a capital investment. The volume of existing pension obligations may increase on account of judicial rulings and legislation (for example with reference to factors such as equality of treatment, adjustment, non-forfaitability and retirement age).. Risks, however, may also arise due to changes in tax legislation and/or in judicial rulings as well as inflation rates or interest rates. Obligations similar to pensions (such as obligations in respect of early retirement, part-time work arrangements for older employees and anniversaries) also carry similar risks. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition

Operational Risk

The Group is exposed to a wide range of operational risks including the risk of breaches of compliance-related provisions in connection with the exercise of its business activity, such as provisions for limitation of money laundering. It cannot be ruled out that circumstances or trends may arise that were not anticipated, or were anticipated only to an inadequate extent, when the operational risk models were designed.

As part of its normal business activities, the Group conducts a large number of complex transactions in a wide range of jurisdictions and in this connection is exposed to a variety of operational risks. These risks concern, in particular, the possibility of inadequate or erroneous internal and external work processes and systems, regulatory problems, breaches of compliance-related provisions in connection with the exercise of business activities, such as rules to prevent money laundering**,** human errors and deliberate legal violations such as fraud. Moreover, it is possible that external events such as natural disasters, terrorist attacks, wars and pandemias or other exceptional situations could have a highly negative impact on the environment in which the Group operates and thus, indirectly, on the Group's internal processes. Such events may cause the Group to suffer substantial losses and reputational harm. Furthermore, the Group may be forced to make staff redundant, which might have a detrimental impact on the Group's business The Group endeavors to hedge operational risks by implementing appropriate control processes tailored to its business and the market and regulatory environment in which it operates. Nevertheless, it is possible that these measures prove to be ineffective in relation to particular or all operational risks to which the Group is exposed. Even though the Group endeavors to insure itself against the most significant operational risks, it is not possible to obtain insurance cover for all the operational risks on commercially acceptable terms on the market. Should one, some or all of the risks described in this paragraph arise, the Group's business, results of operations and financial condition could be materially adversely affected.

IT Risks

The Group is highly dependent on complex information technology ("IT") systems whose functionality may be impacted by internal and external circumstances.

The type of comprehensive institutional banking carried out by the Group is highly dependent on complex IT systems. IT systems are prone to a range of problems such as computer viruses, damage, other external threats, operational errors and software or hardware errors. The harmonization of the wide variety of IT systems used in the Group to create a standardized IT architecture, especially in connection with the integration of Dresdner Bank presents a particular challenge. Furthermore, regular upgrades are required for all IT systems to meet the demands imposed by constant changes in business and supervisory requirements. In particular, compliance with the Basel II requirements has placed major demands on the functionality of the Group's IT systems and will continue to do so in the future as well as Basel III requirements will again increase the demands on the IT systems in the view of Commerzbank. If these risks were to materialise, the Group's business, results of operations and financial condition could be materially adversely affected.

The growing significance of electronic trading platforms and new technologies may negatively affect the Group's business activities.

The use of modern technologies is highly significant to the banking sector and the Group's business. Continuous growth in electronic trading and the introduction of related technologies are changing the manner in which banking business is conducted and are creating new challenges. Securities, forward and option transactions are increasingly being processed electronically. Some of the electronic trading platforms via which these transactions are processed are in competition with the systems currently used by the Group, and it is foreseeable that the expected further penetration of electronic trading platforms will further intensify this competition in future. In addition, because the Group's customers are increasingly using low-cost electronic trading platforms that offer them direct access to the trading markets, this trend could lead to a reduction in the brokerage commissions and margins generated by the Group, which could have material adverse implications for the Group's business, results of operations and financial condition.

Personnel Risks

It is not certain whether the Group will continue to succeed in attracting and retaining qualified staff in future.

Across all its business areas, the Group is dependent on its ability to hire highly qualified employees and to retain them for the long term. The Group endeavors to counteract the risk of losing expertise as a result of key employees leaving the Group by taking various actions such as talent, management and career development measures. Should the Group's efforts to hire qualified employees and retain such staff fail in the future, its business, results of operations and financial condition could be materially adversely affected.

Regulatory and Legal Risks

The bank regulatory framework in the various jurisdictions in which the Group operates may change at any time, and non-compliance with regulatory provisions can result in the imposition of penalties and other disadvantages, up to the loss of administrative licenses.

The Group's business activities are regulated and supervised by the central banks and supervisory authorities in the countries in which it operates. In each of these countries, a banking license or at least notification of the national supervisory authorities is required for Commerzbank, its subsidiaries and, from time to time, also its branches and in some cases for the Group in its entirety. The bank regulatory regime in the various countries may change at any time. For example, additional requirements may be imposed on the regulated entities that limit their ability to operate in certain business areas or even rule out such activities completely. In addition, violations of rules that are not directly attributable to the banking regulations, can have regulatory consequences. In addition, compliance with changed regulatory requirements may lead to a material increase in the Group's administrative expenses. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

Commerzbank and its subsidiaries are subject to damages, warranty and rescission actions.

Given the nature of its business, Commerzbank and its subsidiaries are regularly parties to a variety of judicial, arbitration and regulatory proceedings in Germany and a number of other jurisdictions. Such proceedings are characterized by a large number of uncertainties, and definitive predictions as to their outcome are not possible. Some of the risks associated with such proceedings are difficult to quantify or may not be quantified at all. As a result, it is possible that the losses resulting from pending or potentially imminent proceedings will exceed the provisions made for them, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The measures the Group has taken for data protection purposes and to ensure data confidentiality could prove to be inadequate and could lead to reputational and other damages.

The data used by the Group in connection with its business activities are strictly confidential and subject to data protection and information security. The Group has taken a number of measures to protect the data processed and administered in the course of its business activities against misuse. However, it cannot be ruled out that these measures will prove to be inadequate and that the confidentiality of customer data will be breached by employees of the Group or third parties who circumvent the Group's security systems and obtain unauthorized access to these data. This may trigger obligations on the part of the Group to pay damages, which could result in a material deterioration in the Group's business, results of operations and financial condition. In addition, there may be negative implications for the Group's reputation.

The Group is subject to risks in respect of tax audits; changes to tax legislation or judicial rulings on tax matters could have a detrimental impact on the Group's business activities, its business, results of operations and financial condition.

The business operations of Commerzbank are assessed for tax reasons on the basis of current tax laws and consideration the current case law and administrative interpretation. In case of the existence of tax law uncertainty as to the question of how such transactions are to be judged, Commerzbank considers generally a risk-averse position. Nevertheless, if substantial additional tax demands are imposed, these could have a significant negative impact on the assets, financial position and results of the Group.

The Group is regularly inspected by domestic and foreign tax authorities. In Germany, currently at Commerzbank, the tax years 1998-2008 are reviewed. This long audit period is, inter alia, due to the merger of Dresdner Bank to Commerzbank. These audits can result in the changing of the tax assessments of Commerzbank and its subsidiaries, which can lead to additional tax demands. Because of the long period of the tax audit there is an increased risk that additional tax is demanded. Tax risks discovered up to or during the course of the audit will be covered by Commerzbank through additional risk provisioning. If the future additional tax demands are much higher than the provisions in the balance sheets of the companies as formed or to be formed this could have significant negative effects on the Group's business, results of operations and financial condition.

Changes in the view of fiscal authority, tax legislation or tax law, could also adversely affect the Group's business, results of operations and financial condition.

It cannot be ruled out that the Group will be unable to adequately or timely satisfy the conditions imposed by the European Commission in respect of the government stabilization measures that have been granted, to the compliance of which it has committed itself vis-à-vis SoFFin, or that the Group will suffer commercial disadvantages in connection with satisfying the conditions.

On May 7, 2009, the European Commission declared that the stabilization measures taken up by the Bank are, in principle, compatible with the state aid provisions set out in the EU Treaty. However, for competitive reasons, the Federal Republic of Germany undertakes to ensure that the Commerzbank complies with a number of conditions to which Commerzbank agreed to comply with in contract with the SoFFin. It cannot be ruled out that the Group will be unable to adequately and timely satisfy the conditions imposed by the European Commission. In the event of a breach of the conditions imposed by the European Commission, the Group could be required to repay, at least in part, the government funds received by it. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

The legal relationships between the Group and its customers are based on standardized contracts and forms designed for a large number of business transactions; individual application problems or errors in this documentation may therefore affect a large number of customer relationships.

The Group maintains contractual relationships with a large number of customers. In all business areas and divisions, the administration of such a large number of legal relationships necessitates the use of general terms and conditions of business, standard contracts and forms. The concomitant standardization means that issues in need of clarification, wording errors or the use of individual terms and conditions of business, standard contracts or forms pose a material risk on account of the large number of copies issued. In light of the ongoing changes in the overall business framework due to new laws and judicial rulings and the increasing influence of European legislation on national law, it is conceivable that not all the general terms and conditions of business, standard contracts and forms used by the Group comply with the applicable legal requirements at all times and down to the last detail. If application problems or errors arise or if individual contractual provisions or entire contracts are ineffective, this could affect a large number of customer relationships and result in substantial claims for damages or other legal consequences which would be negative for the Group, and could therefore have a material adverse effect on the Group's business, results of operations and financial condition.

Reputational Risk

The Group is subject to various reputational risks.

The Group is exposed to various reputational risks. Reputational risks exist with respect to all business transactions that lower confidence in the Group on the part of the public, customers, business partners, investors or rating agencies. In general, each of the risks described above entails reputational risks. Because of this, as with other non-quantifiable risks, the Group has defined processes and responsibilities that make it possible to identify reputational risks at an early stage and to deliver a response. However, these procedures may prove to be ineffective. If this means that the risks materialise, the Group's business, results of operations and financial condition could be materially adversely affected.

GENERAL INFORMATION

This Base Prospectus is made in accordance with § 6 of the German Securities Prospectus Act *(Wertpapierprospektgesetz;* the "**Prospectus Act**"*)*. The final Terms and Conditions relevant for an issue under this Base Prospectus will be made available to investors in a separate document (the "**Final Terms**") on the internet page *www.warrants.commerzbank.com* at the latest on the day of the public offer of the respective Securities.

Prospectus Liability

Commerzbank Aktiengesellschaft (the "**Issuer**", the "**Bank**" or "**Commerzbank**", together with its consolidated subsidiaries "**Commerzbank Group**" or the "**Group**") with its registered office at Frankfurt am Main, Federal Republic of Germany, accepts responsibility for the information contained in this Base Prospectus. The Issuer hereby declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no material omission. The Issuer has taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person is or has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with this Base Prospectus, the Securities and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The information contained herein relates to the date of the Base Prospectus and may have become inaccurate and/or incomplete as a result of subsequent changes.

Important Note regarding this Base Prospectus

This Base Prospectus must be read in conjunction with any supplement thereto as well as any other documents incorporated by reference into this Base Prospectus and must be interpreted accordingly.

No person is or has been authorised by the Issuer to give any information or to make any representation that is not contained in, or is inconsistent with, this Base Prospectus or any other information supplied in connection with the Base Prospectus or the Securities. If any such information is given or if any such representation is made, it must not be relied upon as having been authorised by the Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Base Prospectus or the Securities is intended to provide the sole basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Base Prospectus or the Securities should invest in the Securities described in this Base Prospectus and the Final Terms. Each investor contemplating investing in the Securities should make its own independent investigation of the Terms and Conditions of the Securities and the Issuer's creditworthiness.

The distribution of this Base Prospectus and the offer or sale of the Securities may be restricted by law in certain jurisdictions. Persons coming into possession of this Base Prospectus or the Securities must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Securities within the European Economic Area and the United States of America (see "Offering and Selling Restrictions").

Availability of Documents

This Base Prospectus and any supplements thereto will be made available in electronic form on the website of Commerzbank Aktiengesellschaft at www.warrants.commerzbank.com. Hardcopies of this Base Prospectus may be requested free of charge from the Issuer's head office (Kaiserplatz, 60261 Frankfurt am Main, Federal Republic of Germany).

Furthermore, for the period of twelve months following the date of this Base Prospectus copies of the Articles of Association and the financial statements and management report of the Issuer for the financial years ended 31 December 2010 and 2009, the Annual Reports of the Commerzbank Group for the financial years ended 31 December 2010 and 2009 are available for inspection at the head office of the Issuer, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany or for electronic viewing at www.commerzbank.com.

Information relating to the Securities

Further information regarding a specific issue of Securities, such as the Terms and Conditions, the Value Date, the currency of the issue, redemption or other payment calculations or information, the smallest tradable unit, market disruptions, settlement disruptions, adjustments, certain risk factors (where applicable), the clearing system, the ISIN or other securities identification numbers, stock exchange listing, representation of the Securities (stating the respective clearing system including its address) and other additional information, will be set out in the respective Final Terms.

Offer and Listing

The details of the offer of the Securities (the "**Offer**"), such as the conditions to which the Offer is subject, the total amount of the issue and the Offer, the Issue Date of the Securities, the offer period and acceptance formalities, the minimum or maximum amount of the subscriptions, the issue/offer price of the Securities, the terms for payment and delivery of the Securities, the date of publication of the results of the Offer, distribution plans and allotment criteria, the procedure for notifying investors of the allotted amount will be set out in the relevant Final Terms

The information regarding the listing of the Securities (the "**Listing**") will be provided in the relevant Final Terms.

[Increases of a Series of Securities

In the case of an increase of Securities having been offered for the first time under the Base Prospectus dated [●] (the "**Former Base Prospectus**"), the Terms and Conditions contained in this Base Prospectus shall be substituted by the Terms and Conditions of the Former Base Prospectus. For this purpose, the section "Terms and Conditions" of the Former Base Prospectus shall be incorporated by reference and form part of this Base Prospectus.**]**

Calculation Agent

In cases requiring calculation, Commerzbank acts as the Calculation Agent.

Information regarding the Underlying

The Securities to be issued under this Base Prospectus may relate to e.g. shares, indices, commodities (such as precious metals), futures contracts, funds and ETF and other underlyings (the "**Underlying**"). The Final Terms to be drawn up with regard to each individual issue hereunder may contain information as to where information regarding the Underlying (ISIN, performance, volatility, index description in the case of indices) can be obtained.

Such information regarding the Underlying will be available on a freely accessible website stated in the Final Terms.

Post-Issuance Information

The Issuer will provide no post-issuance information regarding the relevant Underlying.

INFLUENCE OF THE UNDERLYING ON THE SECURITIES

If the Securities relate to an Underlying, the influence of the Underlying on the Securities is in each case described in the relevant Final Terms.

TAXATION

All present and future taxes, fees or other duties in connection with the Securities shall be borne and paid by the holders of the Securities. The Issuer is entitled to withhold from payments to be made under the Securities any taxes, fees and/or duties payable by the holders of the Securities in accordance with the previous sentence.

Taxation in the Federal Republic of Germany

Currently, there is no legal obligation for the Issuer (acting as issuer of the Securities and not as disbursing agent (*auszahlende Stelle*) as defined under German tax law) to deduct or withhold any German withholding tax (*Quellensteuer*) from payments of interest, principal and gains from the disposition, redemption or settlement of the Securities or on any ongoing payments to the holder of any Securities. Further, income and capital gains derived from particular issues of Securities can be subject to German income tax (*Einkommensteuer*). All tax implications can be subject to alteration due to future law changes.

Prospective investors are advised to consult their own advisors as to the tax consequences of an investment in the Securities, also taking into account the rules on taxation in the investor's country of residence or deemed residence.

Taxation in the Republic of Italy

The following is a summary of current Italian law and practice relating to the taxation of the Securities. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities.

Italian Taxation of Certificates

Pursuant to Article 67 of Presidential Decree No. 917 of 22 December 1986 ("**TUIR**") and Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**"), as subsequently amended, where the Italian resident holder of Certificates is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities) (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Certificates are subject to a 12.50% substitute tax (imposta sostitutiva). The recipient may opt for three different taxation criteria.

(1) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Certificates are connected, the imposta sostitutiva on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Certificates not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Certificates carried out during any

given tax year. Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay imposta sostitutiva on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

(2) As an alternative to the tax declaration regime, Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity may elect to pay the imposta sostitutiva separately on capital gains realised on each sale or redemption of the Certificates (the "risparmio amministrato" regime provided for by Article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express valid election for the risparmio amministrato regime being punctually made in writing by the relevant Certificateholder. The depository is responsible for accounting for imposta sostitutiva in respect of capital gains realised on each sale or redemption of the Certificates (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Certificateholder or using funds provided by the Certificateholder for this purpose. Under the risparmio amministrato regime, where a sale or redemption of the Certificates results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the risparmio amministrato regime, the Certificateholder is not required to declare the capital gains in the annual tax return.

(3) Any capital gains realised or accrued by Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Certificates, to an authorised intermediary and have validly opted for the so-called "risparmio gestito" regime (regime provided for by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.50% substitute tax, to be paid by the managing authorised intermediary. Under this risparmio gestito regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the risparmio gestito regime, the Certificateholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Certificateholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to imposta sostitutiva, but must be included in the relevant Certificateholder's income tax return and are therefore subject to Italian corporate tax (and, in certain circumstances, depending on the "status" of the Certificateholder, also as a part of the net value of production for IRAP purposes).

Any capital gains realised by a Certificateholder which is an open-ended or closed-ended investment fund (subject to the tax regime provide by Law No. 77 of 23 March 1983) (the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.50% ad hoc substitute tax (the "**Collective Investment Fund Tax**"). As of 1 July 2011, the Collective Investment Fund Tax will be repealed and substituted by a substitute tax of 12.50% levied on proceeds distributed by the Fund or the SICAV or received by certain categories of unitholders upon redemption or disposal of the units..

Any capital gains realised by a Certificateholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11.00%. ad hoc substitute tax.

Capital gains realised by non-Italian resident Certificateholders are not subject to Italian taxation provided that the Certificates (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all relevant conditions are met.

Atypical securities

In accordance with a different interpretation of current Italian tax law, it is possible that the Certificates would be considered as "atypical" securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to an Italian withholding tax, levied at the rate of 27.00%.

The 27.00% withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Certificate and to an Italian resident holder of the Certificate which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Certificates.

Italian Taxation of Notes

Legislative Decree No. 239 of 1 April 1996, as a subsequently amended, (Decree 239) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (obbligazioni) or debentures similar to bonds (titoli similari alle obbligazioni) issued, inter alia, by non-Italian resident issuers.

For these purposes, debentures similar to bonds are defined as bonds that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for internal payments) and that do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which they are issued nor any type of control on the management.

Italian Resident Noteholders

Where the Notes have an original maturity of at least 18 months and an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the "*risparmio gestito*" regime – see "Capital Gains Tax" below), (ii) a non-commercial partnership pursuant to Article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 12.50%. In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation ("IRES" levied at the rate of 27.50% and, in certain circumstances, depending on the "*status*" of the Noteholder, also to the regional tax on productive activities ("IRAP", generally levied at the rate of 3.90 per cent, even though regional surcharges may apply).

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (subject to the regime provided for by Law No. 77 of 23 March 1983) (the "**Fund"**) or a SICAV, and the Notes are held by an authorized intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund or SICAV accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a 12.50% rate (the "**Collective Investment Fund Tax**"). As of 1 July 2011, the Collective Investment Fund Tax will be repealed and substituted by a substitute tax of 12.50% levied on proceeds distributed by the Fund or the SICAV or received by certain categories of unitholders upon redemption or disposal of the units.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11.00% substitute tax.

Pursuant to Decree No. 239, imposta sostitutiva is applied by banks, *Società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *Società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each, an "**Intermediary**").

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must (i) be (a) resident in Italy or (b) resident outside Italy, with a permanent establishment in Italy or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder. If interest and other proceeds on the Notes are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (i) to (iv) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 12.50%.

If the Notes are issued for an original maturity of less than 18 months, the *imposta sostitutiva* applies at the rate of 27.00%. The 27.00% *imposta sostitutiva* is also applied to any payment of interest or premium relating to the Notes made to (i) Italian pension funds, (ii) Italian Funds and (iii) Italian SICAVs.

Non-Italian Resident Noteholders

No Italian imposta sostitutiva is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Early redemption

Without prejudice to the above provisions, in the event that Notes having an original maturity of at least 18 (eighteen) months are redeemed, prior to 18 (eighteen) months from their Issue Date, or, at certain consitions, if repurchased by the Issuer within this period (Resolution No. 11 of 31 January 2011 of Italian Revenue Agency (Agenzia delle Entrate)) Italian resident Noteholders will be required to pay, by way of a withholding to be applied by the Italian Intermediary responsible for payment of interest or the redemption of the Notes, an amount equal to 20.00% of the interest and other amounts accrued.

Capital Gains Tax

Capital gains deriving from the Notes are subject to the tax regime described under *Italian Taxation of Certificates* above.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4.00% on the value of the inheritance or the gift exceeding EUR 1,000,000;

(ii) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6.00% on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6.00% inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8.00% on the entire value of the inheritance or the gift.

EU Savings Directive

Under EC Council Directive 2003/48/EC ("EU Savings Directive") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State, details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 ("Decree No. 84"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

[*Additional taxation provisions, where applicable***]**

SELLING RESTRICTIONS

Selling Restrictions within the European Economic Area

The Securities may be publicly offered in any member state of the European Economic Area ("**EEA**") that has implemented Directive 2003/71/EC (the "**Prospectus Directive**") (each, a "**Relevant Member State**") from and including the date of entry into effect of the respective implementation in the Relevant Member State, provided that this is permitted under the applicable laws and other legal provisions, and further provided that

(a) the Public Offering starts or occurs within a period of 12 months following the publication of the Prospectus which has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) ("**BaFin**") in accordance with the provisions of the German Securities Prospectus Act (*WpPG*) and, if the Certificates are publicly offered in a Relevant Member State other than Germany, the approval has been notified to the competent authority in such Relevant Member State in accordance with § 18 WpPG; or

(b) one of the exemptions set forth in § 3 (2) WpPG exists or, in the case of an offering outside Germany, an exemption from the obligation to prepare a prospectus exists as set forth in the implementing law of the respective Relevant Member State in which the Public Offering shall occur.

"**Public Offering**" means (i) a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Securities to be offered, so as to enable an investor to decide to purchase or subscribe for these Securities, as well as (ii) any additional specifications defined more closely in the implementing law of the respective Relevant Member State in which the Public Offering is to occur.

Republic of Italy

Unless it is specified within the relevant Final Terms that a non exempt offer may be made in Italy, the offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter,* first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Securities or distribution of copies of the Offering Circular or any other document relating to the Securities in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies, Securities which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Selling Restrictions outside the European Economic Area

In a country outside the EEA, the Securities may only be publicly offered, sold or delivered within or from the jurisdiction of such country, provided that this is in accordance with the applicable laws and other legal provisions, and provided further that the Issuer does not incur any obligations in that regard. The Issuer has not undertaken any steps, nor will the Issuer undertake any steps, aimed at making the Public Offering of the Securities or their possession or the marketing of offering documents related to the Securities legal in such jurisdiction if this requires special measures to be taken.

Selling Restrictions in the USA

The Securities have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and any regulations thereunder.

Until 40 days after the commencement of the offering of the Securities, an offer or sale of such Security within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The blank positions ("●") in the following Terms and Conditions will be supplemented in the relevant Final Terms; information in square brackets may be deleted if not applicable.

TERMS AND CONDITIONS
(NOTES)

PROGRAMME TERMS AND CONDITIONS OF NOTES

(1) WHICH BEAR:

(i) INTEREST AT A FIXED RATE FOR ONE OR SEVERAL INTEREST PERIODS OR FOR THE ENTIRE TERM OF THE NOTES ("**FIXED RATE NOTES**"), OR

(ii) INTEREST THAT IS INCREASED ("**STEP-UP NOTES**") OR DECREASED ("**STEP-DOWN NOTES**") FROM ONE INTEREST PERIOD TO ANOTHER, OR

(iii) INTEREST AT A FLOATING RATE ("**FLOATING RATE NOTES**" and "**REVERSE FLOATING RATE NOTES**"), OR

(iv) INTEREST WHEREBY THE INTEREST RATE OR INTEREST AMOUNT IS TO BE DETERMINED BY REFERENCE TO AN EXCHANGE RATE, AN INDEX, A BOND, A SHARE, ANY OTHER SECURITY, A FUTURES CONTRACT, A FUND, A STRADDLE, A COMMODITY, SWAP RATE(S), INTEREST RATE(S), ANY OTHER UNDERLYING, A BASKET OR INDEX CONSISTING OF ANY OF THE BEFORE-MENTIONED AND/OR FORMULA(E) FOR SOME OR ALL INTEREST PERIODS, PROVIDED THAT INTEREST PERIODS FOR WHICH THE INTEREST RATE OR INTEREST AMOUNT IS NOT DETERMINED IN SUCH A WAY MAY BE OR MAY HAVE A FLOATING OR FIXED RATE ("**INTEREST STRUCTURED NOTES**"), OR

(v) NO INTEREST ("**ZERO COUPON NOTES**" OR OTHER NOTES NOT BEARING INTEREST)

AND WHERE

(2) THE REDEMPTION AMOUNT MAY EITHER:

(i) BE AT PAR, OR

(ii) BE AT A SPECIFIED RATE ABOVE PAR, OR

(iii) BE DETERMINED BY REFERENCE TO AN EXCHANGE RATE, AN INDEX, A BOND, A SHARE, ANY OTHER SECURITY, A FUTURE, A FUND, A STRADDLE, A COMMODITY, SWAP RATE(S), INTEREST RATE(S), ANY OTHER UNDERLYING, A BASKET OR INDEX CONSISTING OF ANY OF THE BEFORE-MENTIONED AND/OR FORMULA(E) ("**REDEMPTION STRUCTURED NOTES**"), PROVIDED THAT IT WILL IN ANY CASE BE AT LEAST PAR, OR

(iv) BE IN A CURRENCY OTHER THAN THE ISSUE CURRENCY ("**DUAL CURRENCY NOTES**"), PROVIDED THAT IT WILL IN ANY CASE BE AT LEAST PAR.

The following terms and conditions apply to the Notes issued as Series No. [number] and Tranche No. [number] of that Series under the Base Prospectus relating to Notes and Certificates of Commerzbank Aktiengesellschaft (the "**Programme**").

§ 1
FORM, TRANSFERABILITY

1. This issue of Notes (the "**Notes**") of Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued in **[***currency***]** (the "**Issue Currency**") in the aggregate principal amount of **[***amount***]** (in words: (**[***currency*, *amount***]**) (the "**Aggregate Principal Amount**") in the denomination of **[***currency***]** **[***denomination***]** (the "**Denomination**") each. The Notes will rank pari passu among themselves.

These paragraphs 2. and 3. shall apply to Notes cleared through Monte Titoli S.p.A.

2. The Notes will be issued in the dematerialised regime, pursuant to the "**Financial Services Act**" (*Testo Unico della Finanza*) and the relevant implementing regulations and are registered in the books of Monte Titoli S.p.A. with registered office in Via Mantegna 6, Milan (the "**Clearing System**"). No physical document of title will be issued to represent the Notes. However, any holder of Notes still has the right to obtain a certificate pursuant to articles 83-quinquies and 83-novies, paragraph 1, letter b), of the Financial Services Act.

3. The transfer of the Notes operates by way of registration on the relevant accounts opened with the Clearing System by any intermediary adhering, directly or indirectly, to the Clearing System (the "**Notes Account Holder**"). As a consequence, the subject who from time to time is the owner of the account held with a Notes Account Holder will be considered as the legitimate owner of the Notes (the "**Noteholder**") and will be authorised to exercise all rights related to them.

This paragraph 2. shall apply to all Notes in bearer form (unless in USD with a life of more than 1 year and in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date)

2. The Notes will be represented by a permanent global bearer note (the "**Global Note**") without interest coupons. No definitive Notes will be issued and the right of delivery of definitive Notes is excluded. The Global Note shall be deposited with [Deutsche Bank AG, Frankfurt am Main,] [*other depositary, including address*] as common depositary for Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System (together the "**Clearing System**").

   The Global Note shall only be valid if it bears the hand-written signatures of two authorised officers of the Issuer.

This paragraph 2. shall apply to Notes in bearer form in USD with a life of more than 1 year and in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date

2. The Notes will initially be represented by a temporary global bearer note (the "**Temporary Global Note**") without interest coupons, which will be exchanged not earlier than 40 days and not later than 180 days after their issue date against a permanent global bearer note (the "**Permanent Global Note**"; the Temporary Global Note and the Permanent Global Note hereinafter together the "**Global Note**") without interest coupons. The Temporary Global Note and the Permanent Global Note shall be deposited with [Deutsche Bank AG, Frankfurt am Main,] [*other depositary, including address*] as common depositary for Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System (together the "**Clearing System**"). The exchange shall only be made upon certification to the effect that, subject to certain exceptions, the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons. No definitive Notes will be issued and

the right of delivery of definitive Notes is excluded.

The Temporary Global Note and the Permanent Global Note shall only be valid if they bear the hand-written signatures of two authorised officers of the Issuer.

These paragraphs 3. to 5. shall apply to Notes in bearer form

3. The Noteholders shall receive co-ownership participations in or rights with respect to the Global Note which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

4. The term "**Noteholder**" in these Terms and Conditions refers to the holder of a co-ownership participation in or right with respect to the Global Note.

5. The Notes can be transferred via the Clearing System [individually/only in lots of •/other] by way of registration on the relevant accounts opened with the Clearing System [, including on the relevant bridge accounts of Monte Titoli S.p.A.,] by any intermediary adhering, directly or indirectly, to the Clearing System [and/or to Monte Titoli S.p.A.] (the "**Notes Account Holder**").

[4.][6.] The Issuer reserves the right to issue from time to time without the consent of the Noteholders additional tranches of Notes with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the total volume of the Notes. The term "Notes" shall, in the event of such consolidation, also comprise such additionally issued Notes.

§ 2
INTEREST

Alternative:	*Notes not bearing interest*

The Notes shall not bear any interest.

Alternative:	*Notes with Fixed Interest and Step-up and Step-Down Notes*

This paragraph 1 shall apply to Fixed Rate Notes

1. The Notes bear interest at a rate of **[***interest rate***]** as from **[***Interest Commencement Date*] (the "**Interest Commencement Date**") (inclusive). Interest is payable **[**annually / semi-annually / quarterly / *other***]** in arrear on **[***Interest Payment Date(s)***]** **[**of each year**]** **[**ending on **[**last Interest Payment Date**]]** ([the / each an] "**Interest Payment Date**"). **[**The first interest payment shall be due on **[***first Interest Payment Date***].]**

This paragraph 1 shall apply to Step-up and Step-down Notes

1. The Notes bear interest at a rate of **[***interest rate***]** as from **[***Interest Commencement Date*] (the "**Interest Commencement Date**") (inclusive) until **[***date***]** (exlusive) **[***insert apllicable provisions***]**. Interest is payable **[**annually / semi-annually / quarterly / *other***]** in arrear on **[***Interest Payment Date(s)***]** **[**of each year**]** **[**ending on **[**last Interest Payment Date**]]** ([the / each an] "**Interest Payment Date**"). **[**The first interest payment shall be due on **[***first Interest Payment Date***].]**

2. The Notes will cease to bear interest at the end of the day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 5 paragraph 3.

3. Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 13.

This paragraph 4 shall apply if "Actual/Actual" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of the actual number of days elapsed divided by 365 or (if a 29 February falls within the relevant interest determination period) divided by 366.

This paragraph 4 shall apply if "Actual/Actual (ISDA)" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of the actual number of days elapsed divided by 365 (or, if any portion of that interest determination period falls in a leap year, the sum of (A) the actual number of days in that portion of the interest determination period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the interest determination period falling in a non-leap year divided by 365).

This paragraph 4 shall apply if "Actual/Actual (ICMA)" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of the actual number of days (actual/actual according to ICMA Rule 251).

This paragraph 4 shall apply if "Actual/360" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 360 day year and on the basis of the actual number of days elapsed.

This paragraph 4 shall apply if "Actual/365 (Fixed)" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 365 day year and on the basis of the actual number of days elapsed.

This paragraph 4 shall apply if "30/360" or "360/360" or "Bond Basis" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed. If the last day of the calculation period is the 31st day of a month but the first day of the calculation period is a day other than the 30th or the 31st day of a month, the month that includes that last day shall not be considered to be shortened to a 30-day month. If the last day of the calculation period is the last day of the month of February, the month of February shall not be considered to be lengthened to a 30-day month.

This paragraph 4 shall apply if "30E/360" or "Eurobond Basis" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed without regard to the date of the first day or last day of the calculation period.

Alternative:	*Floating Rate Notes*

1. The Notes bear interest at a rate of the Reference Interest Rate determined in accordance with paragraph 4 **[**plus / minus**]** **[***margin***]** as from **[***Interest Commencement Date***]** (inclusive) (the "**Interest Commencement Date**") up to the first Interest Payment Date (exclusive)

and thereafter as from any Interest Payment Date (inclusive) up to the next following Interest Payment Date (exclusive) (each such period being an "**Interest Period**"). Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date. Subject to the following paragraph and to paragraph 2, "**Interest Payment Date**" means **[***Interest Payment Dates***]**.

This paragraph shall be added to paragraph 1 if the Floating Rate Business Day Convention applies

If any such Interest Payment Date is not a Payment Business Day (§ 5 paragraph 3), then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) interest shall be payable on the immediately preceding Payment Business Day and (ii) on each subsequent Interest Payment Date interest shall be payable on the last Payment Business Day of the month in which such Interest Payment Date would have fallen had it not been subject to adjustment.

This paragraph shall be added to paragraph 1 if the Following Business Day Convention applies

If any such Interest Payment Date is not a Payment Business Day (§ 5 paragraph 3), then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day.

This paragraph shall be added to paragraph 1 if the Modified Following Business Day Convention applies

If any such Interest Payment Date is not a Payment Business Day (§ 5 paragraph 3), then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Payment Business Day. Regarding the last Interest Payment Date § 5 paragraph 3 shall apply mutatis mutandis.

This paragraph shall be added to para-graph 1 if the Pre-ceding Business Day Convention applies

If any such Interest Payment Date is not a Payment Business Day (§ 5 paragraph 3), then such Interest Payment Date shall be the immediately preceding Payment Business Day.

2. The Notes will cease to bear interest at the end of the day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 5 paragraph 3.

3. Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 13.

This paragraph 4 shall apply to all Floating Rate Notes (except for Reverse Floaters)

4. The interest rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This rate is equal to the Reference Interest Rate determined in accordance with paragraph 5 **[**plus / minus**]** **[***margin***]**, and shall be determined for each Interest Period **[**two / *other*] **[**on the first / *other***]** Business Day**[**s**]** **[**prior to the commencemen / *other***]** of each Interest Period (the "**Interest Determination Date**") by the Calculation Agent. A "**Business Day**" in the meaning of this § 2 paragraph 4 shall be any day **[**(other than a Saturday or Sunday) on which commercial banks are open for business in **[**Frankfurt am Main / London / Milan / *other***]** **[**and**]** **[**on which the Trans-European Automated Real-Time Gross settlement Express Transfer system which utilises a single shared platform (TARGET2) **[**and the Clearing Sytem**]** settle**[**s**]** payments**]** **[**in the Issue Currency**]**.

This paragraph 4 shall apply to Reverse Floaters

4. The interest rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This rate is equal to **[**interest rate**]** less the Reference Interest Rate determined in accordance with paragraph 5 **[**plus / minus**]** **[***margin***]**, and shall be determined for each Interest Period **[**two / *other*] **[**on the first / *other***]** Business Day**[**s**]** **[**prior to the commencemen / *other***]** of each Interest Period (the "**Interest Determination Date**") by the Calculation Agent. A "**Business Day**" in the meaning of this § 2 paragraph 4 shall be any day **[**(other than a Saturday or Sunday) on which commercial banks are open for business in **[**Frankfurt am Main / London / Milan / *other***]** **[**and**]** **[**on which the Trans-European Automated Real-Time Gross settlement Express Transfer system which utilises a single shared platform (TARGET2) **[**and the Clearing Sytem**]** settle**[**s**]** payments**]** **[**in the Issue Currency**]**.

5. **[***Number***]**-months **[**EURIBOR/LIBOR**]** (the "**Reference Interest Rate**") is the interest rate expressed as a rate per annum published on screen page **[***relevant screen page***]** (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Screen Page**") on the Interest Determination Date at or about **[**11.00 a.m. / other**]** (**[**Brussels / London / Milan / *other***]** time) for deposits in the Issue Currency for the relevant Interest Period. If the Calculation Agent cannot determine the Reference Interest Rate as aforementioned because the Screen Page is not published, or if the Calculation Agent cannot make such determination for any other reason, then the Reference Interest Rate for the respective Interest Period shall be the arithmetic mean **[**(rounded, if necessary, to the nearest **[**one thousandth / one hundred thousandth / *other* of a percentage point,**]** **[**0.0005 / 0.000005 / *other* being rounded upwards)**]** determined by the Calculation Agent of the interest rates which **[**five reference banks / *other***]** selected by the Calculation Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period. Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied. If less than two Reference Banks provide a quotation, then the Reference Interest Rate for the respective Interest Period shall be determined by the Calculation Agent in its reasonable discretion.

6. The Calculation Agent shall notify the Issuer, the Paying Agents, the Clearing System and, if so required by its rules, the exchange on which the Notes are listed, without undue delay, but in no event later than the first day of the relevant Interest Period, of the interest rate determined with respect to the relevant Interest Period, the amount payable in respect of each Note as well as the respective Interest Payment Date. The Principal Paying Agent shall without delay publish the interest rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § 13 hereof. In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Calculation Agent of which adjustment the Issuer, the Paying Agents, the Clearing System and, if so required by its rules, the exchange on which the Notes are listed shall be notified with undue delay.

This paragraph shall apply only to Notes having a minimum interest rate

7. In the event that the interest rate determined with respect to an Interest Period pursuant to this § 2 is less than **[***minimum interest rate***]**, the interest rate for such Interest Period shall be **[***minimum interest rate***]**.

This paragraph shall apply only to Notes having a maximum interest rate

7. In the event that the interest rate determined with respect to an Interest Period pursuant to this § 2 is more than **[***maximum interest rate***]**, the interest rate for such Interest Period shall be **[***maximum interest rate***]**.

This paragraph shall apply if "Actual/Actual" is the agreed Day Count Fraction

[7/8**]**. The calculation of interest shall be effected on the basis of the actual number of days elapsed divided by 365 or (if a 29 February falls within the relevant interest determination period) divided by 366.

This paragraph shall apply if "Actual/Actual (ISDA)" is the agreed Day Count Fraction

[7/8**]**. The calculation of interest shall be effected on the basis of the actual number of days elapsed divided by 365 (or, if any portion of that interest determination period falls in a leap year, the sum of (A) the actual number of days in that portion of the interest determination period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the interest determination period falling in a non-leap year divided by 365).

This paragraph [7 / 8] shall apply if "Actual/Actual (ICMA)" is the agreed Day Count Fraction

[7/8**]**. The calculation of interest shall be effected on the basis of the actual number of days (actual/actual according to ICMA Rule 251).

This paragraph [7 / 8] shall apply if "Actual/360" is the agreed Day Count Fraction

[7/8**]**. The calculation of interest shall be effected on the basis of a 360 day year and on the basis of the actual number of days elapsed.

This paragraph [7 / 8] shall apply if "Actual/365 (Fixed)" is the agreed Day Count Fraction

[7/8**]**. The calculation of interest shall be effected on the basis of a 365 day year and on the basis of the actual number of days elapsed.

This paragraph [7 / 8] shall apply if "30/360" or "360/360" or "Bond Basis" is the agreed Day Count Fraction

[7/8**]**. The calculation of interest shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed. If the last day of the calculation period is the 31st day of a month but the first day of the calculation period is a day other than the 30th or the 31st day of a month, the month that includes that last day shall not be considered to be shortened to a 30-day month. If the last day of the calculation period is the last day of the month of February, the month of February shall not be considered to be lengthened to a 30-day month.

This paragraph [7 / 8] shall apply if "30E/360" or "Eurobond Basis" is the agreed Day Count Fraction

[7/8**]**. The calculation of interest shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed without regard to the date of the first day or last day of the calculation period.

Alternative:	*Interest Structured Notes*

[1.**]** The Notes bear interest pursuant to the following provisions:

[*insert applicable provisions***]**

[2./*other***]** The Calculation Agent shall notify the Issuer, the Paying Agents **[**,**]** **[**and**]** the Clearing System **[**and, if so required by its rules, the exchange on which the Notes are listed,**]** without delay of the interest rate determined with respect to the relevant Interest Period, the amount payable in respect of each Note as well as the respective Interest

Payment Date. **[**The Principal Paying Agent shall without delay publish the interest rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § 13 hereof.**]**

§ 3
MATURITY

Alternative:	*Notes where the Redemption is at par.*

[The Notes will be redeemed at par (the "**Final Redemption Amount**") on ***[****Maturity Date****]*** (the "**Maturity Date**").] **[**

Alternative:	*Redemption Structured Notes*

1. The Notes will be redeemed on **[***Maturity Date***]** (the " **Maturity Date**") **[**at an amount in the Issue Currency (the "**Final Redemption Amount**") determined in accordance with paragraph 2**]** **[***insert applicable provisions*], which shall in case be at least par.

2. **[**Subject to the provisions of §7 paragraph **[•]** in the case of an adjustment, the**]** **[**The**]** Final Redemption Amount shall be **[***insert applicable provisions, including but not limited to an amount and/or formula(e) and/or additional definitions and/or provisions regarding market disruption, settlement disruption, and/or other aspects, if appropriate***]**.

§ 4
EARLY REDEMPTION, REPURCHASE OF NOTES

This paragraph shall apply to all Notes where the Issuer does not have a Call Option

1. **[**Except as provided in § 7 paragraph **[**1/3**]**, the**]** **[**The**]** Issuer shall not be entitled to redeem the Notes prior to the Maturity Date.

This paragraph shall apply to all Notes where the Issuer has a Call Option

1. The Issuer shall **[**, in addition to the right to redeem the Notes prior to the Maturity Date in accordance with § 7 paragraph **[**1/3**]**, **]** have the right upon not less than **[***number***]** days' prior notice to be given by publication in accordance with § 13, to redeem prior to the Maturity Date all, but not less than all, of the outstanding Notes in accordance with the following provisions:
[*insert applicable provisions***]**

This paragraph shall apply to all Notes where the Note-holders do not have a Put Option

2. Except as provided in § 11, the Noteholders shall not be entitled to call for a redemption of the Notes prior to the Maturity Date.

This paragraph shall apply to all Notes where the Note-holders have a Put Option

2. Each Noteholder shall, in addition to the right to call for redemption in accordance with § 11, be entitled upon not less than **[**number**]** days' prior written notice to the Notes Account Holder and the Principal Paying Agent in the form set out in Annex 1 (the "**Early Redemption Notice**"), to call his Notes for early redemption in accordance with the following provisions:
[*insert applicable provisions***]**

This paragraph shall apply to all Notes where the Early Redemption Amount is par plus accrued interest

3. If the Notes are called for redemption due to **[**the occurrence of an Extraordinary Event in accordance with § 7 paragraph **[**1/3**]** or**]** an event having occurred as described in § 11 **[**, as the case may be,**]** they shall be redeemed at par plus interest accrued up to **[•]** Payment Business Days prior to the **[•]** (the "**Early Redemption Amount**").

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This paragraph shall apply to all Zero Coupon Notes

3. If the Notes are called for redemption due to an event having occurred as described in § 11 they shall be redeemed at the "**Early Redemption Amount**" which shall be determined **[**as the sum of (i) **[•]**% of the Aggregate Principal Amount (the "**Issue Price**") and (ii) the product of the Issue Price and **[•]**% (the "**Amortisation Yield**") (compounded annually) applied to the period from (and including) **[***applicable date***]** to (but excluding) the Repayment Date (as defined below) (the "**Accrual Period**")**] [•]**.

   The calculation of the Early Redemption Amount shall be effected on the basis of the actual number of days in the Accrual Period **[**divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365)**] [•]**.

   The Repayment Date within the meaning of this § 4 paragraph 3 shall be the earlier of the day with respect to which the Notes are called for early redemption or (as the case may be) the day on which early payment is effected.

This paragraph shall apply to all Notes which provide for an early redemption above par and which do not contain an early redemption right with reference to an underlying pursuant to § 7

3. If the Notes are called for redemption due to an event having occurred as described in § 11 they shall be redeemed at the "**Early Redemption Amount**" which shall be determined as follows: **[***insert applicable provisions***]**, provided that the Early Reemption Amount shall in case be at least par

This paragraph shall apply to all Notes which provide for an early redemption above par and which contain an early redemption right with reference to an underlying pursuant to § 7

3. If the Notes are called for redemption due to the occurrence of an Extraordinary Event in accordance with § 7 paragraph **[**1/3**]** or an event having occurred as described in § 11, as the case may be, they shall be redeemed at the early redemption amount (the "**Early Redemption Amount**") which shall be calculated by the Issuer **[**in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*)) as the fair value of the Notes at the date as determined by the Issuer, provided that the Early Reemption Amount shall in case be at least par. Such date and the Early Redemption Amount shall be notified in accordance with § 13**]** **[***insert other applicable provision***]**. The rights arising from the Notes will terminate upon the payment of the Early Redemption Amount.

This paragraph shall apply to all Notes with Automatic Early Redemption

[4**]**. Notwithstanding any other rights to redeem the Notes prior to the Maturity Date in accordance with these Terms and Conditions, the Notes shall be terminated automatically and redeemed on the Automatic Early Redemption Date at the Automatic Early Redemption Amount, provided that the Automatic Early Reemption Amount shall in case be at least par.

   [*Insert applicable provisions, including but not limited to early termination trigger event(s), definitions of Automatic Early Redemption Date(s) and Automatic Early Redemption Amount(s) and/or other amount(s) and/or formula(e) and/or additional definitions and/or provisions regarding market disruption, settlement disruption, adjustment clauses and/or other* *aspects, if appropriate***]**

This paragraph shall apply to all Notes

[5**]**. The Issuer may at any time purchase Notes in the market or otherwise. Notes repurchased by or on behalf of the Issuer may be held by the Issuer, re-issued, resold or surrendered to the Principal Paying Agent (§ 10) for cancellation.

§ 5
PAYMENTS

This paragraph shall apply to all Notes (except for dual currency Notes)

1. The Issuer irrevocably undertakes to pay, as and when due, all amounts payable pursuant to these Terms and Conditions in the Issue Currency.

The following paragraph shall be added to paragraph 1 in case of Notes in bearer form in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date

Payments on Notes represented by a Temporary Global Note shall only be effected upon due certification in accordance with § 1 paragraph 2.

This paragraph shall apply only to dual currency Notes

1. The Issuer irrevocably undertakes to pay, as and when due, all amounts payable pursuant to these Terms and Conditions in accordance with the following provisions: **[***insert applicable provisions***]**.

2. Payments of all amounts payable pursuant to the Terms and Conditions will be made pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Payment pursuant to the Clearing System's instruction shall release the Issuer from its payment obligations under the Notes in the amount of such payment.

3. If any payment of principal **[**or interest**]** is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Noteholder shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

   "**Payment Business Day**" means a day **[**on which the Trans-European Automated Real-Time Gross settlement Express Transfer system which utilises a single shared platform (TARGET2) is open / (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets in **[**city**]]** and the Clearing System settle payments in **[**the Issue Currency**] [•]**.

4. Any reference in these Terms and Conditions to principal in respect of the Notes shall include:

   (a) **[***insert Bonus Payments or other payments* and**]** the Final Redemption Amount of the Notes at the Maturity Date; and

   (b) the Early Redemption Amount **[**and the Automatic Early Redemption Amount**]** in the case of an early redemption of the Notes pursuant to **[**§ 4**] [**,**] [**§ 7 paragraph **[**1/3**]] [**and**]** § 11.

5. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives.

6. The Issuer may deposit with the Amtsgericht, Frankfurt am Main, **[**interest or**]** principal not claimed by Noteholders within 12 months after its respective due date, even though the respective Noteholders may not be in default of acceptance. If and to the extent that the deposit is made under waiver of the right of withdrawal, the respective claims of the respective Noteholders against the Issuer shall cease.

§ 6
TAXES

All present and future taxes in connection with the Notes shall be borne and paid by the Noteholders. The Issuer is entitled to withhold from payments to be made under the Notes any taxes payable by the Noteholder in accordance with the previous sentence.

§ 7
[ADJUSTMENTS, MARKET DISRUPTION [, POSTPONEMENT OF VALUATION DATE] [, SETTLEMENT DISRUPTION] [•]]] THIS CLAUSE HAS BEEN INTENTIONALLY LEFT BLANK]

Alternative:	*Notes without adjustments*

[*leave blank***]**

Alternative:	*Notes with reference to a share or shares*

1. If in the opinion of the Calculation Agent (§ 10) an Adjustment Event or an Extraordinary Event (both as defined below) has occurred, the Issuer is entitled, but not obligated, to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. If in the opinion of the Calculation Agent an Extraordinary Event has occurred, the Issuer is entitled, but not obligated, to (instead of an adjustment) terminate and redeem all, but not less than all, Notes prematurely at the Early Redemption Amount (§ 4 paragraph 3) by giving notice in accordance with § 13 where an adjustment is not possible or would be unreasonable.

2. When making adjustments to the Terms and Conditions, the Issuer shall act in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*)) and is entitled, but not obligated, to take into consideration the adjustments to options or futures contracts relating to the Underlying made by the Related Exchange or that would have been made by the Related Exchange if such options or futures contracts were traded on the Related Exchange.

3. Any of the before-mentioned adjustments may, among others, relate to **[***parameters***]** and may result in the Underlying being replaced by other securities, a basket of securities and/or cash, and another exchange being determined as the Exchange. However, the Issuer is also entitled to make other adjustments taking into consideration the before-mentioned principles.

4. Adjustments take effect as from the date determined by the Issuer. Adjustments as well as the effective date shall be notified by the Issuer in accordance with § 13.

5. If on **[**the Valuation Date ***/*** *insert other valuation time***]** the **[***price***]** of the Underlying is not determined and published by the Exchange, or if on **[**the Valuation Date / *insert other valuation time***]**, in the opinion of the Calculation Agent, a Market Disruption Event with respect to the Underlying occurs, then the next following calendar day on which the **[***price***]** is again determined and published by the Exchange and on which there is no Market Disruption Event with respect to the Underlying will be deemed to be **[**the Valuation Date / *insert other valuation time***]**.

If according to the before-mentioned provisions **[**the Valuation Date / *insert other valuation time***]** is postponed until **[**the **[**second**]** **[***number***]** Exchange Business Day prior to**]** **[**the **Maturity Date]** and if on such date the **[***price***]** of the Underlying is still not determined and published by the Exchange or if a Market Disruption Event occurs or is continuing on such date, such date **[**prior to the Maturity Date**]** shall be deemed to be the relevant **[**the Valuation Date / *insert other valuation time***]**, and the Calculation Agent will, in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 317 of the German Civil Code (*BGB*)) and in consideration of the prevailing market conditions, estimate the **[***price***]** of the Underlying on such date which shall be notified by the Issuer in accordance with § 13.

6. For the purposes of this § 7 the following definitions shall apply:

"**Adjustment Event**" means:

(a) any of the following actions taken by the Company: capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Company's reserves, issuance of securities with option or conversion rights related to the Underlying, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category (as long as this does not constitute a merger);

(b) a spin-off of a part of the Company in such a way that a new independent entity is formed, or that the spun-off part of the Company is absorbed by another entity;

(c) the adjustment of options or futures contracts relating to the Underlying on the Related Exchange or the announcement of such adjustment; or

(d) any other adjustment event being economically comparable to the before-mentioned events with regard to their effects.

"**Extraordinary Event**" means any of the following events:

(a) a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of the Company as a consequence of a conversion or otherwise, as determined by the Issuer based on notifications to the competent authorities or on other information determined as relevant by the Issuer;

(b) the termination of trading in, or early settlement of, options or futures contracts relating to the Underlying on the Related Exchange or the announcement of such termination or early settlement;

(c) the becoming known of the intention of the Company or of the Exchange to terminate the listing of the Underlying on the Exchange or the termination of the listing of the Underlying at the Exchange or the announcement of the Exchange that the listing of the Underlying at the Exchange will terminate immediately or at a later date and that the Underlying will not be admitted, traded or listed at any other comparable exchange, trading system or quotation system immediately following the termination of the listing;

(d) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of the Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;

(e) the application for insolvency proceedings or for comparable proceedings with regard to the assets of the Company according to the applicable law of the Company; or

(f) any other event being economically comparable to the before-mentioned events with regard to their effects.

"**Market Disruption Event**" means the occurrence or existence of any suspension of, or limitation imposed on, trading (by reason of movements in price exceeding the limits permitted by the Exchange or otherwise) in (a) the Underlying on the Exchange, or (b) any options contracts or futures contracts relating to the Underlying on the Related Exchange, provided that any such suspension or limitation is material in the Issuer´s reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*)) for the evaluation of the Notes and the fulfilment of its obligations under the Notes. The occurrence of a Market Disruption Event shall be published in accordance with § 13.

A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only be deemed to be a Market Disruption Event in the case that such limitation is still prevailing at the time of termination of the trading hours on such date.

Alternative:	*Notes with reference to an index consisting of shares*

1. If the Index is no longer calculated and published by the Index Sponsor but by another person, company or institution acceptable to the Issuer as the new Index Sponsor (the "**Successor Sponsor**"), the redemption of the Notes will be determined on the basis of the Index being calculated and published by the Successor Sponsor and any reference made to the Index Sponsor shall, if the context so admits, then refer to the Successor Sponsor.

2. If at any time the Index is cancelled or replaced, the Calculation Agent (§ 10) will determine in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 317 of the German Civil Code (*BGB*)) another index with

similar characteristics and calculation method to those of the Index on the basis of which the redemption of the Notes will be determined (the "**Successor Index**"). The respective Successor Index as well as the time of its first application will be notified as soon as possible pursuant to § 13. Any reference made to the Index in these Terms and Conditions shall, if the context so admits, then refer to the Successor Index. All related definitions shall be deemed to be amended accordingly. Furthermore, the Issuer will make all necessary adjustments to the Terms and Conditions resulting from a substitution of the Index.

3. In the case that the occurrence of an Adjustment Event with respect to a share contained in the Index (the "**Index Share**") has a material effect on the price of the Index, the Calculation Agent will make adjustments to **[***insert parameters***]** in its reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*)) and give notification pursuant to § 13. Such adjustment shall become effective on the date on which the occurrence of the Adjustment Event with respect to the share contained in the Index has its effect on the price of the Index.

"**Adjustment Event**" means any of the following events:

(a) the substitution of the Index by a Successor Index pursuant to paragraph 2;

(b) any of the following actions taken by the company issuing the Index Shares (the "**Index Company**"): capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Index Company's reserves, issuance of securities with option or conversion rights related to the Index Shares, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category (as long as this does not constitute a merger);

(c) a spin-off of a part of the Index Company in such a way that a new independent entity is formed, or that the spun-off part of the Index Company is absorbed by another entity;

(d) the adjustment of options or futures contracts relating to the Index Shares on the exchange with the highest trading volume in such option or futures contracts (the "**related exchange**") or the announcement of such adjustment;

(e) a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of the Index Company as a consequence of a conversion or otherwise, as determined by the Issuer based on notifications to the competent authorities or on other information determined as relevant by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*));

(f) the termination of trading in, or early settlement of, options or futures contracts relating to the Index Shares on the related exchange or relating to the Index itself or the announcement of such termination or early settlement;

(g) the becoming known of the intention of the Index Company or of the exchange on which the respective Index Shares are traded (provided that the quotations of the prices of the Index Shares on such exchange are taken for the calculation of the Index) (the "**exchange**") to terminate the listing of the Index Shares on the exchange or the termination of the listing of the Index Shares at the exchange or the announcement of the exchange that the listing of the Index Shares at the exchange will terminate immediately or at a later date and that the Index Shares will not be admitted, traded or listed at any other comparable exchange, trading system or quotation system immediately following the termination of the listing;

(h) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of the Index Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;

(i) the application for insolvency proceedings or for comparable proceedings with regard to the assets of the Index Company according to the applicable law of the Index Company; or

(j) any other adjustment event being economically comparable to the before-mentioned events with regard to their effects.

4. If in the opinion of the Calculation Agent (i) the determination of a Successor Index in accordance with the above paragraph is not possible or unreasonable for the Issuer or (ii) if the Index Sponsor materially modifies the calculation method of an Index with effect on or before **[**the Valuation Date / *insert other valuation time***]**, or materially modifies the Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to securities comprising the Index, the market capitalisation or with respect to any other routine measures) (each of such events an "**Extraordinary Event**"), then the Issuer is entitled to (a) continue (itself or through an independent expert determined by the Issuer) the calculation of the Index on the basis of the former concept of the Index and its last determined level or (b) to (instead of a continuation of the calculation of the Index) terminate and redeem all, but not less than all, Notes prematurely at the Early Redemption Amount (§ 4 paragraph 3) by giving notice in accordance with § 13.

5. If on **[**the Valuation Date **/** *insert other valuation time***]** the **[***price***]** of the Index is not determined and published by the Index Sponsor, or if on **[**the Valuation Date / *insert other valuation time***]**, in the opinion of the Calculation Agent, a Market Disruption Event with respect to the Index occurs, then the next following calendar day on which the **[***price***]** is again determined and published by the Index Sponsor and on which there is no Market Disruption Event with respect to the Index will be deemed to be the **[**the Valuation Date / *insert other valuation time***].**

If according to the before-mentioned provisions **[**the Valuation Date / insert other valuation time**]** is postponed until **[**the **[**third**]** **[***number***]** Payment Business Day prior to**]** **[**the Maturity Date**]** and if on such date the **[***price***]** of the Index is still not determined and published by the Index Sponsor or if a Market Disruption Event occurs or is continuing on such date, such date **[**prior to the Maturity Date**]** shall be deemed to be the relevant **[**the Valuation Date / *insert other valuation time***]**, and the Calculation Agent will, in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 317 of the German Civil Code (*BGB*)) and in consideration of the prevailing market conditions, estimate the **[***price***]** of the Index on such date which shall be notified by the Issuer in accordance with § 13.

"**Market Disruption Event**" means the occurrence or existence of any suspension of, or limitation imposed on, trading in the Index Shares on the exchange or the suspension of or limitation imposed on trading in options or futures contracts on the Index on the options and futures exchange with the highest trading volume of option and future contracts relating to the Index, provided that any such suspension or limitation is material in the Issuer´s reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*)) for the evaluation of the Notes and the fulfilment of its obligations under the Notes. The occurrence of a Market Disruption Event shall be published in accordance with § 13.

A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only be deemed to be a Market Disruption Event in the case that such limitation is still prevailing at the time of termination of the trading hours on such date.

Alternative:	*Notes with reference to an index consisting of futures contracts*

1. If the Index is no longer calculated and published by the Index Sponsor but by another person, company or institution acceptable to the Issuer as the new Index Sponsor (the "**Successor Sponsor**"), the redemption of the Notes will be determined on the basis of the Index being calculated and published by the Successor Sponsor and any reference made to the Index Sponsor shall, if the context so admits, then refer to the Successor Sponsor.

2. If at any time the Index is cancelled or replaced, the Calculation Agent (§ 10) will determine in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 317 of the German Civil Code (*BGB*)) another index with similar characteristics and calculation method to those of the Index on the basis of which the redemption of the Notes will be determined (the "**Successor Index**"). .The respective Successor Index as well as the time of its first application will be notified as soon as possible pursuant to § 13. Any reference made to the Index in these Terms and Conditions shall, if the context so admits, then refer to the Successor Index. All related definitions shall be deemed to be amended accordingly. Furthermore, the Issuer will make all necessary adjustments to the Terms and Conditions resulting from a substitution of the Index.

3. If in the opinion of the Calculation Agent (i) the determination of a Successor Index in accordance with the above paragraph is not possible or unreasonable for the Issuer or (ii) if the Index Sponsor materially modifies the calculation method of an Index with effect on or before **[**the Valuation Date / *insert other valuation time***]**, or materially modifies the Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to securities comprising the Index, the market capitalisation or with respect to any other routine measures) (each of such events an "**Extraordinary Event**"), then the Issuer is entitled to (a) continue (itself or through an independent expert determined by the Issuer) the calculation of the Index on the basis of the former concept of the Index and its last determined level and of the same methodology adopted by the previous Index Sponsor or (b) to (instead of a continuation of the calculation of the Index) terminate and redeem all, but not less than all, Notes prematurely at the

Early Redemption Amount (§ 4 paragraph 3) by giving notice in accordance with § 13.

4. If on **[**the Valuation Date **/** *insert other valuation time***]** the **[***price***]** of the Index is not determined and published by the Index Sponsor, or if on **[**the Valuation Date / *insert other valuation time***]**, in the opinion of the Calculation Agent, a Market Disruption Event with respect to the Index occurs, then the next following calendar day on which the **[***price***]** is again determined and published by the Index Sponsor and on which there is no Market Disruption Event with respect to the Index will be deemed to be the **[**the Valuation Date / *insert other valuation time***]**.

If according to the before-mentioned provisions **[**the Valuation Date / insert other valuation time**]** is postponed until **[**the **[**third**]** **[***number***]** Payment Business Day prior to**]** **[**the Maturity Date**]** and if on such date the **[***price***]** of the Index is still not determined and published by the Index Sponsor or if a Market Disruption Event occurs or is continuing on such date, such date **[**prior to the Maturity Date**]** shall be deemed to be the relevant **[**the Valuation Date / *insert other valuation time***]**, and the Calculation Agent will, in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 317 of the German Civil Code (*BGB*)) and in consideration of the prevailing market conditions, estimate the **[***price***]** of the Index on such date which shall be notified by the Issuer in accordance with § 13.

"**Market Disruption Event**" with respect to the Index means the occurrence or existence of any suspension of or limitation imposed on trading in the futures and options contracts contained in the Index on the exchanges or trading systems the prices of which are the basis for the calculation of the Index, or the suspension of or limitation imposed on trading in options or futures contracts on the Index on the options and futures exchange with the highest trading volume of options and futures contracts relating to the Index, provided that any such suspension or limitation is material in the Issuer´s reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*)) for the evaluation of the Notes and the fulfilment of its obligations under the Notes. The occurrence of a Market Disruption Event shall be published in accordance with § 13.

A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only be deemed to be a Market Disruption Event in the case that such limitation is still prevailing at the time of termination of the trading hours on such date.

Alternative:	*Notes with reference to futures contracts on commodities*

1. If in the opinion of the Calculation Agent (§ 10) an Extraordinary Event (as defined below) has occurred, the Issuer is entitled to either (i) make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter, or (ii) to (instead of an adjustment) terminate and redeem the Notes prematurely at the Early Redemption Amount (§ 4 paragraph 3) by giving notice in accordance with § 13. In making adjustments to the Terms and Conditions, the Issuer is entitled, but not obligated, to take into consideration the adjustments made to options or futures contracts relating to the Underlying that are traded on **[**the Exchange**]** **[•]**. If the Issuer makes adjustments without taking into consideration the manner in which adjustments are or would be made by

the Exchange, the Issuer shall make the adjustments in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code (*BGB*)) and, in any case, in compliance with Article 2.2.29 of the Rules of the markets organised and managed by Borsa Italiana S.p.A.. Any of the before-mentioned adjustments may, among others, relate to **[**the Initial Price, the Multiplier etc.**]** **[***other parameters***]** and may result in the Futures Contract being replaced by other futures contracts, a basket of futures contracts and/or cash, and another exchange being determined as the Exchange.

However, the Issuer is not obligated to make an adjustment and it is also entitled to make other adjustments taking into consideration the before-mentioned principles.

2. Adjustments take effect as from the date determined by the Issuer, provided that (in case the Issuer takes into consideration the manner in which adjustments are or would be made by the **[**the Exchange**]** **[•]**) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect on the **[**the Exchange**]** **[•]**. Adjustments as well as the effective date shall be notified by the Issuer in accordance with § 13.

3. If on the Valuation Date in the opinion of the Calculation Agent a **[***price***]** of the Futures Contract is not determined and published or if a Trading Disruption with respect to the Futures Contract occurs, then the next following calendar day on which a **[***price***]** of the Futures Contract is again determined and published and on which a Trading Disruption does not occur will be deemed to be the Valuation Date for the Futures Contract.

   If according to the before-mentioned provisions the Valuation Date is postponed until **[**the **[**second**]** **[***number***]** Exchange Business Day prior to**]** **[**the Maturity Date**]** and if on such date a **[***price***]** of the Futures Contract is still not determined and published or if a Trading Disruption occurs or is continuing on such date, such date **[**prior to the Maturity Date**]** shall be deemed to be the relevant Valuation Date, and the Calculation Agent will, in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 317 German Civil Code (*BGB*)) and in consideration of the prevailing market conditions, estimate the **[***price***]** of the Futures Contract on such day and make a notification in accordance with § 13.

4. For the purposes of this § 7 the following definitions shall apply:

   "**Disappearance of Reference Price**" means (a) the permanent discontinuation of trading, in the Futures Contract on the Exchange; (b) the disappearance of, or of trading in, the Commodity; or (c) the disappearance or permanent discontinuance or unavailability of a **[***price***]**, notwithstanding the availability of the Price Source or the status of trading in the Futures Contract or the Commodity.

   "**Extraordinary Event**" means the occurrence of any of the following events: Disappearance of Reference Price, Material Change in Content, Price Source Disruption, Tax Disruption, Trading Disruption or any other event being economically comparable to the before-mentioned events with regard to their effects.

   "**Material Change in Content**" means the occurrence of a material change in the content, composition or constitution of the Commodity or the Futures Contract.

"**Price Source Disruption**" means (a) the failure of the Price Source to announce or publish the relevant **[***price***]** (or the information necessary for determining the **[***price***]**); or (b) the temporary or permanent discontinuance or unavailability of the Price Source.

"**Tax Disruption**" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, a Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the **[***price***]**.

"**Trading Disruption**" means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange. For these purposes:

(a) a suspension of the trading in the Futures Contract or the Commodity on any Exchange Business Day shall be deemed to be material only if:

(1) all trading in the Futures Contract or the Commodity is suspended for the entire Exchange Business Day; or

(2) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Exchange Business Day, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Exchange Business Day and such suspension is announced less than one hour preceding its commencement; and

(b) a limitation of trading in the Futures Contract or the Commodity on any Exchange Business Day shall be deemed to be material only if the Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

Alternative:	*Notes with reference to a combination of different types of underlyings or to other underlyings*

[*insert applicable provisions from alternatives above, if appropriate, and/or insert other applicable provisions including adjustment clauses, market disruption clauses, settlement disruption clauses and/or other aspects, if applicable to such Notes***]**

§ 8
PRESCRIPTION

The period of limitation for claims under the Notes shall be two years calculated from the expiry of the Notes.

§ 9
STATUS

The obligations under the Notes constitute direct, unconditional and unsecured obligations of the Issuer and rank at least pari passu with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time under applicable law).

§ 10
AGENTS

1. **[**Commerzbank Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany **/ [***other bank***]]** shall be the "**Principal Paying Agent**". The Issuer shall procure that there will at all times be a Principal Paying Agent. **[**The Issuer is entitled to appoint other banks of international standing as Principal Paying Agent or additional paying agents (each, a "**Paying Agent**"; the Principal Paying Agent and any additional Paying Agent together the "**Paying Agents**").**]** **[**Commerzbank International S.A. **[***address***] / [**and**] [***other bank(s)***]]** shall be appointed as additional Paying Agent**[**s**]** (together with the Principal Paying Agent the "**Paying Agents**").**]** **[**The Issuer shall procure that as long as Notes are listed on the **[***exchange***]** there will at all times be a Paying Agent in **[***city***].]**

   Furthermore, the Issuer is entitled to terminate the appointment of the Principal Paying Agent as well as of individual Paying Agents. In the event of such termination or such bank being unable or unwilling to continue to act as Principal Paying Agent or Paying Agent, as the case may be, the Issuer shall appoint another bank of international standing as Principal Paying Agent or Paying Agent, respectively. Such appointment or termination shall be published without undue delay in accordance with § 13.

2. **[**Commerzbank Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany **/ [***other bank***]]** shall be the "**Calculation Agent**". The Issuer shall procure that as long as **[**interest rates have to be determined or other**]** determinations have to be made in accordance with these Terms and Conditions there shall at all times be a Calculation Agent. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent. In the event of such termination or of the appointed office of any such bank being unable or unwilling to continue to act as Calculation Agent (as the case may be) the Issuer shall appoint an appropriate office of another leading bank to act as Calculation Agent. The appointment of another Calculation Agent shall be published without delay by the Issuer in accordance with § 13.

3. The Paying Agents and the Calculation Agent acting in such capacity, act only as agents of the Issuer. There is no agency or fiduciary relationship between the Paying Agents and the Calculation Agent on the one hand and the Noteholders on the other hand. The **[**Paying Agents and the Calculation Agent are hereby granted exemption from the restrictions of § 181 of the German Civil Code (*BGB*) and any similar restrictions of the applicable laws of any other country.

§ 11
TERMINATION

1. Each Noteholder is entitled to declare his Notes due and to require the redemption of his Notes at the Early Redemption Amount pursuant to § 4 paragraph 3 as provided hereinafter, if:

This paragraph (a) shall apply to all Notes bearing interest

(a) the Issuer is in default for more than 30 days in the payment of principal or interest under these Terms and Conditions;

This paragraph (a) shall apply to all Notes not bearing interest

(a) the Issuer is in default for more than 30 days in the payment of any amount due **[***shall be added if Notes contain a delivery obligation:* and/or deliveries**]** under these Terms and Conditions;

(b) the Issuer violates any other obligation under these Terms and Conditions, and such violation continues for 60 days after receipt of written notice thereof from the respective Noteholder;

(c) the Issuer is wound up or dissolved whether by a resolution of the shareholders or otherwise (except in connection with a merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law);

(d) the Issuer ceases its payments and this continues for 60 days, or admits to be unable to pay its debts;

(e) any insolvency proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after their institution or the Issuer applies for the institution of such proceedings, or offers or makes an arrangement for the benefit of its creditors or the Federal Financial Supervisory Authority (BaFin) opens insolvency proceedings against the Issuer; or

(f) in the case of a substitution of the Issuer within the meaning of §12 paragraph 4 (b) any of the events set forth in sub-paragraphs (c)-(e) above occurs in respect of the Guarantor.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

2. The right to declare Notes due pursuant to paragraph 1 shall be exercised by a Noteholder by delivering or sending by registered mail to the Principal Paying Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Principal Paying Agent.

§ 12
SUBSTITUTION OF ISSUER

1. Any other company may assume at any time during the life of the Notes, subject to § 12 paragraph 4, without the Noteholders' consent upon notice by the Issuer given through publication in accordance with § 13, all the obligations of the Issuer under these Terms and Conditions.

2. Upon any such substitution, such substitute company (hereinafter called the "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Terms and

Conditions with the same effect as if the New Issuer had been named as the Issuer herein; the Issuer (and, in the case of a repeated application of this § 12, each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Notes.

3. In the event of such substitution, any reference in these Terms and Conditions (except for this § 12) to the "**Issuer**" shall from then on be deemed to refer to the New Issuer and any reference to the country of the corporate seat of the Issuer which is to be substituted (except for the references in § 16 to the Federal Republic of Germany) shall be deemed to refer to the country of the corporate seat of the New Issuer and the country under the laws of which it is organised.

4. No such assumption shall be permitted unless

   (a) the New Issuer has agreed to assume all obligations of the Issuer under the Notes pursuant to these Terms and Conditions;

   (b) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;

   (c) the Issuer (in this capacity referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed to the Noteholders compliance by the New Issuer with all obligations under the Notes pursuant to these Terms and Conditions;

   (d) the New Issuer and the Guarantor have obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Guarantor and/or the New Issuer are domiciled or the country under the laws of which they are organised.

5. Upon any substitution of the Issuer for a New Issuer, this § 12 shall apply again.

§ 13
NOTICES

Unless otherwise required by law, any communications to the Noteholders concerning the Notes will be deemed as having been validly made if published through a notice in a national daily newspaper, or on the Issuer's website [●] [or in the electronic version of the Federal Gazette (*Bundesanzeiger*)] and possibly, without giving rise to any obligation for the Issuer, through a notice by Borsa Italiana S.p.A.

Following the admission to listing of the Notes, any change/amendment or material information in connection with the Notes will be published by Borsa Italiana S.p.A. through a stock exchange notice in accordance with the relevant legal and regulatory provisions in force in the Republic of Italy.

[*insert additional or other provisions with respect to notices***]**

§ 14
LIMITATION OF LIABILITY

The Issuer, the Paying Agents and the Calculation Agent shall be held responsible for acting or failing to act in connection with the Notes only if, and insofar as, it either (i) breaches material obligations under or in connection with the Terms and Conditions of the Notes negligently or wilfully or (ii) breaches other obligations with gross negligence or wilfully.

§ 15
FINAL CLAUSES

[1. The Issuer may modify the Terms and Conditions without the consent of any Noteholder for the purposes of curing any ambiguity or correcting any material error, provided that such modification is not, in the reasonable discretion of the Issuer (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), prejudicial to the interests of the Noteholders. Notice of any such modification will be given to the Noteholders in accordance with § 13.]

[2. Should any provision of these Terms and Conditions be or become void in whole or in part, the other provisions shall remain in force. The void provision shall be replaced by a valid provision that reflects the economic intent of the void provision as closely as possible in legal terms.]

[3. The Notes and the rights and duties of the Noteholders, the Issuer, the Paying Agent and the Guarantor (if any) shall in all respects be governed by the laws of the Federal Republic of Germany [*insert in case of Notes being cleared through Monte Titoli S.p.A*] except for § 1 paragraph 2 and 3 of the Terms and Conditions which shall be governed by the laws of the Republic of Italy].

[4. In the event of manifest typing or calculation errors or similar manifest errors in the Terms and Conditions, the Issuer shall be entitled to declare rescission (Anfechtung) to the Noteholders. The declaration of rescission shall be made without undue delay upon becoming aware of any such ground for rescission (Anfechtungsgrund) and in accordance with § 13. Following a declaration of rescission by the Issuer, the Noteholder is entitled to request repayment of the Issue Price by delivery of a duly completed redemption notice to the Principal Paying Agent on the form available at the Principal Paying Agent or by providing all information and statements requested therein (the "**Redemption Notice**") and by transfer of the Notes to the account of the Principal Paying Agent with the Clearing System. The Issuer shall make available the Issue Price to the Note Agent within [*number*] calendar days following receipt of the Redemption Notice and of the Notes by the Note Agent, whichever receipt is later, whereupon the Note Agent shall transfer the Issue Price to the account specified in the Redemption Notice. Upon payment of the Issue Price all rights under the Notes delivered shall expire.]

[5. The Issuer may combine the declaration of rescission pursuant to paragraph 4 with an offer to continue the Notes on the basis of corrected Terms and Conditions. Such an offer and the corrected provisions shall be notified to the Noteholders together with the declaration of rescission in accordance with § 13. Any such offer shall be deemed to be accepted by a Noteholder (and the rescission shall not take effect), unless the Noteholder requests repayment of the Issue Price within four weeks following the date on which the offer has become effective in accordance with § 13 by delivery of a duly completed Redemption Notice to the Principal Paying Agent and by transfer of the Notes to the account of the

Principal Paying Agent with the Clearing System pursuant to paragraph 4. The Issuer shall refer to this effect in the notification.]

[6. "**Issue Price**" within the meaning of paragraphs 2 and 3 shall be the actual purchase price paid at the time of the first subscription of the Notes delivered for repayment].

7. Place of performance is Frankfurt am Main.

8. Place of jurisdiction for all disputes and other proceedings in connection with the Notes for merchants, entities of public law, special funds under public law and entities without a place of general jurisdiction in the Federal Republic of Germany is Frankfurt am Main. In such a case, the place of jurisdiction in Frankfurt am Main shall be an exclusive place of jurisdiction.

[*insert additional or other provisions*]

ANNEX 1 to the Terms and Conditions of the Notes

Early Redemption Notice

To: Notes Account Holder
(the "**Notes Account Holder**")

C/c Commerzbank Aktiengesellschaft
Attn: [•]
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Fax No:[ ]
(the "**Principal Paying Agent**")

We, the undersigned Noteholder(s), hereby communicate that we request Early Redemption of the Notes specified below in accordance with § 4 of the Terms and Conditions of the Notes.

The undersigned understands that if this notice is not duly completed and delivered at the end of the [tenth] [*number*] Payment Business Day prior to the requested Early Redemption Date specified below (the "**Early Redemption Cut-off Date**"), the Redemption Notice shall be void. If the number of Notes to be early redeemed as specified below differs from the number of Notes transferred to the Principal Paying Agent, the Redemption Notice shall be deemed submitted only with regard to the smaller number of Notes. Any excess Certificates shall be re-transferred for the cost and the risk of the undersigned to the Notes Account Holder.

Please

1. deliver this notice not later than at the end of the Early Redemption Cut-off Date to the Principal Paying Agent; and

2. deliver the number of Notes specified below to the account of the Principal Paying Agent with the Clearing System.

Early Redemption Date: [...]

ISIN Code/Series number of the Notes: [ ]

Number of Notes the subject of this notice: [ ]

Name of Noteholder(s):

Account no. of Noteholder(s):

____

Signature

TERMS AND CONDITIONS (CERTIFICATES)

The following terms and conditions apply to the Certificates issued as Series No. [number] and Tranche No. [number] of that Series under the Base Prospectus relating to Notes and Certificates of Commerzbank Aktiengesellschaft (the "**Programme**").

§ 1 FORM

These paragraphs 1. and 2. shall be applicable only in respect of issues cleared through Monte Titoli S.p.A.

1. The **[***Name***]** certificates **[**of each series**]** (the "**Certificates**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will be issued in the dematerialised regime, pursuant to the "**Financial Services Act**" (*Testo Unico della Finanza*) and the relevant implementing regulations and are registered in the books of Monte Titoli S.p.A. with registered office in Via Mantegna 6, Milan (the "**Clearing System**"). No physical document of title will be issued to represent the Certificates. However, any holder of Certificates still has the right to obtain a certificate pursuant to articles 83-quinquies and 83-novies, paragraph 1, letter b), of the Financial Services Act.

2. The transfer of the Certificates operates by way of registration on the relevant accounts opened with the Clearing System by any intermediary adhering, directly or indirectly, to the Clearing System (the "**Certificates Account Holders**"). As a consequence, the subject who from time to time is the owner of the account held with a Certificates Account Holder will be considered as the legitimate owner of the Certificates (the "**Certificateholder**") and will be authorised to exercise all rights related to them.

These paragraphs 1. to 3. shall be applicable only in respect of Certificates in bearer form with the exeption of USD Certificates with a lifetime of more than one year and a first payment or delivery after 40 days following issue date

1. The [Name-] Certificates [of each series] (the "**Certificates**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will be represented by a global bearer certificate (the "**Global Certificate**"), which shall be deposited with [Deutsche Bank AG, Frankfurt am Main,] [other depositary, including address] as common depositary for Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System (the "**Clearing System**").

2. Definitive Certificates will not be issued. The right of any holder of Certificates (the "**Certificateholder**") to delivery of definitive Certificates is excluded. The Certificateholders shall receive co-ownership participations in or rights with respect to the Global Certificate which are transferable in accordance with applicable law and the rules and regulations of the Clearing System. In securities clearing transactions, the Certificates are transferable in units of [one][●] Certificate[s] or integral multiples thereof by way of registration on the relevant accounts opened with the Clearing System, [including on the relevant bridge accounts of Monte Titoli S.p.A.] by any intermediary adhering, directly or indirectly, to the Clearing System [and/or to Monte Titoli S.p.A.] (the "**Certificates Account Holder**").

3. The Global Certificate shall bear the hand-written signatures of two authorised officers of the Issuer.

These paragraphs 1. to 3. shall be applicable only in respect of Certificates in bearer form in USD with a lifetime of more than one year and a first payment or delivery after 40 days following issue date

1. The [Name-] Certificates [of each series] (the "**Certificates**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will initially be represented by a temporary global bearer certificate (the "**Temporary Global Certificate**"), which will be exchanged not earlier than 40 days and not later than 180 days after their issue date against a permanent global bearer certificate (the "**Permanent Global Certificate**"), together with the Temporary Global Certificate the "**Global Certificate**").

   The Temporary Global Certificate and the Permanent Global Certificate shall be deposited with Deutsche Bank AG, Frankfurt am Main, as common depositary for Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System (the "**Clearing System**"). The exchange shall only be made upon certification to the effect that, subject to certain exceptions, the beneficial owner or owners of the Certificates represented by the Temporary Global Certificate are not U.S. persons.

2. Definitive Certificates will not be issued. The right of any holder of Certificates (the "**Certificateholder**") to delivery of definitive Certificates is excluded. The Certificateholders shall receive co-ownership participations in or rights with respect to the Global Certificate which are transferable in accordance with applicable law and the rules and regulations of the Clearing System. In securities clearing transactions, the Certificates are transferable in units of [one][●] Certificate[s] or integral multiples thereof by way of registration on the relevant accounts opened with the Clearing System, [including on the relevant bridge accounts of Monte Titoli S.p.A.] by any intermediary adhering, directly or indirectly, to the Clearing System [and/or to Monte Titoli S.p.A.] (the "**Certificates Account Holder**").

3. The Temporary Global Certifcate or Permanent Global Certificate shall bear the hand-written signatures of two authorised officers of the Issuer.

[3.][4.] The Issuer reserves the right to issue from time to time without the consent of the Certificateholders additional tranches of Certificates with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the total volume of the Certificates. The term "Certificates" shall, in the event of such consolidation, also comprise such additionally issued Certificates.

§ 2
DEFINITIONS

[1.**]** For the purposes of these Terms and Conditions, the following definitions shall apply **[**in respect of each series of Certificates**]** (subject to an adjustment in accordance with § 6):

"**Underlying**" shall be the **[***Share***][***Index***][***Precious Metal***][***Futures Contract***][***other***][**referred to in paragraph 2.**]** (the "**[*Underlying*]**").

The "**Valuation Date**" shall be **[***date***][***insert applicable provision***]**.

[If on the Valuation Date the **[***price***]** of the **[***Underlying***]** is not determined and published **[**by the Relevant Exchange**]** or on the Valuation Date a Market Disruption Event occurs, the Valuation Date shall be postponed to the next following **[***applicable business day***]** on which the **[***price***]** of the

[*Underlying***]** is determined and published again **[**by the Relevant Exchange**]** and on which a Market Disruption Event does not occur.

If, according to the before-mentioned, the Valuation Date is postponed to the **[**third**][***number***]** Payment Business Date prior to the Maturity Date, and if also on such day the **[***price***]** of the **[***Underlying***]** is not determined and published **[**by the Relevant Exchange**]** or a Market Disruption Event occurs on such day, then this day shall be deemed to be the Valuation Date and the Issuer shall estimate the **[***price***]** of the **[***Underlying***]** in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), and in consideration of the prevailing market conditions on such day and make a notification thereof in accordance with § 11.**]**

[*insert further or other provisions with respect to any postponement of the Valuation Date***]**

["**Multiplier**" means a decimal figure as set out in paragraph 2.**]**

["**Multiplier**" means **[***ratio***].]**

"**Maturity Date**" means **[**the **[**fifth**][***number***]** Payment Business Day following the Valuation Date at the latest**][**the **[***date***]**, subject to postponement in accordance with § 5 paragraph 2.

"**Market Disruption Event**" means the occurrence or existence of any suspension of, or limitation imposed on **[***insert applicable provision***]**.

[A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the respective exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only deemed to be a Market Disruption Event if such limitation still prevails at the time of termination of the trading hours on such date.**]**

"**Payment Business Day**" means a day on which **[**commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in [Milan] **[***city***]** **[**and Frankfurt am Main**]** and **][**the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET) and**]** the Clearing System settle payments in **[**EUR**][***currency***]**.

This definition is applicable only in the case of necessary conversions

["**Relevant Conversion Rate**" means [**[**EUR**][***currency***]** 1,00 / **[**USD**][***currency***]** 1,00.**]]** [[●] on [●] as published by [●] on page [●]] *or the rate indicated in the relevant Final Terms*].

"Italian Stock Exchange" means Borsa Italiana S.p.A.

"**Calculation Amount**" means [●].

"**Expiry Date**" means [●], the date on which the Certificates will be automatically exercised, unless the Certificates have previously been redeemed, purchased or cancelled and subject to any possible postponement of the Valuation Date.

[*insert additional or other definitions in alphabetical order****]***

This paragraph shall be applicable to series of Certificates only

2. For each series of Certificates the terms **[***insert applicable definition***]** shall have the following meanings:

[insert table in which the above-mentioned terms will be defined depending of the Underlying and the respective structure of the Certificate]

§ 3
MATURITY

1. **[**Subject to §•**]** the Certificates will be redeemed on the Maturity Date.

   Each Certificate is redeemed **[**subject to §•**]** at the Settlement Amount.

2. The "**Settlement Amount**" shall be **[***insert applicable provision, inter alia amount and/or formula(e) and/or other definitions***]**

[*insert additional or other provisions of product-specific redemption options***]**

§ 4
EARLY REDEMPTION; REPURCHASE

This paragraph shall apply to all Certificate where the Issuer does not have a Call Option

1. **[**The Issuer shall not be entitled to redeem the Certificates prior to the Maturity Date.**]**

   [Except as provided in § 6, the Issuer shall not be entitled to redeem the Certificates prior to the Maturity Date.**]**

This paragraph shall apply to all Certificate where the Issuer has a Call Option

1. The Issuer shall **[**, in addition to the right to redeem the Certificates prior to the Maturity Date in accordance with § 6,**]** have the right to redeem all, but not in part, of the outstanding Certificates in each case at **[***insert applicable provision***]** (the "**Early Redemption Amount**"), for the first time with effect as of **[***date***]** (each an "**Early Redemption Date**") (the "**Early Redemption**") in accordance with the following provisions: **[***insert applicable provisions***]**

   Early Redemption must be announced at least **[***number***]** days prior to the Early Redemption Date in accordance with § 11. The notice is irrevocable and must state the Early Redemption Date.

This paragraph shall apply to all Certificate where the Certificateholders do not have a Put Option

2. The Certificateholders shall not be entitled to call for redemption of the Certificates prior to the Maturity Date.

This paragraph shall apply to all Certificate where the Certificateholders have a Put Option

2. Each Certificateholder is entitled to request early redemption of the Certificates ("**Early Redemption**"). Early Redemption may be requested only in accordance with the provisions set out below in this § 4 paragraph 2 and only with effect as of an Early Redemption Date. "**Early Redemption Date**" means **[***insert applicable provision***]**.

   Early Redemption of each Certificate shall occur at **[***insert applicable provision***]** (the "**Early Redemption Amount**") in accordance with the following provisions: **[***insert applicable provisions***]**

In order to validly call the certificates for redemption with respect to an Early Redemption Date the Certificateholder shall instruct the account holding bank not later than on the **[**tenth**][***number***]** Payment Business Day prior to the requested Early Redemption Date to

i. deliver a written redemption notice (the "**Early Redemption Notice**") to the Paying Agent in the form as attached in Annex 2 to these Terms and Conditions and as available at the Paying Agent or by providing all information and statements requested therein;

ii. deliver the Certificates by crediting the Certificates to the account of the Paying Agent with the Clearing System.

The Redemption Notice shall be binding and irrevocable. A Redemption Notice submitted with regard to a specific Early Redemption Date shall be void if it is received after the end of the **[**tenth**][***number***]** Payment Business Day prior to the relevant Early Redemption Date. If the Certificates to which a Redemption Notice relates are not delivered or not delivered on time to the Paying Agent, the Redemption Notice shall be void. If the number of Certificates stated in the Redemption Notice, for which redemption is requested, differs from the number of Certificates transferred to the Paying Agent, the Redemption Notice shall be deemed submitted only with regard to the smaller number of Certificates. Any excess Certificates shall be re-transferred for the cost and the risk of the Certificateholder to the account holding bank.

Following the valid submission of Certificates for Early Redemption, the Issuer shall ensure that the Early Redemption Amount is made available to the Paying Agent, which shall in turn transfer such amount to an account of the account-holding bank on the relevant Early Redemption Date.

[*Insert applicable provisions, including but not limited to Early Redemption Amount(s) and relevant date(s) and/or other amount(s) and/or formula(e) and/or additional definitions***]**

This paragraph shall apply only to Certificates with Automatic Early Redemption

[3. Notwithstanding any other rights to redeem the Certificates prior to the Maturity Date in accordance with these Terms and Conditions, the Certificates shall be terminated automatically on [*insert applicable dates*] (the "**Automatic Early Redemption Date**") at [*insert applicable provisions*] (the "**Automatic Early Redemption Amount**").**]**

[*Insert applicable provisions, including but not limited to early termination trigger event(s), definitions of Automatic Early Redemption Date(s) and Automatic Early Redemption Amount(s) and/or other amount(s) and/or formula(e) and/or additional definitions***]**

The rights in connection with the Certificates shall expire upon the payment of the **[**Automatic**]** Early Redemption Amount.

[3**][**4**]**. The Issuer may at any time purchase Certificates in the market or otherwise. Certificates repurchased by or on behalf of the Issuer may be held by the Issuer, re-issued or resold.

[4.**][**5.**]** For so long as the Certificates are admitted to listing on Borsa Italiana S.p.A. and to trading on the Electronic Securitised Derivatives Market (SeDeX) of Borsa Italiana S.p.A., then at any time prior to [●] (the "**Renouncement Notice Cut-Off Time**") on [●] (the "**Renouncement Notice Cut-Off Date**"), any Certificateholder may renounce the redemption of the Certificates by payment of the Settlement Amount in accordance with § 3 (the "**Automatic Exercise**") by the delivery of a duly completed renouncement notice (the "**Renouncement Notice**") in the form set out in Annex 1 to these Terms and Conditions to the Certificates Account Holder, with a copy thereof to the Paying Agent. Once delivered, a Renouncement Notice shall be irrevocable and the relevant Certificateholder may not transfer the Certificates which are the subject of the Renouncement Notice. If a duly completed Renouncement Notice is validly delivered prior to the Renouncement Notice Cut-off Time on the Renouncement Notice Cut-off Date, any rights arising from the Certificates will terminate upon such delivery and the relevant Certificateholder will not be entitled to receive the Settlement Amount]payable by the Issuer with respect to the Certificates and the Issuer shall have no further liability with respect to such Settlement Amount .

Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Certificates Account Holder (in consultation with the Paying Agent and the Clearing System) and shall be conclusive and binding on the Issuer, the Paying Agent and the relevant Certificateholder.

Subject as follows, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Paying Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Certificates Account Holder, with a copy thereof to the Paying Agent.

§ 5
PAYMENTS

1. All amounts payable pursuant to these Terms and Conditions shall be made to the Paying Agent, subject to the provision that the Paying Agent transfers such amounts to the Clearing System on the dates stated in these Terms and Conditions so that they may be credited to the accounts of the relevant custodian banks and then forwarded on to the Certificateholders.

The following paragraph shall be added to paragraph 1 in case of Certificates in bearer form in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date

[Payments on Certificates represented by a Temporary Global Certificate shall only be effected upon due certification in accordance with § 1 paragraph 1.**]**

2. If any payment with respect to a Certificate is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Certificateholder shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

3. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives.

[*insert additional or other provisions with respect to Payments***]**

§ 6
ADJUSTMENTS; TERMINATION RIGHT OF THE ISSUER

Alternative:	*Certificates with reference to a share*

1. If an Adjustment Event or an Extraordinary Event (both as defined below) has occurred, the Issuer is entitled to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. If an Extraordinary Event has occurred, the Issuer may (instead of an adjustment) terminate the Certificates prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 11, provided that an adjustment is not possible or is unreasonable (*unzumutbar*) for the Issuer. Any termination of the Certificates in part shall be excluded. In any case, the Issuer is neither obliged to make adjustments to the Terms and Conditions nor to terminate the Certificates.

   The determination of the value of the Underlying, in the event of an Adjustment Event or Extraordinary Event will be established in accordance with the principle of good faith and in accordance with best market practice and will be aimed, from time to time, at neutralizing as much as possible any distortion effects resulting from such events.

   a) When making adjustments to the Terms and Conditions, the Issuer shall act in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and is entitled, but not obligated, to take into consideration the adjustments to option or futures contracts relating to the Share made by the Futures Exchange or that would have been made by the Futures Exchange if such option or futures contracts were traded on the Futures Exchange. In the event of any doubts regarding the application of the adjustment rules of the Futures Exchange, the Issuer shall decide in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)). Any of the before-mentioned adjustments may, among others, relate to **[***insert parameters***]** and may result in the Share being replaced by another share or other securities, a basket of securities and/or cash, and another stock exchange being determined as the Relevant Exchange. If the Share is replaced by a basket of shares following an adjustment by the Futures Exchange, the Issuer shall be entitled to determine only the Share with the highest market capitalisation and, to the extent required by Borsa Italiana S.p.A., listed on the Relevant Exchange on the relevant cut-off date as the (new) Underlying, to sell the remaining Shares in the basket on the first Exchange Business Day following the cut-off date at the first available price and to reinvest the proceeds immediately afterwards in the remaining Share. However, the Issuer is also entitled to make other adjustments to the Terms and Conditions taking into consideration the before-mentioned principles.

      Adjustments and determinations take effect as from the date determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), provided that (if the Issuer takes into consideration the manner in which adjustments are or would be made by the Relevant Exchange) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect at the Futures Exchange if such option or futures contracts were traded at the Futures Exchange.

Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 11.

b) If the Certificates are called for redemption due to the occurrence of an Extraordinary Event, they shall be redeemed at the termination amount per Certificate (the "**Termination Amount**") which shall be equal to the fair market value and shall be determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable and prevailing market conditions.

2. "**Adjustment Event**" means:

a) any of the following actions taken by the Company: capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Company's reserves, issuance of securities with option or conversion rights related to the Share, distributions of ordinary dividends, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category;

b) a spin-off of a part of the Company in such a way that a new independent entity is formed, or that the spun-off part of the Company is absorbed by another entity;

c) the adjustment of option or futures contracts relating to the Share at the Futures Exchange or the announcement of such adjustment; or

d) any other adjustment event being economically comparable to the before-mentioned events with regard to their effects.

3. "**Extraordinary Event**" means:

a) a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of the Company as a consequence of a conversion or otherwise, as determined by the Issuer based on notifications to the competent authorities or on other information determined as relevant by the Issuer;

b) the termination of trading in, or early settlement of, option or futures contracts relating to the Share at the Futures Exchange or the announcement of such termination or early settlement;

c) the becoming known of the intention of the Company or of the Relevant Exchange to terminate the listing of the Share on the Relevant Exchange due to a merger by absorption or by creation, a change of legal form into a company without shares or any other reason or the termination of the listing of the Share at the Relevant Exchange or the announcement of the Relevant Exchange that the listing of the Share at the Relevant Exchange will terminate immediately or at a later date and that the Share will not be admitted, traded or listed at any other exchange which is comparable to the Relevant Exchange (including the exchange segment, if applicable) immediately following the termination of the listing;

d) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of the Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;

e) the application for insolvency proceedings or for comparable proceedings with regard to the assets of the Company according to the applicable law of the Company; or

f) any other event being economically comparable to the before-mentioned events with regard to their effects.

4. "**Futures Exchange**" means the options or futures exchange with the highest trading volume of option or futures contracts relating to the Share. If option or futures contracts on the Share are not traded on any exchange, the Futures Exchange shall be the options or futures exchange with the highest amount of option or futures contracts relating to shares of companies having their residence in the country in which the Company has its residence. If there is no options or futures exchange in the country in which the Company has its residence on which option or futures contracts on shares are traded, the Issuer will determine the Futures Exchange in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code *(BGB)*) and will make notification thereof in accordance with § 11.

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Certificates with reference to an index*

1. If the Index is no longer calculated and published by the Index Sponsor but by another person, company or institution acceptable to the Issuer as the new Sponsor (the "**Successor Sponsor**"), the **[**Cash Amount**][***insert other provision***]** will be determined on the basis of the Index being calculated and published by the Successor Sponsor and any reference made to the Index Sponsor in these Terms and Conditions shall, if the context so admits, then refer to the Successor Sponsor.

2. If at any time the Index is cancelled or replaced, the Issuer will determine in good faith and in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) another index with similar characteristics and calculation method to those of the Index on the basis of which the **[**Cash Amount**][***insert other provision***]** will be determined (the "**Successor Index**"). The respective Successor Index as well as the time of its first application will be notified pursuant to § 11. Any reference made to the Index in these Terms and Conditions shall, if the context so admits then refers to the Successor Index. All related definitions shall be deemed to be amended accordingly. Furthermore, the Issuer will make all necessary adjustments to the Terms and Conditions resulting from a substitution of the Index.

This paragraph is applicable only for share indices

[3. In the case that the occurrence of an Adjustment Event with respect to a share contained in the Index (the "**Index Share**") has a material effect on the price of the Index, the Issuer shall be entitled to make adjustments to, inter alia, **[***insert parameters***]** in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and give notification pursuant to § 11. Such adjustment shall become effective on the date on which the occurrence of the Adjustment Event with respect to the Index Share has its effect on the price of the Index.

"**Adjustment Event**" means:

a) the substitution of the Index by a Successor Index pursuant to paragraph 2;

b) any of the following actions taken by the company issuing the Index Share (the "**Index Company**"): capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Index Company's reserves, issuance of securities with option or conversion rights related to the Index Share, distributions of ordinary dividends, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category;

c) a spin-off of a part of the Index Company in such a way that a new independent entity is formed, or that the spun-off part of the Index Company is absorbed by another entity;

d) the adjustment of option or futures contracts relating to the Index Share on the Futures Exchange or the announcement of such adjustment;

e) a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of the Index Company as a consequence of a conversion or otherwise, as determined by the Issuer based on notifications to the competent authorities or on other information determined as relevant by the Issuer;

f) the termination of trading in, or early settlement of, option or futures contracts relating to the Index Share on the Futures Exchange or relating to the Index itself or the announcement of such termination or early settlement;

g) the becoming known of the intention of the Index Company or of the exchange on which the respective Index Share are traded (provided that the quotations of the prices of the Index Share on such exchange are taken for the calculation of the Index) (the "**Relevant Exchange**") to terminate the listing of the Index Share on the Relevant Exchange due to a merger by absorption or by creation, a change of legal form into a company without shares or any other reason or the termination of the listing of the Index Share at the Relevant Exchange or the announcement of the Relevant Exchange that the listing of the Index Share at the Relevant Exchange will terminate immediately or at a later date and that the Index Share will not be admitted, traded or listed at any other exchange which is comparable to the Relevant Exchange (including the exchange segment, if applicable) immediately following the termination of the listing;

h) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of the Index Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;

i) the application for insolvency proceedings or for comparable proceedings with regard to the assets of a Index Company according to the applicable law of such company; or

j) any other event being economically comparable to the afore-mentioned events with regard to their effects.

"**Futures Exchange**" refers to the exchange with the largest trading volume in futures and options contracts in relation to the relevant Index. If no futures or options contracts in relation to the Index Share are traded on any exchange, the Futures Exchange shall be the exchange with the largest trading volume in futures and options contracts in relation to shares of companies whose registered office is in the same country as the registered office of the Index Company. If there is no futures and options exchange in the country in which the Index Company has its registered office on which futures and options contracts in relation to the Index Share are traded, the Issuer shall determine the Futures Exchange in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and shall announce its choice in accordance with § 11.**]**

[3**][**4**]**. If (i) the determination of a Successor Index in accordance with the paragraph 2 is not possible or is unreasonable (*unzumutbar*) for the Issuer or (ii) if the Index Sponsor materially modifies the calculation method of an Index with effect on or after the **[**Valuation Date**][***insert other provision***]**, or materially modifies the Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to shares comprising the Index, the market capitalisation or with respect to any other routine measures), then the Issuer is entitled to (a) continue the calculation of the Index on the basis of the former concept of the Index and its last determined level or (b) to terminate the Certificates prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 11. Any termination in part shall be excluded.

[4**][**5**]**. In the case of a termination of the Certificates pursuant to paragraph **[**3**][**4**]**. the Certificates shall be redeemed on the Termination Date at the termination amount (the "**Termination Amount**") which shall be equal to the fair market value and shall be determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable and prevailing market conditions.

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Certificates with reference to a precious metal*

1. If an Extraordinary Event (as defined below) has occurred, the Issuer is entitled to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. If an Extraordinary Event has occurred, the Issuer may (instead of an adjustment) terminate the Certificates prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in

accordance with § 11, provided that an adjustment is not possible or is unreasonable (*unzumutbar*) for the Issuer. Any termination of the Certificates in part shall be excluded. In any case, the Issuer is neither obliged to make adjustments to the Terms and Conditions nor to terminate the Certificates.

a) When making adjustments to the Terms and Conditions, the Issuer shall act in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and is entitled, but not obligated, to take into consideration the adjustments to option or futures contracts relating to the Precious Metal made by the Futures Exchange or that would have been made by the Futures Exchange if such option or futures contracts were traded on the Futures Exchange. Any of the before-mentioned adjustments may relate to, inter alia, **[***insert parameters***]** and may result in the adjustment of the definition of the Reference Price. However, the Issuer is also entitled to make other adjustments taking into consideration the before-mentioned principles.

   Adjustments and determinations take effect as from the date determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), provided that (if the Issuer takes into consideration the manner in which adjustments are or would be made by the Futures Exchange) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect at the Futures Exchange if such option or futures contracts were traded at the Futures Exchange.

   Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 11.

(b) If the Certificates are called for redemption due to the occurrence of an Extraordinary Event, they shall be redeemed at the termination amount per Certificate (the "**Termination Amount**") which shall be equal to the fair market value and shall be determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable market conditions.

2. "**Extraordinary Event**" means:

   a) if since the Issue Date the basis (e.g. quantity, quality or currency) for the calculation of the price of the Precious Metal and/or the method have been modified substantially,

   b) the adjustment of option or futures contracts relating to the Precious Metal at the Futures Exchange or the announcement of such adjustment;

   c) the imposition of, change in or removal of a tax on, or measured by reference to, a Precious Metal after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Precious Metal;

   e) any other event being economically comparable to the before-mentioned events with regard to their effects.

3. "**Futures Exchange**" means the options or futures exchange with the highest trading volume of option or futures contracts relating to the Precious Metal.

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Certificates with reference to futures contracts*

1. If an Extraordinary Event (as defined below) has occurred, the Issuer is entitled to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. If an Extraordinary Event has occurred, the Issuer may (instead of an adjustment) terminate the Certificates prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 11, provided that an adjustment is not possible or is unreasonable (*unzumutbar*) for the Issuer. Any termination of the Certificates in part shall be excluded. In any case, the Issuer is neither obliged to make adjustments to the Terms and Conditions nor to terminate the Certificates.

   a) When making adjustments to the Terms and Conditions, the Issuer shall act in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and is entitled, but not obligated, to take into consideration the manner in which adjustments are or would be made by the Futures Exchange. Any of the before-mentioned adjustments may relate to, inter alia, **[***insert parameters***]** and may result in the Relevant Futures Contract being replaced by other futures contracts, a basket of futures contracts and/or cash, and another exchange being determined as the Futures Exchange. However, the Issuer is also entitled to make other adjustments taking into consideration the before-mentioned principles.

   Adjustments and determinations take effect as from the date determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), provided that (if the Issuer takes into consideration the manner in which adjustments are or would be made by the Futures Exchange) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect at the Futures Exchange if such option or futures contracts were traded at the Futures Exchange.

   Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 11.

b) If the Certificates are called for redemption due to the occurrence of an Extraordinary Event, they shall be redeemed at the termination amount per Certificate (the "**Termination Amount**") which shall be equal to the fair market value and shall be determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable market conditions.

2. "**Extraordinary Event**" means [•]

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Certificates with reference to other Underlyings*

[left intentionally blank**][***insert provisions with respect to adjustments***]**

§ 7
TAXES

All present and future taxes in connection with the Certificates shall be borne and paid by the Certificateholders. The Issuer is entitled to withhold from payments to be made under the Certificates any taxes payable by the Certificateholder in accordance with the previous sentence.

§ 8
STATUS

The obligations under the Certificates constitute direct, unconditional and unsecured obligations of the Issuer and rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time under applicable law).

§ 9
PAYING AGENT

1. **[**Commerzbank Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany**][●]**, shall be the paying agent (the "**Paying Agent**").

2. The Issuer shall be entitled at any time to appoint another bank of international standing as Paying Agent. Such appointment and the effective date shall be notified in accordance with § 11.

3. The Paying Agent is hereby granted exemption from the restrictions of § 181 of the German Civil Code (*BGB*) and any similar restrictions of the applicable laws of any other country.

§ 10
SUBSTITUTION OF THE ISSUER

1. Any other company may assume at any time during the life of the Certificates, subject to paragraph 2, without the Certificateholders' consent all the obligations of the Issuer under these Terms and Conditions. Any such substitution and the effective date shall be notified by the Issuer in accordance with § 11.

   Upon any such substitution, such substitute company (hereinafter called the "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Terms and Conditions with the same effect as if the New Issuer had been named as the Issuer herein; the Issuer (and, in the case of a repeated application of this § 10, each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Certificates.

In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer.

2. No such assumption shall be permitted unless

   a) the New Issuer has agreed to assume all obligations of the Issuer under the Certificates pursuant to these Terms and Conditions;

   b) the New Issuer has agreed to indemnify and hold harmless each Certificateholder against any tax, duty, assessment or governmental charge imposed on such Certificateholder in respect of such substitution;

   c) the Issuer (in this capacity referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed to the Certificateholders compliance by the New Issuer with all obligations under the Certificates pursuant to these Terms and Conditions;

   d) the New Issuer and the Guarantor have obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Guarantor and/or the New Issuer are domiciled or the country under the laws of which they are organised.

3. Upon any substitution of the Issuer for a New Issuer, this § 10 shall apply again.

§ 11
NOTICES

Unless otherwise required by law, any communications to the Certificateholders concerning the Certificates will be deemed as having been validly made if published through a notice in a national daily newspaper, or on the Issuer's website [●] [or in the electronic version of the Federal Gazette (*Bundesanzeiger*)] and possibly, without giving rise to any obligation for the Issuer, through a notice by Borsa Italiana S.p.A.

Following the admission to listing of the Certificates, any change/amendment or material information in connection with the Certificates will be published by Borsa Italiana S.p.A. through a stock exchange notice in accordance with the relevant legal and regulatory provisions in force in the Republic of Italy.

[*insert additional or other provisions with respect to notices***]**

§ 12
LIMITATION OF LIABILITY

The Issuer shall be held responsible for acting or failing to act in connection with the Certificates only if, and insofar as, it either breaches material obligations under or in connection with the Terms and Conditions negligently or wilfully or breaches other obligations with gross negligence or wilfully. The same applies to the Paying Agent.

§ 13
FINAL CLAUSES

[1.] The Issuer may modify the Terms and Conditions without the consent of any Certificateholder for the purposes of curing any ambiguity or correcting any material error, provided that such modification is not, in the reasonable discretion of the Issuer (*billiges Ermessen*) (§ 315 German Civil Code *(BGB))*, prejudicial to the interests of the Certificateholders. Notice of any such modification will be given to the Certificateholders in accordance with § 11***.***

[2. Should any provision of these Terms and Conditions be or become void in whole or in part, the other provisions shall remain in force. The void provision shall be replaced by a valid provision that reflects the economic intent of the void provision as closely as possible in legal terms.]

[3. The Certificates and the rights and duties of the Certificateholders, the Issuer, the Paying Agent and the Guarantor (if any) shall in all respects be governed by the laws of the Federal Republic of Germany [*insert in case of the Certificates being cleared through Monte Titoli S.p.A*] except for § 1 paragraph 1 and 2 of the Terms and Conditions which shall be governed by the laws of the Republic of Italy.]

[4. Place of performance is Frankfurt am Main.]

[5. Place of jurisdiction for all disputes and other proceedings in connection with the Certificates for merchants, entities of public law, special funds under public law and entities without a place of general jurisdiction in the Federal Republic of Germany is Frankfurt am Main. In such a case, the place of jurisdiction in Frankfurt am Main shall be an exclusive place of jurisdiction.]

[*insert additional or other provisions***]**

ANNEX 1 to the Terms and Condtions of the Certificates

Renouncement Notice from the CERTIFICATEHOLDER to his/her CERTIFICATE ACCOUNT HOLDER

(to be completed by the beneficial owner of the Certificates for the valid renouncement of the Automatic Exercise of the Certificates)

Commerzbank Aktiengesellschaft

[insert title of Certificates]

ISIN: [ ]

(the "**Certificates**")

To: Certificates Account Holder
(the "**Certificates Account Holder**")

C/c Paying Agent
[Commerzbank Aktiengesellschaft
Attn: [•]
Kaiserstraße 16 (Kaiserplatz),
60311 Frankfurt am Main]
Fax No: [ ]
(the "**Paying Agent**")

We, the undersigned Certificateholder(s), hereby communicate that we are renouncing the right to receive the Settlement Amount payable with respect to the Number of Certificates following the Automatic Exercise of the Certificates as specified below, in accordance with the Terms and Conditions of the Certificates. Furthermore we acknowledge that any rights arising from the Certificates will terminate upon delivery of the Renouncement Notice and that we will not be entitled to receive any Settlement Amount payable by the Issuer with respect to the Certificates and that the Issuer shall have no further liability with respect to such amounts.
The undersigned understands that if this notice is not duly completed and delivered prior to the Renouncement Notice Cut-Off Time on the Renouncement Notice Cut-Off Date, or if this notice is determined to be incomplete or not in proper form [(in the determination of the Certificates Account Holder in consultation with the Paying Agent and the Clearing System)] it will be treated as null and void.

ISIN Code/Series number of the Certificates: [ ]

Number of Certificates which are the subject of this notice: [ ]

[Renouncement Notice Cut-Off Time: [...]]

[Renouncement Notice Cut-Off Date: [...]]

Name of Certificateholder(s)

____

Signature

ANNEX 2 to the Terms and Condtions of the Certificates

Early Redemption Notice

To: Certificates Account Holder
(the "**Certificates Account Holder**")

C/c Commerzbank Aktiengesellschaft
Attn: [•]
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Fax No:[ ]
(the "**Paying Agent**")

We, the undersigned Certificateholder(s), hereby communicate that we request Early Redemption of the Certificates specified below in accordance with § 4 of the Terms and Conditions of the Certificates.

The undersigned understands that if this notice is not duly completed and delivered at [the Early Redemption Cut-Off Time of] [the end of the [tenth] [*number*] Payment Business Day prior to] the requested Early Redemption Date specified below [(the "**Early Redemption Cut-off Date**")], the Redemption Notice shall be void. If the number of Certificates to be early redeemed as specified below differs from the number of Certificates transferred to the Paying Agent, the Redemption Notice shall be deemed submitted only with regard to the smaller number of Certificates. Any excess Certificates shall be re-transferred for the cost and the risk of the undersigned to the Certificates Account Holder.

Please

1. deliver this notice not later than at [the Early Redemption Cut-Off Time] [the end of the Early Redemption Cut-off Date] to the Paying Agent; and

2. deliver the number of Certificates specified below to the account of the Paying Agent with the Clearing System.

Early Redemption Date: [...]

[Early Redemption Cut-Off Time: [...]]

ISIN Code/Series number of the Certificates: [ ]

Number of Certificates the subject of this notice: [ ]

Name of Certificateholder(s):

Account no. of Certificateholder(s):

____

Signature

Commerzbank Aktiengesellschaft

General Information

History and Development

COMMERZBANK Aktiengesellschaft (legal and commercial name) is a stock corporation under German law and was established as "Commerz- und Disconto-Bank in Hamburg" in 1870. The Bank owes its present form to the re-merger of the post-war successor institutions of 1952 on July 1, 1958. The Bank's registered office is located in Frankfurt am Main and its head office is at Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany (telephone: +49 (0)69 136-20). The Bank is registered in the commercial register of the district court (*Amtsgericht*) of Frankfurt am Main under the number HRB 32 000. The financial year of the Bank is the calendar year.

Business Overview

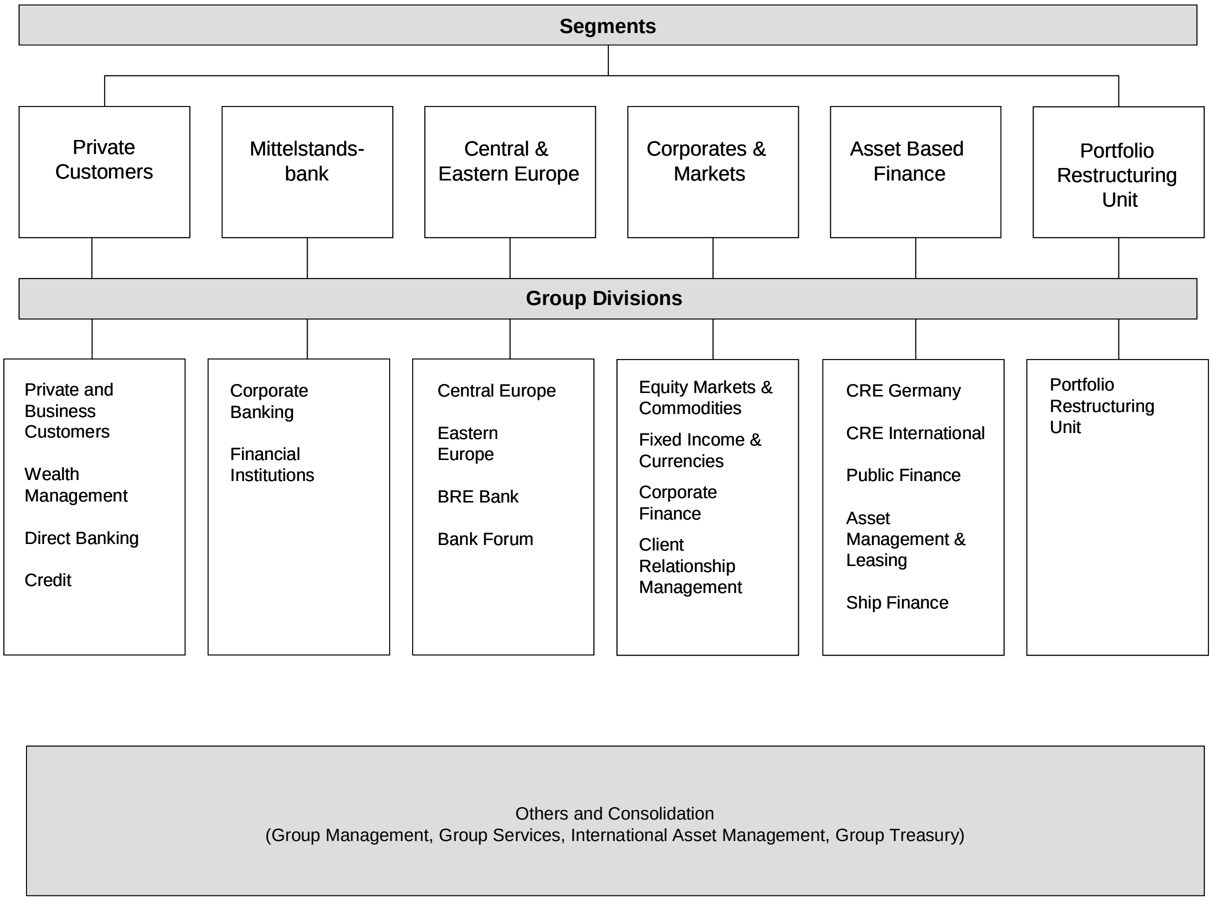
Principal Activities

Commerzbank is a universal bank. The focus of its activities is on the provision of a wide range of services to private and of products to private, medium-sized and institutional customers in Germany. This is for example the account management and payment transactions, loan, savings and money investment forms, securities services, capital markets and investment banking products and services and export finance. Through its subsidiaries and affiliates, the Group is also active in specialized areas such as ship financing and leasing. Furthermore, as part of its bankassurance strategy, the Group offers financial services in cooperation with partners, notable home loan, asset management and insurance business.

On January 12, 2009 Commerzbank has acquired all outstanding shares of Dresdner Bank by way of contribution in kind. The subsequent merger of Dresdner Bank to Commerzbank was registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main on May 11, 2009.

Organisational Structure

Structure of the Commerzbank Group



Segments

Private Customers Segment

The Private Customers segment comprises the Group divisions Private and Business Customers, Wealth Management, Direct Banking and Credit.

Private and Business Customers

The Group division offers the Bank’s private and business customers resident in Germany a range of banking and financial services, in the areas investment and securities, real estate financings and loans, pensions, liquidity management and deposits as well as account and payment transactions. The products are largely standardized, and also cover, for example, through the offering of individual investment and financing solutions special wishes of the customer. Customers are defined as all individuals with whom there was a business relationship as of the relevant date that had not been terminated, irrespective of when the most recent transaction took place. Business customers are defined as distinct from Mittelstandsbank customers as businesses with an annual turnover of less than € 2.5 million.

Since the beginning of September 2010, Commerzbank provides its customers with products of Allianz SE, Allianz Global Investors Investment Company Ltd. ("AGI"), Commerz Finanz GmbH as well as Wüstenrot Bausparkasse. These are insurance, funds and home loan products and are complementary to Commerzbank's own products.

The Private and Business Customers Group division uses the Group's own branch network which was extended due to the integration of Dresdner Bank. A further distribution channel for the business area is its website at www.commerzbanking.de, where customers can carry out all their day-to-day banking transactions. There are also a number of distribution partnerships with external partners, in which mainly credit cards are distributed.

Wealth Management

The Wealth Management Group division serves high net worth customers with liquid assets over € 1 million and/or customers who require special solutions due to the complexity of their financial circumstances. The Wealth Management Group division is organizationally separate from the Group's activities in the Private and Business Customers Group division.

The Group division offers its clients specialized advice and a broad portfolio of products and services. The products on offer range from straightforward investment accounts through to the management of unusually complex asset structures. Clients are offered a wide range of services (including securities, property and credit management, asset management, family office solutions or inheritance and trust management) as well as innovative products tailored to their needs. Through increased cooperation with the Mittelstandsbank segment, Commerzbank is also able to offer individual services for entrepreneurs including both private and business asset issues.

In addition to a relationship manager who functions as the customer's long-term personal contact, specialists in securities, real estate and loans are also available to clients in the Bank's competence centers. In addition the business area has access to specialists based in the Group's head office who can advise customers on asset management, inheritance and trust management. The Wealth Management Group division is managed outside Germany through Commerzbank International S.A. in Luxembourg.

Direct Banking

comdirect bank AG ("comdirect bank") is the main constituent of the Direct Banking Group division. To this Group division belongs also the European Bank for Fund Services ("ebase") being one of the major fund service platforms in Germany and offers a wide range of products concerning the investment account. Commerz Direct Service GmbH belongs also to the Direct Banking Group division, providing call center services for the domestic branch network of the segment.

Comdirect bank is a direct bank with three areas of expertise brokerage, banking and consulting. Brokerage covers the self-determined investment, in which comdirect bank offers securities and fund information for investment decisions, and comprehensive trading functions. Banking includes all services related to the execution of daily money transactions. The consulting business area covers telephone and internet-based consulting services in the areas of construction financing and investment advice. Financial distributors, insurance companies, asset managers as well as investment fund management and investment companies find a full-service partner in the ebase with a priority for fund custody solutions. As a direct bank, comdirect bank primarily delivers its products and services via the internet.

Commerz Service GmbH offers to customers in this Group division a range of services like call center activities, telephone banking, the technical hotline as well as services for quality management of the Group division.

Credit

The Credit Group division offers private and business customers as well as wealth management customers credit products and other lending-related services. The business area primarily provides residential mortgage loans, as well as personal loans, instalment loans and overdrafts. The offer comprises approximately 30 credit products that can be combined on a modular basis and thus tailored to a customer's individual needs.

Credit products are distributed by the Private & Business Customers Group division and by the Wealth Management Group division through the national branch network. Furthermore, in the real estate financing currently being tested in a pilot project, is the use and development of alternative distribution channels in cooperation with comdirect bank. The sales process is supported through advanced computer-based consultation programs.

Mittelstandsbank Segment

The Mittelstandsbank segment includes the Corporate Banking and Financial Institutions Group divisions.

Corporate Banking

The Corporate Banking Group division consists of banking business with SMEs, large corporate customers - who do not fall within the Corporates & Markets segments - the public sector and institutional customers. In addition the business area comprises the Center of Competence for Renewable Energies. SMEs are divided into three core groups based on turnover and customer needs:

- *Small SMEs*: Companies registered in the Commercial Register with a turnover of between € 2.5 million and € 12.5 million,
- *Large SMEs*: Companies registered in the Commercial Register with a turnover of between € 12.5 million and € 250 million,
- *Large corporate customers*: Companies registered in the Commercial Register with turnover of between € 250 million and € 500 million that are active in the capital markets as well as companies with a turnover of over € 500 million.Public sector customers include municipalities, municipally-owned corporations and quasi-public-sector entities. The most important institutional customers are insurance companies, social security funds, pension funds, occupational pension schemes, churches, foundations and business federations.

The Group division supports its core customers in their international activities. It supports both German customers wanting to expand abroad as well as foreign customers doing business in Germany.

The Group division's product range comprises risk management, investment advice, lending, transaction management, assistance with foreign trade transactions and investment banking activities. In the area of risk management the Group division offers hedging transactions against commodity price or currency fluctuations. In terms of investment advice the product range includes money market, mutual and special funds as well as money and capital market products, such as fixed and variable deposits, shares, bonds, structured products and securities lending, as well as advice on occupational pensions and working time accounts. With regard to lending the Bank provides the funds required by the customer after an assessment of the customer's overall situation as well as their plans and requirements. In addition CommerzFactoring GmbH, a joint venture operated in conjunction with GE Commercial Finance Inc., offers a range of receivables financing services integrated in the banking business. Support services in the area of transaction management include the provision of appropriate cash levels and the updating of account information several times a day through to automatic cash management systems for companies with numerous branches which need to maintain accounts locally. To support foreign trade the Bank offers export customers processing services for their payments transactions with foreign countries and trade finance products combined with comprehensive advice. This assists customers in building up their market position and in accessing new markets. They are also offered support and assistance in evaluating new developments in foreign countries. The product portfolio is rounded off by a comprehensive range of investment banking advisory services.

The product range for public sector customers comprises a broad spectrum of financing services, ranging from loans to municipalities, corporate finance and revenue forfaiting through to project finance, as well as investments and derivatives, debt management and payments solutions.

The Group division's distribution model is based on its customers' needs. The client advisors specialize in the Group division's core customer segments. If required the client advisors can call on the assistance of additional product specialists from the Corporates & Marekts segment (so-called client service team).

Financial Institutions

The Financial Institutions Group division is responsible for the Group's relationships with German and foreign banks and central banks. The Group division offers these customers comprehensive advice and support, with a strategic focus on the processing of foreign trade. The Group division ensures the capabilities and expertise of the Group's worldwide foreign trade activities and supports other business areas in their international activities through a network of over 6,000 correspondent banks and business relationships with emerging markets.

The Group division works on the basis of a global advisory approach, where client advisors based centrally at Commerzbank's head office work with a worldwide network of representative offices as well as seven financial institution teams in foreign centers.

Central and Eastern Europe Segment

The Central and Eastern Europe segment comprises the operations of the subsidiaries and branches in the Central and Eastern European region. In addition to BRE Bank SA ("BRE Bank"), the segment also includes another universal bank, the Public Joint Stock Commercial Bank “Forum” (“Bank Forum”). Further cornerstones of the Group's Central and Eastern European business include Commerzbank (Eurasija) SAO in Russia, Commerzbank Zrt. in Hungary, the Bank's branches in the Czech Republic and Slovakia as well as the investments in a number of microfinance banks and in the Open Joint-Stock Company Promsvyazbank ("Promsvyazbank") in Russia.

The segment's main revenue source is BRE Bank. As a universal bank BRE Bank offers its customers customized products and services. In its corporate banking business BRE Bank concentrates on supporting large corporate customers and fast-growing mid-sized businesses. Under the mBank and MultiBank brands BRE Bank offers private customers an extensive range of products and services. While MultiBank concentrates primarily on affluent private customers and business owners, mBank is focused primarily on active Internet banking users via its direct banking platform.

Strategically, Bank Forum focuses on corporate banking for mid-sized Ukrainian businesses and, selectively, large Ukrainian corporates. In retail banking Bank Forum concentrates primarily on affluent private customers.

In Slovakia and the Czech Republic, Commerzbank focuses mainly on large and mid-sized companies. In addition, it provides structured finance and project finance and advice for strategic investors. In the Czech Republic, Commerzbank also offers services in Private Banking.

In Russia, Commerzbank (Eurasija) SAO services as operating entity subsidiaries and branches of German and international companies and subsidiaries of larger Russian companies. The range of services includes accounting and payment transactions, electronic banking, cash management, structured export and trade finance, document and credit transactions, bank card products as well as foreign exchange and money market transactions.

In Hungary Commerzbank Zrt. Services offers services for corporate customers. Its services include accounting, treasury and cash pooling, as well as financing as well as documentary and investment business.

Together with ProCredit Holding AG and international development agencies, Commerzbank holds minority stakes in six ProCredit banks in Albania, Bosnia-Herzegovina, Bulgaria, Kosovo, Romania and Serbia. These banks specialize in supporting small and mid-sized businesses in their respective countries with loans, and are active deposit-takers, receiving savings and time deposits from companies and individuals. The Group also holds together with international funding institutions, a minority stake in the Belarusian Bank for Small Businesses in Minsk to promote small and medium enterprises in Belarus. Also the group holds a minority stake in the Promsvyazbank, which is active in the Central and Eastern Europe strategically important Russian market as a universal bank.

Sales are primarily made through the operating units' own branch network. In corporate banking BRE Bank is represented in all of the main economic regions. In BRE Bank's private customer business mBank primarily offers its products via the Internet as well as through other direct marketing channels.

The distribution of the MultiBank is similar to the one of Bank Forum mainly through Financial Service Center and partner outlets.

Corporates & Markets Segment

The Corporates & Markets segment comprises the Group’s investment banking activities as well as the support of capital-market-oriented customers. It consists of the Group divisions Equity Markets & Commodities, Fixed Income & Currencies, Corporate Finance and Client Relationship Management as well as Research.

Equity Markets & Commodities offers a widely diversified and growing product range, including primarily derivatives for private and institutional investors. In addition to the equities asset class, the area sells commodities derivatives both as risk management solutions and as investment products for corporate and private customers.

Fixed Income & Currencies provides solutions for corporate customers in the asset classes fixed income, currencies and credit. The product range is comprehensive and ranges from standard transactions to tailored structured solutions. In foreign exchange and bond trading customers can carry out all regular foreign exchange and foreign exchange options transactions online. Through the Group's sales channels the products are also provided to the customers of the Private Customers and Mittelstandsbank segments.

Corporate Finance offers corporate customers a comprehensive range of financing solutions. The main products are equity issues, bonds and mortgage bonds, loans as well as LBO financing and project finance. In addition, the division provides mergers and acquisitions advisory services. A focus of corporate finance business is on supporting the Group’s domestic corporate customers. The focus is reflected in the regional structure of the business with a clear emphasis on Germany and the close integration with the Mittelstandsbank. With respect to equity issues for customers the close cooperation with the Cash Equities and Research units is also key.

Client Relationship Management serves well-known German multi-national companies as well as selected family companies in all key industrial sectors, international insurance companies, foreign companies, leading private equity investors as well as the Federal Government and the individual states. The product range comprises all of the Group's commercial and investment banking products. This involves working hand in hand with the relevant product specialists, e.g. from Debt Capital Markets, Equity Capital Markets, Leveraged Finance as well as Sales and Trading.

Important sales channels for this Group division include a large network of international private banks, the distribution networks of universal banks (financial intermediaries) as well as German and European stock exchanges (public distribution). Support for corporate customers is provided by the Group’s own branch network in Germany and abroad, own sales specialists for large customers, sales specialists based across the country and a team of client advisors for multinational companies based in Frankfurt am Main. Institutional customers are generally served by sales teams in Frankfurt am Main and London, as well as New York, Singapore and Hongkong.

Asset Based Finance Segment

The Asset Based Finance segment groups together the results of the Commercial Real Estate (CRE) Germany, CRE International, Public Finance, Asset Management and Leasing, and Ship Finance Group divisions.

CRE Germany, CRE International and Public Finance belong almost completely to Eurohypo and to a lesser extent to Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg ("EEPK"). Asset Management and Leasing primarily includes the activities of Commerz Real AG ("Commerz Real"). And finally Ship Finance groups together the Group's ship financing in Deutsche Schiffsbank Aktiengesellschaft ("Deutsche Schiffsbank") and Commerzbank.

Commercial Real Estate and Public Finance

The Commercial Real Estate Group division focuses on commercial real estate financing in Germany and in other international markets. The services range from classic fixed interest rate loans to structured finance and financial market products.

The Public Finance Group division conducts the public finance business with the public sector in Germany (Federal Government and individual states), the governments of the G8 states, the EU and the European Economic Area, the member states of the Organization for Economic Cooperation and Development (OECD) and Switzerland. In addition to classic medium- and long-term finance (loans and bonds), the product range includes structured finance and derivative instruments. As part of its risk strategy the Group division operates selectively with regard to country risk and works with a broad regional spectrum of potential borrowers. The lending business is primarily refinanced through issues of public-sector *Pfandbriefe* (covered bonds) and *Lettres de Gage Publiques* (Luxembourg) as well as through the market on which short-term liquidity is traded on a collateralized basis (repurchase (repo) market).

Product sales are based largely on the continuous and long-term business relationships which the Group division has with most of its customers. Internationally, the Public Finance Group division is supported by sales units based in Luxembourg and New York.

Asset Management and Leasing

The Group division's focus is on the provision of investment products for private and institutional investors, such as open- and closed-end real estate funds and closed-end funds for ships, aeroplanes and renewable energy. The open-ended real estate funds are characterized by a broad international diversification of portfolio assets. The focus of investment is on the sectors office, trading and logistics.

A further focus of activities is the Structured Investments unit, which comprises the activities of real estate leasing, large-scale plant and equipment leasing (e.g. ships, power plants and transmission networks) and structured finance. The product range includes solutions for customer-specific investment plans, such as the development of tax-neutral and balance sheet-neutral solutions. In addition, the business area offers financing concepts structured on an individual basis, such as the transfer of pension liabilities or public private partnerships for municipal utilities and waste disposal facilities.

The product range is rounded off with the equipment leasing business, which is divided into the three traditional product areas of plants and machinery, vehicles and IT equipment. In addition, this area comprises innovative financial models for intangible assets such as brands and patent leasing.

Commerz Real uses different sales channels depending on the product area. The funds are sold both through the Group's branch network and through third-party channels. Structured Investments and equipment leasing are distributed through the sales network of the Mittelstandsbank and the large customer centers, through own branches, through subsidiaries and third-party distributors.

Ship Finance

Following the integration of Dresdner Bank, all of the Group's ship financing activities are being brought together within Deutsche Schiffsbank, which has its headquarters in Hamburg and Bremen and within Commerzbank. The Ship Finance activities are focused on the management of existing loan commitments and on the necessary restructuring of current exposures. Deutsche Schiffsbank offers its customers a broad range of maritime financial services in its target markets of Germany, Greece and Asia. It provides its customers a broad range of financial services from the loan to structured financing solutions, access to capital and international investors to research and derivatives as well as the comprehensive product range of a universal bank.

Portfolio Restructuring Unit Segment

The Portfolio Restructuring Unit segment is responsible for managing down assets related to discontinued proprietary trading and investment activities which no longer fit into Commerzbank's client-centric strategy. The segment's goal is to reduce the portfolio in such a way as to preserve maximum value. The positions managed by this segment include asset-backed securities not guaranteed by the state, other structured credit products, proprietary trading positions in corporate or financial bonds and exotic credit derivatives. These positions were mainly transferred from the Corporates & Markets and Asset Based Finance segments to the Portfolio Restructuring Unit.

Others and Consolidation Segment

The Others and Consolidation segment contains the income and expenses which are not attributable to the operational business segments. The costs of the service units are also shown under Others, which – except for integration and restructuring costs – are charged in full to the segments. Consolidation includes expenses and income items that reconcile the internal management reporting figures shown in the segment reports with the Group financial statements prepared under IFRS. The costs of the Group controlling units are also shown here, which – except for integration and restructuring costs – are also charged in full to the segments.

Group management, which is shown in this segment, includes the staff and management functions for the Group. These comprise among others the units Group Development & Strategy, Group Communications, Group Human Resources, Group Finance, Group Compliance and Group Legal. Furthermore the segment includes equity participations which are not assigned to the operating segments as well as other international asset management activities and Group Treasury.

Treasury is responsible for the liquidity management, interest rate management and capital management as well as money market-trading and managing of the Group's balance sheet structure. Other responsibilities of Group Treasury include central management of the Bank's interest rate and currency risk, the management of the internal interest rate netting and investment models.

The services used by all units of the Group such as information technology, payment transactions and securities management are provided by the Group Services business area, which consists of the support units Group Organization, Group Information Technology, Group Security, Group Support, Group Banking Operations and Group Markets Operations.

Principal Markets

Commerzbank's business activities are mainly concentrated on the German market, where as an integrated provider of financial services, it maintains a nationwide branch network for offering advice and selling products to all its groups of customers. In addition, the Bank is also active in Central and Eastern Europe via its branches and investments in Poland, Ukraine and Russia.

Major group companies and holdings

In Germany

Atlas Vermögensverwaltungs-Gesellschaft mbH, Bad Homburg v.d.H.
comdirect bank AG, Quickborn
Commerz Real AG, Eschborn
Deutsche Schiffsbank AG, Bremen/Hamburg
Eurohypo AG, Eschborn
Süddeutsche Industrie-Beteiligungs-GmbH, Frankfurt am Main

Abroad

BRE Bank SA, Warsaw
Commerzbank Capital Markets Corporation, New York
Commerzbank (Eurasija) SAO, Moscow
Commerzbank Europe (Ireland), Dublin
Commerzbank International S.A., Luxembourg
Commerzbank (South East Asia) Ltd., Singapore

Commerzbank Zrt., Budapest
Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg
Joint Stock Commercial Bank "Forum", Kiev

Further information on the holdings in affiliates and other companies is contained in the Financial Statements of the Commerzbank Group as at December 31, 2010 which are incorporated by reference into this Prospectus (please see pages 346 - 387 (Note 106) of the Base Prospectus dated April 6, 2011 relating to Structured Notes of Commerzbank Aktiengesellschaft (see page 124 of this Base Prospectus).

Administrative, Management and Supervisory Bodies

Board of Managing Directors

The Board of Managing Directors currently consists of the following members:

Martin Blessing, Frankfurt am Main, Chairman
Group Management: Group Development & Strategy, Group Communications, Group Legal, Group Treasury

Frank Annuscheit, Frankfurt am Main
Group Services: Group Information Technology, Group Organisation, Group Banking Operations, Group Markets Operations, Group Security, Group Support

Markus Beumer, Frankfurt am Main
Segment Mittelstandsbank: Mittelstand Region 1, Mittelstand Region 2, Large Customers, Corporate Banking, Corporates International, Financial Institutions, COO

Dr. Achim Kassow, Frankfurt am Main
Segment Central & Eastern Europe: Eastern Europe, Central Europe, CEO, BRE Bank, COO

Jochen Klösges, Frankfurt am Main
Segment Asset Based Finance: CRE Germany, CRE International, Eurohypo Retail, Public Finance, Real Estate Asset Management, Ship Finance, COO

Michael Reuther, Frankfurt am Main
Segment Corporates & Markets: Equity Markets & Commodities, Fixed Income Trading, Corporate Finance, Fixed Income Sales, Client Relationship Management, Research, London, America, COO

Dr. Stefan Schmittmann, Frankfurt am Main
Group Management: Group Credit Risk Management, Group Risk Controlling & Capital Management, Group Market Risk Management, Group Intensive Care

Ulrich Sieber, Frankfurt am Main
Group Management: Group Human Resources, Group Integration

Dr. Eric Strutz, Frankfurt am Main
Group Management: Group Compliance, Group Finance, Group Finance Architecture, Group Audit; Segment Portfolio Restructuring Unit

Martin Zielke, Frankfurt am Main
Segment Private Customers: Private and Business Customers, Wealth Management, Direct Banking, Kredit, COO

Supervisory Board

The Supervisory Board currently consists of the following members:

Klaus-Peter Müller, Chairman, Frankfurt am Main
Uwe Tschäge, Deputy Chairman, Commerzbank AG, Düsseldorf
Hans-Hermann Altenschmidt, Commerzbank AG, Essen
Dott. Sergio Balbinot, Managing Director of Assicurazioni Generali S.p.A., Trieste
Dr.-Ing. Burckhard Bergmann, former chairman of the Board of Managing Directors of E.ON Ruhrgas AG, Hattingen
Dr. Nikolaus von Bomhard, Chairman of the Board of Managing Directors of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich
Karin van Brummelen, Commerzbank AG, Düsseldorf
Astrid Evers, Commerzbank AG, Hamburg
Uwe Foullong, Member of the ver.di National Executive Committee, Berlin
Daniel Hampel, Commerzbank AG, Berlin
Dr.-Ing. Otto Happel, Entrepreneur, Luserve AG, Lucerne
Sonja Kasischke, Commerzbank AG, Brunswick
Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel, President of the Federation of German Industries (BDI), Essen
Alexandra Krieger, Head of Division Economics, Department Codetermination of Hans-Böckler-Stifung, Düsseldorf
Dr. h.c. Edgar Meister, Lawyer, former Member of the Executive Board of Deutsche Bundesbank, Kronberg im Taunus
Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann, former Deputy Chairman of the Board of Managing Directors of ThyssenKrupp AG, Düsseldorf
Dr. Helmut Perlet, former Member of the Board of Managing Directors of Allianz SE, Munich
Barbara Priester, Commerzbank AG, Frankfurt am Main
Mark Roach, Trade Union Secretary, ver.di National Administration, Berlin
Dr. Marcus Schenck, Member of the Board of Managing Directors of E.ON AG, Düsseldorf

The members of the Board of Managing Directors and of the Supervisory Board can be reached at the business address of the Issuer.

Potential Conflicts of Interest

In the 2010 financial year and until the date of this Prospectus, the members of the Board of Managing Directors and the members of the Supervisory Board were involved in no conflicts of interest as defined in sections 4.3 and 5.5, respectively, of the German Corporate Governance Code.

Potential conflicts of interest could occur with the following members of the Board of Managing Directors due to their additional membership in supervisory boards of Commerzbank AG's subsidiaries:

Mr Annuscheit (comdirect bank AG), Mr Beumer (Commerz Real AG), Mr Kassow (comdirect bank AG) Mr Klösges (Deutsche Schiffsbank AG, Commerz Real AG), Dr. Schmittmann (Commerz Real AG).

Currently, there are no signs of such conflicts of interest.

Major Shareholders

Based on the shareholder disclosure pursuant to sections 21 et seq. of the German Securities Trading Act (WpHG) Commerzbank has received, the following shareholders own more than 3 % of Commerzbank's ordinary share capital:

Name of shareholder	Share of voting rights[1] (in %)
Finanzmarktstabilisierungsfonds/ Sonderfonds zur Finanzmarktstabilisierung (SoFFin)............	25.0[2]
Allianz SE	9.48
Generali Beteiligungs-GmbH......................	4.84

(1) The percentage shares have been rounded.
(2) SoFFin holds 25% plus one share.

Historical Financial Information

The audited non-consolidated annual financial statements of Commerzbank for the financial year ended December 31, 2010 and the audited consolidated annual financial statements of Commerzbank for the financial years ended December 31, 2009 and 2010 are incorporated by reference into, and form part of, this Base Prospectus (see page 124 of this Base Prospectus).

Auditors

The auditors of the Bank for the 2009 and 2010 financial years were PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Olof-Palme-Straße 35, 60439 Frankfurt am Main, Federal Republic of Germany, who audited the non-consolidated annual financial statements of Commerzbank for the financial year ended December 31, 2010 and the annual consolidated financial statements of Commerzbank for the financial years ended December 31, 2009 and 2010, giving each of them their unqualified auditor's report.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the Chamber of Chartered Accountants (*Wirtschaftsprüferkammer*).

Interim Financial Information / Trend Information

Since December 31, 2010 no material adverse changes in the prospects of the issuer have occurred. Since December 31, 2010 no significant change in the financial position of the issuer has occurred.

Material Contracts

Acquisition of Dresdner Bank

On August 31, 2008, Commerzbank and Allianz signed a transaction agreement (the "Transaction Agreement") that provided for the sale and transfer of Dresdner Bank shares held by Allianz to Commerzbank in two stages. On November 27, 2008 Commerzbank and Allianz agreed in a new version of the Transaction Agreement (the "Transaction Agreement (Amended)") to accelerate the full acquisition of Dresdner Bank to January 2009. On January 9, 2009 Allianz and Commerzbank entered into a supplementary agreement to the Transaction Agreement (Amended). In this agreement, Allianz undertook (1) to reduce the capital resources tied up at Dresdner Bank by acquiring certain securities of Dresdner Bank with a nominal value of EUR 2.0 bn for EUR 1.1 bn and (2) to strengthen the capital base of Dresdner Bank and, after the signing of the supplementary agreement, Commerzbank by making a silent contribution of EUR 750 million pursuant to sections 230 et seq. of the German Commercial Code (HGB). The silent participation is entitled to a profit participation consisting of fixed interest of 9 % p.a. on the nominal value of the contribution plus additional dividend-linked remuneration of 0.01 % p.a. for each full EUR5,906, 764 cash dividend paid.

In implementation of the Transaction Agreement (Amended) Commerzbank and Allianz, Allianz Lebensversicherungs-Aktiengesellschaft ("Allianz Leben"), AZ-Asopos Vermögensverwaltungs-gesellschaft oHG ("AZ-Asopos") and Allianz Finanzbeteiligungs-GmbH ("Allianz Finanz", Allianz Leben, AZ-Asopos and Allianz Finanz are hereinafter collectively referred to as the "Allianz-Companies") entered into an agreement on January 9, 2009 with respect to the provision of non-cash contributions (the "Non-Cash Contribution Agreement") under which the Allianz Companies contributed all of the Dresdner Bank shares held by them, 537,257,149 shares in total, by way of non-cash contribution to Commerzbank.

The consideration in the amount of EUR 4.7 bn consisted of the following components: The Allianz Companies subscribed to the non-cash capital increase and acquired a total of 163,461,537 no-par-value shares of Commerzbank. Commerzbank transferred all shares in the cominvest Group in the value of EUR 0.7 bn. Furthermore, Commerzbank paid the Allianz Companies a total of EUR 2.3 bn in cash.
On August 31, 2008 Commerzbank and Dresdner Bank, with the participation of Allianz signed an agreement in principle on the merger between Commerzbank and Dresdner Bank. The three parties agreed *inter alia* that the existing distribution cooperation between Allianz and Dresdner Bank in assurbanking would in the future be operated directly by Allianz via a bank subsidiary. In addition, Commerzbank and Allianz have agreed upon the conclusion of long-term distribution agreements between Commerzbank and Allianz and their respective subsidiaries as part of a comprehensive sales cooperation in Germany.

On June 4, 2009 Commerzbank and AZ-Arges Vermögensverwaltungsgesellschaft mbH entered into an agreement with respect to the creation of a silent partnership in the amount of EUR750 million. As consideration for the provision of the silent partnership, the agreement provides for a profit participation of Allianz consisting of fixed interest of 9 % p.a. on the nominal value of the contribution plus additional dividend-linked remuneration of 0.01 % p.a. for each full EUR5,906, 764 cash dividend paid.

Utilization of SoFFin Stabilization Measures by Commerzbank

On November 2, 2008, and January 7, 2009, Commerzbank applied to the SoFFin for stabilization measures as provided for in the German Financial Market Stabilization Fund Act (the "FMStG"). The terms and conditions of these measures are described in more detail in the framework agreement of December 19, 2008, and the supplementary agreement of May 14, 2009, each between Commerzbank and the SoFFin.

On May 7, 2009, the European Commission declared that the stabilization measures granted to Commerzbank were in principle compatible with state aid provisions of the EC Treaty. However, for competition law reasons the Commission imposed a number of conditions on Commerzbank to which Commerzbank agreed to comply with in contract with SoFFin. Such conditions include (1) the reduction of the Group's total assets, (2) the disposal of Eurohypo by 2010 as well as of several investments by 2011, (3) a ban, applicable until April 2012, on acquiring other financial institutions and (4) restrictions on the terms and conditions that may be offered to customers (in market segments in which Commerzbank not only has a minor market position (a market share of more than 5 %), especially in the private customer and corporate banking business) up to December 31, 2012 to offer no more favorable prices for its products and services than the three most favorable competitors.

Such conditions were included in the framework agreement for the granting of stabilization measures between the SoFFin and Commerzbank as obligations of Commerzbank and were in parts already fulfilled by Commerzbank.

In response to the financial market crisis Commerzbank and SoFFin, represented by the Financial Market Stabilization Agency ("FMSA") signed an agreement on December 19, 2008 (amended on June 3, 2009 and restated on June 22, 2010) on the establishment of a silent partnership and on June 3, 2009 a further agreement (restated on June 22, 2010) on the establishment of a further silent partnership. On the basis of such agreements SoFFin contributed a silent participation of EUR 8.2 bn and on June 4, 2009 a further silent participation of EUR 8.2 bn to Commerzbank. Furthermore, SoFFin received 295,338,233 no-par-value shares in Commerzbank at an issue price of EUR6.00 from the capital increase against cash contribution resolved upon by the Annual General Meeting held on May 16, 2009. As a result of this capital increase, the SoFFin holds a stake of 25.0% plus one share in Commerzbank at the date of this Prospectus. In addition, SoFFin as guarantor and Commerzbank as guarantee signed an agreement on December 30, 2008 regarding the provision of guarantees up to EUR 15 bn for certain bearer bonds. A guarantee volume thereof of EUR 10bn was returned unused.

In return Commerzbank undertook to ensure that it remains adequately capitalized and to conduct its business on a cautious, sound and sustainable basis by de-risking, deleveraging and reducing its commercial real estate portfolio. The recapitalization measures are subject to the special terms and conditions that Commerzbank inter alia (1) provides German small and medium-sized enterprises with loans at normal market rates, subject to the bank's credit rating criteria, (2) establishes a special lending fund for German small and medium-sized enterprises with a new lending volume of EUR 2.5 bn, (3) aligns its remuneration systems for management and members of its corporate bodies to the sustainable long-term performance and profitability of the Group, (4) ensures that the monetary remuneration of the members of its corporate bodies does not exceed the gross amount of EUR500,000 per member per year in respect of their work for the Group, (5) adjusts and restructures its compensation systems for members of its corporate bodies in such a way as to eliminate any compensation in case of premature termination of service contracts existing at the time the framework agreement was concluded insofar as such compensation is not contractually or legally prescribed, and/or, in cases where service contracts are concluded after the execution of the framework agreement, to refrain from including such arrangements for compensation in the event of premature termination or change of control, (6) in the 2008 and 2009 fiscal years not pay a dividend for the respective previous years, (7) not reduce its capital except for restructuring purposes and not buy back any shares or other components of the bank's liable capital, (8) in the 2009 and 2010 fiscal years pay interest and dividends on profitparticipating equity instruments such as silent participations, hybrid capital and profit participation certificates only if it is required to do so without releasing any reserves or special reserves pursuant to section 340g of the German Commercial Code (HGB).

Legal and Arbitration Proceedings

During the previous twelve months, there were no governmental, legal or arbitration proceedings, nor is the Bank aware of any such proceedings pending or threatened, which may have, or have had in the recent past significant effects on the Bank's and/or Group's financial position or profitability.

Recent Developments

The subscribed capital of Commerzbank was increased by means of a contribution in kind of 118,135,291 shares on January 25, 2011. The new shares were issued against the contribution of hybrid equity instruments (Trust Preferred Securities) issued by companies of the Commerzbank group. Subsequently, the German Financial Market Stabilisation Fund (SoFFin) has converted a portion of its silent participations into shares in order to maintain its equity interest ratio in Commerzbank (25% plus one share). This will result in silent participations with a nominal value of approximately EUR 221 million being converted into 39,378,430 shares, using the conditional capital authorized in the 2009 Annual General Meeting of shareholders.

With the execution of both capital measures, the total number of Commerzbank shares has increased to 1,338,866,647 shares.

Commerzbank intends to largely reduce silent participations of SoFFin

Through to June 2011 Commerzbank is planning to redeem around EUR 14.3 billion of the EUR 16.2 billion in silent participations currently provided by the Financial Market Stabilization Fund (SoFFin). EUR 11.0 billion are to originate from a corporate action in which, upon the occurrence of certain conditions, SoFFin will also participate in accordance with its shareholding. Other silent participations amounting to EUR 3.27 billion are to be repaid from excess regulatory capital. The then remaining approximate sum of EUR 1.9 billion in silent participations is to be redeemed from future excess regulatory capital by 2014 at the latest.

Since April 6, 2011 conditional mandatory exchangeable notes, so-called CoMEN, are to be placed through a book building process. Commerzbank shareholders with the exception of SoFFin will receive purchase rights for these. The purchase period began on April 7, 2011. It is planned to automatically convert the CoMEN into Commerzbank shares following the adoption of the corresponding resolutions by the Annual General Meeting (AGM) and upon the occurrence of certain other conditions. The shares are to be issued via a conditional capital still to be created through the conversion of SoFFin silent participations. In order to maintain its shareholding of 25 % plus 1 share, SoFFin is converting additional silent participations into shares. As a second step a capital increase with subscription rights is foreseen. So as to maintain its shareholding of 25 % plus 1 share SoFFin is contributing silent participations. The rights issue will probably take place from the end of May to the beginning of June 2011. The shares created in the first step will be entitled to subscription rights.

In the framework of the transaction a total of some EUR 8.25 billion is to be raised from the capital markets. In addition, silent participations to the amount of some EUR 2.75 billion are to be converted into Commerzbank shares or contributed as part of the rights issue. The necessary resolutions for the implementation of the planned corporate action are to be adopted at the ordinary AGM of Commerzbank AG, which has been brought forward to May 6, 2011.

In connection with the early redemption of the silent participations SoFFin is receiving a one-off payment of EUR 1.03 billion. The silent participations in the amount of EUR 14.3 billion which are to be redeemed early will not be entitled to servicing for 2011.

Following the planned transaction and taking into account the one-off payment to SoFFin, the transaction costs and the corporate actions performed at the beginng of 2011, the Core Tier 1 ratio amounts to 8.8 %, the Equity Tier 1 ratio to 8.0 % (on a pro forma basis as of December 31, 2010).

Result of the CoMEN-issue

Commerzbank’s first step of the transaction to redeem the majority of the silent participations of the SoFFin accounts for a total of EUR 5.7 bn: Totalling approximately EUR 4.3 billion results from through the book building process and, in order to maintain its shareholding of 25 % plus 1 share, SoFFin will convert additional approximately EUR 1.4 billion of silent participations into shares.

All of the offered 1,004,149,984 CoMEN were placed. The purchase price was set at EUR 4.25 per CoMEN. The CoMEN are to be listed on the Frankfurt Stock Exchange and on the Xetra trading system as of April 18, 2011.

Rating

The following table shows the ratings of the issuer at the date of the prospectus:

Rating agency	Long-term Rating	Short-term Rating
Standard & Poor´s	A	A-1
Moody´s Investors Service	A2	P-1
Fitch Ratings	A+	F1+

The information regarding the Rating has been accurately reproduced and no facts have been omitted which would render the rating-information inaccurate or misleading.

In accordance with the EU-Regulation No. 1060/2009 Commerzbank confirms that each of the above-mentioned rating agencies with a seat in the European Community has applied for registration under this regulation.

DOCUMENTS INCORPORATED BY REFERENCE

All of the following documents incorporated by reference in this Base Prospectus have been published in a base prospectus or supplement to a base prospectus in each case deposited with and approved by the German Federal Financial Supervisory Autorhity (Bundesanstalt für Finanzdienstleistungsaufsicht). The parts of the respective base prospectus or supplement to a base prospectus which are not incorporated by reference herein are not relevant to the investor.

The "Terms and Conditions" of the Former Base Prospectus (see page 59 of this Base Prospectus) shall be incorporated by reference and form part of this Base Prospectus.

The following documents were published in the Supplement C dated April 15, 2010 to the Base Prospectus dated June 8, 2009 relating to the Scandinavian Notes/Certificates Programme of Commerzbank Aktiengesellschaft and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

Commerzbank Group
Annual Report 2009

Reports	p. 108 – 276
Comprehensive statement of income	p. 281 - 284
Balance sheet	p. 285
Statement of changes in equity	p. 286 – 287
Cash flow statement	p. 288 – 289
Notes	p. 290 - 399
Auditors' report	p. 406
Holdings in affiliated and other companies	p. 413 - 453

The following documents were published in the Base Prospectus dated April 6, 2011 relating to Structured Notes of Commerzbank Aktiengesellschaft and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

Commerzbank Group
Annual Report 2010

Group Management Report	p. 96
Group Risk Report	p. 182
Financial Statements of the Commerzbank Group as at December 31, 2010	p. 220
Statement of comprehensive income	p. 224 - 227
Balance sheet	p. 228 – 229
Statement of changes in equity	p. 230 – 231
Cash flow statement	p. 232 – 233
Notes	p. 234 – 388
Responsibility statement by the Board of Managing Directors	p. 389
Auditor's report	p. 390

Financial Statements and Management Report
2010 of the Commerzbank AG

Management report	p. 394 - 462
Income statement	p. 463
Balance sheet	p. 464
Notes	p. 466 - 510

Responsibility statement by the Board of Managing Directors	p. 511
Auditor's report	p. 512

Documents incorporated by reference have been published on the website of the Issuer (www.commerzbank.com).

Frankfurt am Main, April 15, 2011

C O M M E R Z B A N K
AKTIENGESELLSCHAFT

by: Borinski	by: Jung